



AMERICAN ARBITRATION ASSOCIATION®

2019 ANNUAL REPORT

MINNESOTA

NO-FAULT ARBITRATION

PROVIDED BY THE AMERICAN ARBITRATION ASSOCIATION
MINNESOTA NO-FAULT OFFICE

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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.

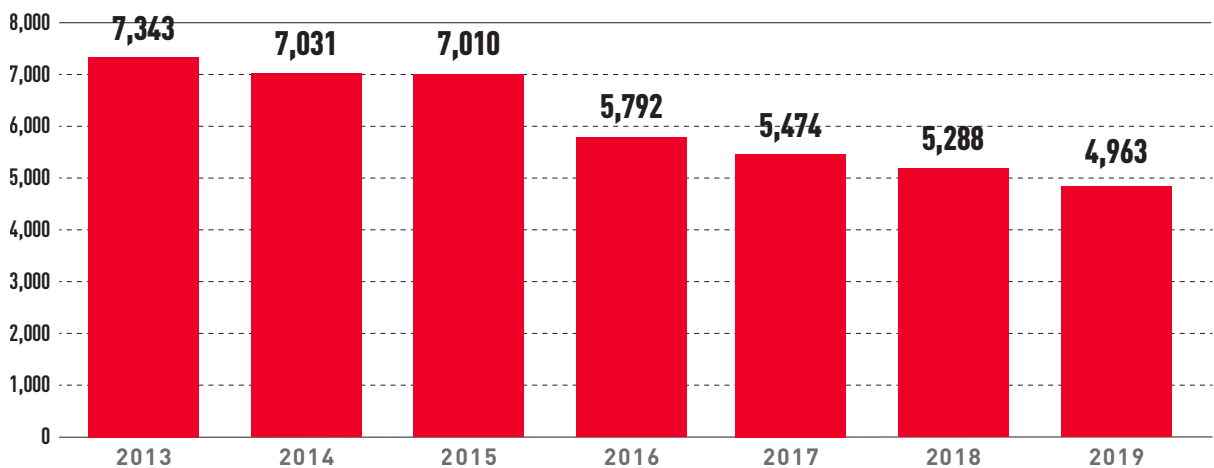
We value our continued partnership with the State of Minnesota and are committed to building a program based on integrity, trust, and innovation to meet the needs of the no-fault user community.

CASE FILINGS

The following graph compares the total case filings received from 2013 through 2019. Since 2013, there has been a 32% decrease in the number of annual filings.

This is a decrease of over 2,000 cases filed in 2019 as compared to cases filed in 2013.

Table 1: Annual Case Filings



Method of Filing

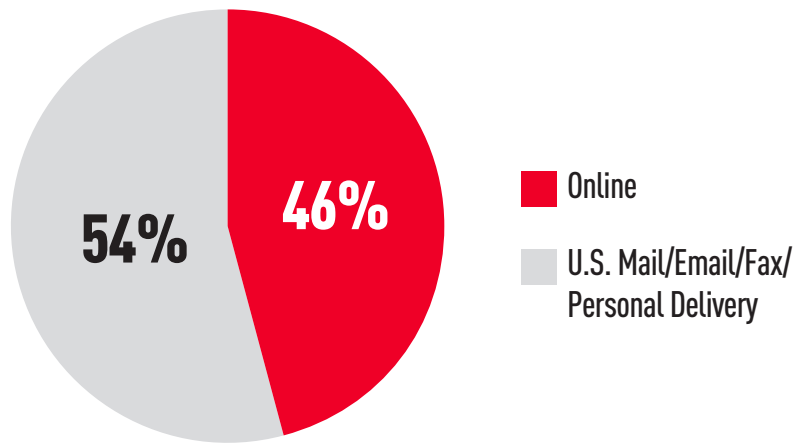
Cases may be filed with the AAA by U.S. Mail, fax, email, and personal delivery, as well as online through AAA WebFile® or AAA FastFile.

