

Ohio House of Representatives Passes Bill to Bring Transparency to Third-Party Litigation Funding

Article

Amundsen Davis General Liability Alert

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On November 19, 2025, the Ohio House of Representatives passed House Bill 105 aimed at addressing, in part, individual third-party legal financing agreements. These agreements are typically used by personal injury plaintiffs to help fund their litigation costs by contracting with third-party litigation funders ("TPLFs") who advance money to a plaintiff in exchange for a contingent right to the proceeds of a settlement or verdict. HB 105 proposes changes to the transparency and disclosure requirements of such legal financing arrangements.

Among other things, HB 105:

- Requires disclosure of the existence and contents of a legal financing agreement to the attorney general following the resolution of a claim.
- Requires TPLFs to register with the attorney general before they commence any business activity in the state.
- Prohibits TPLFs from paying a commission or referral fee to an attorney, medical provider, chiropractor, or physical therapist, and from referring a plaintiff to a specific attorney, medical provider, chiropractor, or physical therapist.
- Prohibits TPLFs from influencing decisions regarding the plaintiff's legal claim or settlement.
- Prohibits a plaintiff's attorney from accepting a referral fee or other consideration from the TPLF.

The bill would ultimately increase transparency and reduce undisclosed financial influences on litigating plaintiffs, and if it becomes law, litigation funders and plaintiff's attorneys will face stricter oversight over these type of agreements.

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As HB 105 moves to the Senate for further voting, we will continue to monitor this legislation with any new developments.

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