



AMERICAN ARBITRATION ASSOCIATION®

2018 ANNUAL REPORT

MINNESOTA

NO-FAULT ARBITRATION

PROVIDED BY THE AMERICAN ARBITRATION ASSOCIATION
MINNESOTA NO-FAULT OFFICE

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TABLE OF CONTENTS

Introduction.....	3
Case Filings.....	3
Locations.....	5
Claim Information	7
Award Information.....	10
Claim to Award	12
Case Timelines.....	13
Case Disposition.....	15
Contact Us.....	16

INTRODUCTION

The American Arbitration Association® (AAA®) is dedicated to the development and use of efficient, effective, and economical methods of dispute resolution through education, technology, and solutions-oriented service.

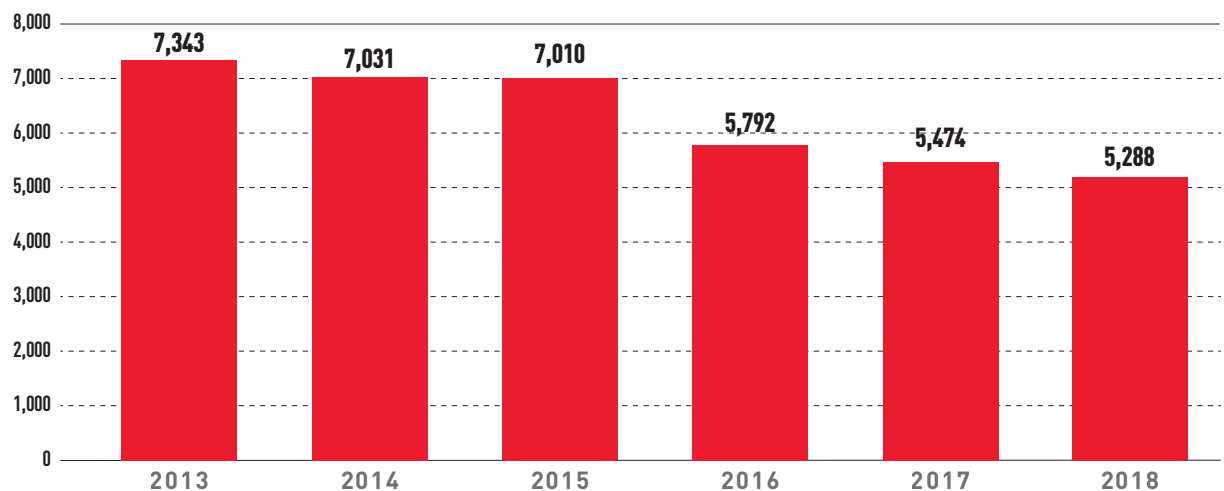
We value our continued partnership with the State of Minnesota and are committed to building a program based on integrity, trust, and innovation to meet the needs of the no-fault user community.

CASE FILINGS

The following graph compares the total case filings received from 2013 through 2018. Since 2013, there has been a 28% decrease in the number of annual filings.

This is a decrease of over 2,000 cases filed in 2018 as compared to cases filed in 2013.

Table 1: Annual Case Filings



Method of Filing

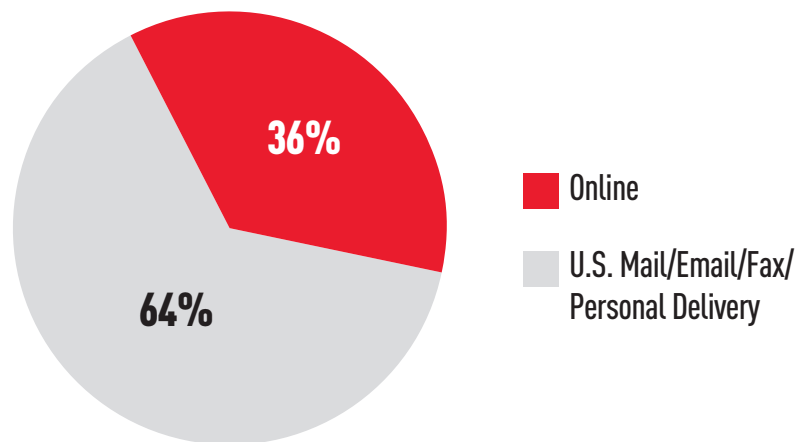
Cases may be filed with the AAA by U.S. Mail, fax, email, and personal delivery, as well as online through AAA WebFile® or AAA FastFile.

