

# The Latest Shifts: U.S. Public Company D&O 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 Public D&O.

The U.S. Public Company Directors' & Officers' Liability environment continues to evolve as companies face a more complex risk landscape. While market conditions have begun to stabilize following several years of rate movement, underlying exposures remain elevated.

## Shifting Sands of Liability Create New Challenges

Over the past 20 years, the risks facing public companies have increased in both scale and complexity, forcing companies to alter their approach to risk management.

In 2026, companies face a handful of new exposures:

- **Artificial Intelligence (AI):** From AI related cost savings and innovation to accusations of AI washing, disclosures around AI adoption remain a key area of focus. Companies must exercise caution when discussing AI strategies, particularly amid evolving and fragmented state level regulation.
- **Tariffs:** A shifting regulatory landscape has created uncertainty around tariffs. Executive Orders introduced in 2025, and partially overturned in early 2026, have already resulted in financial impacts, increasing the likelihood of shareholder action as losses emerge.
- **Geopolitical engagement:** Ongoing conflicts and regional instability continue to disrupt markets and capital flows. Public company exposure through operations, supply chains or business relationships is increasingly a topic of underwriting and investor scrutiny.

These factors, combined with legacy claims, continue to shape loss development and underwriting appetite across the Public D&O landscape.

### **Market Conditions and Capacity**

Despite a slight decline in Securities Class Action Filings in 2025, the number of cases remain elevated compared to historical norms. According to the Stanford Securities Clearinghouse, 2025 saw 188 new filings compared to 211 in 2024. However, according to Cornerstone research, the median settlement amount increased 20% to \$17.3M in 2025. Additionally, claims brought under the Securities Act of 1933, or those driven by IPO-related complexity, reached all-time highs with median settlements north of \$30M.

Among the cases, Artificial Intelligence, Cryptocurrency, and, even still, Covid-19 related filings remain the top drivers in litigation though Data Breach and SPAC-related claims are not far behind. Public Company disclosures around these topics are under intense scrutiny by shareholders and plaintiff firms alike.

Following several years of rate decreases, the Public D&O market began to show signs of stabilization during 2025. Abundant capacity has supported competitive conditions, though pricing movement slowed meaningfully by year end, with many renewals trending at low single digit or flat outcomes.

### **Looking Ahead**

As 2026 progresses, expectations point to broadly stable conditions, with outcomes dependent on risk profile and loss history. Continued alignment between pricing, risk selection and evolving exposure will remain important as public companies operate in an increasingly complex liability environment.

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.

