

HOUSE BILL NO. 5281

November 12, 2025, Introduced by Reps. Harris, Frisbie, Hoadley, Maddock, Roth, Schuette, Aragona, Wortz, DeBoyer, Johnsen, Kuhn, Wozniak, Schmaltz, BeGole, Paquette, Kunse, Bierlein, Borton, Steele, Bollin, Robinson, Smit, Bruck, Lightner and Posthumus and referred to Committee on Judiciary.

A bill to regulate third-party litigation funding transactions; to require disclosures in those transactions; to establish the responsibilities of litigation funding companies and of attorneys; to require registration of litigation funding companies; to impose fees; to provide for the powers and duties of state governmental officers and entities; to prescribe civil fines and to provide remedies; and to require and allow the promulgation of rules.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "third-party litigation
2 funding transparency act".

3 Sec. 3. As used in this act:

4 (a) "Advertise" means publish or disseminate a written, oral,
5 electronic, or printed communication or a communication by means of
6 recorded telephone messages or transmitted or broadcast on radio,
7 television, the internet, or similar communications media,
8 including audio recordings, film strips, motion pictures, and
9 videos, published, disseminated, circulated, or placed before the
10 public, directly or indirectly, for the purpose of inducing a
11 consumer to enter into a consumer litigation funding.

12 (b) "Charges" means the amount of money to be paid to the
13 consumer litigation funding company by or on behalf of the
14 consumer, above the funded amount provided by or on behalf of the
15 consumer litigation funding company to a consumer. Charges include
16 all administrative, origination, underwriting, or other fees,
17 including interest, no matter how denominated. Charges may not
18 exceed 36% annually.

19 (c) "Commercial litigation financier" means a person in the
20 business of entering into commercial litigation financing
21 agreements with claimants or with lawyers or law firms asserting
22 legal claims on behalf of claimants. Commercial litigation
23 financier does not include either of the following:

24 (i) A nonprofit organization that is exempt from federal income
25 tax under 26 USC 501(c)(3), or the nonprofit organization's
26 funders, if the nonprofit organization represents the claimant on a
27 pro bono basis, which may include an award of attorney fees to the
28 nonprofit organization or a related attorney.

29 (ii) A nonprofit organization that provides funding for

1 litigation without any requirement or expectation that the
2 nonprofit organization will receive any money or financial benefit
3 from the litigation or from a litigant or an attorney or law firm
4 that represents a litigant.

5 (d) "Commercial litigation financing agreement" means, subject
6 to subdivision (e), and with respect to a civil action or group of
7 civil actions, a written agreement to which either of the following
8 applies:

9 (i) Both of the following apply to the agreement:

10 (A) Under the agreement, a third party agrees to provide funds
11 to 1 of the named parties or a law firm affiliated with the action
12 or group of actions.

13 (B) The agreement creates a direct or collateralized interest
14 in the proceeds of a civil action or group of civil actions, by
15 settlement, verdict, judgment, or otherwise, which interest is
16 based in whole or in part on a funding-based obligation to the
17 action or group of actions or the appearing counsel, any
18 contractual co-counsel, or the law firm of the counsel or co-
19 counsel executed with any of the following:

20 (I) An attorney representing a party.

21 (II) A co-counsel in the litigation with a contingent fee
22 interest in the representation of that party.

23 (III) A third party who has a collateral-based interest in the
24 contingency fees of the counsel or co-counsel firm related in whole
25 or in part to the fees derived from representing that party.

26 (ii) The agreement, which may include an option, forward
27 contract, futures contract, short position, swap, or similar
28 contract, is substantially similar to a commercial litigation
29 financing agreement.

1 (e) Commercial litigation financing agreement does not include
2 any of the following:

3 (i) A consumer litigation funding agreement.

4 (ii) An agreement by an attorney or a law firm to provide legal
5 services on a contingency fee basis to a claimant or to advance the
6 claimant's legal costs in accordance with the Michigan rules of
7 professional conduct.

8 (iii) A health insurance plan or agreement under which a health
9 insurer, medical provider, or assignee has paid, is obligated to
10 pay, or is owed money for an individual's health care.

11 (iv) A loan made by a financial institution to a claimant or
12 the claimant's attorney or law firm if repayment is not contingent
13 on the outcome of the legal claim or on the outcome of any matter
14 within a portfolio that includes the legal claim and involves the
15 same attorney or law firm or affiliated attorney or law firm.

16 (v) A person with a preexisting contractual obligation to
17 indemnify or defend a party to a legal claim.

