

January 13, 2026

Chairman Bob Lynn  
New Hampshire House of Representatives  
Judiciary Committee  
1 Granite Place, Room 230  
Concord, NH 03301

Chairman Lynn and Members of the Committee,

On behalf of the National Association of Mutual Insurance Companies (NAMIC), thank you for the opportunity to submit this statement in support of HB 1384.

NAMIC is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies - including local and regional insurers as well as some of the nation's largest carriers - NAMIC members collectively write \$467 billion in annual premiums, representing 61% of the homeowners and 53% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect our members and their policyholders.

At the outset, it is imperative to establish that insurance is priced differently than virtually every other product available to consumers. Unlike nearly all products and services, the actual cost of providing insurance is unknown at the time it is offered. Because of the prospective nature of insurance pricing, it is imperative that insurers can accurately price risk and charge a commensurate premium.

The insurance industry is experiencing a new era of risk, as insurers collectively are feeling the impact of a confluence of factors including extreme weather, litigation abuse, inflation, rising reinsurance costs, and other economic pressures. Everything, everywhere, all at the same time captures the unprecedented scope of the current conditions facing insurers. It is with this in mind, that the industry and policymakers should work together to address issues that are contributing to unnecessary costs in the market.

Third-party litigation funding arrangements is such an issue that is contributing to unnecessary increased litigation costs. These agreements have countless impacts on the civil justice system and insurance market by making it difficult and more costly to settle cases, increasing the length of time for a case to settle which in turn drive up cost of litigation and insurance claims. This increased cost is then passed down through the insurance market to all consumers. HB 1384 takes a significant step toward addressing this issue in New Hampshire.

HB 1384 intends to provide a level of transparency in the litigation process by requiring disclosure of third-party litigation arrangements. The disclosure of such arrangements will allow all parties to



properly evaluate and value a claim and level the field between the plaintiffs and defendants as businesses defending lawsuits have had to disclose the existence of insurance policies for decades. Currently, third-party funding agreements are not routinely required to be disclosed in New Hampshire to the courts or parties involved which creates an unknown party with an interest in the outcome of the litigation. These agreements have distorted the traditional two-party litigation negotiations which place the parties on unequal footing and unnecessarily inflates costs in the market. In addition, HB 1384 also prohibits funders from making decisions or otherwise having any influence on a legal case and establishes contract requirements for funding agreements.

HB 1384 will strengthen New Hampshire's civil justice system by restoring balance to the legal system and begin to mitigate the inflationary impact of unnecessary lawsuit abuse.

For these reasons, NAMIC supports HB 1384 and urges passage as drafted.

Sincerely,

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