

2023 Mid-Sized Company Risk Report

Presented by QBE North America



Introduction



● **Mid-sized companies account for roughly a third of the U.S. economy, often acting as the most dynamic area of growth.**

Although definitions of the sector itself may vary, [some estimate](#) the sector comprises of over 200,000 companies that generate more than \$10 trillion in annual revenue and employ nearly 50 million people.

Fortunately for the overall U.S. economy, mid-sized companies have demonstrated resilience in recent years despite facing formidable challenges including quarantine lockdowns, supply chain disruptions, labor shortages, high inflation, and rapidly rising interest rates.

Revenue and earnings growth rates have fallen from their 2021 peak yet remain positive, with Q2 2023 year-over-year growth of 4.3% for revenue and 4.5% for earnings, according to the [Golub Capital Altman Index](#). In Q1 2023, revenue rose 11.1% and earnings 10.9%.

As mid-sized company executives contemplate the future, we wanted to better understand their mindset and needs. What concerns do they have about the health of their business? How well are they preparing for the risks ahead? To answer these questions and others, QBE North America prepared this 2023 Mid-Sized Company Risk Report, produced in partnership with the Association for Corporate Growth (ACG). Now in its fourth edition, the report is based on an annual survey of executives in various risk management roles

at companies with \$200 million to \$3 billion in revenue from a cross-section of industries.

This report examines: 12 macro and 99 micro risks that most concern mid-sized company executives; whether respondents have implemented risk-management plans to mitigate risks; and, what they most desire to reduce risk exposure.

Successful business leadership depends upon effective risk assessment and management. QBE is committed to helping mid-sized businesses build a more resilient future in the face of a multitude of risks. In concert with our broker partners, we work closely with customers to address their company's unique risk needs. As trusted advisors, we provide expertise across various lines of insurance to develop solutions that fit the business.

We strive to instill our customers with the necessary insight and confidence to continue building their businesses through each cycle of creative exploration and measured risk-taking.

Successful business leadership depends upon effective risk assessment and management.

We're pleased to offer this year's report as an important resource for timely information about the most concerning business risks for mid-sized companies in the U.S.

Executive summary



- **Overall level of concern fell 11% from its 2022 peak.**

Across the 12 macro risks measured, the average level of executives highly concerned was 54%, down from 65% in 2022 and back in the range of 2021 and 2020 levels. All macro risks declined in level of concern.

- **Financial and digital remained the most concerning macro risks.**

Financial and digital risks have been the first and second most concerning macro risks for four years in a row. Organizational risk and macroeconomic risk have risen in the ranking to the third and fifth most concerning, respectively, with business interruption in fourth. Pandemic-related risk and liability risk experienced the largest declines in the ranking. Natural disaster and climate change risk continued to rank at or near the bottom of concerns.

- **Cyberattacks continued to be the most concerning micro risk.**

Fear of cyberattacks and breaches has consistently been the key reason the digital macro risk has ranked as the second most concerning since 2020. Other concerning micro risks this year include fragile supply chain, recession, inflation, attracting and retaining talent, fraud, operational performance, and breach of privacy. Inflation as a relative concern rose significantly in 2023 compared to the preceding three years, even as inflation recently eased. Fragile supply chain concern is also significantly higher than in 2021 and 2020.

- **Cyber concerns manifested in many ways.**

In addition to cyberattacks being the most concerning micro risk overall, cybersecurity related to remote work was the top concern within the pandemic macro risk category. Loss of safeguards from theft/cyberattacks were a significant concern for companies' M&A strategy, and protection for digital assets was cited as the top unmet need for four straight years.

- **To manage risk, mid-sized companies most desired customized advice.**

More than half (57%) wanted advice customized to their industry or business, and nearly half (49%) wanted insurance products more customized to their business's needs. These two needs have traded places at the top since 2021. Fewer expressed having unmet risk management needs in 2023 (61%) than in 2022 (74%), perhaps reflecting the decline in overall macro risk concern.

- **Level of preparedness fell to the lowest standing in four years.**

The average percentage of companies having a risk mitigation plan for each macro risk was 43%, down from 46% in 2022 and 45% in 2021 and 2020. The decrease could reflect the decline in concern about macro risks overall. This connection was evidenced by the gap between the percentage of executives highly concerned about a macro risk and the percentage who have a risk mitigation plan for it. The gap tended to grow going from the top to bottom ranked risks, an indication that mid-sized companies may only have the resources to tackle the most-concerning risks.

Top risk management needs

To better mitigate risks, the top needs companies expressed (again) was for customized advice and tailored insurance products.

Customized advice for the industry or business was the top need for reducing risk exposure, increasing five percentage points from 2022. Coming in a close second was the need for insurance products more customized to the business.

The desire for more reasonable rates fell significantly from 2022, even though actual rates for some major lines of insurance (such as property) have been increasing dramatically. The sentiment may reflect a growing focus on coverage and value-added services.

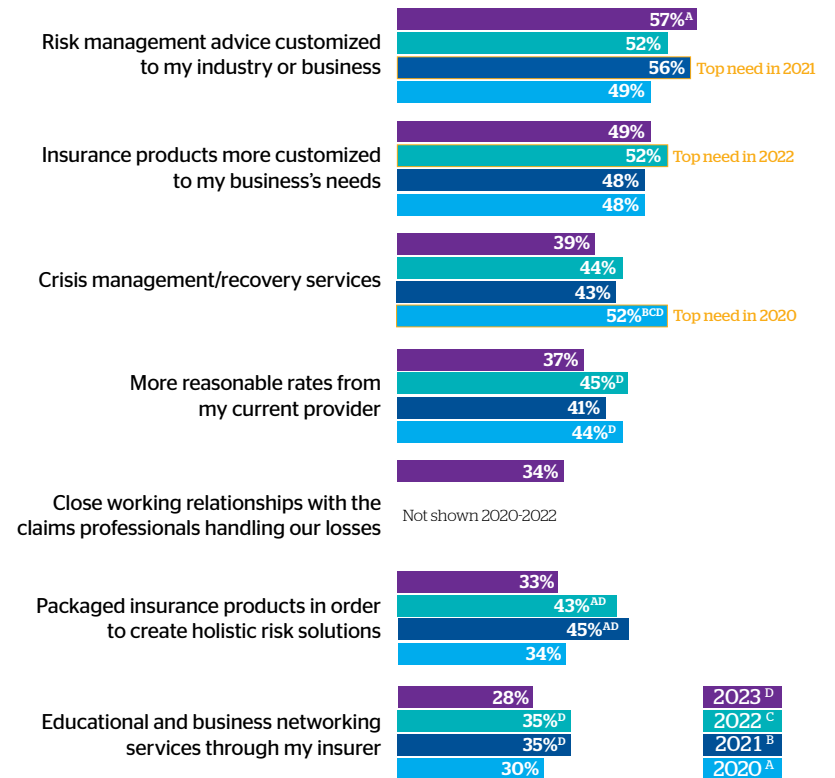
Crisis management/recovery services also fell as pandemic concerns continue to fade.

Having a close working relationship with a claims professional was cited as a top need for 34% of respondents—a new question in 2023.

Significantly fewer (61%) expressed having an unmet risk management need in 2023 than in 2022 (74%). This trend could reflect the decline in overall concern about risks, as well as improvements in how the insurance industry serves mid-sized companies. On an open-ended question basis, digital assets protection/coverage remained the top unmet need for the fourth year in a row, but by a much smaller margin in 2023 than in 2022.

Companies highly desire to engage with loss control specialists at their insurer. In 2023, 78% indicated a high level of interest in doing so—a decline from 90% in 2022 but still significantly above the 65% in 2020.

Top Needs for Reducing Risk Exposure



2023 n=384, 2022 n=302, 2021 n=302, 2020 n=303
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence.
 C2. What are the top three needs of your business related to understanding and reducing your risk exposure that are currently not being met?

Companies' top macro risks

- **Financial and digital risk remained the most concerning risks for the fourth year in a row, while concern for all macro risks fell significantly since 2022.**

Financial risk continued as the most concerning risk driven by a wide variety of factors; Digital risk repeated as the second most concerning driven primarily by fears of cyberattacks/breaches.

Organizational risk overtook Business Interruption risk as third most concerning in 2023 – driven largely by worries about not attracting and retaining talent and the impact of demographic changes in the talent pool.

Macroeconomic risk rose four spots from ninth to fifth most concerning – the biggest jump for any macro risk – driven primarily by fears of recession and inflation.

Reputational risk rose one spot from eighth to seventh. Litigation rose from 11th place to ninth. Natural disasters declined from 12th to 10th (trading places with climate change).

Pandemic risk continued to fall as a concern in 2023 from seventh to 11th – the sharpest drop of any macro risk.

Other declines:

Climate change fell from 10th to 12th.

Liability risk slipped from fifth to eighth.

Business interruption from third to fourth.

As in previous years, the contrast between levels of concern and having a risk mitigation strategy suggests that mid-sized companies may lack the resources needed to address all but their most concerning risks.

