Industry Snapshot

AI Governance and Use Across Defense Panels

Claim Executive Views on Panel Readiness, Security, and Common Standards

November 2026

Conducted by Suite 200 Solutions

Introduction

About Our Industry Snapshots

Suite 200 Solutions has been surveying insurance industry leaders since 2011. Both our comprehensive Studies and our more informal Industry Snapshots provide insights into the current thinking of senior claim and litigation officers as they address emerging issues, threats, and opportunities.

A copy of our publicly available reports can be downloaded from www.suite200solutions.com/studies.

Background to this Snapshot

Our two 2025 Snapshots looked at the plaintiff bar's rapid adoption of AI and what it means for how litigated claims are framed, anchored, and negotiated. Executives told us then, with little hesitation, that the plaintiff side was pulling ahead. The 2026 CLM Litigation Management Study results amplified those concerns.

This Snapshot turns to our own side of the table: the defense firms on our panels. Those firms are now bringing AI into their practices, and that raises two questions for the claim organizations that hire them.

The first is whether this adoption is closing the gap on the work that drives outcomes: case analysis, demand response, valuation, and negotiation. The second is whether it is happening in a way claim organizations can actually govern. Claim files carry medical records, privileged communications, and confidential insured information. When each panel firm selects its own AI tools under its own policies, the claim organization inherits risks it often cannot see.

The Focus of This Snapshot

We asked claim executives five questions:

1. **READINESS.** Is your defense panel keeping pace with an increasingly AI-enabled plaintiff bar?
2. **VALUE.** If AI could make defense counsel more effective negotiators, which benefits matter most?
3. **GOVERNANCE.** How confident are you that your defense firms' use of AI meets your security and governance requirements?
4. **STANDARDS.** Would you support common panel standards, with preferential assignments for firms that meet them?
5. **A COMMON PLATFORM.** How interested would you be in a shared, secure AI platform for your panel firms, under your organization's control?

Participant Demographics

Forty-nine (49) senior claim and litigation executives participated in this Snapshot, which was open from November 4 to November 9, 2026. Given our selective invitation list and the short window we left the Snapshot open, this response exceeded our expectations.

All 49 participants answered each of the five multiple-choice questions. Percentages are rounded to the nearest whole number.

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Again, a big thank you to all the participants who made this Snapshot possible in such a short period of time.

Snapshot Findings

Question 1. Do you feel that your defense panel is keeping pace with the increasingly AI-enabled plaintiff bar when it comes to case analysis, demand response, valuation, and negotiation?

2%	Yes. Our panel is very well equipped.
33%	Sort of. Some firms are well equipped; others are falling behind.
49%	**Not so much. Our panel is generally behind.**
16%	I don't know. We lack sufficient visibility to assess.

Comments

One executive out of 49 (2%) describes their defense panel as very well equipped to keep pace with the plaintiff bar.

Nearly half (49%) say their panel is generally behind, and another third (33%) say readiness is uneven from firm to firm. Taken together, more than eight of 10 executives (82%) see a gap between their panel and the plaintiff bar.

One in six (16%) cannot say either way because they lack visibility into what their firms are doing. We view that as a finding in itself, and it shows up again in Question 3.

Question 2. If AI could improve defense counsel's negotiation effectiveness, which three benefits would you value the most? (Select up to three)

84%	**Earlier, more proactive settlement offers**
53%	More disciplined negotiation rather than escalating counteroffers
51%	Persuasive, evidence-based written advocacy accompanying offers
51%	Quantified liability, damages, and trial-risk evaluations
35%	Better measurement of negotiation results
10%	Other (see below)
0%	Our current practices are generally satisfactory

Percentages total more than 100% because participants could select up to three benefits. Forty-one of 49 selected three.

Additional Benefits Cited

Predicting the plaintiff counsel's behavior: their historical settlement demands, trial frequency, tactics, etc.

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Better identification of patterns of attorneys and medical providers.
Better trial strategy, understanding your adversary.
AI can likely provide better negotiation recommendations than most humans. Therefore, I think AI should be prompted with case specifics and negotiation history throughout the evaluation and negotiation process.
We are seeing our carrier using AI for reserving and settlement evaluation. Dangerous, and it is inflating values, since AI tends to only pick off verdicts.