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 2019, online filings comprised 46% of overall cases filed, is, almost a 10% increase over 2018.

The following graph illustrates a breakdown of how no-fault cases were filed with the AAA in 2019.

Table 2: Breakdown of 2019 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 2019, 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: 2019 Top-Requested Hearing Locales by City

Minneapolis	2,321
St. Paul	1,160
Roseville	195
Woodbury	175
St. Cloud	127
Fridley	85
Buffalo	69
Anoka	67
Shoreview	38
Mankato	32
White Bear Lake	32
Rochester	30
Duluth	29
Stillwater	28
St. James	22
Inver Grove Heights	21
Maple Grove	18
Burnsville	17
Lakeville	16
Little Canada	15

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 2019, the Traveling Arbitrator Panel comprised 141 arbitrators.

Table 4: 2019 Top-Requested Hearing Locales by County

Hennepin	2,488
Ramsey	1,366
Washington	228
Anoka	175
Stearns	129
Wright	77
Dakota	74
Blue Earth	32
St. Louis	31
Olmstead	30
Watonwan	22
Crow Wing	16
Carver	13
Scott	13
Sherburne	9
Kandiyohi	9
Isanti	5
Douglas	4
Benton	4
Steele	3

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 2019.

Table 5: 2019 Breakdown of Claim Type

Case Type	Total Filed
Basic Economic Loss	4,882
Auto Glass Replacement	68
Auto Property Damage	6

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 2019.

Table 6: 2019 Basic Economic Loss Claim Amounts

Claim Type	Minimum	Maximum	Average	Median
Medical	\$1.00	\$133,547.29	\$6,964.16	\$6,268.32
Replacement Services	\$43.01	\$26,028.10	\$8,507.00	\$7,578.42
Wage Loss	\$206.04	\$96,565.78	\$8,617.51	\$7,480.00

Table 7: 2015-2019 Basic Economic Loss Comparison of Claims Filed

The following graph illustrates a comparison of claims filed between 2015 and 2019 for Basic Economic Loss Benefits, which includes medical, replacement services, and wage loss.

