

Shareholder Lawsuits Arising from Cyber-Incidents and Implications for Potential Insurance Coverage, Insurance Coverage Law Center

As cyber-attacks become more frequent, the number of lawsuits brought by shareholders related to cyber-incidents will likely increase as well.

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A shareholder of LabCorp, which operates one of the country's largest clinical laboratory networks, recently commenced a shareholder derivative lawsuit in Delaware Chancery Court against certain of the company's directors and officers, following multiple cybersecurity incidents which allegedly affected millions of LabCorp patients. The lawsuit against LabCorp's directors and officers is part of a growing trend of claims against directors and officers of companies arising out of data breaches or other cyber-security incidents.