



AMERICAN ARBITRATION ASSOCIATION®

# 2017 ANNUAL REPORT

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# MINNESOTA

## NO-FAULT ARBITRATION

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PROVIDED BY THE AMERICAN ARBITRATION ASSOCIATION  
MINNESOTA NO-FAULT OFFICE

U.S. BANK PLAZA, 200 SOUTH SIXTH STREET, SUITE 700  
MINNEAPOLIS, MN 55402

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# 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.

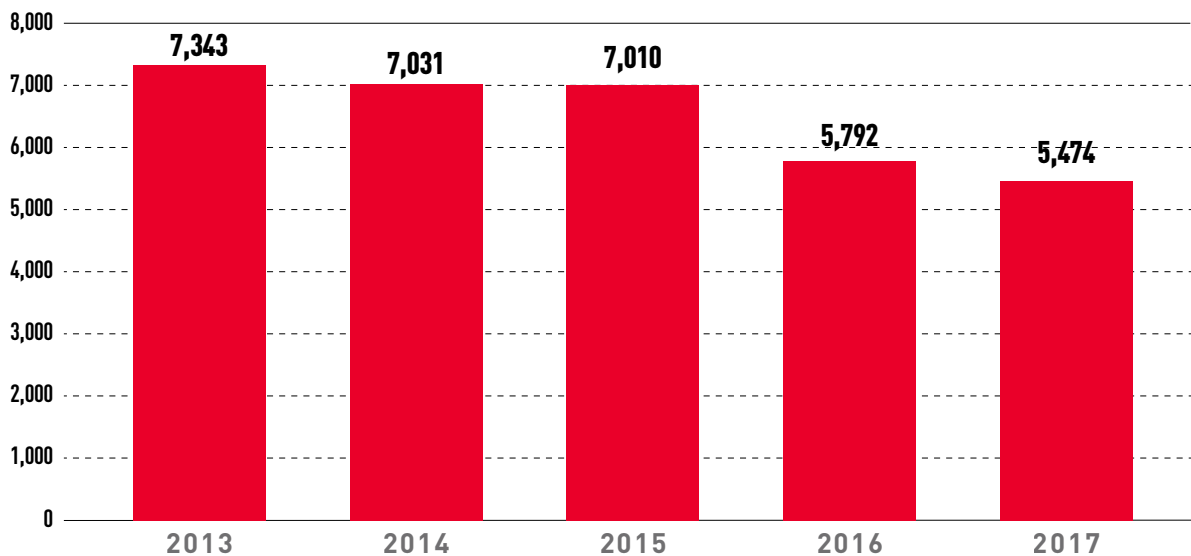
We value our continued partnership with the State of Minnesota and are committed to building a program based on integrity, trust and innovation to meet the needs of the user community.

# CASE FILINGS

The following graph compares the total case filings received from 2013 through 2017. Since 2013, there has been a 25% decrease in the number of annual filings.

There were 1,869 fewer cases filed in 2017 as compared to cases filed in 2013.

**Table 1: Annual Case Filings**



## 2017 Method of Filing

Cases may be filed with the AAA by U.S. Mail, fax, email, personal delivery, and online through AAA WebFile®. In order to promote greater efficiency, the AAA launched AAA WebFile, an external case management portal, for the Minnesota No-Fault Program in 2015. AAA WebFile provides users with 24-hour access to file, access, and manage a case. In 2017, nearly a third of cases were filed online through AAA WebFile.

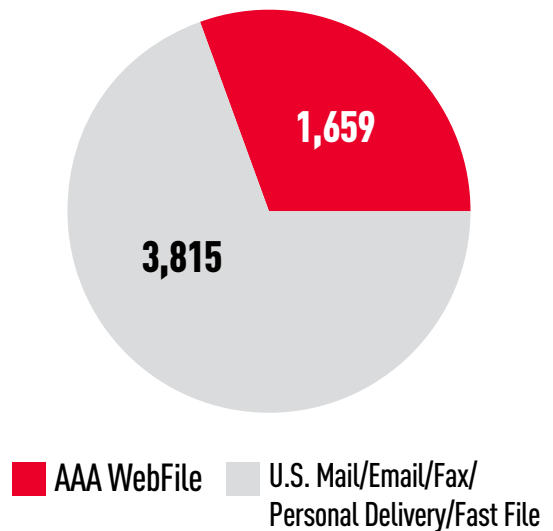
The following graph illustrates a breakdown of how no-fault cases were filed with the AAA in 2017.

