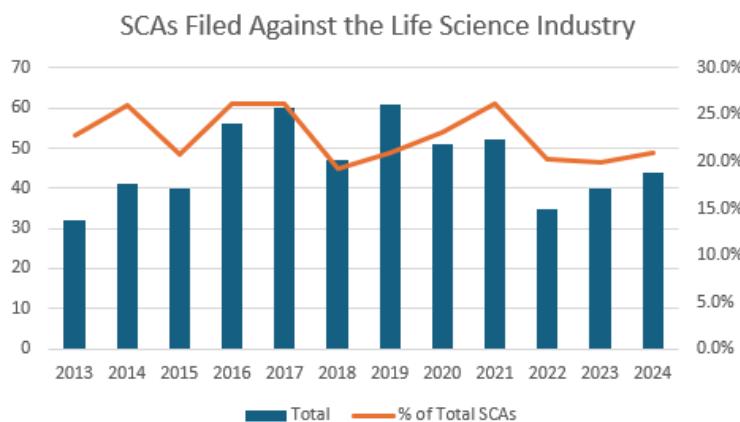


While information on securities class actions involving life science companies is available, analyzing it can be time-consuming and limited by the scope of existing resources. As a leading insurer in the life sciences industry, BHSI not only monitors these developments closely – we also distill the data to deliver clear, industry-specific insights into emerging litigation trends. This report provides those insights.¹

Life Sciences Remain a Target for Plaintiff Firms

Life sciences companies routinely encounter events in the normal course of business that can trigger securities class action (SCA) lawsuits. Due to the sector's inherent stock volatility, plaintiffs often aggressively target these companies – sometimes even following the release of positive data. As a result, the life sciences industry consistently represents 20-25% of all SCAs each year, with an average settlement value of \$23.8M in 2024.



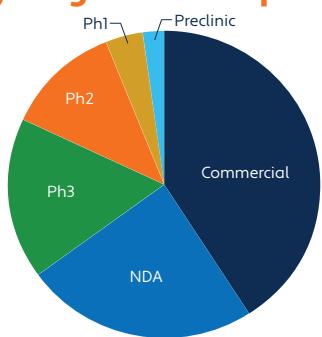
Emerging Insight

BHSI has also seen a notable rise in books and records demands across our life science portfolio – a clear signal of increased shareholder scrutiny and potential litigation risk. This emerging trend is one we continue to monitor closely, helping clients stay ahead of what may be a growing precursor to more aggressive legal action.

Plaintiff Firms See a Trove of Targets

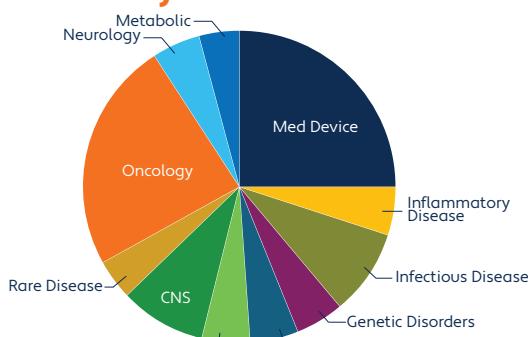
Life Science companies of all sizes, stages of development, and indication focuses are targets for plaintiff firms.

By Stage of Development



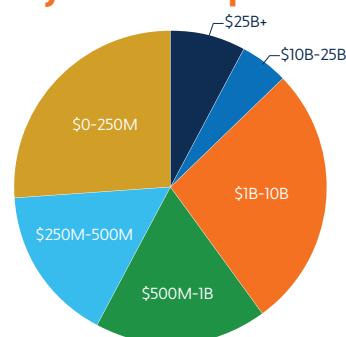
Commercial: 41%
NDA: 24%
Ph3: 17%
Ph2: 12%
Ph1: 4%
Preclinical: 2%

By Indication



Med Device: 25%
Inflammatory Disease: 5%
Infectious Disease: 9%
Genetic Disorders: 5%
Generics: 5%
COVID: 5%
CNS: 9%
Rare Disease: 4%
Oncology: 24%
Neurology: 5%
Metabolic: 4%

By Market Cap Size



\$25B+: 8%
\$10B-25B: 5%
\$1B-10B: 27%
\$500M-1B: 18%
\$250M-500M: 16%
\$0-250M: 26%

A Changing Environment a Precursor to More D&O Litigation?

An evolving regulatory environment means more uncertainty and potentially more volatility – both leading contributors for D&O litigation. As we navigate through these evolutions, these are the types of questions that we are asking our insureds:

- How will recent and upcoming changes at the FDA reshape our insureds' regulatory strategy – and is there a way to turn compliance into a competitive advantage?
- With FDA changes accelerating, have you reassessed whether your current insurance coverage truly protects your company from emerging regulatory and product risks?
- With shifting FDA guidance and heightened scrutiny, are your current disclosure practices protecting your organization – or exposing it to greater risk?
- As capital becomes harder to access, are you aligning your risk profile and disclosures to build investor confidence and attract funding?
- In a climate of heightened enforcement and shareholder activism, how are you protecting your directors and officers from becoming targets?

BHSI's Commitment to Life Sciences

- Life sciences is the largest industry segment within our Commercial D&O portfolio, and represents the most significant portion of our primary portfolio.
- A dedicated team of industry specialists continuously monitors scientific, regulatory, and litigation developments to stay ahead of emerging risks.
- In-house claims team consisting of approximately 30 claims professionals with legal backgrounds and an average of 15+ years of experience, including a dedicated life sciences claims specialist.
- Proven track record of supporting life sciences clients through the full product lifecycle – from clinical trials to commercialization and IPO.
- Tailored life science solutions, including our exclusive Biotech Crisis Fund. Flexible policy structures designed to align with the unique risk profile of life science companies, including our 5-year policy offering.
- Our Preferred Counsel Program offers retention reduction incentives, a Securities Claim Inquiry Costs sublimit, and access to top-tier law firms for securities claims, along with proactive Educational Services through participating law firms. To access the list of participating law firms, click here: [Preferred Counsel Program Law Firms](#).
- We host life science-focused education panels in collaboration with leading law firms and brokers nationwide.

CONTACTS

We're here to help you navigate what's next. For more information or to discuss how we can support your business, please reach out to one of our team members:

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¹ Data sourced from the following: Stanford Securities Litigation Analytics, Stanford Law School, accessed June 2025 and Stanford Securities Clearinghouse, Stanford Law School, accessed June 2025.

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