

Testimony before Senate Judiciary Committee
March 21, 2024
HB 2510 – 3rd party litigation funding informational hearing
Mike O’Neal – Alliance for Responsible Consumer Legal Funding
Written testimony in SUPPORT as currently drafted.
mike@onealconsultingks.com

Madam Chair and members of the Committee

Thank you for the opportunity to provide information regarding our organization and the unique funding opportunity we provide individuals who find themselves strapped for cash while engaged in litigation.

The Alliance for Responsible Consumer Legal Funding (ARC) is a trade association that represents companies that provide financial assistance to consumers who have a pending legal claim, such as a car accident or the like. The money our companies provide to them is to be used solely for household needs, such as making rent or mortgage payments, paying utilities, etc., while their claim is making its way through the legal process.

The average amount that we provide a consumer is \$2000. By contractual agreement with the consumer, none of the money that ARC provides to a consumer can be used to pay for or otherwise finance the litigation. ARC companies do not fund litigation costs or expenses. This distinguishes us from the companies who directly finance litigation, and which are the subject of this proposed legislation.

As currently drafted, ARC’s consumer funding product is not impacted by the bill. We appreciate the Kansas Chamber’s acknowledgement that we are not intended to be included within the bill’s scope, and the bill’s language in that regard is satisfactory to us, so long as language excluding us from the bill’s provisions remains intact. This is accomplished in HB 2510 by limiting the scope of the bill to discovery of 3rd party agreements related to payment of expenses “directly related to prosecuting the legal claim...”.