AAA WebFile is an external case management portal, which provides users with 24-hour access to file, access, and manage cases. Similarly, AAA FastFile provides users with the ability to file online without the need to create an online account.

In 2018, online filings comprised 36% of overall cases filed, is, almost a 6% increase over 2017.

The following graph illustrates a breakdown of how no-fault cases were filed with the AAA in 2018.

Table 2: Breakdown of 2018 Cases



LOCATIONS

Pursuant to Rule 14 of the Minnesota Rules of No-Fault Arbitration Procedure, a hearing will be held in the arbitrator's office, another appropriate place in the general locale within a 50-mile radius of the claimant's residence, or other place agreed upon by the parties. At the time of filing, a claimant is provided with an opportunity to request a particular hearing location. Absent an objection, the AAA's staff will make every effort to locate an arbitrator who is willing to hear a case in the requested location and secure a place to hold the hearing in that location.

In 2018, the AAA received hearing locale requests for over 100 different cities and 42 different counties.

In order to honor such requests, the AAA scheduled hearings at county courthouses, libraries, community centers, AAA offices, and law offices.

The graphs below demonstrate the most common cities and counties requested by claimants.

Table 3: 2018 Top-Requested Hearing Locales by City

Minneapolis	2,436
St. Paul	1,172
Roseville	193
Woodbury	159
St. Cloud	119
Fridley	65
Buffalo	62
Anoka	51
Rochester	40
St. James	34
Mankato	33
Shoreview	27
Duluth	22
Stillwater	21
White Bear Lake	18
Maple Grove	16
Blaine	13
Maplewood	13
Brooklyn Park	12
Oakdale	11

With the assistance of Traveling Arbitrators, who volunteer to serve in many locations throughout the state, the AAA has the ability to provide access to in-person hearings within all of Minnesota's 87 counties. In 2018, the Traveling Arbitrator Panel comprised 84 arbitrators.

Table 4: 2018 Top-Requested Hearing Locales by County

Hennepin	2,497
Ramsey	1,427
Washington	199
Anoka	149
Stearns	125
Wright	64
Dakota	49
Olmstead	40
Watonwan	34
Blue Earth	33
St. Louis	27
Crow Wing	17
Sherburne	10
Beltrami	7
Carver	7
Goodhue	5
Kandiyohi	5
Benton	4
Douglas	4
Isanti	4
Steele	4
Clay	3
Nobles	3
Otter Tail	3
Aitkin	2
Kanabec	2
Lyon	2
Pine	2
Rice	2
Scott	2
Chisago	1
Clearwater	1
Houston	1
Hubbard	1
Itasca	1
Martin	1

McLeod	1
Mower	1
Pennington	1
Polk	1
Pope	1
Winona	1
Grand Total	4,744

CLAIM INFORMATION

The AAA receives three types of claims: Basic Economic Loss, Auto Glass Replacement, and Automobile Property Damage.

Basic Economic Loss claims include claims arising out of the denial or delay of payment for medical expenses, wage loss, and replacement services.

Auto Glass Replacement claims are those claims arising out of the insurance company's denial or reduction of payment toward the glass repair of an

insured's automobile. These claims typically are filed by the auto glass provider who repaired the insured's automobile. These claims also include court-ordered consolidated glass cases.

Automobile Property Damage claims are those claims that arise out of property damage to the insured's automobile.