18 (f) "Consumer" means a natural person or estate for a decedent
19 with a legal claim.

20 (g) "Consumer litigation funding" means a nonrecourse
21 transaction in which a consumer litigation funding company
22 purchases and a consumer assigns to the company a contingent right
23 to receive an amount of the potential proceeds of a settlement,
24 judgment, award, or verdict obtained in the consumer's legal claim.

25 (h) "Consumer litigation funding company" means a person that
26 enters into a consumer litigation funding contract with a consumer.
27 Consumer litigation funding company does not include any of the
28 following:

29 (i) A family member of the consumer.

1 (ii) A bank, lender, financing entity, or other special purpose
2 entity to which either of the following applies:

3 (A) The person provides financing to a consumer litigation
4 funding company.

5 (B) A consumer litigation funding company grants to the person
6 a security interest, or transfers to the person any rights or
7 interest, in a consumer litigation funding.

8 (iii) An attorney or accountant who provides services to a
9 consumer.

10 (i) "Family member" means a spouse; parent; stepparent;
11 sibling; child by blood, adoption, or marriage; grandchild;
12 grandparent; descendant of a grandparent; or legal guardian.

13 (j) "Foreign country or person of concern" and "foreign
14 country of concern" mean a country or person that is either of the
15 following:

16 (i) A foreign government or person listed under 15 CFR 791.4.

17 (ii) A country designated as a threat to critical
18 infrastructure by the governor.

19 (k) "Foreign entity of concern" means an entity to which 1 or
20 more of the following apply:

21 (i) The entity is organized or incorporated in a foreign
22 country of concern.

23 (ii) The entity is owned or controlled by the government, a
24 political subdivision, or a political party of a foreign country of
25 concern.

26 (iii) The entity has a principal place of business in a foreign
27 country of concern.

28 (iv) The entity is owned, organized, or controlled by,
29 affiliated with, or acting on behalf of an individual or entity to

1 which either of the following applies:

2 (A) The individual or entity has been placed on a sanctions
3 list maintained by the federal Office of Foreign Assets Control,
4 including, but not limited to, any of the following:

5 (I) The Specially Designated Nationals and Blocked Persons
6 List, also known as the SDN list.

7 (II) The Foreign Sanctions Evaders List.

8 (III) The Non-SDN Iran Sanctions Act List.

9 (IV) The Sectoral Sanctions Identifications List.

10 (V) The List of Foreign Financial Institutions Subject to
11 Correspondent Account and Payable-Through Account Sanctions.

12 (B) The individual or entity has been designated by the United
13 States Secretary of State as a foreign terrorist organization.

14 (l) "Funded amount" means the amount of money provided to, or
15 on behalf of, the consumer in a consumer litigation funding
16 contract. Funded amount excludes charges.

17 (m) "Funding date" means the date on which the funded amount
18 is transferred to the consumer by the consumer litigation funding
19 company either by personal delivery or wire, ACH, or other
20 electronic means or is mailed by insured, certified, or registered
21 United States mail.

22 (n) "Legal claim" means a civil claim or cause of action.

23 (o) "Resolution date" means the date the funded amount, plus
24 the agreed-on charges, are delivered to the consumer litigation
25 funding company by the consumer or the consumer's attorney, or
26 otherwise.

27 Sec. 4. (1) A consumer litigation funding contract must meet
28 all of the following requirements:

29 (a) The contract must be written in a clear and coherent

1 manner using words with common, everyday meanings to enable the
2 average consumer who makes a reasonable effort under ordinary
3 circumstances to read and understand the terms of the contract
4 without having to obtain the assistance of a professional.

5 (b) The contract must be completely filled in when presented
6 to the consumer for signature.

7 (c) The contract must contain the initials of the consumer on
8 each page.

9 (d) The contract must contain a statement that there are no
10 fees or charges to be paid by the consumer other than what is
11 disclosed on the disclosure form.

12 (e) If the consumer seeks more than 1 litigation funding
13 contract from the same company, the contract must contain a
14 statement that provides the cumulative amount due from the consumer
15 for all transactions, including charges under all contracts, if
16 repayment is made any time after the contracts are executed.

17 (f) The contract must contain a statement of the maximum
18 amount the consumer may be obligated to pay under the contract
19 other than in a case of material breach, fraud, or
20 misrepresentation by or on behalf of the consumer.

21 (g) The contract must clearly and conspicuously detail how
22 charges, including any applicable fees, are incurred or accrued.

