To Property & Casualty Insurers, Auto Insurers, Claims Executives, Defense Organizations, and Insurance Industry Leaders Across America:

You may be surprised by where I begin. But remember, my early years were as a medical malpractice and personal injury defense attorney.

I believe the insurance industry has legitimate complaints about personal injury.

Unnecessary medical treatment is wrong. Unreasonable medical billing is wrong. Manufactured damages are wrong. Fraud is wrong.

Questionable attorney-provider relationships deserve scrutiny. Excessive medical funding profits deserve scrutiny.

Nuclear verdicts are a legitimate concern.

And insurers should not be expected to blindly pay every demand simply because an attorney, physician, or funding company puts a number on a piece of paper.

But there is another side to this.

A legitimate claim should not become illegitimate simply because insurers have seen too many bad ones.

A reasonable medical bill should not be treated as unreasonable merely because it arose in personal injury. A quality provider should not be punished because bad providers exist. And an injured citizen should not wait unnecessarily for fair compensation because the system has trained everyone to distrust everyone else.

There is a better way.

Instead of simply fighting to **pay less,** help create a system that makes legitimate claims easier to identify, easier to value, and easier to resolve.

That is the opportunity I see. And it comes from someone who you use to hire and now someone who champions the medical provider to “do it right” as well as taking on aggressive and often less-than-ethical law firms.

I live in your mud. I share many of your concerns from ground level experience with hundreds of law firms and hundreds of medical providers and physicians nationally.

So know we have great alignment, yet also, great differences … and a bridge can be built between the two.

California's SB 623 Should Get Your Attention

What happened in California is bigger than Uber.

Uber pursued substantial tort reform through ballot initiatives. Its proposals put pressure on the economics of the plaintiffs' bar, including contingency attorney fees.

The Legal Lobby mobilized. A compromise followed. The ballot fight ended. SB 623 became law.

Uber received important protections. The Legal Lobby protected important interests of its own. And substantial new burdens landed upon medical providers, medical billing, liens, funding, and referral disclosures.

Insurance executives across America should study what happened.

Not simply because you may want similar reforms. But because California presents a more important question:

Do you want tort reform that merely shifts costs and burdens, or reform that actually improves the behavior of the personal injury ecosystem?

Those are very different objectives.

Paying Less Is Not the Same as Fixing the System

Every insurer has an obligation to manage claims responsibly.

You should investigate. Challenge questionable causation. Challenge unnecessary treatment. Challenge unreasonable charges. Challenge fraud. Challenge inflated damages.

Defend cases that should be defended.

But if the principal measure of claims success becomes simply: **How little did we pay?**

Then insurers can contribute to the same dysfunctional incentives they criticize elsewhere.

A legitimate claimant should not have to endure unnecessary delay simply because delay creates negotiating leverage and profits.

A legitimate provider should not have to fight indefinitely for payment simply because reducing medical balances improves settlement economics.

And a well-documented, ethically developed claim should not be treated exactly like a questionable one.

Good behavior should matter.

The Insurance Industry Can Help Make Ethical Behavior Valuable

This is where I believe insurers have enormous power.

Imagine two PI claims.

In the first:

Treatment is medically necessary. The provider bills reasonably. Documentation is excellent. Causation is clearly addressed. The patient's functional losses are documented. Referrals make clinical sense. There is no unnecessary treatment. Any funding arrangement is transparent and economically reasonable. The attorney presents the claim professionally and accurately. Liability is reasonably clear. And the medical providers competently documented a biopsychosocial approach to the trauma and impact … physical, psychological, and on their life.

In the second:

Treatment is excessive. Documentation is templated. Billing is difficult to defend. Procedures appear driven by litigation rather than medicine. Referrals are questionable. Funding costs are extraordinary. Damages are exaggerated. The goal is to maximize case value regardless of validity.

Should those claims travel through the same process? **Of course not.**

The insurance industry can help create a marketplace where the first claim is identified earlier and resolved faster, while the second receives the scrutiny it deserves.

That creates something PI desperately needs:

An economic reward for ethical behavior.

