

#### 2020 ANNUAL NO-FAULT PANEL REPORT

## MINNESOTA NO-FAULT ARBITRATION

A REPORT TO THE MINNESOTA SUPREME COURT
AND NO-FAULT STANDING COMMITTEE

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# TABLE OF CONTENTS

Executive Summary	3
Panel Qualifications	3
2017-2020 Panel Comparison	4
New Arbitrators	6
Recertification Requirements	7
Rule 10(A) "Active": Attorney Representing Clients in Auto Insurance Claims	8
Rule 10(A) "Inactive": Attorney Not Representing Clients	9
Rule 10(C): Change of Practice or Retired Attorney or Judge	10
2020 Panel Breakdown	11
Panel Diversity	12
Traveling Arbitrators	14
Outstate Arbitrators	15
Location of Arbitrators	16
Contact Us	17

### **EXECUTIVE** SUMMARY

Pursuant to Rule 10(a) of the Minnesota Rules of No-Fault Arbitration Procedure (No-Fault Rules), No-Fault Arbitrators are required to recertify on an annual basis. Recertification is a self-certification process.

The 2020 recertification process began on November 19, 2019 and concluded on December 31, 2019. At the commencement of this process, there were 446 arbitrators on the Minnesota No-Fault Arbitrator Panel that were subject to the 2020 recertification

process. At the conclusion of the recertification process, the American Arbitration Association (AAA) received 415 completed recertification forms, which was a return rate of 93%.

In addition, the No-Fault Standing Committee approved 17 new arbitrators to serve on the panel.

The following report provides a snapshot of the Minnesota No-Fault Panel as of January 1, 2020, as well as a comparison to the previous years.

### **PANEL**QUALIFICATIONS

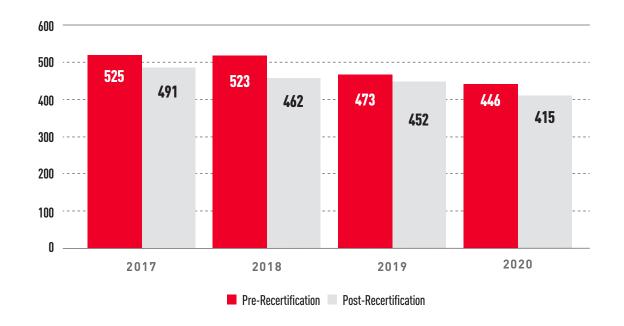
Qualifications to serve on the Minnesota No-Fault Panel are governed under Rule 10 of the Minnesota Rules of No-Fault Arbitration Procedure.

### **2017–2020**PANEL COMPARISON

The total number of no-fault arbitrators continually changes throughout the year, as new arbitrators are added to the panel and others retire or change practice. Therefore, for reporting purposes, the AAA captures the total number of arbitrators each year at the beginning of the annual recertification process. Please note that this data does not include new arbitrators approved after January 1, 2020.

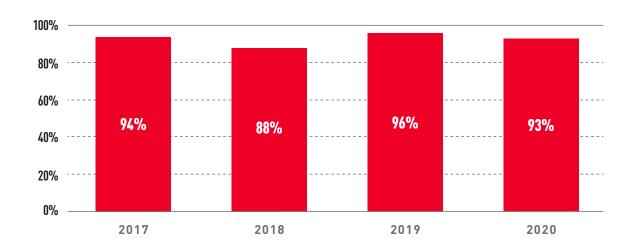
As of January 1, 2020, there were 432 arbitrators certified to serve on the Minnesota No-Fault Panel.

Table 1: 2017-2020 Comparison of Panel Size



The following table provides a side-by-side comparison of the percentage of arbitrators on the No-Fault Panel to recertify between 2017 and 2020.

Table 2: 2017-2020 Retention Percentage



#### **NEW** ARBITRATORS

Applications to serve on the No-Fault Panel are submitted to the No-Fault Standing Committee for review and approval by the Committee on a quarterly basis. Upon approval, applicants are permitted to serve as no-fault arbitrators on a conditional basis pending the approval of the Minnesota Supreme Court. Applicants approved by the Committee are provided to the Court for approval on an annual basis.

The chart below illustrates the number of new arbitrators approved by the Minnesota Supreme Court in 2016 through 2019.

Table 3: 2016-2019 New Arbitrators

Year	Number of New Arbitrators
2016	24
2017	15
2018	21
2019	17

So far in 2020, the No-Fault Standing Committee has conditionally approved 3 new arbitrators to serve on the Minnesota No-Fault Panel.