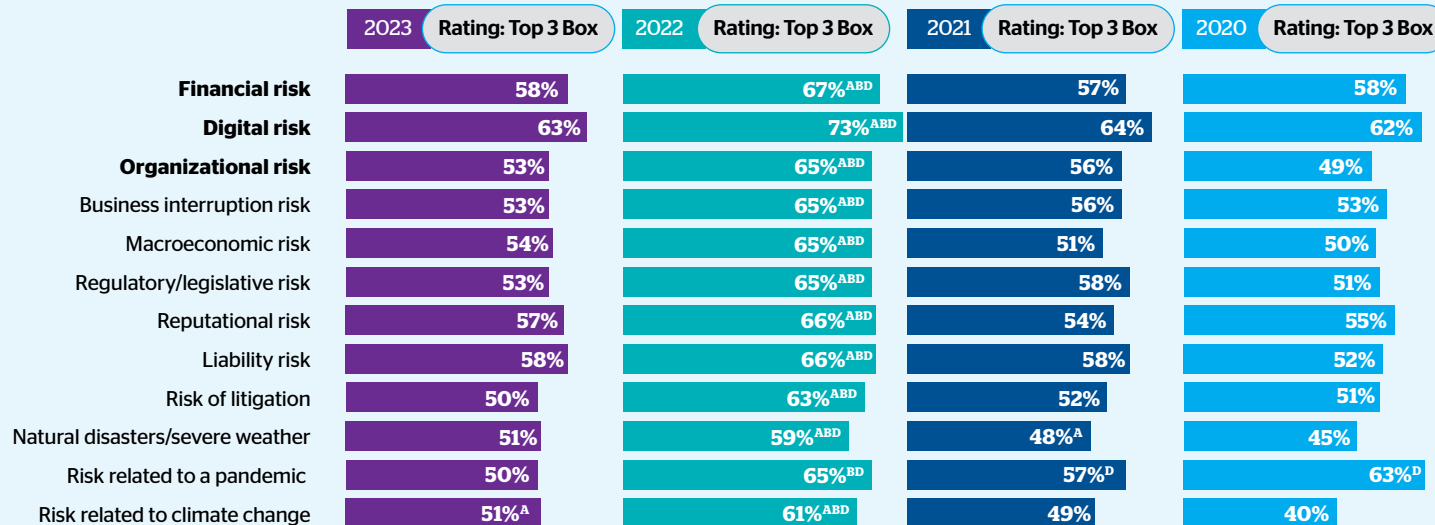
Fewer than half of the companies had a mitigation plan in place for any macro risks below the top two concerns. The average level of having a risk mitigation plan in place (43%) was the lowest in four years.

The general lack of risk-planning and desire for customized advice and protection underscores the importance of engaging with insurance brokers and carriers to prepare for a wider range of threats.

The average level of having a risk mitigation plan in place (43%) was **the lowest in four years.**

Most Concerning Macro Business Risks

Ranked: % Top 5 Most Concerning	2023	2022	2021	2020
Financial risk	58%	60%	61%	65%^D
Digital risk	53%	51%	60%^{CD}	55%
Organizational risk	50%^{AB}	44%^B	36%	38%
Business interruption risk	48%	51%	55% ^D	51%
Macroeconomic risk	43% ^{ABC}	36% ^B	28%	35% ^B
Regulatory/legislative risk	42%	40%	39%	37%
Reputational risk	41% ^B	36%	34%	40% ^B
Liability risk	40%	44%	44%	44%
Risk of litigation	35%	33%	32%	33%
Natural disasters/severe weather	33%	33%	32%	29%
Risk related to a pandemic	29%	39% ^D	51% ^{CD}	51% ^{CD}
Risk related to climate change	29% ^A	34% ^A	28% ^A	21%



2023 ^D
2022 ^C
2021 ^B
2020 ^A

2023 n=384, 2022 n=302, 2021 n=302, 2020 n=303
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence.
 A2. Now, please review this list of risks and click or drag to rank 1 as the risk that is most concerning for your business, 2 as the next most concerning, etc. for your top 5 rankings.
 A1. Please rate your level of concern regarding the following potential risk to your business.



Companies' top micro risks

- **Cyber and economic trends continued as the most concerning micro risks.**

Cyberattacks remained the top micro risk among the 99 measured in the report by a large margin.

Fragile supply chain risk, **recession**, and **inflation** were the next-most concerning issues. All have increased as concerns over the past three years, with supply chain and inflation concerns rising significantly.

Notably, fears of recession and cyberattack were significantly higher among older mid-sized companies (21+ years old) than for younger companies (<20 years old).

Breach of privacy grew to a top concern for the first time.

Operational performance remained a top concern.

Fraud/theft and **attracting and retaining talent** rounded out the list of top considerations, but both directionally decreased as a top concern over the last four years.

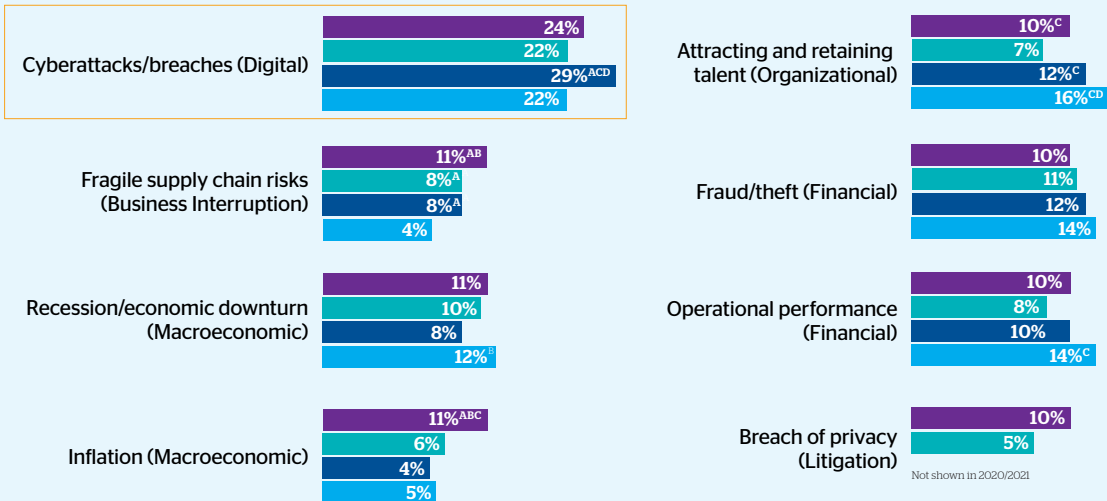
Concern about **changes in regulations that would impact businesses** fell off the list of top concerns, perhaps because pandemic-related changes have eased and 2023 marks the third year of the current administration with a divided Congress.

Fears about **losing a critical supplier/sub-contractor** also fell off the list of top concerns, perhaps since China has eased its zero-COVID lockdown policy and progress has been made in supplier diversification.

... **fears of recession and cyberattack** were significantly higher among older mid-sized companies (21+ years old) than for younger companies (<20 years old).

Most Concerning Micro Risks

% risk ranked in top 5



Concerns about recession and cyber attacks were significantly higher among older MM companies (21+ years old) vs. younger companies (<20 years old)

Top Micro Risks that were significantly higher in 2023 than 2022 include Inflation (Macroeconomic) and Attracting and retaining talent (Organizational)

2023 n=384, 2022 n=302, 2021 n=302, 2020 n=303
 Results showing top answers for 2023 only (10% or greater). Full results can be found in crosstabs.
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence.
 A16. You will now see all the specific risks that you cited as "most concerning risks" for your business. Please rank all of the risks below from most to least concerning.

2023^D
 2022^C
 2021^B
 2020^A

Exploring top macro risks

- In this section, we take a deeper look into each of the 12 macro risks, analyzing the specific micro risks within each category. We note which of these micro risks were of top concern to respondents in 2023 and where significant changes have taken place over the past two years.



Financial

Financial risk ranks as the primary concern for the fourth consecutive year.

Top specific concerns for financial risk include fraud/theft and operational performance, which have remained consistent since 2020. Although a wide variety of micro risks ranked close behind.

The percentage of executives concerned about cash flow/liquidity risk declined significantly from prior years.