23 (2) A consumer litigation funding contract must contain the
24 disclosures specified in this subsection, which constitute material
25 terms of the contract. Unless otherwise specified, the disclosures
26 must be typed in at least 12-point bold type font and be placed
27 clearly and conspicuously within the contract, as follows:

28 (a) On the front page under appropriate headings, language
29 specifying all of the following:

1 (i) The funded amount to be paid to the consumer by the
2 consumer litigation funding company.

3 (ii) An itemization of 1-time charges.

4 (iii) The maximum total amount to be assigned by the consumer to
5 the company, including the funded amount and all charges.

6 (iv) A payment schedule to include the funded amount and
7 charges, listing all dates and the amount due at the end of each
8 180-day period from the funding date, until the date the maximum
9 amount due to the company under the contract is paid.

10 (b) Within the body of the consumer litigation funding
11 contract, language stating all of the following:

12 (i) "Consumer's right to cancellation: you may cancel this
13 contract without penalty or further obligation within ten business
14 days after the funding date if you return to the consumer
15 litigation funding company the full amount of the disbursed funds."

16 (ii) "The consumer litigation funding company will have no role
17 in deciding whether, when, and how much the legal claim is settled
18 for, however, the consumer and consumer's attorney must notify the
19 consumer litigation funding company of the outcome of the legal
20 claim by settlement or adjudication before or on the resolution
21 date. The company may seek updated information about the status of
22 the legal claim but in no event must the company attempt to
23 interfere with, control, or influence the independent professional
24 judgment of the attorney in the handling of the legal claim or any
25 settlement of the legal claim."

26 (iii) In all capital letters in at least 12-point bold type font
27 contained within a box: "THE FUNDED AMOUNT AND AGREED-UPON CHARGES
28 MUST BE PAID ONLY FROM THE PROCEEDS OF YOUR LEGAL CLAIM, AND MUST
29 BE PAID ONLY TO THE EXTENT THAT THERE ARE AVAILABLE PROCEEDS FROM

1 YOUR LEGAL CLAIM. YOU WILL NOT OWE (INSERT NAME OF THE CONSUMER
2 LITIGATION FUNDING COMPANY) ANYTHING IF THERE ARE NO PROCEEDS FROM
3 YOUR LEGAL CLAIM, UNLESS YOU HAVE VIOLATED ANY MATERIAL TERM OF
4 THIS CONTRACT OR YOU HAVE COMMITTED FRAUD AGAINST (INSERT NAME OF
5 CONSUMER LITIGATION FUNDING COMPANY)".

6 (c) Located immediately above the place on the contract where
7 the consumer's signature is required, in 12-point bold type font:
8 "Do not sign this contract before you read it completely. Do not
9 sign this contract if it contains any blank spaces. You are
10 entitled to a completely filled-in copy of the contract before you
11 sign this contract. You should obtain the advice of an attorney
12 before signing this contract. Depending on the circumstances, you
13 may want to consult a tax, public or private benefits planning, or
14 financial professional. You acknowledge that your attorney in the
15 legal claim has provided no tax, public or private benefit
16 planning, or financial advice regarding this transaction. You
17 further acknowledge that your attorney has explained the terms and
18 conditions of the consumer litigation funding contract."

19 (3) A consumer litigation funding contract must contain a
20 written acknowledgment by the attorney retained by the consumer to
21 pursue the legal claim that attests to all of the following:

22 (a) The attorney has reviewed the disclosures required under
23 subsections (1) and (2) with the consumer.

24 (b) The attorney is, or, if applicable, is not, being paid on
25 a contingency basis under a written fee agreement.

26 (c) All proceeds of the legal claim will be disbursed via
27 either the trust account of the attorney or a settlement fund
28 established to receive the proceeds of the legal claim on behalf of
29 the consumer.

1 (d) The attorney is obligated to disburse funds from the legal
2 claim and take any other steps to ensure that the terms of the
3 litigation funding contract are fulfilled.

4 (e) The attorney has not received a referral fee or other
5 consideration from the consumer litigation funding company in
6 connection with the consumer litigation funding, nor will the
7 attorney receive such a fee or other consideration in the future.

8 (4) If the acknowledgment required under subsection (3) is not
9 provided by the attorney or firm retained by the consumer to pursue
10 the legal claim, the consumer litigation funding contract is void.
11 The consumer litigation funding contract remains valid and
12 enforceable if the consumer terminates the initial attorney or
13 retains a new attorney with respect to the legal claim.

