



**Substitute Senate Bill No. 1544**

**Special Act No. 25-20**

**AN ACT CONCERNING A STUDY ON PRESETTLEMENT LEGAL FUNDING AND LOANS MADE IN CONNECTION WITH THE ANTICIPATED RECEIPT OF A WRONGFUL INCARCERATION AWARD.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (*Effective from passage*) (a) The Banking Commissioner, or the commissioner's designee, shall study and report: (1) On consumer complaints made against entities subject to the provisions of title 36a of the general statutes, for the five-year period commencing on July 1, 2020, and ending on June 30, 2025, relating to (A) any alleged impropriety in the provision of presettlement legal funding to a person seeking compensation for wrongful incarceration under section 54-102uu of the general statutes; (B) any unlicensed entity providing a small loan to a person with respect to the anticipated proceeds from a wrongful incarceration award under section 54-102uu of the general statutes; (C) any consent decree entered into between the department and an entity subject to the provisions of title 36a of the general statutes relating to an alleged impropriety in the provision of presettlement legal funding to a person seeking compensation for wrongful incarceration under section 54-102uu of the general statutes; and (D) any other enforcement actions taken by the department with respect to a consumer complaint against an entity subject to the provisions of title

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36a of the general statutes relating to presettlement legal funding or a loan made in connection with the anticipated proceeds from a wrongful incarceration award under section 54-102uu of the general statutes; and (2) in consultation with the Commissioner of Consumer Protection and the Attorney General, on recommended legislative changes needed to (A) provide enhanced consumer protections to a person seeking compensation for wrongful incarceration under section 54-102uu of the general statutes, who, prior to receiving any compensation, enters into an agreement with an entity for the receipt of certain sums of money, which sums of money are to be repaid to the entity upon the receipt of the wrongful incarceration award; and (B) establish a process for the appointment of a trustee for a person described in subparagraph (A) of this subdivision relative to the receipt and disbursement of a wrongful incarceration award while such person's claim is pending with the Office of the Claims Commissioner.

(b) The Banking Commissioner, or the commissioner's designee, shall submit the report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to the judiciary, banking and consumer protection on or before January 8, 2026.

Governor's Action:  
Approved July 8, 2025