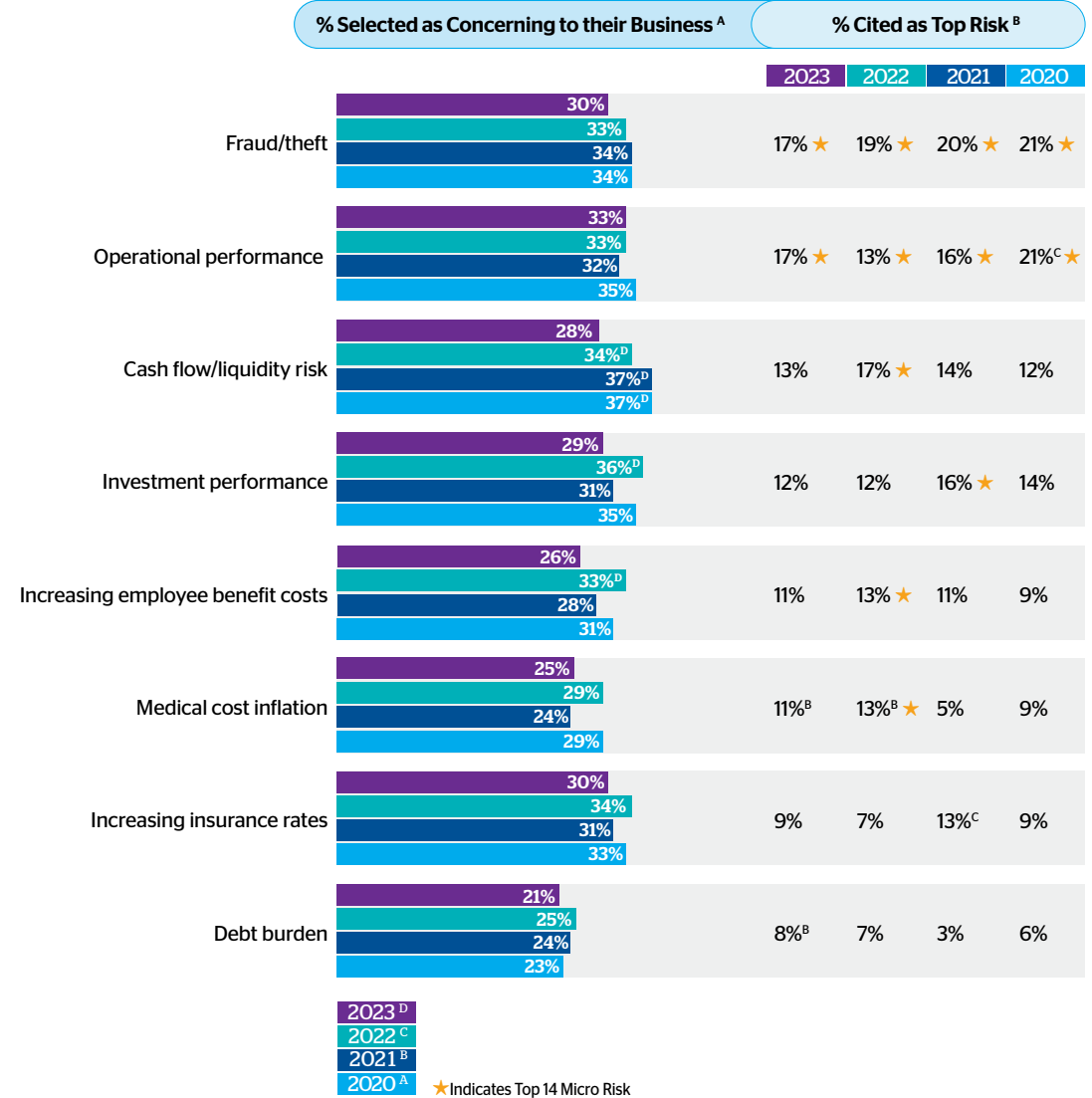
Concern about increasing employee benefit costs eased significantly from 2022, while concern about medical cost inflation diminished directionally.

Concern about debt burden declined directionally from 2022; it continues to rank at the bottom overall despite the rapid rise in interest rates.



Financial Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	58%	60%	61%	65% ^D
Macro Risk Ranking	1 st of 12	1 st of 12	1 st of 12	1 st of 12



2023 n=222, 2022 n=181, 2021 n=185, 2020 n=198
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
 A: % Selected results based on total sample and are comparable to all other Micro risk slides | B: % Top Reason results based on individual question sample and sum to 100% per slide.
 A5: Which of the following specific financial risks concern you? Which do you consider to be the most concerning risk to your business?

Digital

Digital risk ranked as the second most concerning for the fourth year in a row.

Cyberattacks/breaches ranked as the top micro risk once again within the digital macro risk category, as chosen by 45% of executives. Cyberattacks also took the top spot for the fourth consecutive year as the most concerning micro risk overall among the 99 total micro risks.

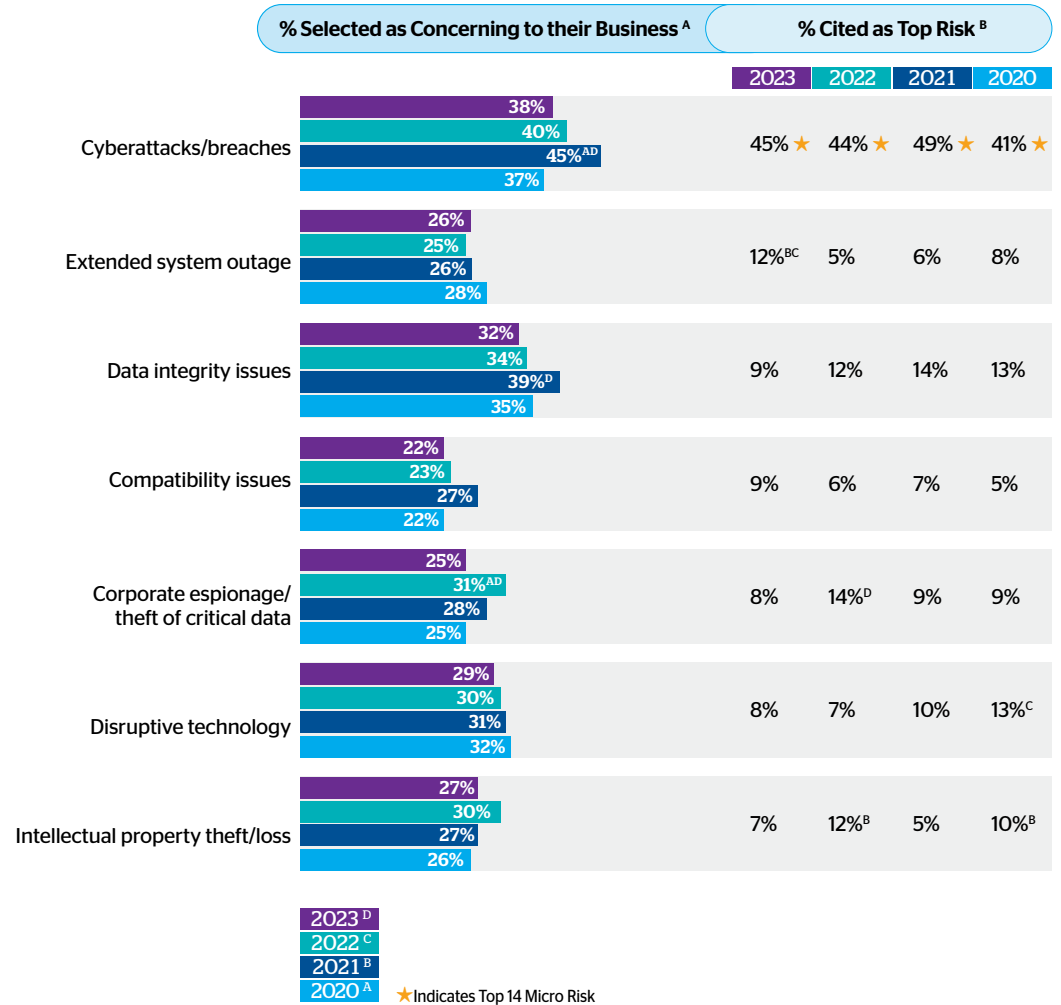
Fears about **extended system outage** as a top risk increased significantly over 2022 and 2023, although the percentage of executives worried about it held steady.

Meanwhile, concern about **corporate espionage/theft of critical data** as a top risk fell significantly, as did the percentage of executives who cited it as a concern compared to 2022. **Intellectual property theft/loss** fell to the bottom as a top risk.



Digital Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	53%	51%	60% ^{CD}	55%
Macro Risk Ranking	2 nd of 12	2 nd of 12	2 nd of 12	2 nd of 12



2023 n=203, 2022 n=154, 2021 n=182, 2020 n=166
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
 A: % Selected results based on total sample and are comparable to all other Micro risk slides | B: % Top Reason results based on individual question sample and sum to 100% per slide.
 A7: Which of the following specific digital risks concern you? Which do you consider to be the most concerning risk to your business?

Organizational

Organizational risk replaced business interruption as third-most concerning in 2023.

Organizational risk continued the ascent which began in 2022, when it rose three spots from seventh to fourth.

Attracting and retaining talent was the primary driver, being cited as the top concern within organizational risk and a top risk overall.

Impact of demographic changes on the talent pool was second-most concerning.

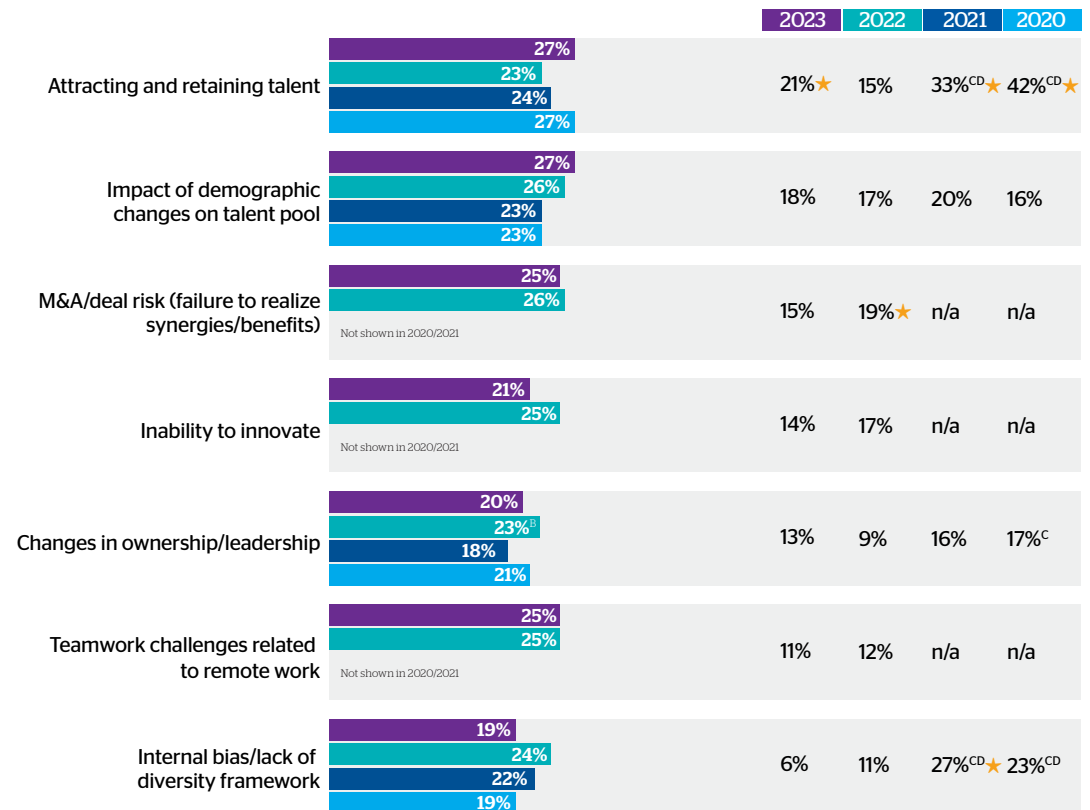
Internal bias/lack of diversity framework fell to the least-concerning risk after ranking as one of the top risks in 2021 and 2020. The decline may reflect easing tensions following the events/protests of 2020, as well as progress in implementing diversity frameworks.



