

In re Globe Life Inc. f/k/a Torchmark Corporation Stockholder Derivative Litigation

Corporate Governance

Role	BFA is Co-Lead Counsel representing Plymouth County Retirement Association.
Background	After several lawsuits and government investigations revealed that, for years, Globe Life Inc.'s senior management had fostered a corporate culture that tolerated serious and unlawful misconduct (including sexual harassment), plaintiff Plymouth County Retirement Association conducted a stockholder investigation and brought a lawsuit alleging breaches of fiduciary duty and violations of securities laws.
Court	U.S. District Court for the Eastern District of Texas
Case Number	24-CV-993

Public reporting exposed troubling allegations that Globe Life Inc. engaged in widespread insurance fraud from Q1 2021 through Q1 2024. That reporting relied on whistleblower complaints, interviews with former employees, public lawsuits, and other credible sources to conclude that instances of insurance fraud have been unearthed at the Company's sales agencies that account for \$200 million of the annualized life premiums paid by customers, or roughly 60% of all premiums. The rampant instances of insurance fraud seem to stem from a perverse bonus structure that compensates agents for the life of an insurance policy within a short amount of time (usually within 6 months), even if the policy itself is cancelled shortly after that time. As a result, sales agents have an incentive to commit fraud, sometimes paying the premiums themselves with bonus money, with little oversight from the Company.

Around the same time that the allegations of fraud were becoming public, litigation in various forums developed a public record that the Company also had a disturbing pattern of sexual harassment, discrimination, and abuse at various levels of its organization—and Globe Life did not appear to have taken any significant measure to address the issue.

Following these public revelations, Plaintiff conducted a books and records investigation under Delaware law (8 Del. C. § 220) and additionally received non-public information from counsel to other parties that have brought individual lawsuits against Globe Life. Based on those confidential materials, together with matters of public record, Plaintiff brought a lawsuit alleging five counts: 1) breach of fiduciary duty against certain current and former Globe Life directors for failing to conduct good-faith oversight of the company's affairs, 2) breach of fiduciary duty against certain Globe Life officers for failing their fiduciary duties of oversight, 3) breach of fiduciary duty against certain company insiders for alleged insider trading, 4) a violation of Section 14(a) against certain members of company management for preparing a misleading proxy, and 5) a violation of section 10(b) of the exchange act for certain members of company management preparing and disseminating misleading public statements.

On April 17, 2026, Judge Mazzant in the United States District Court for the Eastern District of Texas appointed Plymouth County Retirement Association as the sole lead plaintiff, with BFA serving as sole Co-Lead Counsel.