



March 12, 2024

Chairman Robert Craven
House Judiciary Committee
82 Smith Street
Providence, RI 02903

Re: HB 7574: Third-Party Litigation Financing Consumer Protection Act

Dear Chairman Craven and other members of the House Judiciary Committee:

Uber Technologies, Inc. is pleased to express its support for HB 7574, and we thank Representative Finkelman for introducing this bill and for bringing this issue to light.

Uber is not an insurer, but we are the largest buyer of auto insurance in the country. As such, we are regularly involved in the litigation of claims and we offer our support and our observations from the perspective of an insurance consumer.

In recent years, we have noted the proliferation of third-party litigation financing arrangements that have the potential to harm the public if they are not carefully regulated. HB 7574 addresses most of the areas of concern that we have witnessed pertaining to litigation financing contracts. Those areas of concern that are addressed effectively in this bill include (1) registration and bonding of litigation financiers, (2) prohibitions against the payment of commissions and referral fees, (3) prohibitions against referring borrowers to specific attorneys or medical providers, (4) prohibitions against the securitization of loan agreements, (5) preventing litigation financiers from directing the litigation, (6) prohibitions against shared financial interests between litigation financiers and either attorneys or medical providers, (7) required disclosures to consumers, (8) mandatory disclosure of the litigation financing agreement to the court and other parties to the litigation, and (9) reporting to the secretary of state. All of these measures are needed and will help provide security to the borrower and fairness to all litigants and to the courts. This bill does not prescribe a maximum annual percentage rate that may be charged under the loan agreement, which is a provision we recommend including.

Today, civil litigation in the state is too often conducted under a veil of secrecy, where neither the defendant nor the court understands who the various parties are who have a financial stake in the outcome of the suit and who may try to exert control over the conduct of the litigation. We believe that this bill is an important step toward creating more balance and fairness in the way civil litigation is conducted in Rhode Island, and we urge the committee to support it.

Thank you for your consideration on this important issue.

Hayley Prim
Senior Policy Manager at Uber