

Humana Brass Face Derivative Suit Alleging Illegal Kickbacks

By Jarek Rutz

Law360 (October 8, 2026, 2:22 PM EDT) -- A Humana Inc. shareholder is suing 12 current and former company leaders in Delaware Chancery Court, alleging they allowed the health insurer to pay more than \$100 million in illegal broker kickbacks, to conceal worsening medical costs and Medicare Advantage plan quality, and to waste more than \$1.5 billion buying back company stock at inflated prices.

Shareholder Glenn Boyles filed the derivative suit Wednesday against former CEO Bruce D. Broussard, former Chief Financial Officer Susan M. Diamond and 10 current or former Humana directors. The suit asserts breach of fiduciary duty, unjust enrichment and corporate waste claims on Humana's behalf, alleging the defendants' conduct exposed the company to government and shareholder litigation and caused it to spend millions of dollars defending itself.

Boyles made a litigation demand on Humana's board Dec. 8, 2025, asking it to investigate and pursue claims. After the parties temporarily put the demand on hold, the abeyance ended April 27, according to the complaint. Boyles argues the board's continued failure to act amounts to wrongful refusal, allowing him to pursue the derivative case.

"The board's failure to respond to plaintiff's litigation demand constitutes a wrongful refusal of the litigation demand, is unreasonable and improper, and demonstrates the Board's lack of good faith," Boyles said in his complaint.

The complaint follows a May 1, 2025, U.S. Department of Justice decision to **intervene in a False Claims Act whistleblower case** against Humana, Aetna, Elevance Health and several insurance brokers. The government alleges insurers paid kickbacks to brokers to steer Medicare beneficiaries toward certain Medicare Advantage plans and discriminated against beneficiaries with disabilities. Humana also faces a federal securities class action in Delaware against the company, Broussard and Diamond that survived dismissal in part on April 27, according to court records.

Boyles claims Humana paid more than \$100 million in improper kickbacks during 2020 and 2021 to insurance brokers that steered thousands of beneficiaries to its Medicare Advantage plans, regardless of whether those plans were best for them. He also alleges Humana conditioned payments on brokers reducing the number of beneficiaries with disabilities they enrolled, while company filings represented that its operations complied with federal anti-kickback laws.

A second set of allegations centers on Humana's Medicare Advantage medical costs and federal "star" ratings. Boyles claims directors and executives downplayed rising healthcare use as patients sought care they had deferred during the height of the COVID-19 pandemic and concealed cost-cutting measures that hurt plan quality and member satisfaction. Humana's stock fell about 23.6% over two days in October 2024 after information about lower star ratings emerged, according to the complaint.

The suit also challenges Humana's repurchase of roughly 6.9 million shares between November 2022 and July 2024, alleging the company overpaid by more than \$1.5 billion because its stock price was inflated by misleading statements. Broussard and Diamond are separately accused of using material nonpublic information for improper insider stock sales that generated more than \$23 million.

"These Individual defendants' actions alleged herein were not made in the good-faith exercise of prudent business judgment to protect and promote the Company's corporate interests," Boyles' complaint says.

The lawsuit seeks damages, repayment of allegedly improper compensation and stock-sale proceeds, and reforms to strengthen Humana's board oversight, internal reporting and compliance controls.

Contact information for the current or former Humana director defendants was not immediately available

Thursday, and representatives for the plaintiff and nominal defendant Humana did not immediately respond to requests for comment Thursday.

Boyles is represented by Seth D. Rigrodsky, Gina M. Serra and Herbert Mondros of Rigrodsky Law PA, and by Joshua H. Grabar of the Grabar Law Office.

Counsel information for the defendants was not immediately available Thursday.

The case is Glenn Boyles v. Bruce D. Broussard et al., case number 2026-1332, in the Delaware Chancery Court.

Additional reporting by Hannah Albarazi Archive. Editing by Amy French.