



**KANSAS  
TRIAL LAWYERS  
ASSOCIATION**

To: Rep. Susan Humphries, Chair  
Members of the House Judiciary Committee

From: Callie Jill Denton, Executive Director

Date: March 11, 2025

Re: Sen. Sub. for SB 54 Concerning the code of civil procedure; relating to regulation of litigation funding by third parties (OPPOSE) (WRITTEN ONLY)

I am submitting testimony on behalf of the Kansas Trial Lawyers Association in opposition to Sen. Sub. for SB 54. On behalf of KTLA members, thank you for the opportunity to provide you with KTLA's concerns and to request that the committee not pass Sen. Sub. for SB 54.

Kansas law already permits the discovery of any non-privileged matter that is relevant to the claims and defenses in the case. Current law also gives courts the ability to limit or deny discovery if it is excessive, burdensome, or not relevant to the dispute. The current law is fair, and it is more than sufficient without passage of Sen. Sub. for SB 54.

In general, litigation financing agreements should be viewed as sensitive, and if provided to the defendant and their insurer, could put the plaintiff at a strategic disadvantage. Such agreements provide the defense information about the plaintiff's financial position and willingness to settle. The personal financial information in a consumer agreement may be completely irrelevant to the arguments in the underlying case. But it is immensely valuable to large corporate defendants and their insurance companies whose goal is to settle claims for as little as possible.

The Senate amendments address some of these concerns because they limit mandatory disclosure of the litigation funding agreement to the court for an *in camera* review and require only a sworn statement regarding the agreement to be provided to the parties to the case.

Despite the Senate's amendments, KTLA remains opposed to Sen. Sub. for SB 54 because the current law is fair, and it works well. Courts can now review litigation financing

agreements and permit their discovery, if the agreement is relevant. And whether “litigation financing” means a nonrecourse investment in the outcome of a case, or a loan to an individual plaintiff to pay personal household expenses while they await a settlement or verdict, neither arrangement appears to be prevalent in Kansas, such that a special provision in law is justified.

Finally, KTLA urges caution. In other states that have passed similar legislation, proponents have returned to the Legislature in subsequent years. The original bill was the “camel’s nose under the tent” for amendments that chip away at protections and create an unlevel playing field.

On behalf of the Kansas Trial Lawyers Association, thank you again for the opportunity to present KTLA’s concerns. We respectfully request that the committee not pass Sen. Sub. for SB 54.