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Legalized Gambling on Litigation

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MARCH 19, 2026

A $15 billion industry is funding trucking lawsuits against you.

Outside investors — hedge funds, sovereign wealth funds, and Wall Street firms — are now bankrolling trucking lawsuits in exchange for a cut of the payout. This isn't a fringe phenomenon. It's a legally sanctioned, $15 billion-plus industry purpose-built to profit from litigation.

It is called third-party litigation funding (TPLF). And it's directly driving nuclear verdicts — because the investors backing these cases only profit when the verdict is massive.

Why It Matters

This is not an abstract policy concern. The Perryman Group, in a December 2025 study, quantified the direct economic damage of litigation lending:

- **$35.8B** – Direct annual losses (2024)
- **$54.2B** – Lost gross product across all U.S. business
- **454,450** – Jobs eliminated by TPLF costs
- **$607/yr** – Cost to every U.S. household

This is another part of the $4,207 annual per-household tort tax I covered in my prior newsletter — and the financial extraction being engineered against American businesses and consumers comes into sharp focus.

The Details

How TPLF works, and why it's designed to maximize verdicts: Litigation funders advance money to plaintiffs or their law firms in exchange for a contractual share of any award. The arrangement is nonrecourse, which means no recovery, no repayment. This sounds plaintiff-friendly. But look at the incentive structure it creates:

- Funders only profit on large verdicts — so they push for maximum awards, not fair settlements.
- Plaintiffs who accept reasonable settlements often find there is little left after the funder takes its cut and the attorney takes a third.
- Defendants have no idea a financial third party is sitting at the table, shaping litigation strategy for profit.
- Judges and juries are kept in the dark about who is actually driving the cases.

Who is Funding These Cases

A 2022 Government Accounting Office report found TPLF investors include institutional investors, pension funds, and sovereign wealth funds controlled by foreign governments.

The American Tort Reform Association identifies funders as "commercial litigation finance companies, hedge funds, businesses, and wealthy individuals." They use these funds to pay for TV advertising, social media campaigns, and even cold calls to recruit plaintiffs for cases.

The Trucking Industry is a Primary Target

One legal lending firm specifically announced it had "secured and committed more funds to truck accident cases" and openly advertises a "12-Hour Lawsuit Cash Advance approval process … with agents standing by 24 hours a day."

ATRI's December 2025 forensic analysis of trucking litigation identified TPLF as a factor driving social inflation because investor profit is directly contingent on maximum recovery, inherently conflicting with any path toward reasonable settlement.

ATRI ranked lawsuit abuse reform second on its Top Industry Issues list for 2025. This is not background noise. This is the central threat to the industry's financial viability. The trucking industry is under attack from TPLF, and the way to combat it is with safety and accident prevention. If you have any questions on TPLF and how the industry can overcome it, please contact me at any time.

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