



Testimony before House Judiciary Committee
HB 2510 relating to 3rd party litigation funding
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Testimony in **SUPPORT**

Madam Chair and members of the Committee

Thank you for the opportunity to appear in support of HB 2510.

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 the mortgage, car payments, and keeping the lights on, while their claim is making its way through the legal process.

The average amount that we provide a consumer is \$2,000. None of the money that ARC provides to a consumer can be used to pay for or otherwise fund the litigation. ARC companies do not fund litigation costs or expenses.

We understand that the purpose of this legislation is to allow discovery of 3rd-party agreements the companies or industries that actually fund the litigation and pay for the associated litigation costs enter in to with litigants.

An earlier version of this proposal was broad enough to apply to our lending product. We appreciate the fact that the Kansas Chamber was willing to work with us on language that will accomplish their intent while not impacting our non-litigation funding consumer product. 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...." It does not include funding provided to a consumer for purposes other than funding litigation-related expenses and, therefore, we stand in support of HB 2510.

I thank you for your time and consideration and am happy to address any of your questions.