14 (5) A copy of an executed consumer litigation funding contract
15 must be promptly delivered to the attorney retained by the consumer
16 to pursue the legal claim.

17 Sec. 5. (1) A consumer litigation funding company shall not do
18 any of the following:

19 (a) Pay or offer to pay a commission, referral fee, or other
20 form of consideration to an attorney, law firm, health care
21 provider, chiropractor, or physical therapist, or an employee of
22 any of these, for referring a consumer to the consumer litigation
23 funding company.

24 (b) Accept a commission, referral fee, rebate, or other form
25 of consideration from an attorney, law firm, health care provider,
26 chiropractor, or physical therapist, or an employee of any of
27 these.

28 (c) Give money or a gift, pay the cost of travel, or provide
29 anything of value to an attorney or law firm.

1 (d) Intentionally advertise false or misleading information
2 regarding the company's products or services.

3 (e) Refer, in furtherance of an initial legal funding, a
4 customer or potential customer to a specific attorney, law firm,
5 health care provider, chiropractor, or physical therapist, or an
6 employee of any of these. However, if a customer needs legal
7 representation, the company may refer the customer to a local or
8 state bar association referral service.

9 (f) Knowingly provide funding to a consumer who has previously
10 assigned or sold a portion of the consumer's right to proceeds from
11 a legal claim without first making payment for or purchasing a
12 prior unsatisfied consumer litigation funding company's entire
13 funded amount and contracted charges, unless a lesser amount is
14 otherwise agreed to in writing by the consumer litigation funding
15 companies, except that multiple companies may agree to
16 contemporaneously provide funding to a consumer if the consumer and
17 the consumer's attorney consent to the arrangement in writing.

18 (g) Make any decision, have any influence, or direct any
19 decisions with respect to the course of a legal claim, including
20 decisions in appointing or changing counsel, choice or use of
21 expert witnesses, litigation strategy, and settlement or other
22 resolution. The right to make all decisions regarding a legal claim
23 must remain solely with the claimant and the claimant's attorney or
24 law firm.

25 (h) Attempt to obtain a waiver of any remedy or right by the
26 consumer, including, but not limited to, the right to bring a civil
27 action in court and the right to have a civil action tried by a
28 jury. A consumer litigation funding contract must not contain a
29 provision requiring arbitration of any dispute.

1 (i) Knowingly pay or offer to pay for court costs, filing
2 fees, or attorney fees either during or after the resolution of the
3 legal claim, using funds from the consumer litigation funding
4 transaction.

5 (2) If a consumer litigation funding company exercises or
6 attempts to exercise any control or influence over a consumer's
7 claim that is not prohibited by subsection (1) or another provision
8 of this act, the consumer litigation funding company shall act as a
9 fiduciary with respect to the consumer's claim. Acting as a
10 fiduciary under this subsection requires all of the following:

11 (a) Acting in the best interests of the consumer, not the
12 consumer litigation funding company, including by avoiding any
13 conflicts of interest.

14 (b) If the consumer litigation funding company has custody of
15 any money of the consumer or pays out money on behalf of the
16 consumer, keeping or paying out the money carefully and with
17 diligence, not commingling the consumer's money with that of the
18 consumer litigation funding company, and keeping detailed and accurate
19 records.

20 (3) Notwithstanding any other provision of law, a prepayment
21 penalty or fee must not be charged or collected in connection with
22 a consumer litigation funding transaction. A prepayment penalty or
23 fee in a consumer litigation funding transaction is unenforceable.

24 (4) An attorney or law firm retained by a consumer to pursue a
25 legal claim shall not have a financial interest in a consumer
26 litigation funding company that offers consumer litigation funding
27 to the consumer.

28 (5) An attorney who has referred a consumer to the consumer's
29 retained attorney shall not have a financial interest in a consumer

1 litigation funding company that offers consumer litigation funding
2 to the consumer.

3 (6) An attorney shall not disclose confidential or privileged
4 information to a consumer litigation funding company without the
5 written consent of the consumer and in accord with any order of the
6 court in the litigation.

7 (7) A consumer litigation funding company shall not enter into
8 a consumer litigation funding contract directly or indirectly with
9 a foreign entity of concern or a foreign country or person of
10 concern.

11 Sec. 6. The contracted amount to be paid to a consumer
12 litigation funding company must be a predetermined amount based on
13 intervals of time from the funding date through the resolution
14 date, and must not be determined as a percentage of the recovery
15 from the legal claim.