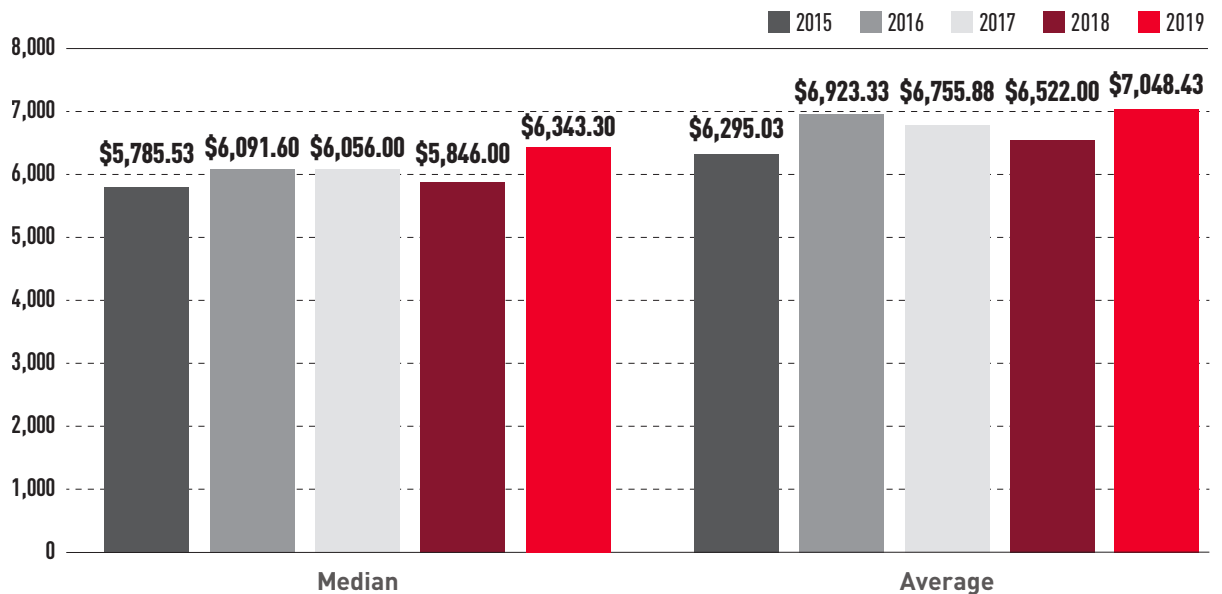
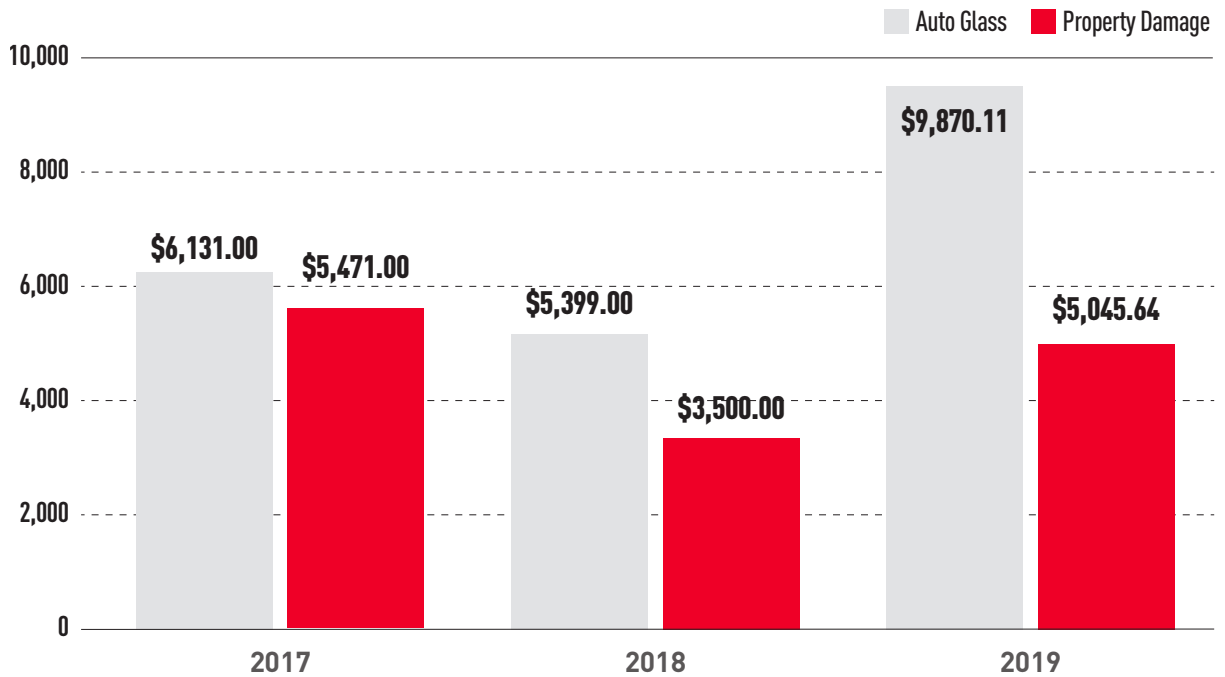


Table 8: 2019 Auto Glass Replacement and Property Damage Claim Amounts

Claim Type	Minimum	Maximum	Average	Median
Auto Glass Replacement	\$698.31	\$190,357.25*	\$16,613.13	\$9,870.11
Auto Property Damage	\$2,700.19	\$8,838.00	\$5,514.53	\$5,045.64

*Court-ordered cases involving consolidated claims are included.