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Nearly a third of cases filed in 2017 were filed online through AAA WebFile.

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**Table 2: 2017 Breakdown of 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 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. 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 2017, the AAA received hearing locale requests for 98 different cities and 38 different counties. In order to honor such requests, the AAA scheduled hearings at county courthouses, libraries, community centers, AAA offices and law offices. In 129 cases, filers requested a general location of “Twin Cities”.

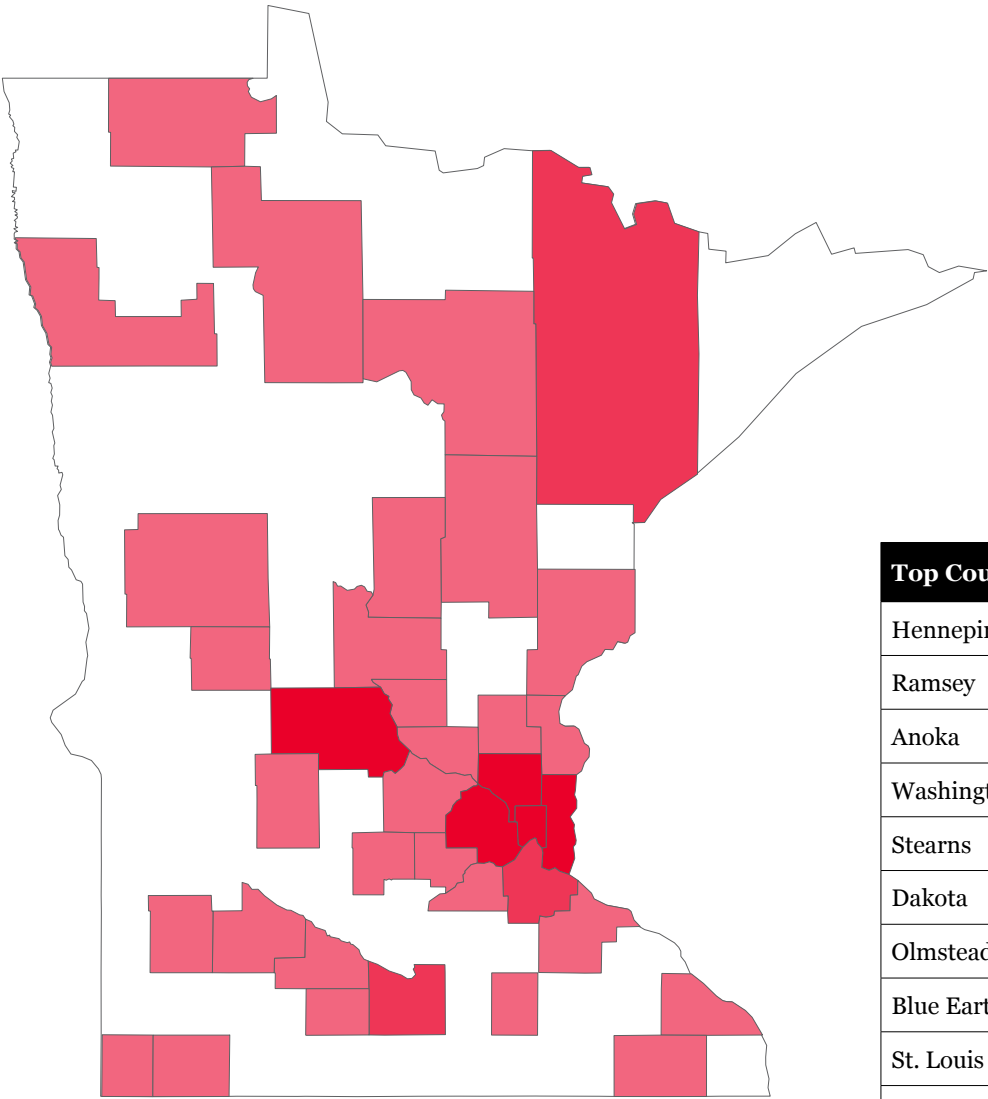
The graphs below demonstrate the most common cities and counties requested by claimants.