### **RECERTIFICATION**REQUIREMENTS

Rule 10 of the No-Fault Rules requires that arbitrators recertify each year, confirming at the time of recertification that they continue to meet the qualifications to serve on the Panel. There are three different qualification types under which an arbitrator may recertify. These qualification types are as follows:

**Table 4: Arbitrator Qualification Types** 

Туре	Rule	Requirements
Active	10(a)	At least 1/3 of attorney's practice is with auto insurance claims
Inactive	10(a)	An attorney not actively representing clients and who maintains an ADR practice where 1/3 of the practice is with motor vehicle claims or no-fault matters
Retired or Change of Practice	10(c)	An arbitrator who has been certified and has met the requirements of 10(a) for the past five years, but becomes ineligible under 10(a) due to retirement¹ or change of practice, the arbitrator may continue to seek certification for up to five years.

In addition, Rule 10 requires that all arbitrators complete at least three CLE hours on no-fault issues annually.

<sup>&</sup>lt;sup>1</sup> On November 26, 2019, the Minnesota Supreme Court amended Rule 10(c) to remove the five year limitation on service for those who retire from their law practice, as long as they continue to meet all other qualifications under Rule 10(c). The amended rule was effective February 1, 2020.

# RULE 10(A) "ACTIVE": ATTORNEY REPRESENTING CLIENTS IN AUTO INSURANCE CLAIMS

The AAA received 383 recertification forms in which arbitrators certified as "Active" attorneys under Rule 10. Pursuant to Rule 10(a), No-Fault Arbitrators who actively represent clients must maintain a legal practice of at least one third in auto insurance claims.

The following graph illustrates a breakdown of the type of clientele arbitrators who have recertified under Rule 10(a) "Active" primarily represent in their legal practice. Primary practice is determined by a 51% majority.

#### Rule 10(a) "Active" Demographics

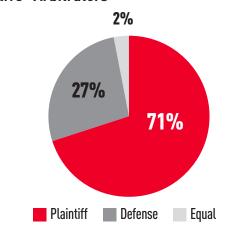
The data below reflects responses from arbitrators during the 2020 recertification process.

**Plaintiff Practice:** The AAA received 273 forms from arbitrators who reported that the majority of their practice consisted of 51% or more in plaintiff work.

**Defense Practice:** The AAA received 104 forms from arbitrators who reported that the majority of their practice consisted of 51% or more in defense work.

**Equal Practice:** The AAA received six recertification forms from arbitrators who reported an equal plaintiff and defense legal practice.

Table 5: 2020 Breakdown of Rule 10(a) "Active" Arbitrators

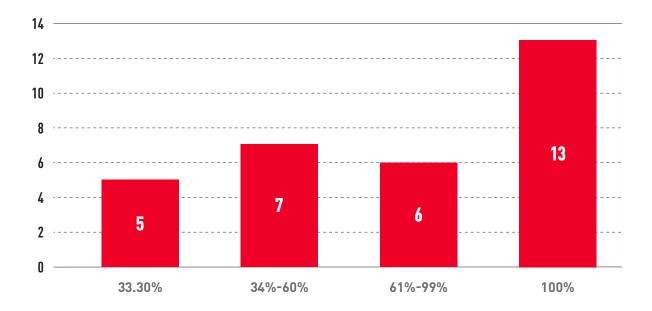


## RULE 10(A) "INACTIVE": ATTORNEY NOT REPRESENTING CLIENTS

The AAA received 31 recertification forms in which arbitrators certified as an "Inactive" attorney, but who maintain an ADR practice.

The following graph demonstrates what percentage of their ADR practice is dedicated to motor vehicle claims and/or no-fault matters.

Table 6: 2020 Breakdown of Rule 10(a) "Inactive" Arbitrators



#### RULE 10(C): CHANGE OF PRACTICE OR RETIRED ATTORNEY OR JUDGE

The AAA received 18 recertification forms in which arbitrators certified under Section 3 of the recertification form. An arbitrator may recertify under this section if their practice has changed and they no longer qualify under Rule 10(a) or if they have retired from their legal practice.

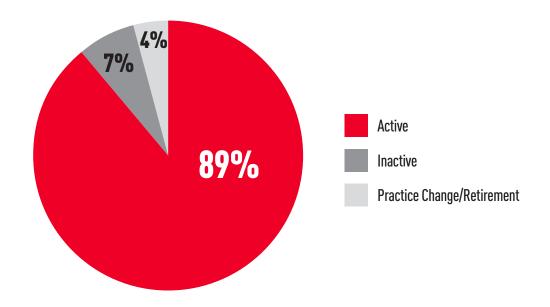
Table 7: 2020 Breakdown between Retirement and Change of Practice

Type of Change	Number of Arbitrators
Change of Practice	11
Retirement	7

#### **2020 PANEL** BREAKDOWN

The demographics below provide a snapshot of the panel make-up across all three recertification types.