Table 9: 2017-2019 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: 2019 Basic Economic Loss Award Amounts

Issue Type	Minimum	Maximum	Average	Median
Medical	\$24.32	\$130,775.77	\$7,643.68	\$6,135.48
Replacement Services	\$79.76	\$22,254.98	\$7,096.80	\$5,003.00
Wage Loss	\$773.81	\$82,297.54	\$10,112.75	\$6,826.82

Table 11: 2015-2019 Basic Economic Loss Award Comparison

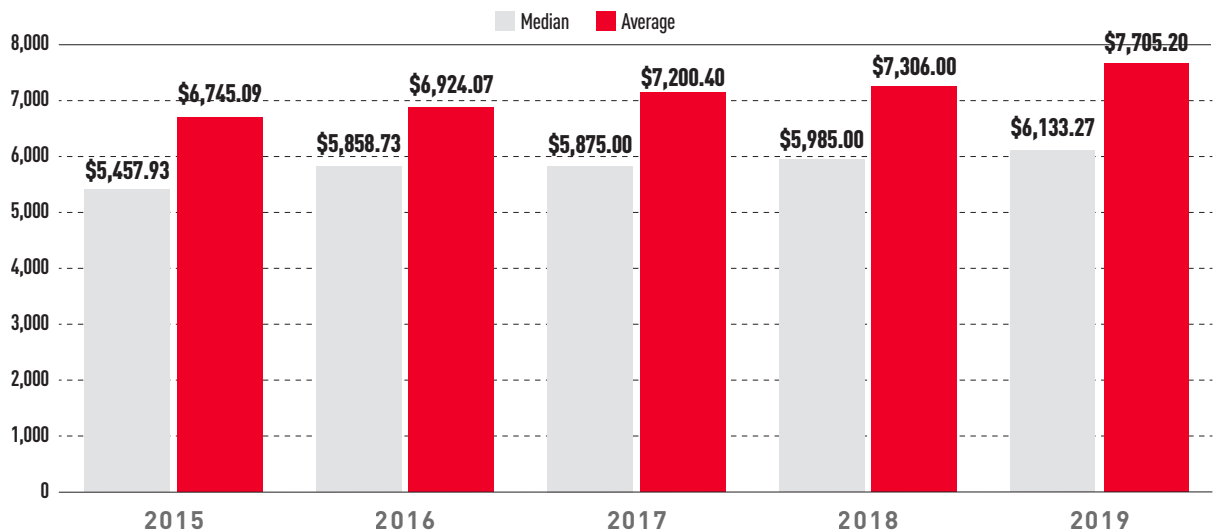
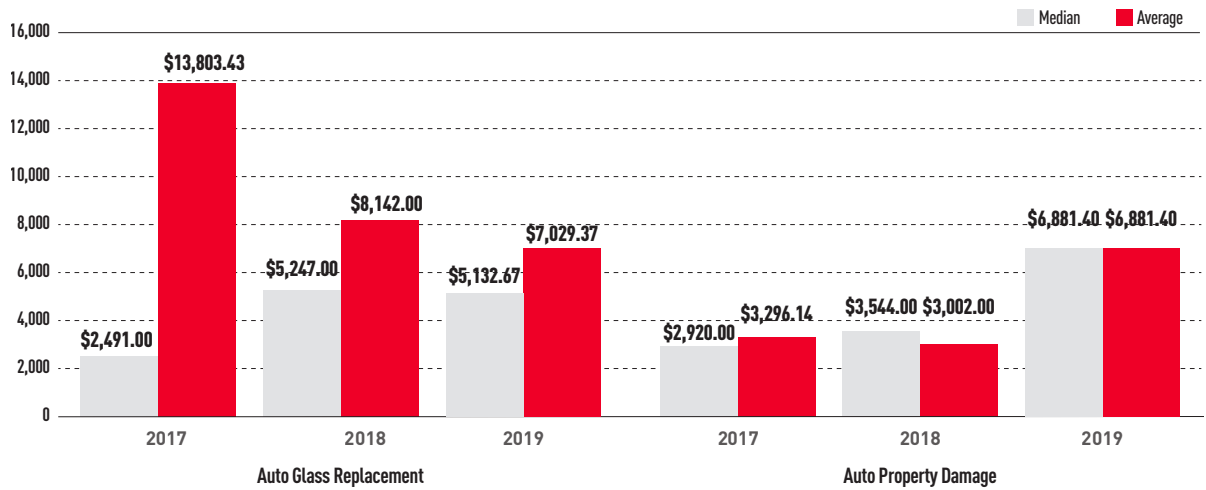