**Table 3: 2017 Top Requested Hearing Locales by City**

1. Minneapolis	6. Fridley
2. St. Paul	7. Anoka
3. St. Cloud	8. Shoreview
4. Woodbury	9. Rochester
5. Roseville	10. Mankato

With the assistance of Traveling Arbitrators, who volunteer to serve in many locations throughout the state, the AAA has the ability to schedule a hearing within all of Minnesota’s 87 counties.

**Table 4: 2017 Top Requested Hearing Locales by County**



<b>Top Counties</b>	
Hennepin	2,662
Ramsey	1,258
Anoka	194
Washington	174
Stearns	145
Dakota	44
Olmstead	43
Blue Earth	34
St. Louis	33
Watonwan	19

# CLAIM INFORMATION

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

**Auto Glass Replacement** claims are those claims arising out of the denial or reduction of payment, by the insurance company, toward the glass repair of an insured's automobile. These claims are typically filed by an auto glass provider who repaired the insured's automobile.

These claims also include court-ordered consolidated glass cases.

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

**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 2017.

**Table 5: 2017 Cases Filed By Claim Type**

Case Type	Total Filed
Basic Economic Loss	5,428
Auto Glass Replacement	35
Property Damage	11

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 chart provides claim information by case type for those cases filed in 2017.

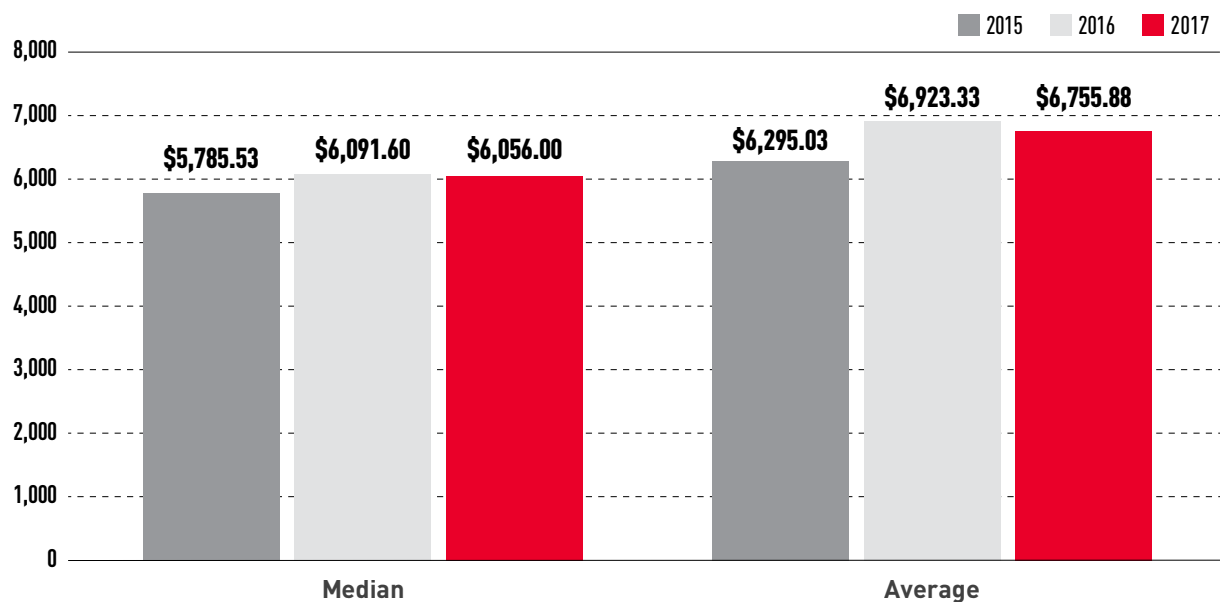
**Table 6: 2017 Claim Amounts**

Claim Type	Minimum	Maximum	Average	Median
Basic Economic Loss	\$1.00	\$115,736.00	\$6,755.88	\$6,056.00
Auto Glass Replacement	\$614.00	\$147,941.00*	\$18,055.83	\$6,131.00
Property Damage	\$600.00	\$22,500.00	\$6,665.82	\$5,471.00

\*Court ordered cases involving consolidated claims are included.

**Table 7: 2015-2017 Comparison of Claims Filed**

The following graph illustrates a comparison of claims filed between 2015 and 2017 for Basic Economic Loss Benefits.





