

# HB 1705 -- CIVIL LITIGATION FUNDING ACT

SPONSOR: Haahr

This bill establishes the Civil Litigation Funding Act that requires all civil litigation fundings to meet certain specified requirements. The civil litigation funding company must provide the consumer's attorney with a written notification of the funding provided to the consumer within three business days of the funding date. The company cannot impose a charge greater than 21% of the funded amount annually.

These provisions must not be construed to restrict the exercise of powers or the performance of the duties of the Missouri Attorney General that he or she is authorized to exercise or perform by law.

Any communication between the consumer's attorney in the legal claim and the civil litigation funding company as it pertains to the civil litigation funding cannot limit, waive, or abrogate the scope or nature of any statutory or common-law privilege, including the work-product doctrine and the attorney-client privilege.

If a bond is required by the department, each registrant must, at the time of filing the application, file with the department a bond satisfactory to the department in an amount not to exceed \$50,000. In lieu of the bond, at the option of the registrant, the registrant may post an irrevocable letter of credit. The terms of the bond must run concurrent with the period of time during which the registration will be in effect.

Upon written request, the applicant is entitled to a hearing if the department has notified the applicant in writing that the application has been denied or if the department has not issued a registration within 60 days after the application was filed. A request for a hearing must not be made more than 15 days after the department has mailed a written notice to the applicant that the application has been denied and stating in substance the department's findings supporting denial of the application.

A civil litigation funding company that registered with the department between the effective date of these provisions and six months thereafter may engage in civil litigation funding while the company's registration is waiting approval by the department. All funding agreements prior to the effective date of these provisions are not subject to the terms of these provisions.

A civil litigation funding company is prohibited from using any form of civil litigation funding contract in this state unless it has been filed with the department in accordance with the filing

procedures set forth by the department.

This bill is similar to HB 512 (2015).