Table 12: 2019 Auto Glass Replacement and Auto Property Damage Award Amounts

Issue Type	Minimum	Maximum	Average	Median
Auto Glass Replacement	\$304.51	\$63,421.40*	\$7,029.37	\$5,132.67
Auto Property Damage	\$6,762.80	\$7,000.00	\$6,881.40	\$6,881.40

*Court-ordered cases involving consolidated claims

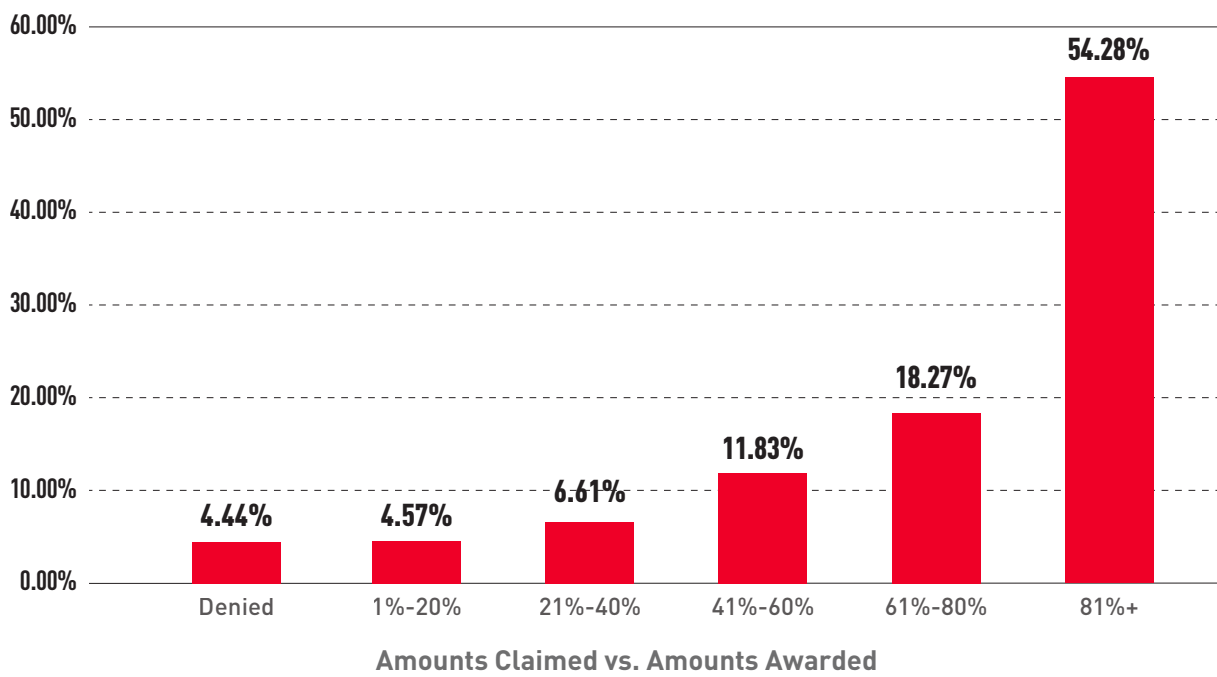
Table 13: 2017-2019 Auto Glass Replacement and Auto Property Damage Award Comparison



CLAIM TO AWARD

The graph below provides a snapshot of amounts awarded based on the amounts claimed for each case in 2019. For example, this graph illustrates that 4.44% of cases were denied, while 54.28% of cases were awarded at 81% or more of the amount claimed.