Organizational Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	50% ^{AB}	44% ^B	36%	38%
Macro Risk Ranking	3 rd of 12	4 th of 12	7 th of 12	7 th of 12

% Selected as Concerning to their Business ^A % Cited as Top Risk ^B



2023 ^D
 2022 ^C
 2021 ^B
 2020 ^A ★ Indicates Top 14 Micro Risk

2023 n=192, 2022 n=133, 2021 n=109, 2020 n=114
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
 A: % Selected results based on total sample and are comparable to all other Micro risk slides | B: % Top Reason results based on individual question sample and sum to 100% per slide.
 A12: Which of the following specific organizational risks concern you? Which do you consider to be the most concerning risk to your business?

Business Interruption

Business Interruption was the fourth-most concerning risk, falling from third for the past two years.

Fragile supply chain risks led the list of concerns and ranked as a top concern overall for the second year running.

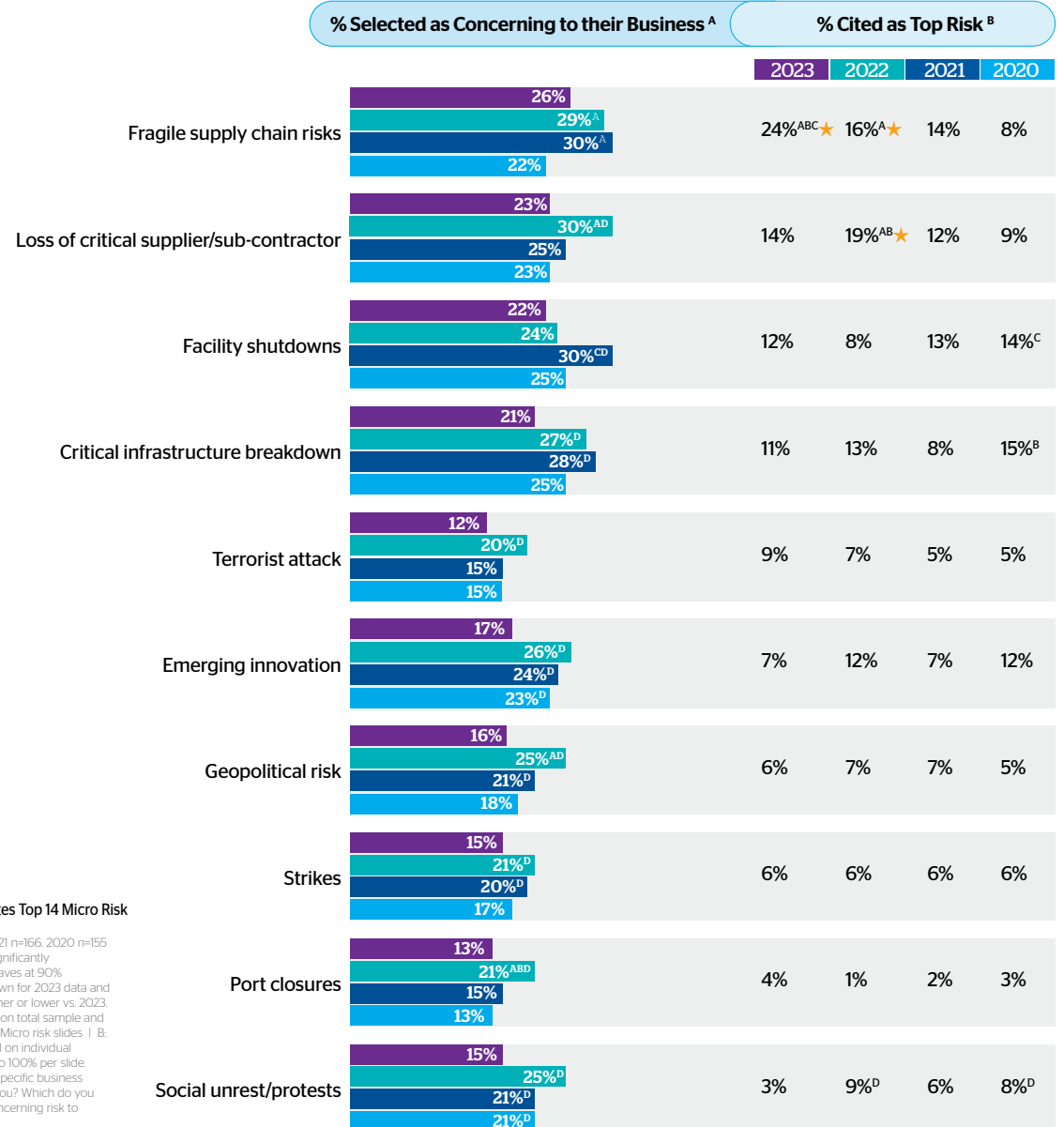
Conversely, the related risk of losing a critical supplier/sub-contractor fell from the top concerning risk to the number-two spot within business interruption and dropped out of the list of top overall micro risk concerns. The conflicting trend could reflect companies' progress in addressing the most critical supplier/contractor relationships, while maintaining a generalized concern for the overall supply chain.

Relative rankings among the risks didn't change much otherwise. However, all risks had at least a directional decline in the percentage of executives concerned. The decrease may reflect the broad decline in concern seen across all macro risks.



Business Interruption Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	48%	51%	55%	51%
Macro Risk Ranking	4 th of 12	3 rd of 12	3 rd of 12	4 th of 12



2023 ^D
 2022 ^C
 2021 ^B
 2020 ^A ★ Indicates Top 14 Micro Risk

2023 n=185, 2022 n=154, 2021 n=166, 2020 n=155
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023. A: % Selected results based on total sample and are comparable to all other Micro risk slides | B: % Top Reason results based on individual question sample and sum to 100% per slide. A6. Which of the following specific business interruption risks concern you? Which do you consider to be the most concerning risk to your business?

Macroeconomic

Macroeconomic risk jumped four spots, from ninth to fifth-most concerning in 2023, building on the two-spot rise in 2022.

This year's increase in macroeconomic concern appears to be primarily driven by the twin fears of **recession/ economic downturn and inflation** – the two most-concerning risks in the macroeconomic risk category. Both also ranked among the top overall micro risks.

Inflation had a steady gain in the percentage of executives concerned in each of the last four years.

Meanwhile, fear of **deflation** as a top concern declined significantly from 2022 and was ranked last for the first time this year.