# 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, in the award, include attorney fees for either party.

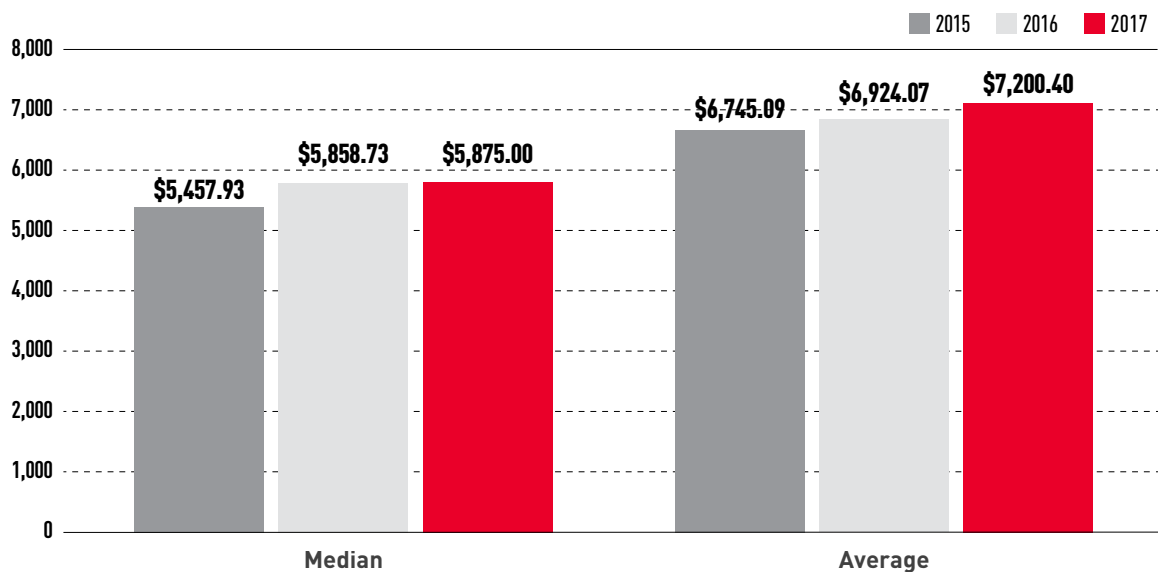
The following charts and graphs on award information are based on cases closed in the specified year.

**Table 8: 2017 Award Amounts**

Issue Type	Minimum	Maximum	Average	Median
Basic Economic Loss	\$27.00	\$137,632.00	\$7,200.40	\$5,875.00
Auto Glass Replacement	\$762.00	\$147,936.00*	\$13,803.43	\$2,491.00
Property Damage	\$2,542.00	\$4,595.00	\$3,296.14	\$2,920.00

\*Court ordered cases involving consolidated claims are included.

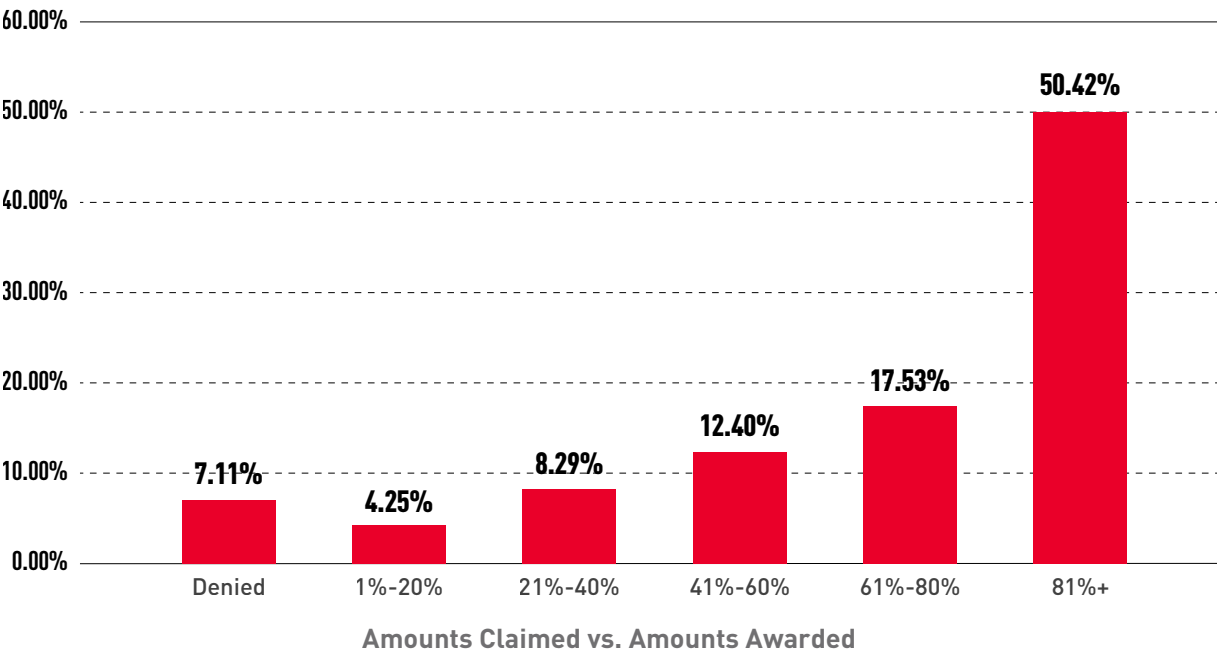
**Table 9: 2015-2017 Basic Economic Loss Award Comparison**