Comments

Earlier, more proactive settlement offers led by a margin of more than 30 points, chosen by more than eight of 10 executives (84%). This lines up closely with our June 2025 Snapshot, where 79% of executives said their organizations would benefit from making first offers more often.

The next three benefits were nearly tied, each chosen by about half of participants: disciplined negotiation, evidence-based written advocacy, and quantified case evaluations. These are, in effect, the tools the plaintiff bar already uses to frame and anchor.

Not one executive selected "our current practices are generally satisfactory." Write-in responses centered on knowing the adversary: plaintiff attorney behavior, provider patterns, and trial tendencies. One participant offered a caution worth hearing, that AI valuation models trained largely on verdicts can push values up rather than down.

Question 3. How confident are you that the use of AI by your defense firms meets your organization's security and governance requirements?

Participants were asked to consider confidential claim files, medical information, approved AI models, data retention, privilege, access controls, and independent auditability.

6%	Very confident. Compliance is verified across our panel.
27%	Confident in some firms, but not across the panel.
53%	**We have policies, but limited visibility into actual compliance.**
14%	We have not yet established or enforced consistent requirements.

Comments

Three executives out of 49 (6%) say they verify AI compliance across their full panel.

The most common answer, from more than half (53%), is that policies exist but the organization has limited visibility into whether firms follow them. Another 14% have not yet set or enforced consistent requirements. Combined, two of three claim organizations (67%) cannot confirm how their defense firms are using AI on claim files.

The visibility problem compounds. Of the eight executives who could not assess their panel's readiness in Question 1, six also fell into one of these bottom two categories.

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Question 4. Would you support common standards for your defense counsel panel, with preferential assignments for firms that meet them and demonstrate better outcomes?

Examples given included carrier-approved AI security, quantified case evaluations, evidence-backed settlement offers, negotiator training, and standardized performance reporting.

43%	**Yes, including preferential assignments to qualifying firms.**
37%	Yes to common standards, but not assignment preferences yet.
20%	Potentially, after demonstrated results.
0%	No, we prefer each firm to operate independently.

Comments

Not one executive prefers to let each firm operate independently on these issues.

Eight of 10 (80%) support common panel standards now, and more than four of 10 (43%) would go further and tie those standards to assignment preference. The remaining 20% are open to standards once results are demonstrated.

Support for preferential assignments was strongest among executives who see their panel as behind. Of the 24 who answered "not so much" in Question 1, 13 (54%) would tie standards to assignments, compared with five of the 16 (31%) who described their panel as uneven. The subgroups are small, so we offer this as directional rather than conclusive.

One TPA executive noted a practical constraint: when the client or carrier owns the relationship with the defense firm, the TPA has limited ability to enforce common standards across its book.

Question 5. What if your company could provide its outside defense firms with a common, secure AI platform? How interested would you be in adopting this approach within your defense panel?

The platform described would apply consistent standards for analyzing cases, evaluating settlement exposure, and conducting negotiations. The claim organization would maintain control over AI use of its claim files and gain greater visibility into litigation risks, defense practices, and outcomes across participating firms.

14%	Very interested. Willing to consider serving as a Founding Carrier Design Partner.
29%	**Interested. I like the idea of establishing common AI governance, performance reporting, and technology-billing standards.**
29%	**Sort of interested. I'd like to receive the results of this survey first.**
24%	Intrigued. I want more details.
10%	Not interested. This is not something that would interest me.

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Percentages total slightly more than 100% because participants could select more than one response. Three participants did so.

Comments

More than four of 10 executives (43%) are very interested or interested in a common, carrier-controlled AI platform for their panel. One in seven (14%) would consider serving as a founding design partner.

Most of the remainder want to learn more before committing: 29% want to see these results first, and 24% want more detail. In all, nine of 10 (90%) expressed some level of interest. One in 10 (10%) are not interested.

One participant's comment captures the hesitation well. They are very interested in the concept but reluctant to commit to a single platform while the technology is still developing, and would rather experiment with several or wait for leaders to emerge.

