

STATE FARM INSURANCE COMPANIES

House Bill 1274/Senate Bill 985 (Consumer Protection – Third-Party Litigation Financing)

Position: Favorable with Amendment

State Farm supports HB 1274/SB985 (Consumer Protection – Third Party Litigation Financing) with amendment. This bill would create a regulatory framework for third party litigation financing in Maryland, including disclosure and transparency requirements and other important consumer protection measures. State Farm requests that the bill be amended to further protect consumers by imposing a cap on the maximum amount that a litigation financier may receive from the award, consistent with the third-party litigation financing law in Montana.

Proposed Amendment:

On page 6, after line 9, insert:

“THE MAXIMUM AMOUNT THE LITIGATION FINANCER MAY RECEIVE OR RECOVER FROM ANY CONTINGENT PAYMENT IS 25% OF THE AMOUNT OF ANY JUDGMENT, AWARD, SETTLEMENT, VERDICT, OR OTHER FORM OF MONETARY RELIEF OBTAINED IN THE CIVIL ACTION, ADMINISTRATIVE PROCEEDING, CLAIM OR CAUSE OF ACTION THAT IS THE SUBJECT OF THE LITIGATION.”

On page 10, after line 16, insert:

“(12) A LITIGATION FINANCER MAY NOT RECEIVE OR RECOVER ANY PAYMENTS THAT EXCEED 25% OF THE AMOUNT OF ANY JUDGMENT, AWARD, SETTLEMENT, VERDICT, OR OTHER FORM OF MONETARY RELIEF OBTAINED IN THE CIVIL ACTION, ADMINISTRATIVE PROCEEDING, CLAIM OR CAUSE OF ACTION THAT IS THE SUBJECT OF THE LITIGATION.”