16 Sec. 7. (1) Not later than 30 days after a written request, a
17 consumer shall disclose to any party to a legal claim and each
18 insurer that has a duty to defend whether the consumer has entered
19 into a consumer litigation funding contract.

20 (2) If a consumer enters into a consumer litigation funding
21 contract after responding to a request under subsection (1), the
22 consumer has a continuing obligation to disclose and shall disclose
23 this fact to the requesting person not later than 30 days after the
24 consumer enters into the contract.

25 (3) A consumer litigation funding contract, and all
26 participants or parties to the consumer litigation funding
27 contract, are presumed to be discoverable in a civil proceeding,
28 notwithstanding any agreement or provision with respect to
29 confidentiality. A consumer may seek to rebut this presumption.

1 (4) A consumer litigation funding transaction disclosed under
2 subsection (1) or (2) or a consumer litigation funding contract
3 discovered under subsection (3) are presumed to be inadmissible as
4 evidence. A party may seek to rebut this presumption.

5 Sec. 8. (1) Both of the following apply to a consumer
6 litigation funding company that violates any provision of this act
7 in a specific funding case:

8 (a) The company waives its right to recover both the funded
9 amount and any and all charges in the case.

10 (b) The company is liable for a civil fine of not more than
11 \$10,000.00 for each violation. A fine under this subdivision may be
12 recovered in a civil action brought by the attorney general.

13 (2) In an action by a consumer against a consumer litigation
14 funding company for a violation of this act, a prevailing consumer
15 is entitled to an award of an amount equal to 3 times the total of
16 the funded amount and any and all charges, or \$10,000.00, whichever
17 is greater. An award under this subsection is not subject to an
18 offset for any amount that would otherwise be owed by the consumer
19 to the consumer litigation funding company.

20 (3) This act does not restrict the exercise of powers of the
21 attorney general.

22 Sec. 9. (1) The contingent right to receive an amount of the
23 potential proceeds of a legal claim is assignable by a consumer to
24 a consumer litigation funding company.

25 (2) Only an attorney's lien related to the legal claim that is
26 the subject of the consumer litigation funding or Medicare or other
27 statutory liens related to the legal claim take priority over a
28 lien of the consumer litigation funding company.

29 Sec. 10. Communications between a consumer's attorney and a

1 consumer litigation funding company to allow the consumer
2 litigation funding company to ascertain the status of a legal claim
3 or a legal claim's expected value is not discoverable by a person
4 against which the legal claim is asserted or filed.

5 Sec. 11. (1) Subject to subsection (8), unless a consumer
6 litigation funding company or commercial litigation financier has
7 first registered with this state under this act, the company or
8 financier shall not engage in the business of consumer litigation
9 funding or commercial litigation financing agreements in this
10 state.

11 (2) An application for registration under this section must be
12 filed in the manner prescribed by the department of insurance and
13 financial services and must contain all the information required by
14 the department of insurance and financial services to make an
15 evaluation of the character and fitness of the applicant company or
16 financier, including, but not limited to, any beneficial ownership
17 interest exceeding 20%. The initial application must be accompanied
18 by a fee of \$10,000.00. A renewal registration must include a fee
19 of \$10,000.00. A registration must be renewed every 2 years and
20 expires on December 31.

21 (3) A certificate of registration may not be issued unless the
22 department of insurance and financial services on investigation
23 finds that the character and fitness of the applicant company or
24 financier, and of the officers and directors of the company or
25 financier, are such as to warrant belief that the business will be
26 operated honestly and fairly within the purposes of this act.

27 (4) The department of insurance and financial services shall
28 not issue a registration under this section to a foreign entity of
29 concern or a foreign country or person of concern.

1 (5) An applicant under this section shall also, at the time of
2 filing the application, file with the department of insurance and
3 financial services, if the department of insurance and financial
4 services so requires, a bond satisfactory to the department of
5 insurance and financial services in an amount not to exceed
6 \$10,000.00. At the option of the applicant, instead of a bond, the
7 applicant may post an irrevocable letter of credit. The terms of a
8 bond filed under this subsection must run concurrent with the
9 period during which the registration will be in effect. The bond
10 must provide that the registrant will faithfully conform to and
11 abide by this act and all rules promulgated under this act and will
12 pay to this state or any other person any amount of money that
13 becomes due to this state or to the person from the registrant
14 under this act during the period for which the bond is given.

