

Article

# The Latest Shifts: Private Company D&O Liability Market

The business liability landscape is constantly shifting, creating new exposures for senior executives at organizations of all sizes. Our US Executive Risk team share the latest on Private Company D&O.

The U.S. Private Company Directors' & Officers' Liability market remains in flux, shaped by a combination of legacy claims, rising litigation severity and emerging business risks.

## A Shifting Risk Landscape

Private companies face a plethora of risks. Insurers remain wary of historical claims issues while keeping an eye on an emerging set of challenges private companies must now navigate.

Claims severity within Private D&O continues to be influenced by social inflation. Litigation spending has risen to record highs, driven by nuclear verdicts and increased hourly costs. Significant money is being spent on defense costs, with little reflected in changes to limits and retention.

- Insolvency risk is also receiving greater attention as bankruptcies are on pace to surpass 2020 highs due to rising debt costs and a worsening economic environment. Special attention is being paid to an organization's balance sheet and debt maturity timelines.
- Consumer Protection Violations: CPA violations are on the rise, especially in consumer-facing industries such as healthcare, tech, retail, and manufacturing. While not traditionally covered on D&O policies, their appearance in loss activity has increased awareness of reputational and financial impacts.
- Regulatory change remains an ongoing consideration, particularly around ESG and DEI related issues. Although private companies benefit from lighter disclosure obligations than public entities, they

should keep an eye on how to approach these topics.

- Artificial Intelligence remains a focal point as well, particularly within the Private Equity space. A company's deployment of AI can have a significant impact on revenue and long-term prospects. How they invest in, utilize data, and speak to AI should be monitored.

### Market Dynamics

Despite rising claims complexity, the Private D&O market continues to demonstrate active competition and ample capacity, particularly for established accounts.

While some insurers sought pricing adjustments for larger, \$1B organizations or unicorns in late 2025, broader market dynamics limited the pace of change. Primary layers generally experienced flat renewals, while continued competition in excess placements kept pressure on pricing and programme structure.

### Looking Ahead

As 2026 continues, underwriters are increasingly focused on ensuring pricing and coverage structures better reflect emerging risk and help maintain stability. For buyers, the environment presents an opportunity to engage with experienced insurers capable of supporting private companies through evolving governance and liability challenges.

With a range of **executive risk products and services**, backed by experienced underwriting and claims expertise, our team ensures that organizations and their executives are resilient against the shifting sands of business liability landscape.

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