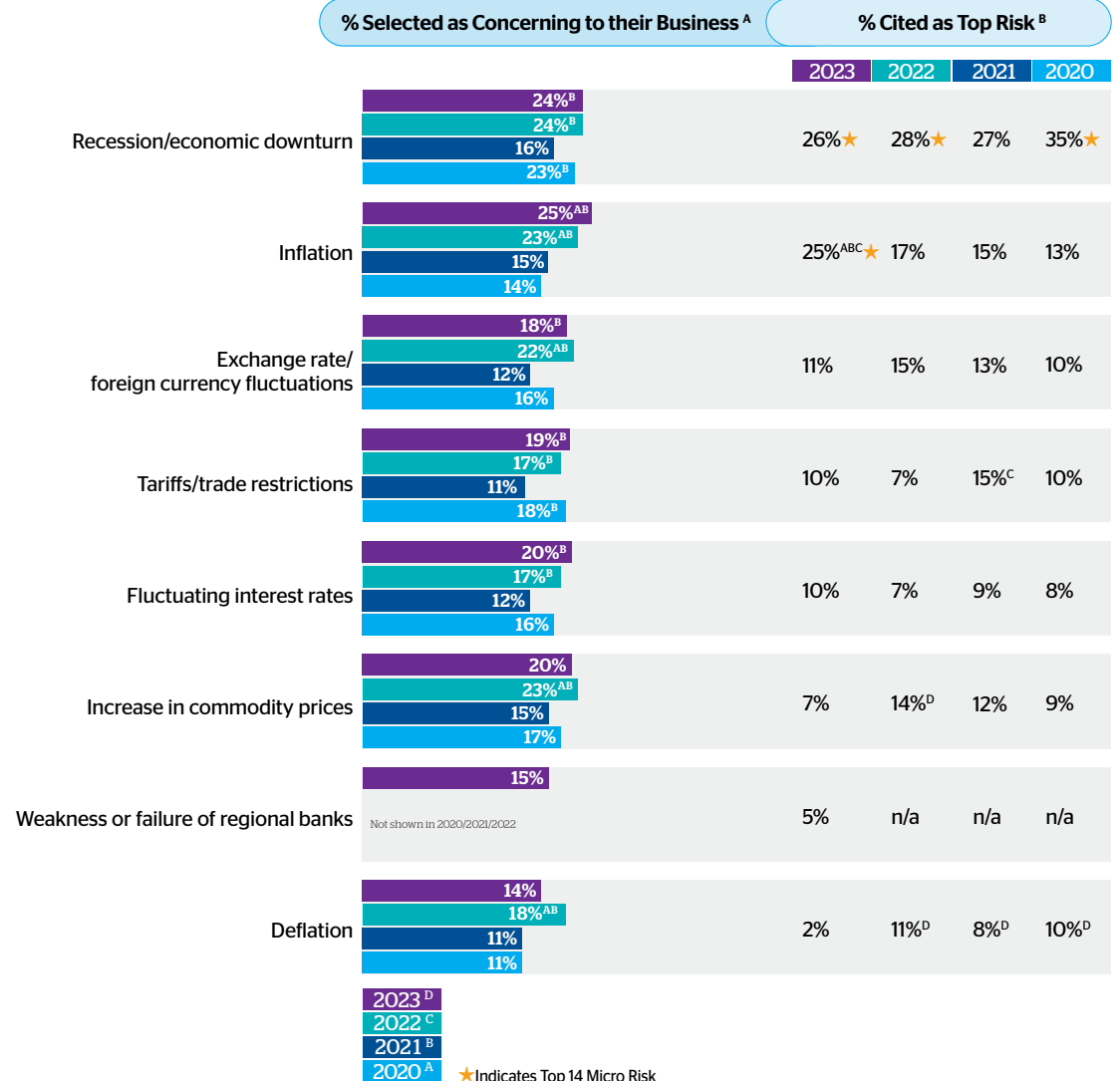
Rising fear of inflation, even as it has recently eased, could indicate a lag between changes in economic data and perception.

Additionally, despite regional bank failures early in 2023, concern about weakness or failure of regional banks (a new question in 2023) was low, ranking next-to-last among all macroeconomic risks.



Macroeconomic Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	43% ^{ABC}	36% ^B	28%	35% ^B
Macro Risk Ranking	5 th of 12	9 th of 12	11 th of 12	9 th of 12



2023 n=166, 2022 n=109, 2021 n=85, 2020 n=107
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
 A. % Selected results based on total sample and are comparable to all other Micro risk slides | B. % Top Reason results based on individual question sample and sum to 100% per slide.
 A4. Which of the following specific macroeconomic risks concern you? Which do you consider to be the most concerning risk to your business?

Regulatory/Legislative

Regulatory risk remained the sixth-most concerning for the third year in a row.

Concern over the potential for **more aggressive enforcement of regulations and changes to regulations that impact business** ranked as the most serious regulatory/legislative risks.

For the first time, however, **changes to regulations that impact business** did not make the cut as a top overall micro risk. The percentage of executives concerned about regulatory changes has also fallen significantly since 2021 and the change of the federal administration.

Blocking planned M&A transactions (a new question in 2023) did not rank as a top concern.

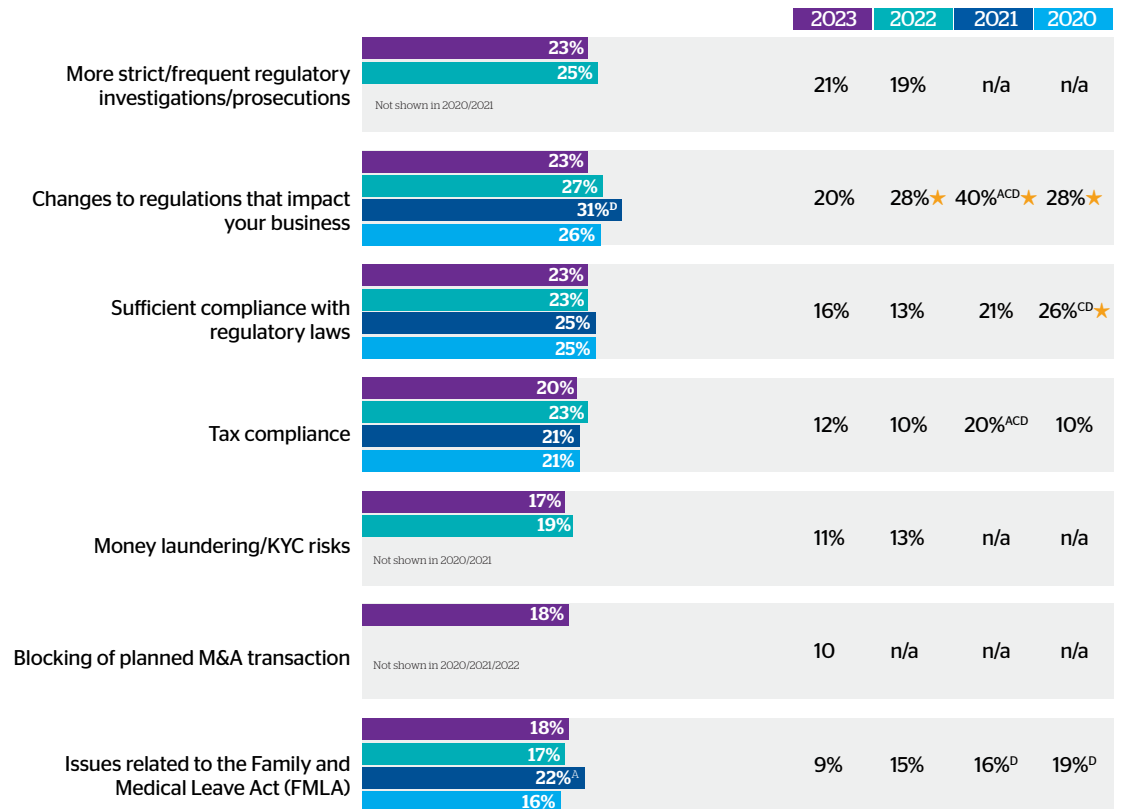


Regulatory/Legislative Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	42%	40%	39%	37%
Macro Risk Ranking	6 th of 12	6 th of 12	6 th of 12	8 th of 12

% Selected as Concerning to their Business ^A

% Cited as Top Risk ^B



2023 ^D
 2022 ^C
 2021 ^B
 2020 ^A ★ Indicates Top 14 Micro Risk

2023 n=162; 2022 n=120; 2021 n=117; 2020 n=113
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
 A: % Selected results based on total sample and are comparable to all other Micro risk slides | B: % Top Reason results based on individual question sample and sum to 100% per slide.
 All: Which of the following specific regulatory/legislative risks concern you? Which do you consider to be the most concerning risk to your business?

Reputational

Reputational risk rose one spot from eighth- to seventh-most concerning.

Poor product barely edged out poor customer service and actions of errant employees as the most concerning micro risk, but no single micro risk dominated as a key driver of reputational concerns.

Even with so much about ESG in the news, having a poor ESG rating fell to the middle of the pack of concerns.

Being caught in a political controversy fell significantly as a top concern from 2022 and now ranks last. The sharp drop contrasts starkly with the sudden attention drawn by certain large companies taking hot button cultural stances.

