



OHIO CHAMBER OF COMMERCE

BEFORE THE HOUSE INSURANCE COMMITTEE PROPONENT TESTIMONY ON HOUSE BILL 105

Chairman Lampton, Vice Chair Craig, Ranking Member Tims, and members of the House Insurance Committee, thank you for the opportunity to provide proponent testimony on substitute House Bill 105 (HB 105). My name is Kevin Shimp and I am an associate attorney at the law firm Dickinson Wright testifying on behalf of the Ohio Chamber of Commerce.

The Ohio Chamber supports the substitute bill to House Bill 105 because it brings much needed transparency to the practice of third party litigation financing. Under the substitute bill, all third party litigation financing agreements remain subject to disclosure, but the amount of financing will determines when that disclosure will occur.

By making any financing agreement greater than \$25,000 discoverable, substitute House Bill 105 ensures that commercial litigation agreements are available to the courts and other parties as the lawsuit unfolds. That transparency in often high-stakes multi-million dollar lawsuits is appropriate since all parties should have access to critical information that can help value a lawsuit and determine litigation strategy. The disclosure also stops parties with a vested interest in the outcome of a lawsuit from remaining secretive to the court and other parties.

Importantly, Substitute House Bill 105 maintains the ban on foreign entity backed financing agreements. This prohibition on foreign entities financing litigation in Ohio courts will prevent bad actors from other nations seeking to use the court system and the discovery process to gain access to a company's trade secrets.

Substitute House Bill 105 also provides a process for post-lawsuit disclosure for financing agreements below \$25,000. This disclosure requirement mandates parties who have entered into financing agreements that are lower than \$25,000 to disclose to the Attorney General the existence of the agreement 14-days after the lawsuit is over. It also specifies the Attorney General must post these agreements on their website after redacting all confidential information.

In closing, while more can be done to curtail the secretive nature of third-party litigation financing, the Ohio Chamber urges this committee to favorably report substitute House Bill 105. We also commend the efforts of this committee and the bill sponsors for working with all stakeholders to develop the adopted substitute bill because its reforms will help preserve the integrity of Ohio's civil justice system and promote a stronger business climate in our state.