

June 17, 2025

The Honorable Brian Lampton  
Ohio House Insurance Committee  
1 Capitol Square  
Columbus, OH 43215

**RE: Sub. House Bill 105 (Revise non-recourse litigation funding agreement regulations)**

Chair Lampton, Vice Chair Craig, Ranking Member Tims, and Members of the House Insurance Committee:

Thank you for the opportunity to offer proponent testimony on Sub. House Bill 105 on behalf of the Ohio Business Roundtable and our more than 125 member companies that collectively employ over 600,000 Ohioans.

Third-party litigation funding remains an emerging and largely unregulated practice that poses risks to the fairness and predictability of Ohio's legal system. As previously outlined in testimony provided by our members, these arrangements allow outside funders—often hedge funds, sovereign wealth funds, or private investment firms—to finance litigation in exchange for a portion of a settlement or judgment, often placing financial interests ahead of justice. These agreements frequently operate in secrecy, may prolong litigation unnecessarily, and add costs that ultimately impact both businesses and consumers.

We greatly appreciate the work of Chair Lampton, the bill sponsors, and members of this committee, working towards an agreement that thoughtfully addresses the complex issues involved with third-party litigation funding. After several General Assemblies of discussion, the compromise reflected in the substitute bill represents meaningful progress toward the shared goal of improving transparency, protecting consumers, and preserving the integrity of Ohio's legal system. Importantly, the sub-bill includes a \$25,000 funded amount threshold for disclosure of consumer legal funding agreements—an approach that carefully balances transparency with proportionality. While important work has been done to get us to this point, we respectfully encourage the committee and the full House to continue advancing this legislation.

Sub. HB 105 provides a comprehensive framework that includes:

- Registration requirements for consumer and commercial funders;

- Mandatory consumer protections, including clear disclosure requirements, cancellation rights, and restricting funder interference in litigation strategy or settlement decisions;
- Prohibitions against foreign funders interfering in Ohio's legal system;
- Proportional disclosure rules for consumer legal funding agreements under and over \$25,000.

This legislation is a major step forward in protecting both Ohio consumers and the integrity of our civil justice system, while ensuring our state remains an attractive place for businesses to grow and invest.

Thank you for your time and consideration. I respectfully urge the committee to favorably report Sub. House Bill 105 and send it to the full House for further consideration.

Sincerely,

Nick Rhodes  
Director of Policy & Special Projects  
Ohio Business Roundtable