

STATE OF MINNESOTA  
IN SUPREME COURT  
C6-74-45550

OFFICE OF  
APPELLATE COURTS

SEP 08 1999

**FILED**

AMENDMENTS TO THE RULES OF PROCEDURE  
FOR NO-FAULT ARBITRATION

**ORDER**

WHEREAS, the Standing Committee for Administration of No-Fault Arbitration has recommended amendments to the Rules of Procedure for No-Fault Arbitration, and

WHEREAS, the Supreme Court has conducted a public hearing, reviewed the recommendations and is fully advised in the premises,

NOW, THEREFORE, IT IS HEREBY ORDERED that effective this date, the rules are amended as follows:

**RULE 1 PURPOSE AND ADMINISTRATION**

(a) The purpose of the Minnesota no-fault arbitration system is to promote the orderly and efficient administration of justice in this State. To this end, the Court, pursuant to Minn. Stat. §65B.525 and in the exercise of its rule making responsibilities, does hereby adopt these rules. These rules are intended to implement the Minnesota No-Fault Act.

Current Rule 1(a) and rule 1(b) shall be renumbered Rule 1(b) and Rule 1(c).

**RULE 6 JURISDICTION IN MANDATORY CASES**

Add new second paragraph as follows:

If the claimant waives a portion of the claim in order to come within the \$10,000.00 jurisdictional limit, the claimant must specify within thirty (30) days of filing the claims in excess of the \$10,000.00 being waived.

## **RULE 8 SELECTION OF ARBITRATOR AND CHALLENGE PROCEDURE**

The AAA shall send simultaneously to each party to the dispute an identical list of four names of persons chosen from the panel. Each party to the dispute shall have seven business days from the mailing date in which to cross out a maximum of one name objected to, number the remaining names in order of preference, and return the list to the AAA. In the event of multi-party arbitration, the AAA may increase the number of potential arbitrators and divide the strikes so as to afford an equal number of strikes to each adverse interest. ~~A party to an arbitration may advise the AAA of any reason why an arbitrator should withdraw or be disqualified from serving prior to exercising strikes. An objection to a potential arbitrator shall be determined initially by the AAA, subject to appeal to the standing committee.~~ If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable.

One of the persons who has been approved on both lists shall be invited by the AAA to serve in accordance with the designated order of the mutual preference. Any objection to an arbitrator based on the arbitrator's post-appointment disclosure must be made within seven business days from the mailing date of the arbitrator disclosure form. Failure to object to the appointed arbitrator based upon the post-appointment disclosure within seven business days constitutes waiver of any objections based on the post-appointment disclosure. An objection to a potential arbitrator shall be determined initially by the AAA, subject to appeal to the Standing Committee. If an acceptable arbitrator is unable to act, or for any other reason the appointment cannot be made from the submitted list, the AAA shall have the power to make the appointment from among other members of the panel without the submission of additional lists. If any arbitrator should resign, be disqualified or unable to perform the duties of the office, the AAA shall appoint another arbitrator from the no-fault panel to the case.

## **RULE 10 QUALIFICATION OF ARBITRATOR AND DISCLOSURE PROCEDURE**

Add second paragraph:

The following facts, in and of themselves, do not create a presumption of bias or conflict of interest:

That an attorney or the attorney's firm represents auto accident claimants against insurance companies, including the insurance company which is the respondent in the pending matter.

That an attorney or an attorney's firm represents or has represented insurance companies.

## **RULE 13 - WITHDRAWAL**

Rule 13 is deleted and replaced with the following:

A claimant may withdraw a petition up until ten (10) days prior to the hearing. The claimant will be

responsible for the arbitrator's fee, if any, upon withdrawal. If the petition is withdrawn after a panel of arbitrators is submitted and if the claimant shall file another petition arising from the same accident against the same insurer, the same panel of arbitrators shall be resubmitted to the claimant and the respondent. If the petition is withdrawn after the arbitrator is selected and if the claimant shall file another petition arising from the same accident against the same insurer, the same arbitrator who was earlier assigned shall be reassigned. The claimant who withdraws a petition shall be responsible for all parties' filing fees incurred upon the refiling of the petition.

#### **RULE 14 TIME AND PLACE OF ARBITRATION**

~~If conciliation is not successful,~~ a-An informal arbitration hearing will be held in the arbitrator's office or some other appropriate place in the general locale within a 50 mile radius of the claimant's residence, or other place agreed upon by the parties. If the claimant resides outside of the State of Minnesota, AAA shall designate the appropriate place for the hearing.

#### **RULE 29 SERVING OF NOTICE**

Each party waives the requirements of Minn. Stat. § 572.23 and shall be deemed to have consented agreed that any papers, notices or process necessary or proper for the initiation or continuation of an arbitration under these rules; for any court action in connection herewith including application for the confirmation, vacation, modification or correction of an award issued hereunder as provided in Rule 38; or for the entry of judgment on any award made under these rules may be served on a party by mail or facsimile addressed to the party or its representative at the last known address or by personal service, in or outside the state where the arbitration is to be held, provided that reasonable opportunity to be heard with regard thereto has been granted to the party.

The AAA and the parties may also use facsimile transmission, telex, telegram or other written forms of electronic communication to give the notices required by these rules and to serve process for an application for the confirmation, vacation, modification or correction of an award issued hereunder.

#### **RULE 32 SCOPE OF AWARD**

Add second paragraph:

Given the informal nature of no-fault arbitration proceedings, the no-fault award shall not be the basis for a claim of estoppel or waiver in any other proceeding.

#### **RULE 37 APPLICATIONS TO COURT AND EXCLUSION OF LIABILITY**

(b) Neither the AAA nor any arbitrator in a proceeding under these rules can be made a witness or

is a necessary party in judicial proceedings related to the arbitration.

**RULE 38 CONFIRMATION, VACATION, MODIFICATION OR CORRECTION OF AWARD**


The provisions of Minn. Stat. § 572.10 through § 572.26 shall apply to the confirmation, vacation, modification or correction of award issued hereunder, except that service of process pursuant to Minn. Stat. § 572.23 shall be made as provided in Rule 29 of these rules.

**RULE 40 ARBITRATOR'S FEES**

- (b) If the AAA is notified of a settlement at any time up to 24 hours prior to the scheduled hearing, but after the appointment of the arbitrator, the arbitrator's fee shall be the sum of \$50.00. If the AAA is notified of settlement of a claim 24 hours or less prior to the scheduled hearing, the arbitrator's fee shall be \$300.00. The fee shall be assessed equally to the parties unless the parties agree otherwise.
- (c) Once a hearing is commenced, the arbitrator shall direct assessment of the fee.

DATED: September 7, 1999

BY THE COURT:

  
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Kathleen A. Blatz  
Chief Justice