Table 14: 2019 Cases Awarded

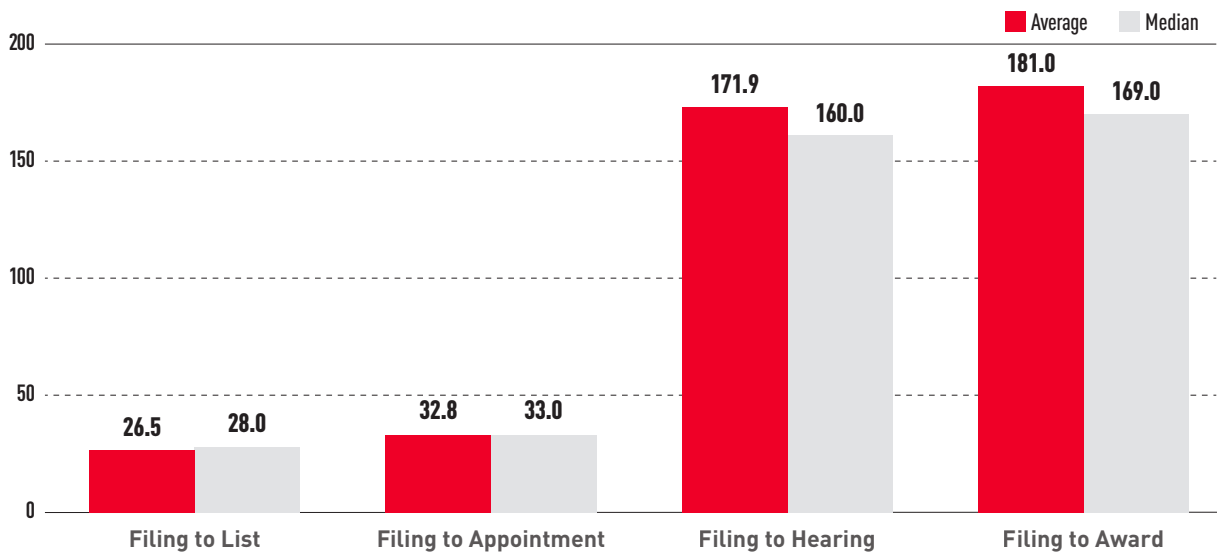


CASE TIMELINES

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: 2019 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.

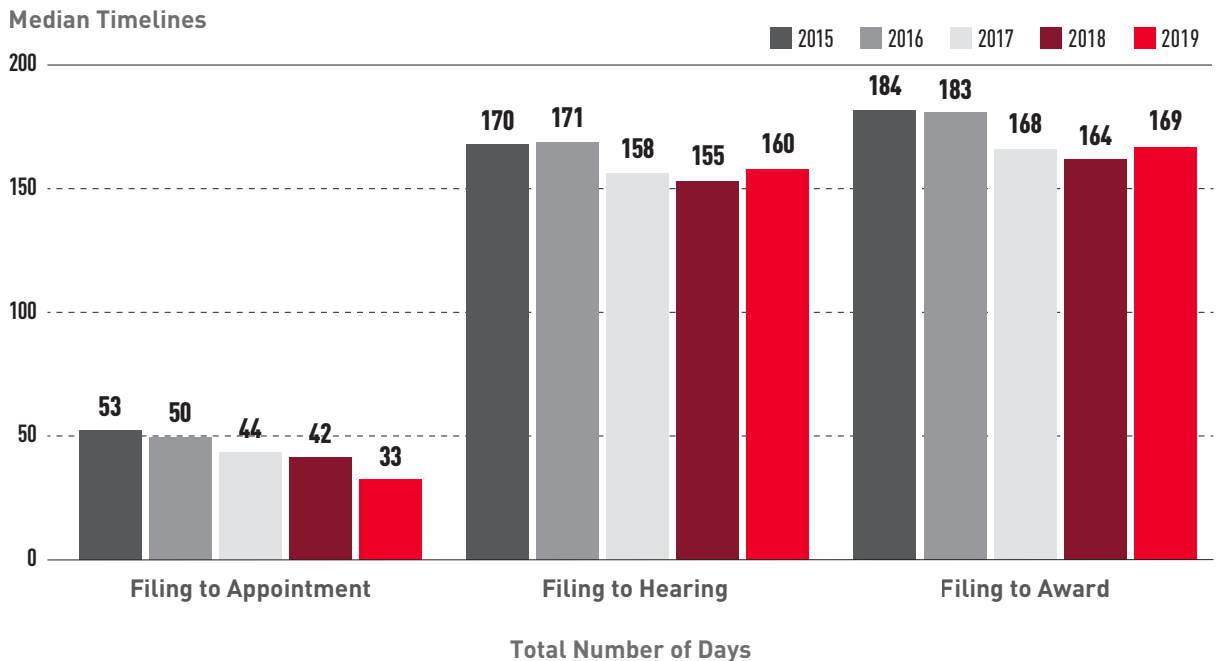
Appointment – the date an arbitrator is appointed to serve on a case