The chart below illustrates a breakdown of the types of claims filed with the AAA in 2018.

Table 5: 2018 Breakdown of Claim Type

Case Type	Total Filed
Basic Economic Loss	5,216
Auto Glass Replacement	65
Auto Property Damage	9

Under Rule 5 of the Minnesota Rules of No-Fault Arbitration Procedure, a claim may not exceed the \$10,000 jurisdictional amount at the time the petition is filed. Claim amounts often fluctuate throughout the life of a case and may exceed the jurisdictional amount after the claim has been filed.

The following charts provide claim information by case type for those cases filed in 2018.

Table 6: 2018 Basic Economic Loss Claim Amounts

Claim Type	Minimum	Maximum	Average	Median
Medical	\$1.00	\$85,573.00	\$6,477.00	\$5,776.00
Replacement Services	\$279.00	\$19,123.00	\$7,935.00	\$9,476.00
Wage Loss	\$151.00	\$22,017.00	\$7,401.00	\$8,590.00

Table 7: 2015-2018 Basic Economic Loss Comparison of Claims Filed

The following graph illustrates a comparison of claims filed between 2015 and 2018 for Basic Economic Loss Benefits, which includes medical, replacement services, and wage loss.

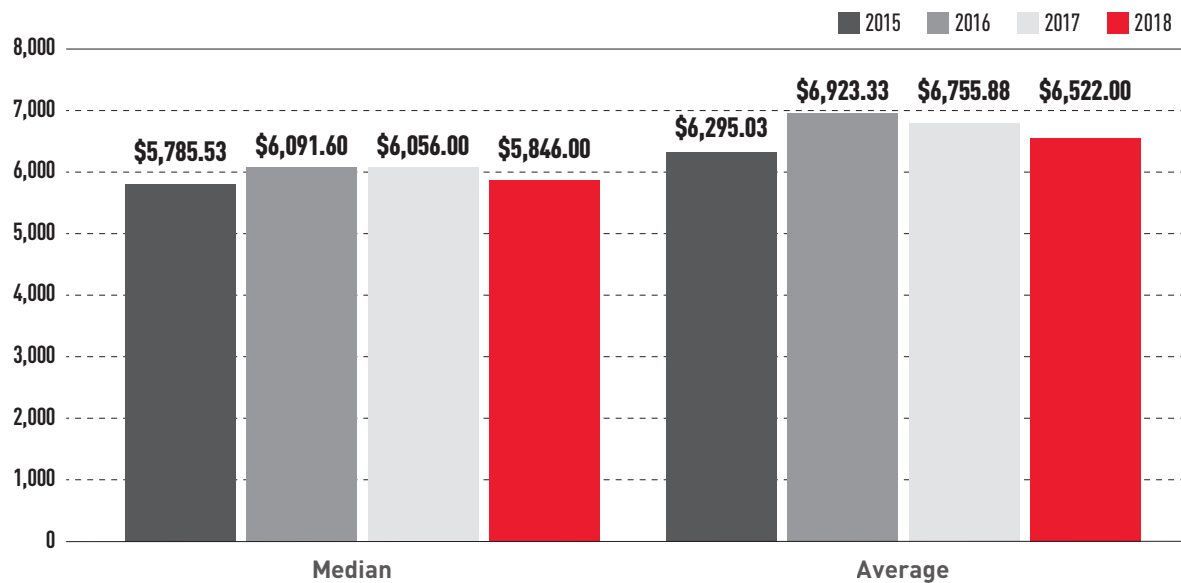
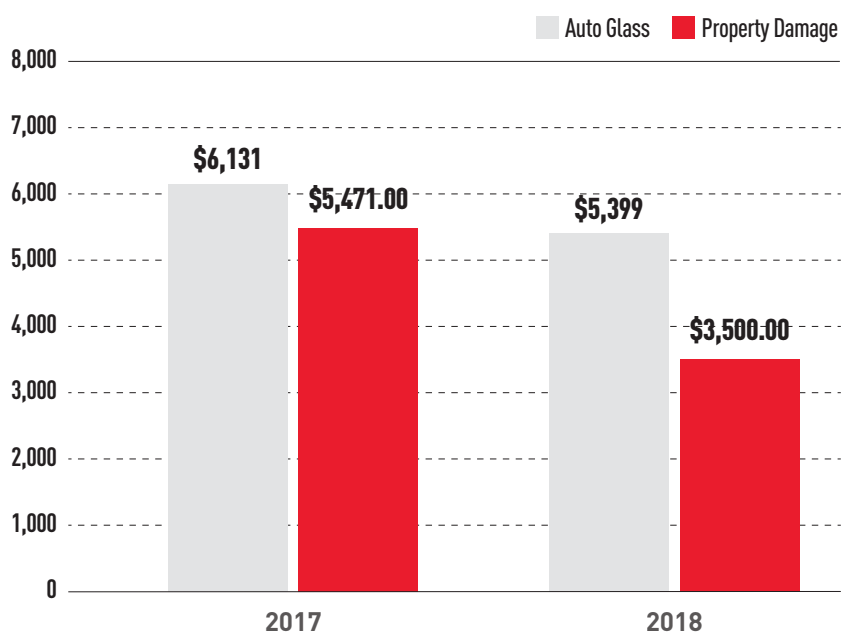


