

Proponent Testimony

HB 105 Third Party Litigation Funding

Chair Lampton, Vice Chair Craig, Ranking Member Tims, and members of the House Insurance Committee. My name is Jeff Sargeant. I'm the proud President of Community Insurance Group in Sidney, Ohio. I'm appreciative of the opportunity to provide written testimony in favor of House Bill 105 and its role in reforming Third-Party Litigation Funding (TPLF) in Ohio.

I strongly support House Bill 105 because it brings transparency to the forefront. Currently, third party litigation financiers are not required to provide disclosure for litigation here in our state. I support bill language that requires the disclosure of financing agreements. This will remove the secretive party in the litigation and ensure transparency. This essential step will create balance and consistency in the litigation process since insurance agreements are automatically disclosed during discovery.

I support disclosure because we currently have a secretive billion-dollar litigation financier industry in our country. This influx of undisclosed funding incentivizes litigants to initiate and prolong lawsuits which then results in higher claims costs and consequently drives up insurance premiums. This can reduce the availability of liability coverage, and lead to higher uninsured legal liability risks for Ohio's businesses. Unfortunately, these costs are ultimately paid by Ohio consumers.

Lastly as an Agency President, I also want to mention my support for the consumer protection efforts of the bill. The fee disclosure and fee limits established in the substitute bill will protect consumers in a meaningful way.

House Bill 105 is an essential step in safeguarding Ohio's legal system from hidden financial interests and undue influence. By enhancing transparency this legislation will protect Ohio's consumers and businesses.

I believe it is in every Ohioan's best interest to enact House Bill 105 into law. Thank you for giving me the opportunity to write in support of House Bill 105.

Respectfully,

Jeff Sargeant