STATE OF MINNESOTA

IN SUPREME COURT

C6-74-45550

ORDER ESTABLISHING DEADLINE FOR SUBMITTING COMMENTS ON PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR NO-**FAULT ARBITRATION**

The Standing Committee for Administration on No-Fault Arbitration has filed a petition recommending three amendments to the Rules of Procedure for No-Fault Arbitration. This court will consider the proposed amendments without a hearing after soliciting and reviewing comments on the petition. A copy of the petition is annexed to this order.

IT IS HEREBY ORDERED that any individual wishing to provide statements in support or opposition to the proposed amendment shall submit fourteen copies in writing addressed to Frederick K. Grittner, Clerk of the Appellate Courts, 25 Constitution Avenue, St. Paul, Minnesota 55155, no later than Friday, November 8, 2002.

Dated: September $\sqrt{2.2002}$

BY THE COURT:

Kathleen A. Blatz

Chief Justice

In the Matter of the Proposed Amendments to the Minnesota No-fault Arbitration Rules

PETITION

TO: THE SUPREME COURT OF THE STATE OF MINNESOTA

The Standing Committee on No-Fault Arbitration does hereby Petition the Court to amend the No-Fault Rules as follows:

The first sentence of Rule 10 is amended to read:

Every member of the panel shall be a licensed attorney at law of this state or a retired attorney or judge in good standing, and each member shall meet the requirements set forth in the Standing Committee's Policy Statement.

Proposed amendment to Rule 40 (b)

If the AAA is notified of a settlement <u>or a withdrawal of a claim</u> 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 <u>or a withdrawal</u> of a claim 24 hours or less prior to the scheduled hearing, the arbitrator's fee shall be \$300.00. <u>Unless the parties agree otherwise</u>, the fee in a settlement shall be assessed equally to the parties and the fee in a withdrawal shall be borne by claimant.

Proposed amendment to Rule 42

The expenses of witnesses for either side shall be paid by the party producing such witnesses. All expenses of the arbitration, including required travel and other expenses of the arbitrator, AAA representatives, any witness and the cost of any proof produced at the direct request of the arbitrator, shall be borne equally by the parties, unless they agree otherwise or unless the arbitrator in the award assess such expenses or any part thereof against any specified party or

parties. Generally each side should pay their own expenses. An arbitrator does, however, have the discretion to direct a party or parties to pay expenses as part of an award.	
WHEREFORE, Petitioner respectfully requests that the Court grant the relief requested. Attached hereto is Appendix A, a commentary on the proposed amendments.	
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	The Standing Committee on No-Fault Arbitration
DATED: August 8, 2002	BY: John Simonett, Committee Chair

APPENDIX A

Comment to Rule 10 Amendment

The Policy Statement, effective January 1, 2003, requires for qualification as an arbitrator: (1) at least 5 years in practice in this state; (2) at least one-third of the attorney's practice is with auto insurance claims or, for an attorney not actively representing clients, at least one-third of an ADR practice is with motor vehicle claims or no-fault matters; (3) completion of the AAA training program prior to appointment to the panel; (4) at least three CLE hours on no-fault issues within their reporting period; and (5) arbitrators will be required to be re-certified each year, confirming at the time of recertification that they continue to meet the above requirements.

The Committee has instituted a training program for no-fault arbitrators to provide for compliance in subparagraph (3) above.

Comment to Rule 40(b) Amendment

This amendment calls for payment of an arbitrator's fee when a claim is withdrawn before a hearing, as well as when the claim is settled prior to the hearing. Unless the parties agree otherwise, the fee is assessed equally to the parties; if the claim is withdrawn, the claimant pays.

Comment to Rule 42 Amendment

The current rule on payment of expenses is stricken. The proposed amendment is essentially the same, but is shorter and more clear.