Table 8: 2018 Auto Glass Replacement and Property Damage Claim Amounts

Claim Type	Minimum	Maximum	Average	Median
Auto Glass Replacement	\$70.00	\$336,846.00*	\$13,316.00	\$5,399.00
Auto Property Damage	\$1,327.00	\$10,000.00	\$5,036.00	\$3,500.00

*Court-ordered cases involving consolidated claims are included.

Table 9: 2017-2018 Auto Glass Replacement and Property Damage Comparison of Median Claims Filed

AWARD INFORMATION

Rule 32 of the Minnesota Rules of No-Fault Arbitration Procedure provides the scope of what an arbitrator may award under the No-Fault Rules. This rule provides that an award may include arbitration fees, expenses, rescheduling fees, and arbitrator compensation. An award may also include interest

when required under Minn. Stat. §65B.54. However, an arbitrator may not include attorney fees for either party in the award.

The following charts and graphs on award information are based on cases closed in the specified years.

Table 10: 2018 Basic Economic Loss Award Amounts

Issue Type	Minimum	Maximum	Average	Median
Medical	\$60.00	\$268,409.00	\$7,253.00	\$5,971.00
Replacement Services	\$351.00	\$20,313.00	\$7,050.00	\$6,574.00
Wage Loss	\$486.00	\$70,678.00	\$10,256.00	\$7,012.00