# CLAIM TO AWARD

The graph below provides a snapshot of amounts awarded based on the amounts claimed for each case in 2017. For example, this graph illustrates that 7.11% of cases were denied, while 50.42% of cases were awarded at 81% or more of the amount claimed.

**Table 10: 2017 Cases Awarded**

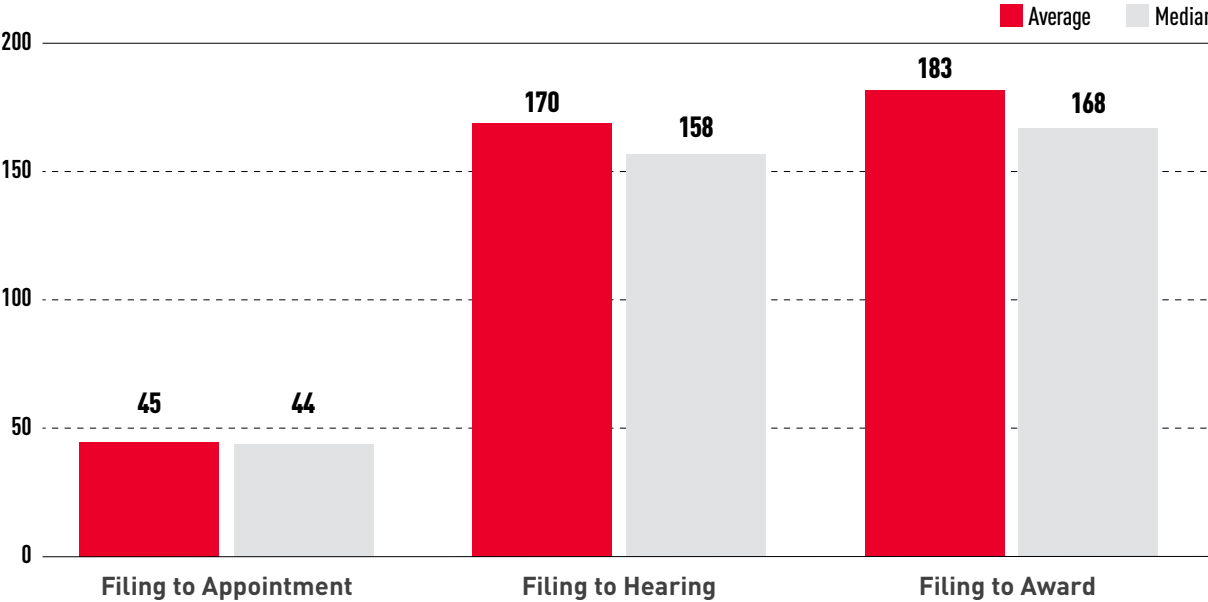


# CASE TIMELINES

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.