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: 2015-2019 Timeframe Comparison



Since 2015, the median timeframe from filing to appointment decreased by 20 days and the median time frame from filing to 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.

Table 17: 2019 Closed-Case Dispositions

Closed Status	Count	% Of Total
Administrative	45	0.90%
Awarded	2,300	45.80%
Dismissed	11	0.22%
Settled	2,253	44.86%
Withdrawn	413	8.22%
Total Cases:	5,022	100.00%

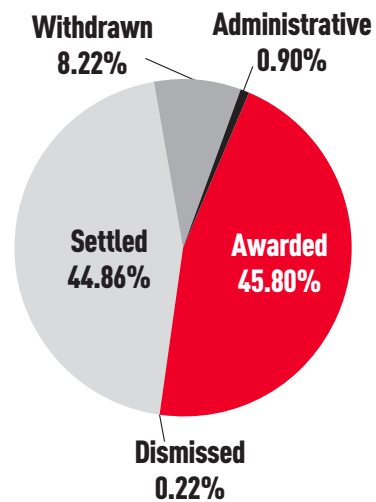
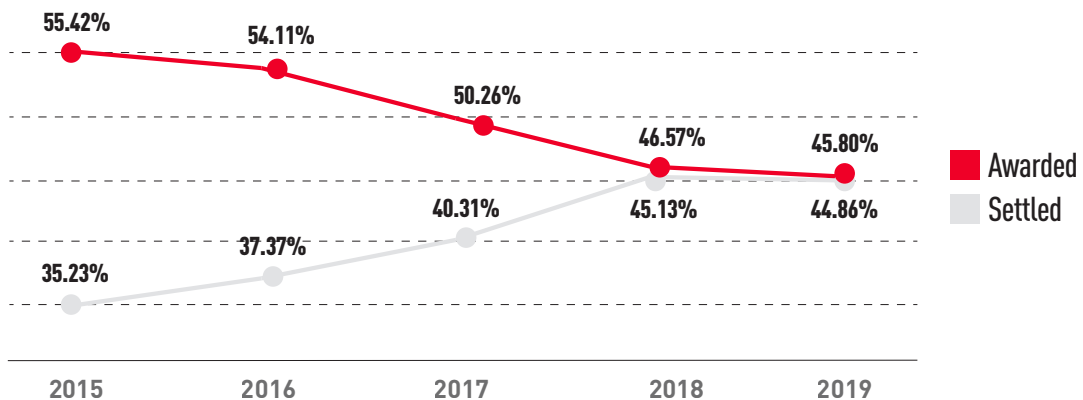


Table 18: 2015-2019 Disposition Comparison



CONTACT US

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

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