



Our mission
To act as the Ohio property and
casualty insurance industry's voice
on matters affecting or involving the industry.

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Proponent Testimony—Substitute HB 105 Third Party Litigation Funding (Craig, Thomas, J.)

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Chair Lampton, Vice Chair Craig, Ranking Member Hall, and members of the House Insurance Committee, on behalf of the Ohio Insurance Institute (“OII”), I write to the Committee to thank you for your efforts to protect Ohio’s courts and bring some level of transparency to the shadow industry of Third Party Litigation Funding (“TPLF”).

The bill before you today reflects a substantial effort from Reps. Craig and Thomas and their alliance of legislators committed to bringing reform to the murky world of Third Party Litigation Funding. The opponents of transparency, sovereign Ohio courts, and consumer protection have put forth a valiant fight. That fight has led to the compromise before you today.

The substitute bill before you constitutes the first step of transparency as it requires consumer and commercial Third Party Litigation Funders to register with the Ohio Attorney General. The bill does acknowledge that disclosure of the agreements is important and requires post-suit disclosure with the Ohio Attorney General. The substitute bill subjects consumer Third Party Litigation Funders to the Ohio Consumer Sales Practices Act. The bill also provides the Ohio Attorney General the authority to seek remedial action through court filings to seek equitable relief, including banning companies that do not follow Ohio law.

The most important component is that the substitute bill bans all foreign Third Party Litigation Funders from entangling themselves in Ohio’s court system. The nefarious, foreign Third Party Litigation Funders will not be allowed to offer agreements in Ohio, nor will Ohioans be allowed to accept those agreements. This language represents a powerful stand by the Ohio General Assembly in support of Ohio’s sovereign and independent judiciary. If this bill is passed by the House and Senate, this bill will stand for the proposition that Ohio wishes to preserve her judiciary and will not permit foreign TPLF miscreants. This language will stand in the way of jurisprudentially sanctioned corporate espionage that allows foreign bad actors to steal intellectual property, proprietary information from businesses, and other corporate secrets—all under the imprimatur of an Ohio court. This will stop once this language is enacted.

This language takes a first step toward disclosure. However, the Ohio Insurance Institute urges the Ohio General Assembly to continue this discussion and consider placing these obscure Third Party Litigation Funding actors into discovery parity with what that required under Ohio Civ.R. 26(B)(2). Functionally, disclosure parity would mean disclosure at the beginning of the trial. To create an equal playing field between litigants, this disclosure-parity must be adopted.

Thank you to all the members of the House Insurance Committee, and especially the bill sponsors, for the leadership shown on this legislation. This is a strong first step towards improving Ohio's judicial climate.