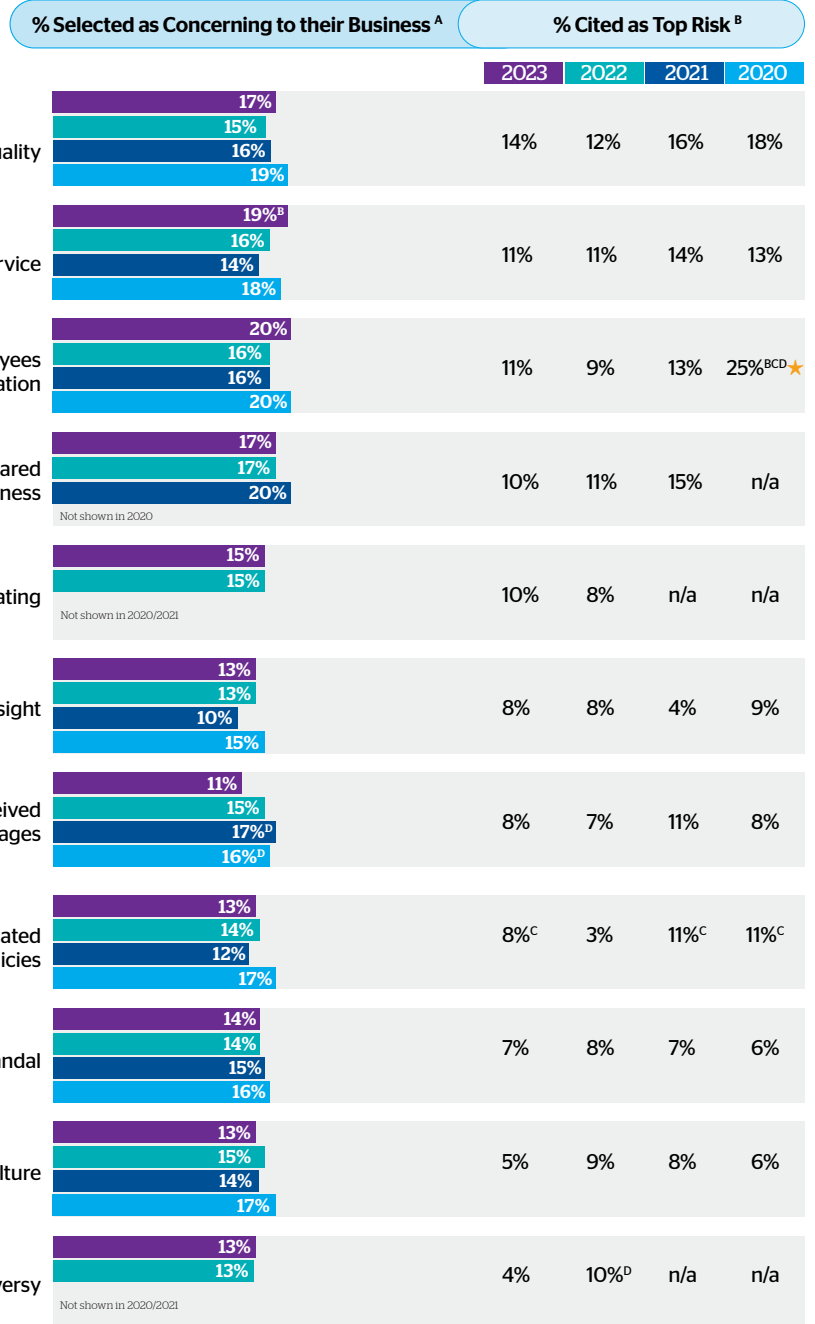


2023^D
2022^C
2021^B
2020^A ★ Indicates Top 14 Micro Risk

2023 n=157, 2022 n=109, 2021 n=102, 2020 n=122
Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
A: % Selected results based on total sample and are comparable to all other Micro risk slides | B: % Top Reason results based on individual question sample and sum to 100% per slide.
A15: Which of the following specific reputational risks concern you? Which do you consider to be the most concerning risk to your business?

Reputational Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	41% ^B	36%	34%	40% ^B
Macro Risk Ranking	7 th of 12	8 th of 12	8 th of 12	6 th of 12



Liability

Liability risk fell to eighth-most concerning after ranking fifth for three straight years.

For the first time in four years, no single micro risk was in the top risks overall.

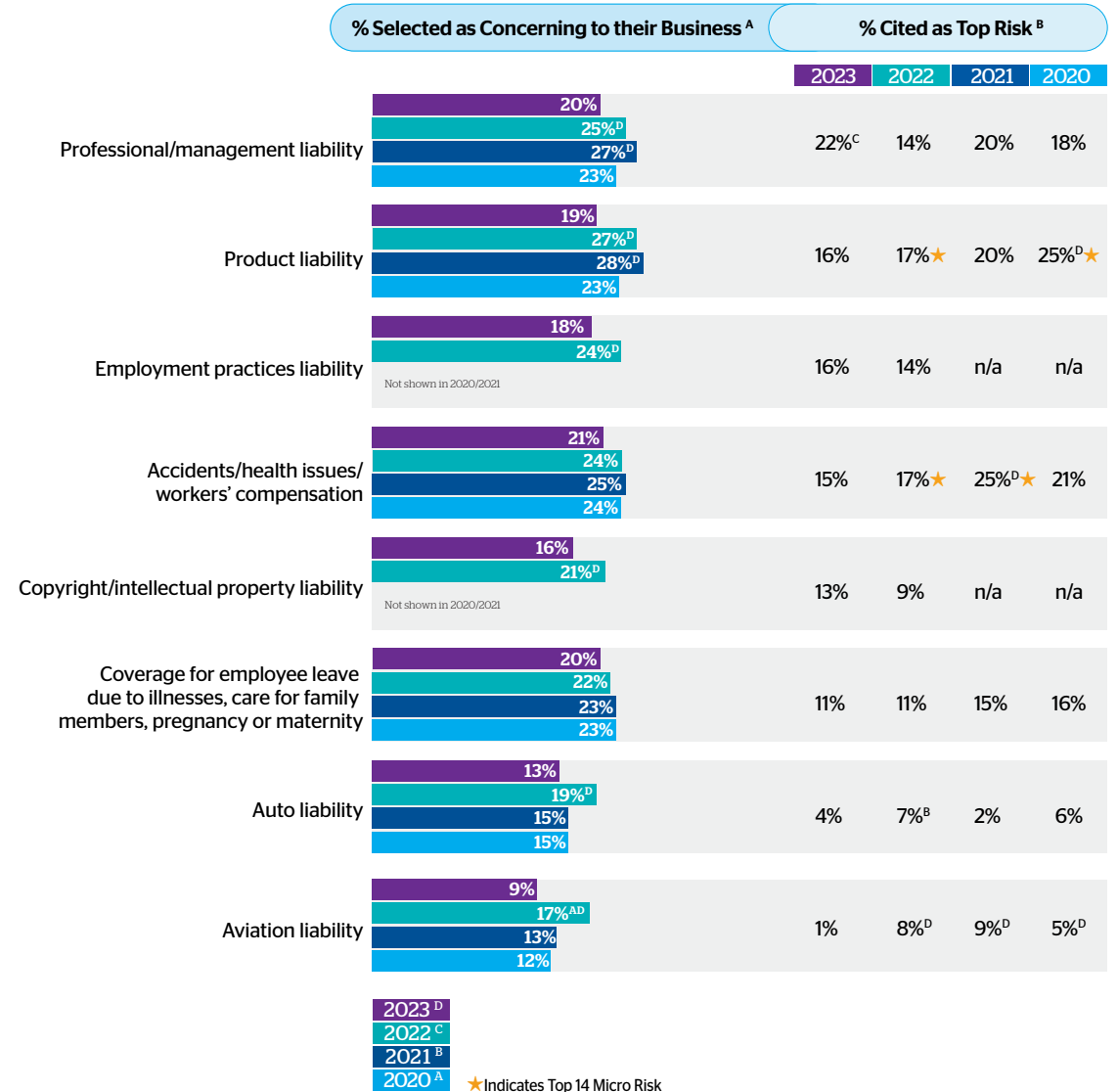
Professional/management liability ranked as the most concerning liability micro risk for the first time in four years.

Relative concern about accidents/health issues/workers' compensation was significantly lower than in 2021.



Liability Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	40%	44%	44%	44%
Macro Risk Ranking	8 th of 12	5 th of 12	5 th of 12	5 th of 12



2023 n=152, 2022 n=132, 2021 n=132, 2020 n=134
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
 A: % Selected results based on total sample and are comparable to all other Micro risk slides | B: % Top Reason results based on individual question sample and sum to 100% per slide.
 A9: Which of the following specific liability risks concern you? Which do you consider to be the most concerning risk to your business?

Litigation

Litigation rose two spots from 11th to ninth in the macro risk ranking.

For the first time in four years, a micro risk in the litigation category made the list of top macro risks overall: **breach of privacy**. This rise may reflect the progress of companies in collecting and digitizing sensitive customer and employee data and the prevalence of cyberattacks.

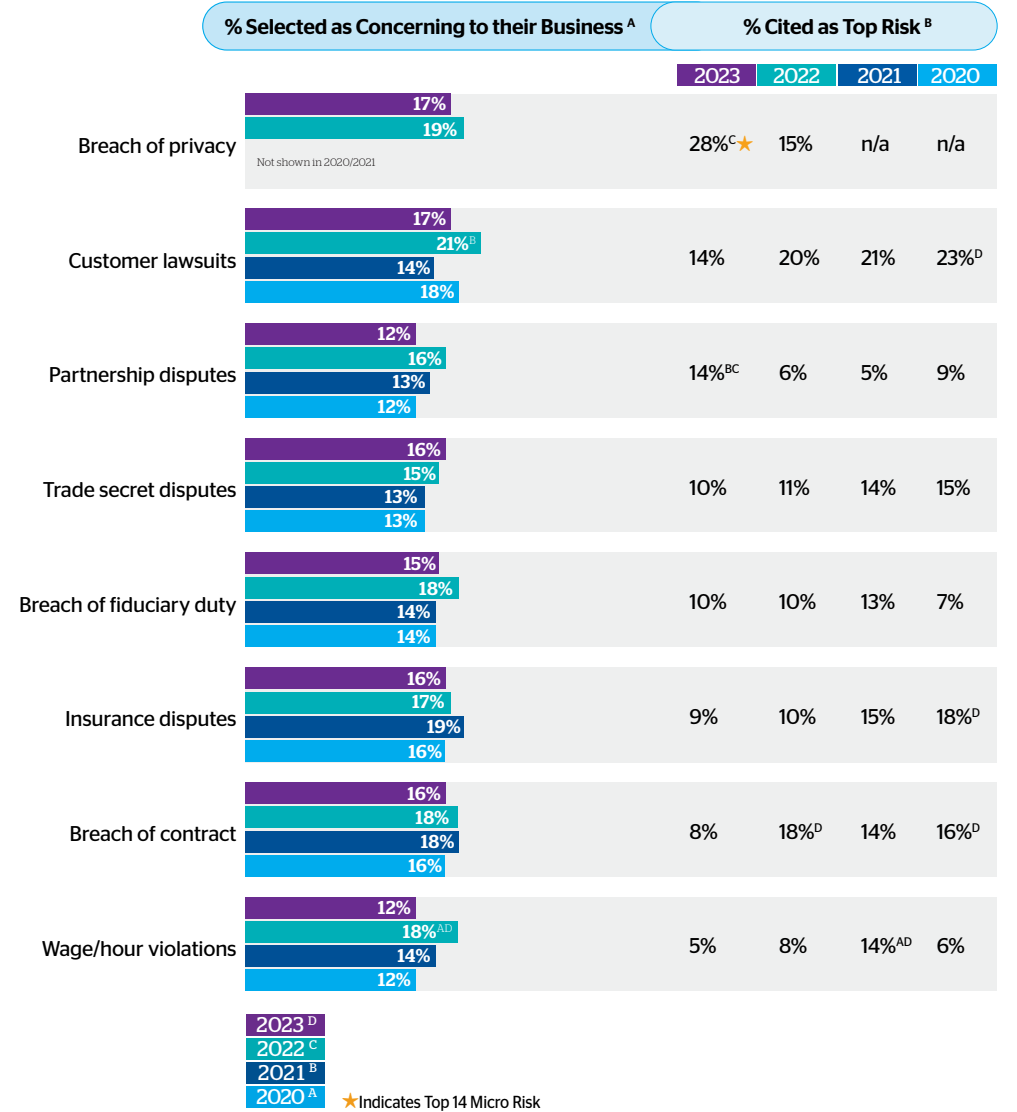
Customer lawsuits and partnership disputes tied as the next-most concerning risks cited, with partnership disputes significantly higher as a top concern compared to the past two years.