Participant Comments

Participants were invited to share anything they wished about their defense firms' use of AI. Comments are reproduced below with light editing for length and to preserve anonymity.

[A point made recently at an industry panel on AI usage:] Plaintiff counsel is using AI to get better results, while we on the defense side are using AI to save time. I don't think I have heard a single attorney ask, "How can AI help me get better results?" We need a mindset shift as an industry. I have heard some defense attorneys talk about using AI in basic ways: summarizing deposition transcripts, legal research, etc. But I have heard very few say, "I am using AI to get better results in the following manner."
For claims operations (and I think this applies to defense firms as well) we are trying to focus less on "efficiency" and more on using AI to generate better outcomes. Efficiency is important, but it gets people worried about losing jobs and work and therefore makes them reluctant to use it.
I think law firms are very slow to adopt AI and use it as an opportunity to lower their operational costs. They could use AI to provide more data and analytics around trends and insights to help combat the plaintiff bar. The defense law firms are waiting for someone else to do it. The plaintiff bar is significantly farther ahead of the defense bar. Claim handling will evolve quickly over the next two years, and law firms will continue hourly billing when they need to change their entire model.
As noted in the questions above, we have limited visibility into our firms' AI policies and usage, much less outcomes. It is difficult to measure effectiveness. I have a general notion of the plaintiff bar's effective use of AI and their ever-improving tools. I don't have a feel for the defense bar's ability to deal with it, match up to it, or counter the strategies.
I think defense firms need to leverage AI to keep up with the plaintiffs' bar. However, our organization's guidelines are developing in a way that we need to know about and approve all AI use by outside vendors. This concerns me regarding what platforms firms adopt before this process is finished. I don't want to manage how a firm manages its practice, but we are not going to turn a blind eye to the data security risks associated with AI.
I marked the last question "intrigued," but I was tempted to mark "not interested." The right answer is that I am very much interested but hesitate to select a single platform or tool, as this technology is still developing. I am more inclined to experiment with several or wait a bit for the leaders to emerge from the pack.

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As an industry, our ability to effectively use the data available to us to better understand actual risks, versus perceived risks, is critical to our mutual success. We should be focused on settling cases that should be settled for reasonable amounts, and use data to better understand those exposures, rather than being driven by reports of nuclear verdicts and overall fear.
What I am seeing is carrier use of AI to establish single case values. That has enabled them to the point they believe they know more than experienced adjusters and defense counsel, and it is inflating values.
I actually like the idea of AI-native law firms that bill on flat rates. We aren't there yet for personal injury matters, but it seems close, with some new entrants already making an impact.
We're a TPA, so a significant majority of the time the client or carrier owns the relationship with the defense firm. This is a roadblock for us to enforce common applications or standards across our book.

High-Level Observations

Our interpretation of this Snapshot data leads us to the following conclusions:

1. **Executives believe their panels are behind.** Only one of 49 described their panel as well equipped to keep pace with the plaintiff bar. More than eight of 10 see a gap, and the rest largely cannot tell.
2. **AI governance across panels exists mostly on paper.** Two-thirds of claim organizations cannot confirm how their defense firms use AI on claim files. Policies have been written, but verification has not followed.
3. **The status quo has no defenders.** Not one executive wants panel firms to keep operating independently on AI and negotiation practices, and not one called current negotiation practices satisfactory. Eight of 10 support common standards today.
4. **Executives want AI aimed at outcomes, not just efficiency.** The benefits they value most (earlier offers, disciplined negotiation, evidence-based advocacy) are about winning the negotiation, not saving hours. Several comments drew the same line: the plaintiff bar uses AI to get better results, while the defense side mostly uses it to save time.
5. **Interest in a common platform is real but measured.** More than four of 10 are interested now, and nearly all the rest want more information. Given how quickly the technology is changing, that caution is understandable.

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Questions and More Information

We extend our gratitude to those who participated in this Snapshot. These initiatives, and this data, would not be possible without their generous donation of time.

The goal of our Snapshots is to provide discussion points for dialogues that make our industry better. Please use these findings with that purpose in mind as you think about how your defense panel uses AI, and how you govern it.

If you'd like more information about our work at Suite 200 Solutions, please don't hesitate to reach out to me.

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