Pay Good Claims Better and Faster

I believe this should become part of the national tort-reform conversation.

When a claim demonstrates:

Clear liability. Medically necessary treatment. Reasonable medical charges. Strong documentation. Appropriate referrals. Transparent economics. Reasonable attorney conduct. And credible damages.

Resolve it. Fairly. Quickly.

Don't force everyone through eighteen months of unnecessary combat simply because the system permits it.

Every additional month creates costs.

Legal costs. Claims-handling costs. Provider carrying costs. Funding costs. Patient frustration. Litigation expenses. And ultimately greater distrust.

Early fair resolution can reduce all of them.

Speed of fair resolution itself can be tort reform.

And Fight Bad Claims Hard

The other half matters just as much.

An ethical ecosystem is not a blank check.

If a provider overtreats … challenge it.

If a surgeon performs an unnecessary procedure … expose it.

If bills are unreasonable … challenge them.

If a funding company is generating extraordinary returns detached from reasonable risk … scrutinize it.

If an attorney is manufacturing damages … fight it.

If fraud exists … pursue it aggressively.

Good providers should support you. Good attorneys should support you. Responsible funding companies should support you.

Because bad actors make the entire PI ecosystem less credible.

The goal should not be insurer versus claimant.

The goal should be: **Ethical participants versus abusive conduct.**

Medicine Must Be Accountable

I have said this repeatedly throughout this series because I believe it.

Medical providers cannot demand fair treatment from insurers while refusing accountability themselves.

Providers should treat only when medically necessary. They should bill reasonably. They should document accurately. They should make appropriate referrals. They should discharge patients when care is no longer clinically indicated. Surgeons should never recommend procedures because a legal claim can support the economics. Chiropractors and physical therapists should never extend treatment simply because settlement has not occurred. Pain physicians should not perform procedures merely because reimbursement may be higher in PI.

Bad medicine should not be protected by good medicine.

Insurers are entitled to challenge it.

But once medicine meets its obligations, insurance should meet its obligations too.

Insurance Must Be Accountable Too

Fairness cannot travel in one direction.

If the evidence supports the injury … acknowledge it.

If treatment was necessary … acknowledge it.

If the bill is reasonable … acknowledge it.

If liability is clear … don't manufacture disputes simply to create leverage.

If the claimant suffered legitimate pain, functional impairment, lost income, or permanent consequences and real life impact … value those damages honestly.

And if a case can reasonably be resolved today …

Don't make everyone spend two years proving tomorrow what everyone already knows today.

Insurers understandably want providers, attorneys, and funding companies to behave better.

Give them a reason to.

Don't Confuse Health Insurance Rates With PI Economics

This distinction is critical.

A conventional health insurer may reimburse a physician relatively quickly pursuant to a negotiated contract.

PI lien care can be entirely different.

The provider may treat today and wait: A year. Two years. Often longer.

Meanwhile, the provider and physician finances the care. Pays the staff. Pays rent. Pays malpractice insurance. Pays supplies. Pays technology and compliance costs.

Those are costs they front while you decide “if” and if so “how much” to pay.

And assumes: Payment risk. Policy-limit risk. Liability risk. Settlement risk. Litigation risk. Case abandonment. Case defeat. And eventual lien negotiation.

Sometimes the provider gets less. Sometimes nothing.

Those economics are different.

That does not justify unreasonable billing. But an insurer should not automatically conclude that a reasonable PI charge must equal a contracted health-insurance reimbursement.

Risk, delay, and uncertainty have economic value.

Insurance companies understand that concept better than almost anyone.

Your entire industry prices risk.

Allow medicine to reasonably price it too.

Trial Evidence and the Medical Receivable Are Different Questions

This is where California's experience with SB 623 matters nationally.

If unusually high medical specials are being used before juries to anchor excessive verdicts, address that problem in the evidentiary process.

Reasonable evidentiary limitations can protect defendants.

But distinguish: **What amount should the jury be permitted to consider?**

from: **What may a provider reasonably charge and recover for medically necessary care delivered with substantial payment delay and risk?**

Those are not necessarily identical.