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

**Table 11: 2017 Administrative Timeframes**



## 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.

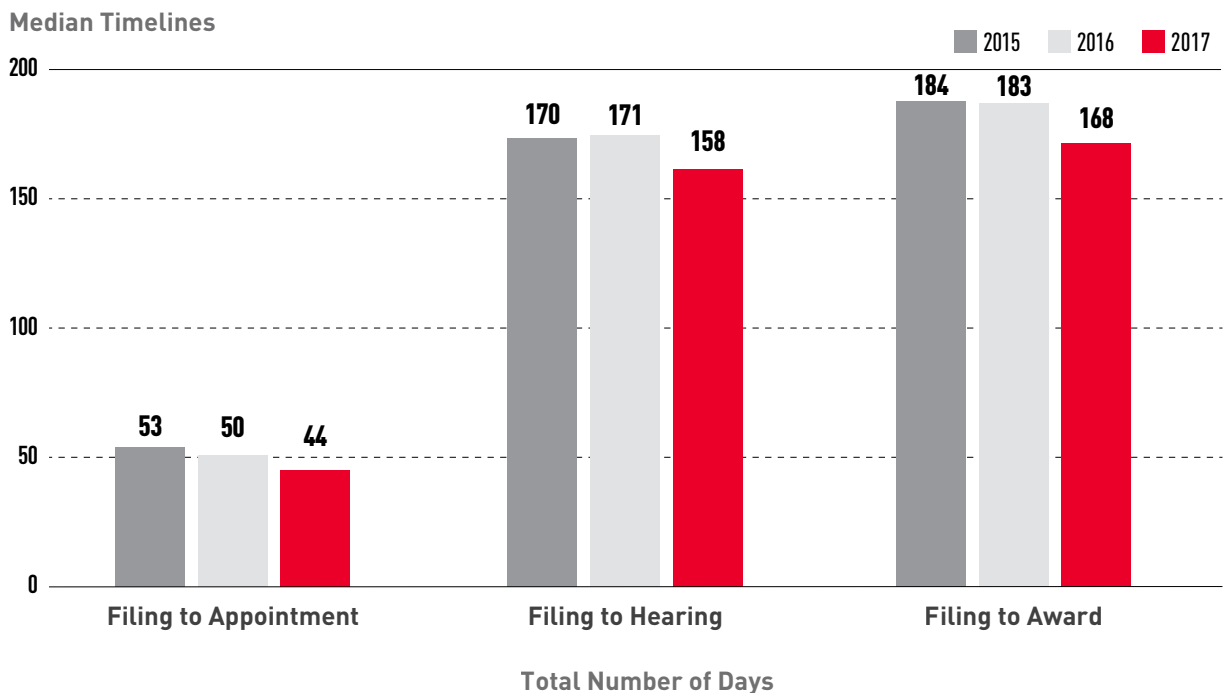
**Appointment** – The date an arbitrator is appointed to serve on a case.

**Hearing** – The date an evidentiary hearing is held.

**Award** – The date in which the award is signed by the arbitrator.

**Through the implementation of new, more efficient case management processes, the AAA has been able to reduce each administrative timeframe when compared to 2016 and, therefore, reduce the overall timeline of a case.**

**Table 12: 2015-2017 Timeframe Comparison**



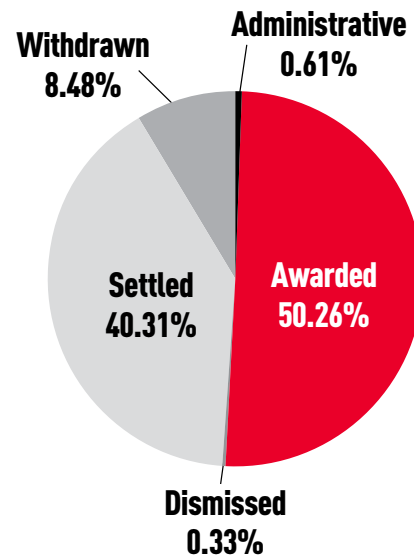
In 2017, the median timeframe between filing a case to the entering of an award, decreased by 15 days.

# CASE DISPOSITION

The charts and graph below illustrate the final disposition of cases closed in the specified year. As noted in the chart at the bottom of the page, the number of cases that settled after filing continues to increase and reached over 40% in 2017.

**Table 13: 2017 Closed Case Dispositions**

Closed Status	Count	% of Total
Administrative	35	0.61%
Awarded	2,868	50.26%
Dismissed	19	0.33%
Settled	2,300	40.31%
Withdrawn	484	8.48%
<b>Total Cases:</b>	<b>5,706</b>	<b>100.00%</b>



**Table 14: 2015-2017 Disposition Comparison**

Closed Status	% of Total 2015	% of Total 2016	% of Total 2017
Settled	35.23%	37.37%	40.31%
Awarded	55.42%	54.11%	50.26%

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## CONTACT US

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

**Krista Peach**     Assistant Vice President     612-278-5114

**Kelly Baker**     Supervisor     612-278-5106



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