Table 11: 2015-2017 Basic Economic Loss Award Comparison

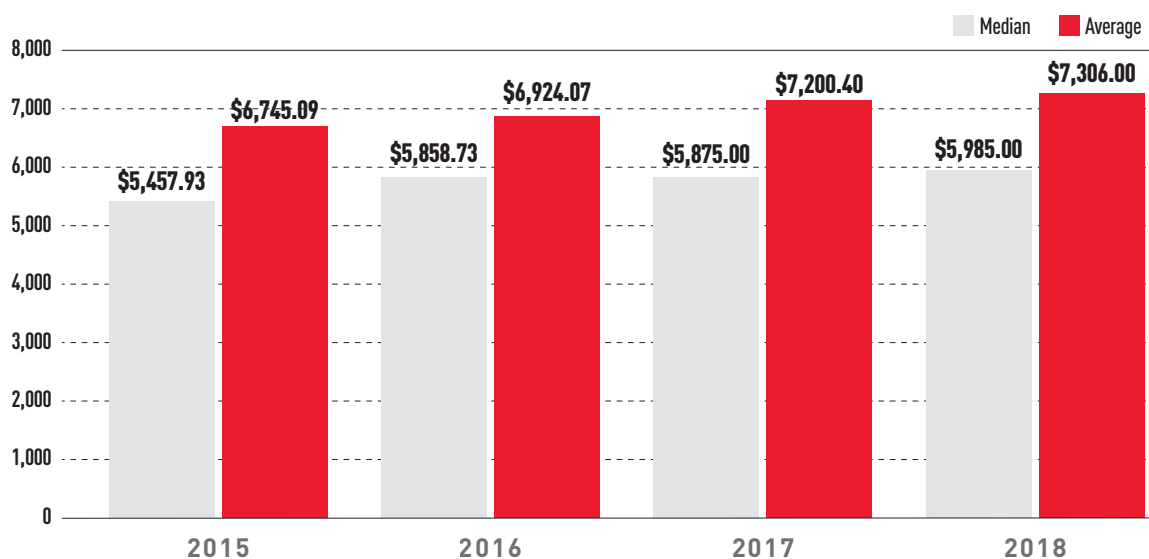
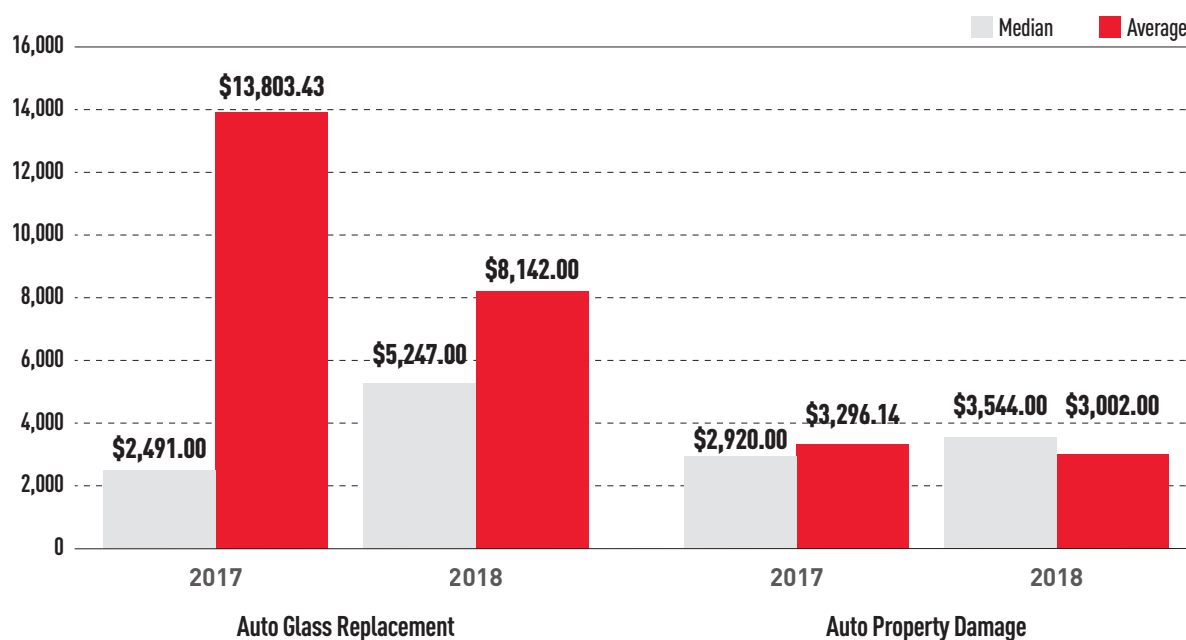


Table 12: 2018 Auto Glass Replacement and Auto Property Damage Award Amounts

Issue Type	Minimum	Maximum	Average	Median
Auto Glass Replacement	\$575.00	\$68,425.00*	\$8,142.00	\$5,247.00
Auto Property Damage	\$600.00	\$5,526.00	\$3,002.00	\$3,544.00