The insurance industry can support sensible trial protections without demanding that those protections dictate every aspect of the underlying provider-patient economic relationship.

Control the courtroom problem in the courtroom.

Medical Funding Can Actually Reduce a Different Kind of Risk

Insurance companies may view medical funding principally as an inflationary force.

Sometimes that criticism may be warranted. But look at the other side.

A legitimately injured person needs surgery. The patient cannot afford it. Health insurance does not provide timely access. The surgeon will perform the procedure but will not finance $100,000 of care for three years.

A responsible funding company provides capital. The patient gets medically necessary treatment. That treatment may improve function. It may allow the patient to return to work. It may reduce future medical needs. It may clarify prognosis. It may even make the claim easier to resolve.

That has value.

Should funding companies earn unlimited returns? **No.**

Reasonable risk deserves reasonable profit. Unreasonable profiteering deserves scrutiny.

But don't destroy legitimate funding merely because some participants abuse it.

Attack the abuse. Preserve the value.

You Have Something Every Other PI Stakeholder Wants: Data

This is where insurers could become transformational.

You see enormous claim volumes. You see providers repeatedly. You see attorneys repeatedly. You see treatment patterns. You see settlement patterns. You see litigation patterns.

You see which providers consistently document well. You see which treatment patterns repeatedly raise concerns. You see which attorneys submit organized, supported demands. You see which claims repeatedly become expensive disputes.

That information can be used merely to defend claims.

Or it can be used to **improve the ecosystem.**

Without violating privacy, fairness, antitrust, or other legal obligations, the insurance industry should explore ways to identify and reward measurable ethical behavior.

Not secret blacklists. Not predetermined denials. Not algorithms that punish legitimate claimants.

Transparent standards.

Standards providers, attorneys, and funding companies can understand and meet.

Imagine an Ethical PI Fast Lane

Consider the possibilities.

A voluntary framework develops around objective principles:

Medically necessary treatment. Reasonable billing. Quality documentation. Transparent referral relationships. Transparent funding. Reasonable economics. Timely records. Clear causation analysis. Appropriate discharge. Professional attorney demands.

Claims meeting those standards receive expedited review.

Not guaranteed payment. Not predetermined valuation. **Expedited good-faith evaluation.**

Claims failing them receive greater scrutiny.

Suddenly everyone has an incentive to improve.

Providers want better documentation. Attorneys want cleaner cases. Funding companies want reasonable economics.

Patients receive better care. Insurers receive better information. Defendants resolve legitimate exposure sooner.

That is tort reform through incentives rather than merely restrictions.

Don't Let Tort Reform Become a Race to the Bottom

There is a danger in the opposite approach.

Every industry asks for its own limitation.

One defendant gets a special rule. Then another wants it. Then another.

Medical recovery becomes more restricted. Quality providers and physicians become less willing to treat.

Funding disappears. Quality specialists leave PI. Patients struggle to obtain care.

The remaining provider pool may actually become **less** ethical and less sophisticated because the quality providers have better options elsewhere.

That is not reform. That is ecosystem deterioration.

And eventually the legitimate claimant pays the price.

SB 623 Could Spread Beyond Rideshare

Insurers should recognize the obvious trajectory.

If Uber receives certain protections, why wouldn't other transportation defendants want them? Commercial fleets? Delivery companies? Municipalities? Other corporate defendants?

Eventually: **Why should the same injury receive different treatment because of the identity of the defendant?**

The pressure to standardize will be enormous.

And the easiest standard to expand may be the most restrictive one.

That is why I believe California should **surgically repair SB 623 now,** before its framework becomes a template for all PI.

Insurance companies should support that discussion.

Not because you should surrender legitimate protections. But because a better framework today may become a better national model tomorrow.

The Insurance Industry Should Support the Surgical Strike

My proposal is not anti-insurance.

It is not anti-Uber. It is not anti-tort reform.

It is pro-precision.

Keep reasonable evidentiary protections designed to prevent artificially inflated verdicts. But don't unnecessarily convert courtroom evidentiary rules into broad restrictions on legitimate medical economics.