15 (6) On written request, an applicant under this section is
16 entitled to a hearing on the question of the applicant's
17 qualifications for registration if either of the following applies:

18 (a) The department of insurance and financial services has
19 notified the applicant in writing that the application has been
20 denied.

21 (b) The department of insurance and financial services has not
22 issued a registration within 60 days after the application for the
23 registration was filed.

24 (7) A request for a hearing under subsection (6) may not be
25 made later than 15 days after the department has mailed a written
26 notice to the applicant that the application has been denied and
27 that states in substance the department of insurance and financial
28 services' findings supporting denial of the application.

29 (8) A consumer litigation funding company or commercial

1 litigation financier that registered with the department of
2 insurance and financial services after the effective date of this
3 act or the date on which the department of insurance and financial
4 services makes applications for registration under this section
5 available to the public, whichever is later, and before 180 days
6 after that date may engage in consumer litigation funding or
7 commercial litigation financing, as applicable, while the company's
8 application for registration under this section is pending approval
9 with the department of insurance and financial services. A funding
10 agreement entered into before the effective date of this act is not
11 subject to this act.

12 (9) A person shall not use any form of consumer litigation
13 funding contract or commercial litigation financing agreement in
14 this state unless it has been filed with the department of
15 insurance and financial services in accordance with the filing
16 procedures set forth by the director of insurance and financial
17 services. The filing procedures must designate a reasonable time
18 frame for this state to raise objections to any filed form.

19 (10) The director of the department of insurance and financial
20 services shall annually adjust the amount of the fees to be paid
21 under subsection (2) to reflect the change in the Consumer Price
22 Index in the preceding calendar year. The first adjustment under
23 this subsection must be made for fees to be paid in the calendar
24 year after the year in which this act takes effect. As used in this
25 subsection, "Consumer Price Index" means the annual average
26 Consumer Price Index for All Urban Consumers (CPI-U), all items in
27 U.S. city average, reported by the Bureau of Labor Statistics of
28 the United States Department of Labor.

29 Sec. 12. (1) A consumer litigation funding company or

1 commercial litigation financier that engages in business in this
2 state shall submit a report to the department of insurance and
3 financial services not later than December 31 of each year that
4 specifies all of the following:

5 (a) The number of litigation fundings by the company or
6 financier that year.

7 (b) A summation of funded amounts in dollars for that year.

8 (c) The annual percentage charged to each consumer or
9 commercial funding recipient if repayment was made that year.

10 (2) The department of insurance and financial services shall
11 make information received under this section available to the
12 public, in a manner that maintains the confidentiality of the name
13 of the companies, financiers, customers, and consumers, not later
14 than 30 days after the reports are submitted.

15 Sec. 13. (1) A commercial litigation financier shall not enter
16 into a commercial litigation financing agreement directly or
17 indirectly with a foreign entity of concern or a foreign country or
18 person of concern.

19 (2) A claimant or an attorney or law firm for a claimant or
20 affiliated attorney or law firm shall not disclose or share any
21 documents or information with a commercial litigation financier if
22 the documents are or the information is subject to a protective or
23 sealing order from a court.

24 (3) A commercial litigation financier shall not make any
25 decision, have any influence, or direct any decisions with respect
26 to the course of a legal claim, including decisions in appointing
27 or changing counsel, choice or use of expert witnesses, litigation
28 strategy, and settlement or other resolution. The right to make all
29 decisions regarding a legal claim remains solely with the claimant

1 and the claimant's attorney or law firm.

2 Sec. 14. (1) Except as otherwise stipulated or ordered by the
3 court, a claimant or the claimant's attorney shall, without
4 awaiting a discovery request, provide to all parties any commercial
5 litigation financing agreement at the time a legal claim is
6 asserted or commenced and any time thereafter that a commercial
7 litigation financing agreement is executed or amended. An insurer
8 that has or may have a duty to defend or indemnify a party to a
9 legal claim must be provided with the commercial litigation
10 financing agreement or any modifications or amendments to the
11 agreement.

12 (2) A commercial litigation financing agreement and all
13 participants or parties to the commercial litigation financing
14 agreement are permissible subjects of discovery in a legal claim.

15 Sec. 15. The department of insurance and financial services
16 may promulgate rules necessary to effectuate the purposes of this
17 act under the administrative procedures act of 1969, 1969 PA 306,
18 MCL 24.201 to 24.328.

19 Sec. 16. This act applies to a consumer litigation funding or
20 commercial litigation financing agreement that is effectuated on or
21 after the effective date of this act.