Meanwhile, **breach of contract** and **wage/hour violations** fell sharply from previous years.



Litigation Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	35%	33%	32%	33%
Macro Risk Ranking	9 th of 12	11 th of 12	9 th of 12	10 th of 12



2023 n=133, 2022 n=100, 2021 n=97, 2020 n=100
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
 A: % Selected results based on total sample and are comparable to all other Micro risk slides | B: % Top Reason results based on individual question sample and sum to 100% per slide.
 A10: Which of the following specific risks related to litigation concern you? Which do you consider to be the most concerning risk to your business?

Natural Disaster/Severe Weather

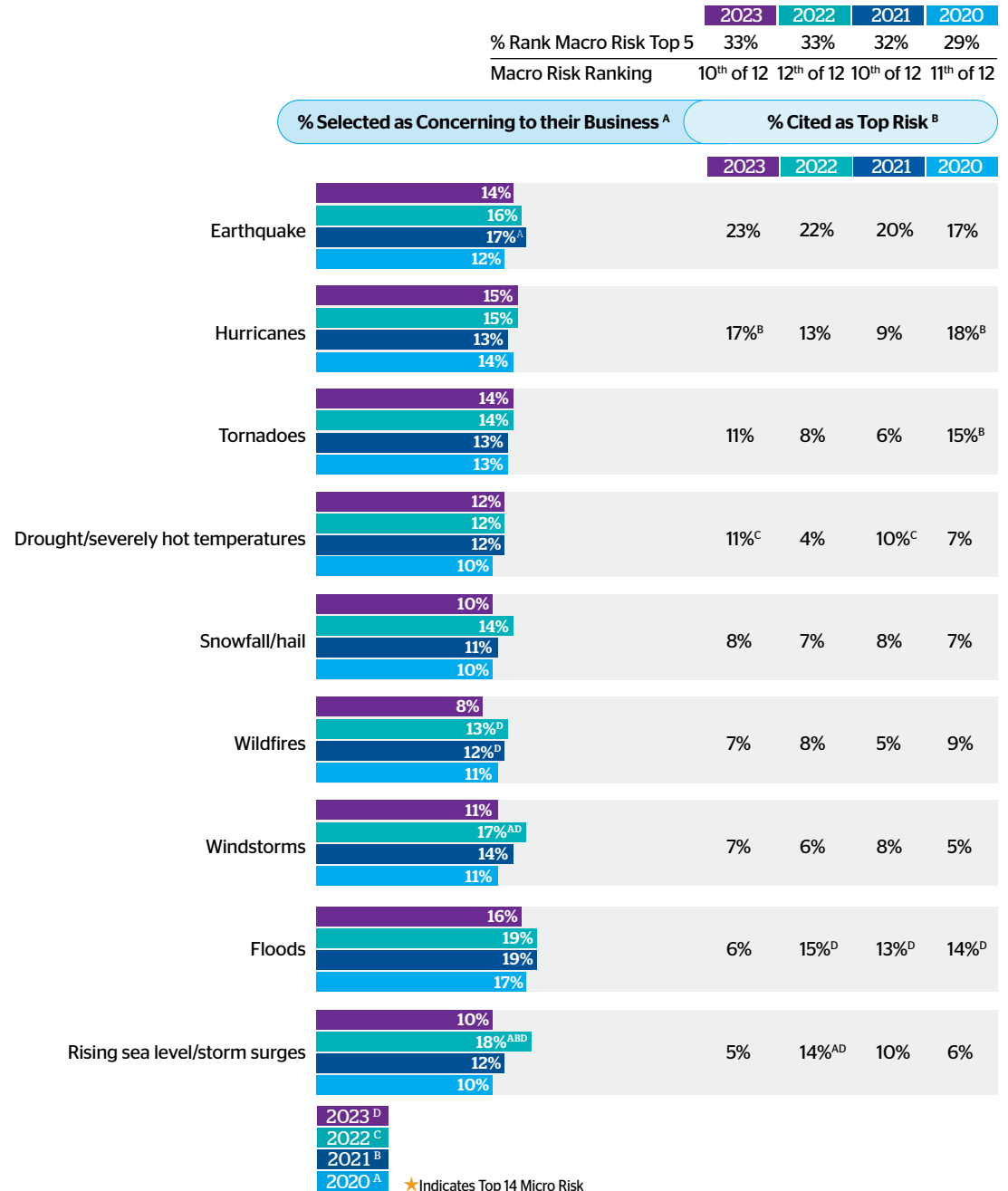
Natural Disaster/Severe Weather was again tenth-most concerning, rebounding from 12th (last) in 2022.

Fear of an **earthquake** remained the leading micro risk for the third consecutive year, perhaps because a severe seismic shock is the most sudden and unpredictable of natural disasters and can leave widespread damage in its wake.

Flood risk and **rising sea level/storm surges** both subsided to the point where they're now the least concerning risks. The drop may indicate insufficient understanding of the nature of the risk since storms have become more moisture laden in recent years, producing heavy rains over short periods of time that cause severe flooding in areas unaccustomed to such events.



Natural Disaster/Severe Weather Micro Risks



2023 n=127, 2022 n=99, 2021 n=97, 2020 n=88
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
 A: % Selected results based on total sample and are comparable to all other Micro risk slides. | B: % Top Reason results based on individual question sample and sum to 100% per slide.
 AB: Which of the following specific risks related to natural disasters/severe weather concern you? Which do you consider to be the most concerning risk to your business?

Pandemic

Pandemic-related risk ranked 11th as most concerning, a four-spot decline from 2022.

This decline in concern continued the trend since 2020 for pandemic-related risk, when the issue ranked third.

The percentage of executives concerned about each micro risk in the category also declined significantly, reflecting the reduced fear of the pandemic as a macro-risk.

Cybersecurity concerns related to remote/hybrid work remained the most concerning pandemic-related micro risk, with 24% of executives citing it as the top risk in the category in 2023.

Pandemic-related **impact on the supply chain** was a distant second place in the ranking.