Require referral transparency. But place the principal disclosure obligation upon the party with actual knowledge of the referral.

Regulate abusive medical funding. But preserve responsible funding that allows injured patients to obtain medically necessary care.

Hold medical providers accountable. But allow ethical providers to earn reasonable compensation for the services, delay, and financial risk they assume.

And then require equivalent accountability from law firms, insurers, transportation companies, and everyone else.

Every industry should carry its own burden.

Insurance Can Be More Than the Payer at the End

This may be the largest opportunity.

The insurance industry can remain primarily the stakeholder that says: **No.**

No to this treatment. No to this charge. No to this demand. No to this settlement. Sometimes “no” is exactly the correct answer.

But imagine also becoming the stakeholder willing to say: **Yes, when the evidence earns it.**

Yes, this treatment was necessary. Yes, this provider acted reasonably. Yes, this claim is well documented. Yes, this patient's damages are real. Yes, this demand is defensible. Yes, let's resolve it.

That would change behavior throughout PI.

Because people repeat behavior that gets rewarded.

Reward ethical claims development.

And aggressively attack unethical claims development.

My Ask of the Insurance Industry

Help create the model.

Sit at the table with:

Independent medical providers. Plaintiffs' attorneys. Defense attorneys. Medical funding companies. Transportation companies. Consumer representatives. Legislators. Claims professionals. And healthcare associations.

Define the behaviors everyone can agree are legitimate.

Define the abuses everyone can agree should stop.

Develop objective standards where possible.

Create incentives for early transparency. Create incentives for quality documentation. Create incentives for medically necessary care. Create incentives for reasonable billing. Create incentives for responsible funding. Create incentives for early fair settlement.

And then make bad behavior expensive.

That is how markets change.

Not merely through restrictions. Through incentives.

You May Be the Stakeholder Best Positioned to Make This Work

Insurers sit at the intersection of almost every PI claim.

You see the crash. The claimant. The attorney. The medical records. The bills. The providers. The funding. The demand. The litigation. The settlement. The verdict. And the payment.

That gives you an extraordinary view of the entire ecosystem. Use it.

Not merely to reduce claim severity. **Use it to improve claim quality.**

Because if you help create a system where legitimate claims are cleaner, better documented, more reasonably billed, and resolved earlier, you may accomplish something decades of conventional tort reform have struggled to achieve:

Lower unnecessary costs without destroying legitimate value.

That is a reform everyone should be able to support.

The Best Claim Is Not Necessarily the Cheapest Claim

The best claim outcome is the **right** outcome.

A fraudulent claim should receive nothing. An exaggerated claim should be reduced. An unnecessary procedure should not be rewarded. An unreasonable charge should be challenged.

But a legitimately injured person receiving medically necessary care from an ethical provider should receive fair treatment.

And the businesses and professionals who legitimately contribute to that outcome should receive fair compensation.

That includes insurers earning appropriate returns for the risks they assume.

It includes attorneys. Providers. Funding companies. Also insurers.

Ethical capitalism is not the absence of profit. It is profit tied to legitimate value.

That principle should unite us rather than divide us.

The PI system does not need another stakeholder fighting only for its own slice of the pie.

It needs powerful stakeholders willing to make the entire pie **more ethical, efficient, and defensible.**

The insurance industry has the scale, data, resources, and economic influence to help do exactly that.

My hope is that you will.

Reform the Abuse. Preserve the Value. Protect the Consumer-Patient.

And pursue the outcomes every stakeholder should want:

Better Patient Outcomes.
Better Provider Outcomes.
Better Case Outcomes.
Better Claim Outcomes.

Respectfully,

Michael Coates
Michael Coates, Esq.
President, Personal Injury Made Easy

PS: The next generation of tort reform does not have to be built around caps, restrictions, and shifting burdens. It can be built around something more powerful: **rewarding ethical behavior.** If insurers resolve well-supported, medically appropriate, reasonably billed claims more fairly and efficiently, and aggressively challenge those that are not, you can help make doing the right thing the most profitable strategy for everyone in personal injury.