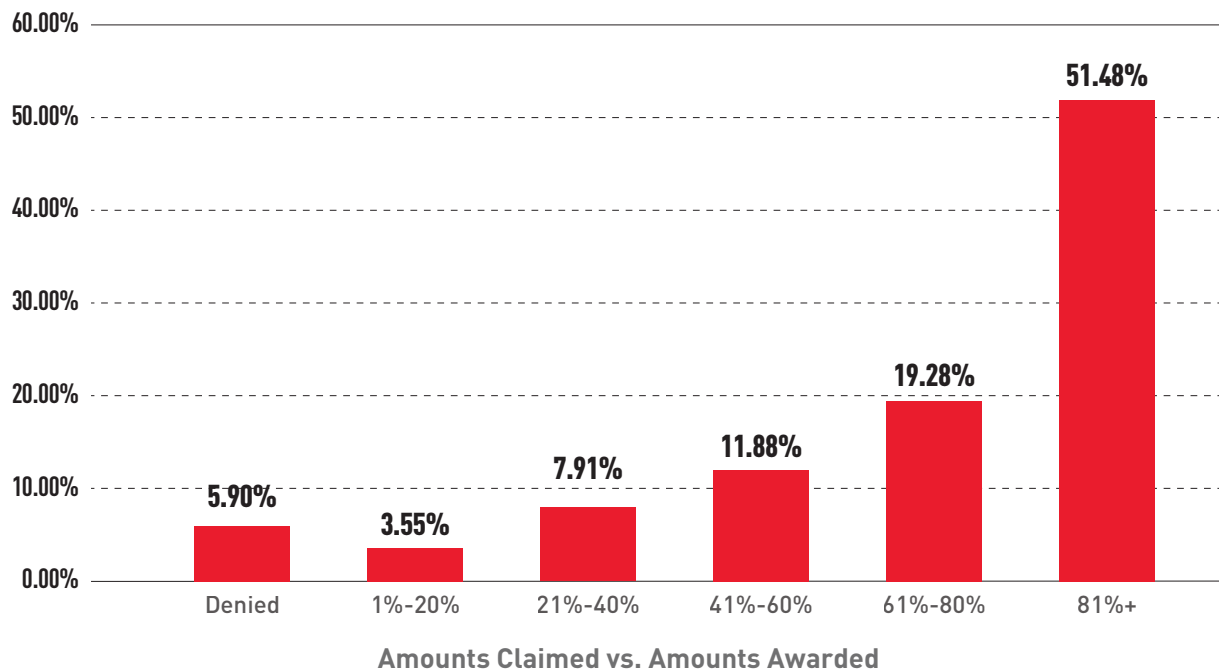
*Court-ordered cases involving consolidated claims

Table 13: 2017-2018 Auto Glass Replacement and Auto Property Damage Award Comparison

CLAIM TO AWARD

The graph below provides a snapshot of amounts awarded based on the amounts claimed for each case in 2018. For example, this graph illustrates that 5.90% of cases were denied, while 51.48% of cases were awarded at 81% or more of the amount claimed.