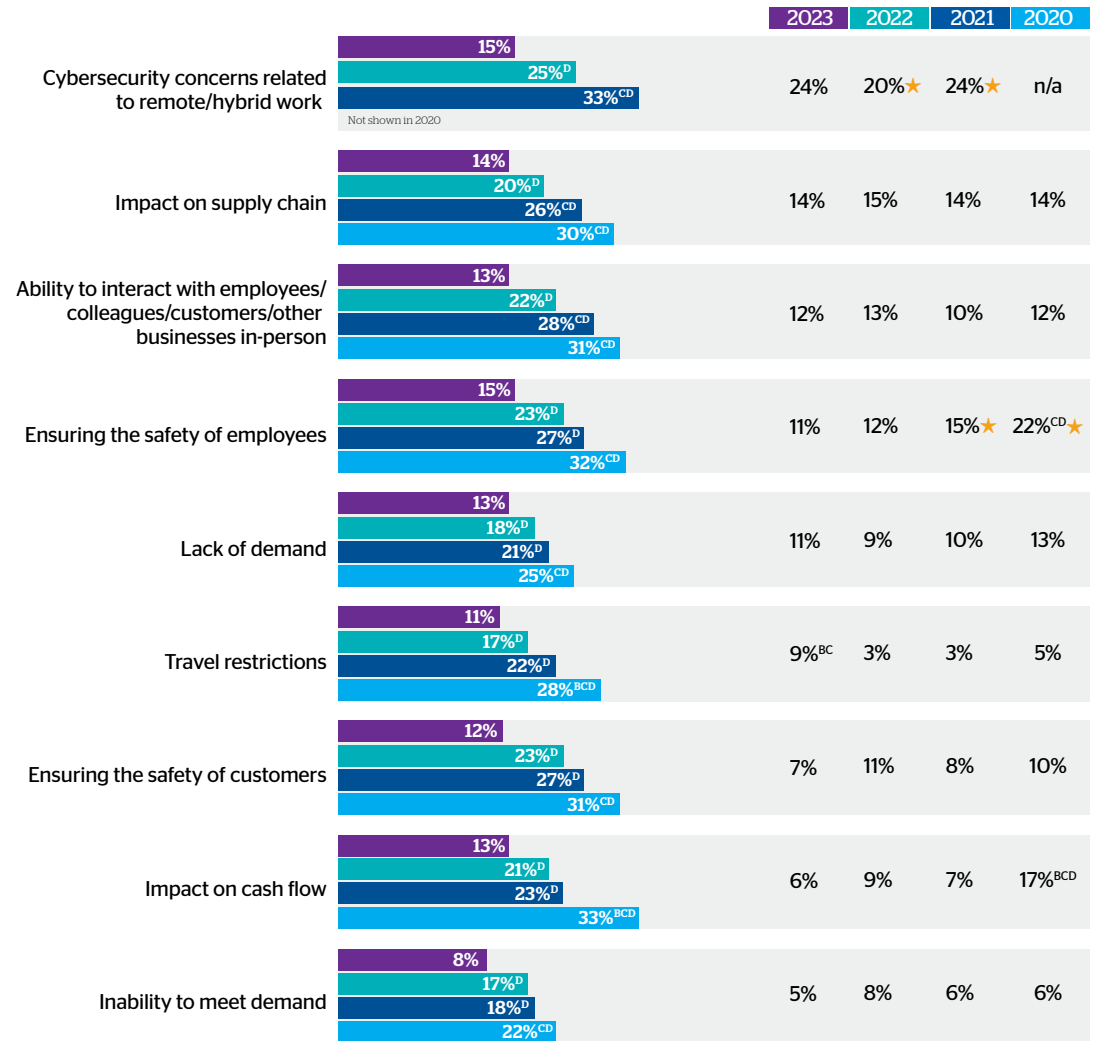


Pandemic-related Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	29%	39% ^D	51% ^{CD}	51% ^{CD}
Macro Risk Ranking	11 th of 12	7 th of 12	4 th of 12	3 rd of 12

% Selected as Concerning to their Business ^A

% Cited as Top Risk ^B



2023 ^D
 2022 ^C
 2021 ^B
 2020 ^A ★ Indicates Top 14 Micro Risk

2023 n=110, 2022 n=117, 2021 n=154, 2020 n=154
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
 A: % Selected results based on total sample and are comparable to all other Micro risk slides | B: % Top Reason results based on individual question sample and sum to 100% per slide.
 A1.3. Which of the following specific risks related to a pandemic concern you? Which do you consider to be the most concerning risk to your business?

Climate Change

Climate Change risk was the least-concerning of the 12 macro risks for the third time in four years.

The percentage of executives concerned about each climate change-related risk fell from peak levels in 2022, especially for **extreme weather events** and **pressure from eco-friendly stakeholders**. The latter decline may reflect some recent pushback on ESG-driven investing.

The top concern for 2023: **behavioral changes due to climate change awareness**.

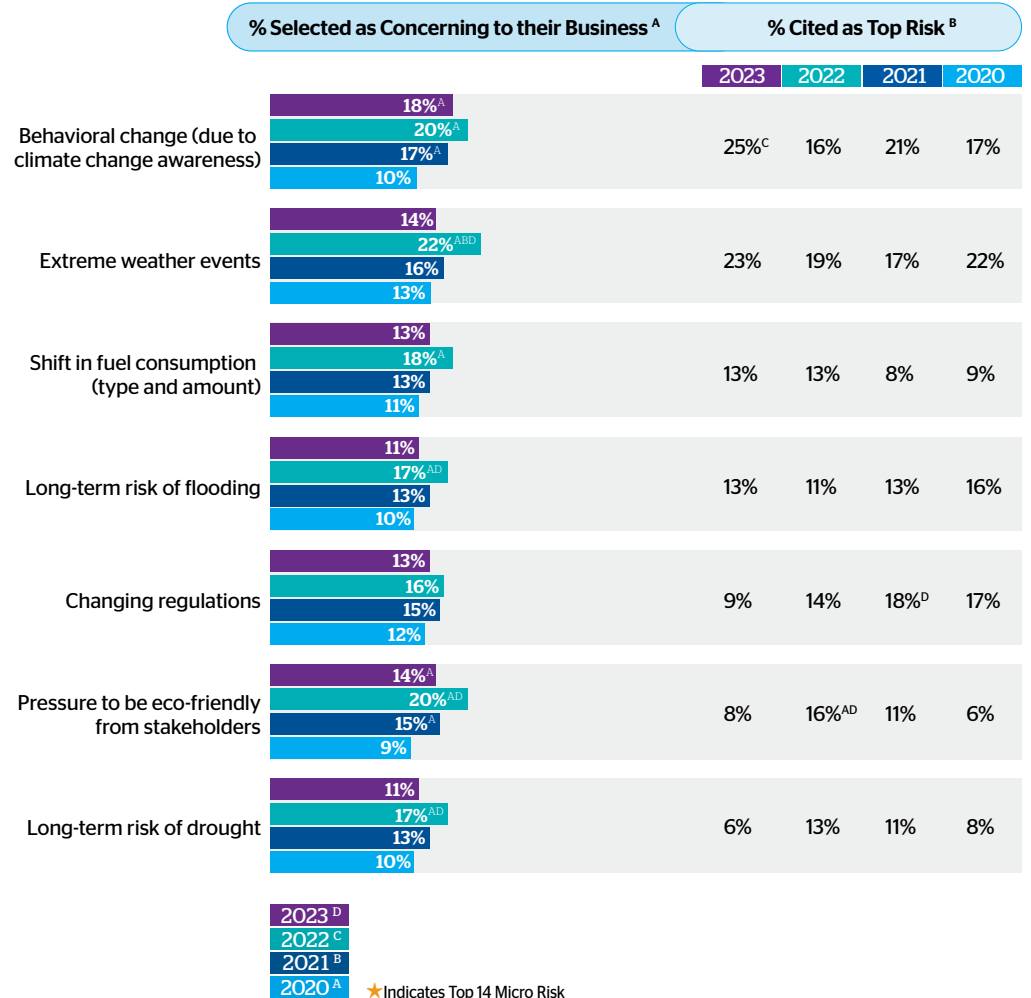
Extreme weather events ranked as the second-most concerning risk.

Overall, concern about **indirect effects of climate change** (e.g., behavioral, regulations) was roughly equivalent to **direct effects** (e.g., extreme weather, flooding).



Climate Change Micro Risks

	2023	2022	2021	2020
% Rank Macro Risk Top 5	29% ^A	34% ^A	28% ^A	21%
Macro Risk Ranking	12 th of 12	10 th of 12	12 th of 12	12 th of 12



2023 n=111, 2022 n=102, 2021 n=84, 2020 n=64
 Lettering signifies results significantly higher/lower vs. previous waves at 90% confidence. Data labels shown for 2023 data and any results significantly higher or lower vs. 2023.
 A: % Selected results based on total sample and are comparable to all other Micro risk slides | B: % Top Reason results based on individual question sample and sum to 100% per slide.
 A14. Which of the following specific risks related to climate change concern you? Which do you consider to be the most concerning risk to your business?

Methodology

- **HawkPartners surveyed 384 decision makers at U.S. mid-sized businesses.**

Method:

2023 results were from a survey conducted between June 9–June 23, 2023. 2022 results were from a survey conducted between June 28–July 12, 2022. 2021 results were from a survey conducted August 5–August 17, 2021. 2020 results were from a survey conducted between June 24–July 8, 2020. All respondents were sourced from an online panel.

Key screening criteria:

- Businesses with annual revenue between \$200 million–\$3 billion
- Title of director or more senior
- Makes or has significant influence on decisions regarding managing business risk
- Works in target industries: construction, electronics, finance/banking, food and beverage, healthcare, hospitality, information services, insurance, legal, manufacturing, professional services, real estate, retail/consumer goods, technology/computer services, telecommunications, and wholesale/distribution
- Age 22 and older

About HawkPartners

[HawkPartners](#) works with leading global brands to meet their toughest marketing challenges, delivering research insights beyond the obvious and developing actionable brand and marketing strategies. The firm helps market leaders make fact-based, high-impact decisions to position brands for growth every day. Headquartered in Boston, the firm has offices in Chicago, New York, Philadelphia, San Francisco and Washington, DC.

About QBE North America

QBE North America is a global insurance leader helping customers solve unique risks, so they can stay focused on their future. Part of QBE Insurance Group Limited, QBE North America reported Gross Written Premiums in the first half of 2023 of \$5 billion. QBE Insurance Group's results can be found at [qbe.com](#). Headquartered in Sydney, Australia, QBE operates out of 27 countries around the globe, with a presence in every key insurance market. The North America division, headquartered in New York, conducts business primarily through its insurance company subsidiaries. The actual terms and conditions of any insurance coverage are subject to the language of the policies as issued. Additional information can be found at [qbe.com/us](#) or follow QBE North America on LinkedIn and Facebook.



QBE North America 55 Water Street | New York, NY 10041 | 212.422.1212 | qbe.com/us |  

QBE and the links logo are registered service marks of QBE Insurance Group Limited. © 2023 QBE Holdings, Inc. 581204 (9-23)