



March 3, 2026

The Honorable Matthew L. LaMountain, Chairman  
Senate Judiciary Committee  
State House  
Providence, RI 02903

Re: S.2494, An Act Relating to Commercial Law – General Regulatory Provisions – Third-Party  
Litigation Financing Consumer Protection Act

Dear Chairman LaMountain,

The undersigned members of the Rhode Island Business Coalition wish to register our support for Senate Bill 2494, which would establish a comprehensive regulatory framework for third-party litigation financing in Rhode Island. This legislation would promote transparency, protect litigants, and help stabilize the civil justice system while balancing consumer protections with market function.

Third-party litigation financing is a rapidly growing practice in which non-party investors provide capital to plaintiffs or law firms in exchange for a share of any settlement or award. While proponents argue it can facilitate access to justice, the practice can lack transparency. S.2494 would require critical disclosures and regulatory reporting, shedding light on these hidden arrangements.

Our concern is that such undisclosed financial influence on litigation decisions, will lead to high effective costs for plaintiffs, and the potential for litigation funders to skew negotiation and settlement outcomes in pursuit of financial returns. By establishing clear standards for disclosure, licensing, and consumer protections, S.2494 helps ensure that Rhode Islanders, both individuals and small businesses, are fully informed and shielded from predatory practices.

We believe S.2494 will enhance fairness, clarity, and consumer protection without unduly restricting legitimate access to litigation support. By requiring transparency and accountability for all third-party litigation financing arrangements, the legislature can help ensure that Rhode Island's civil justice system remains fair, and efficient for individuals, and employers.

For the reasons stated above, we ask the Committee to support this legislation. Thank you for your consideration of our position on this legislation.

Sincerely,

Associated Builders and Contractors – Rhode Island Chapter

David Chenevert, Chairman, Rhode Island Business Coalition

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

East Greenwich Chamber of Commerce

National Federation of Independent Business

Northern Rhode Island Chamber of Commerce

Rhode Island Builders Association

Rhode Island Lumber and Building Materials Dealers Association

Rhode Island Small Business Economic Summit Regulations Subcommittee

Rhode Island Small Business Summit Tax and Budget Committee

cc. Senate Judiciary Committee members