Table 14: 2018 Cases Awarded

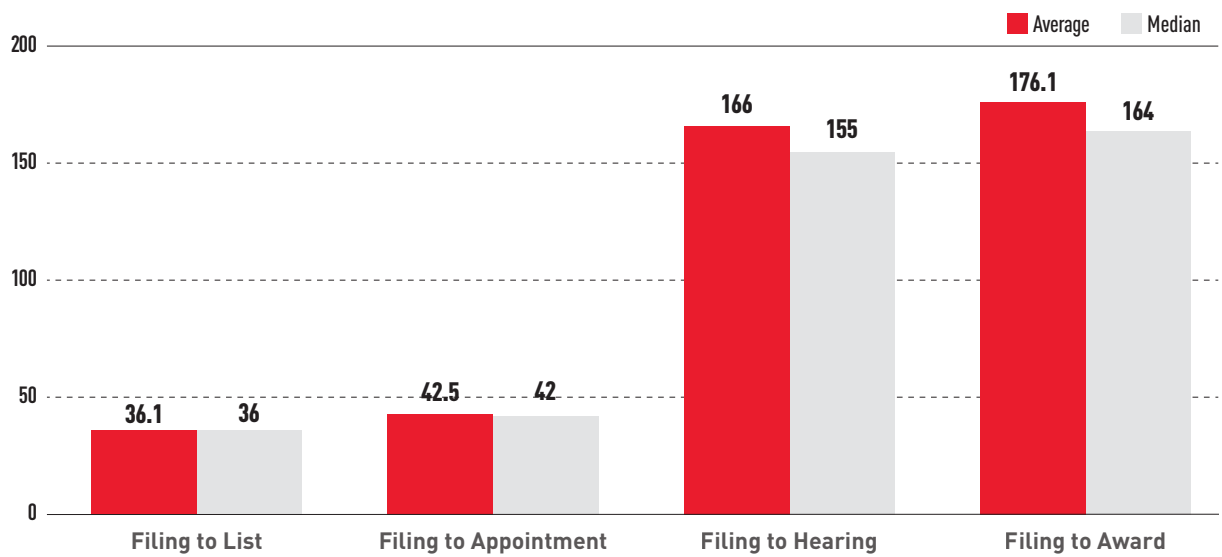


CASE TIMELINES

The AAA recognizes the importance of timely administration and, therefore, routinely reviews the administrative process to evaluate the need for enhancements. The AAA's role in the dispute resolution process is to administer cases from filing to closing in an orderly and efficient manner.

The following graph illustrates the number of calendar days between the filing of the claim with the AAA and each administrative timeframe.

Table 15: 2018 Administrative Timeframes in Days



Administrative Definitions

Filing – For purposes of reporting, the term “filing” refers to the time in which the case information is entered in the AAA’s case management system.

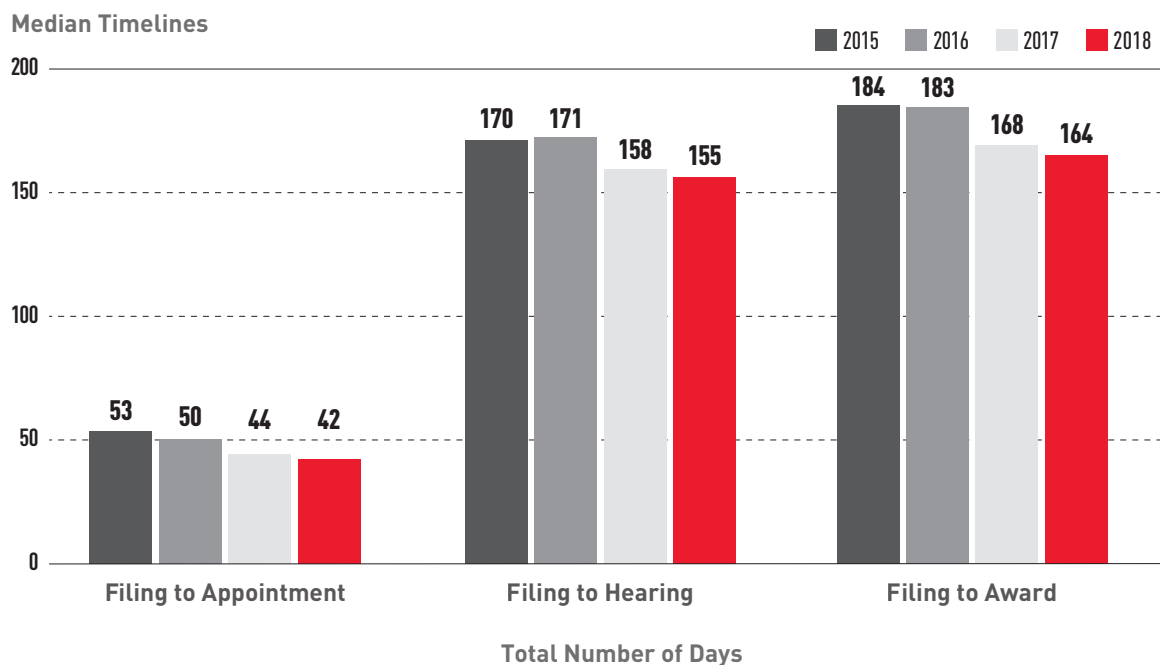
Appointment – the date an arbitrator is appointed to serve on a case

Hearing – the date an evidentiary hearing is held

Award – the date in which the award is signed by the arbitrator

In order to enhance user experience, the AAA is dedicated to introducing new technology and more efficient case-management processes to reduce overall case timelines.

Table 16: 2015-2018 Timeframe Comparison



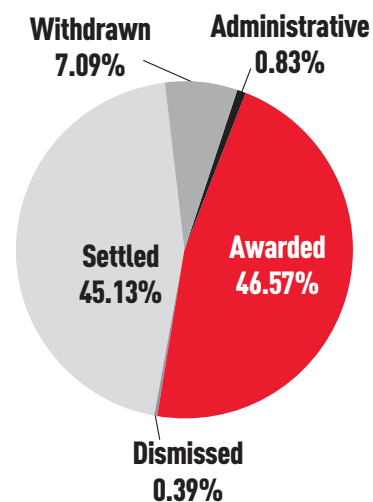
Since 2015, the median timeframe between filing a case to the entering of an award decreased by 20 days.

CASE DISPOSITION

The charts and graph below illustrate the final disposition of cases closed in the specified year.

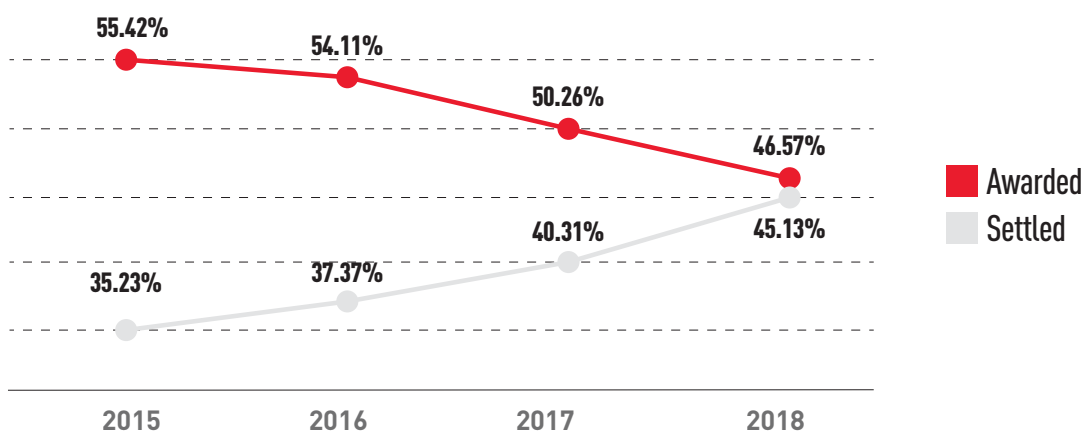
Table 17: 2018 Closed-Case Dispositions

Closed Status	Count	% Of Total
Administrative	45	0.83%
Awarded	2,523	46.57%
Dismissed	21	0.39%
Settled	2,445	45.13%
Withdrawn	384	7.09%
Total Cases:	5,418	100.00%



Settlement rate hits 45.13% in 2018.

Table 18: 2015-2018 Disposition Comparison



CONTACT US

Please feel free to contact us if you have any questions.

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