Table 8: 2020 Panel Breakdown by Qualification Type



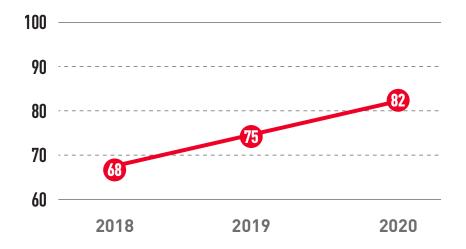
Recertification Type	Number of Arbitrators
Active	383
Inactive	31
Practice Change/Retirement	18

#### **PANEL**DIVERSITY

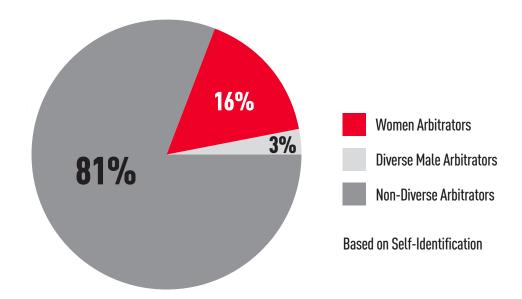
The AAA is committed to the growth of diversity and inclusion within the alternative dispute resolution (ADR) field. We believe diverse ideas, backgrounds, and experiences improve decision-making and increase public trust in the process.

As of January 1, 2020, the Minnesota No-Fault Panel was comprised of 82 diverse arbitrators, which is 19% of the Panel. Of those who self-identified as diverse, 70 were women, while 12 men also identified as diverse. Currently, there are 150 arbitrators who have elected not to self-identify.

Table 9: 2018-2020 Panel Diversity Comparison





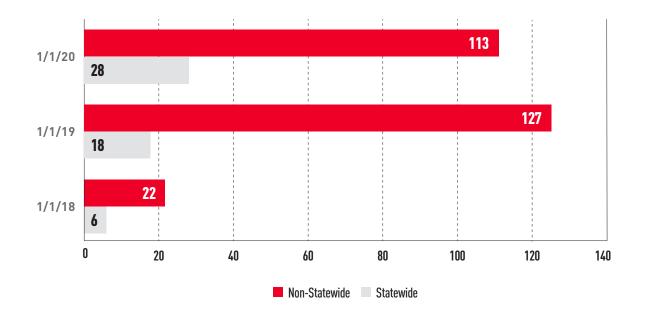


#### TRAVELING ARBITRATORS

A Traveling Arbitrator is an arbitrator who has volunteered to serve on cases in areas outside of where the arbitrator may live or work. The purpose of a traveling arbitrator is to ensure a no-fault arbitrator is accessible to hear claims throughout the entire State of Minnesota. It also serves to expand outstate pools in order to promote a greater choice of arbitrators for parties.

Currently, there are 141 arbitrators who have volunteered to serve as traveling arbitrators. Of those, 28 have volunteered to serve statewide. In all, 33% of arbitrators on the No-Fault Panel volunteer to travel.

Table 11: 2018-2020 Comparison of Traveling Arbitrators



#### **OUTSTATE**ARBITRATORS

An Outstate Arbitrator is defined as an arbitrator whose office is located outside of the seven county metro, which includes the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

As of January 1, 2020, there were 75 arbitrators that recertified from Outstate Minnesota, which makes up 17% of the overall Panel.

The following table provides a side-by-side comparison of the number of outstate arbitrators from 2018 through 2020.

Table 12: 2018-2020 Comparison of Outstate Arbitrators

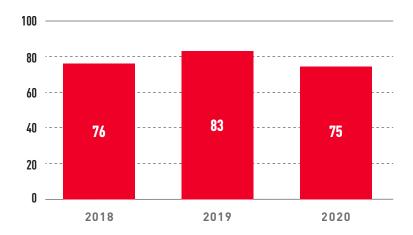
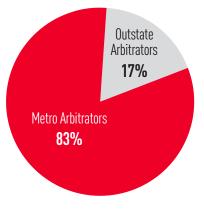


Table 13: 2020 Breakdown of Outstate vs. Metro Arbitrators



### **LOCATION**OF ARBITRATORS

Arbitrators on the Minnesota No-Fault Panel are spread out among 77 cities within Minnesota.

The following charts identify where the highest concentration of arbitrators are located:

Table 14: 2020 Top Twin Cities Metro Locations

Twin Cities Metro	Number of Arbitrators
Minneapolis	126
St. Paul	48
Roseville	18
Eagan	17
Eden Prairie	14

Table 15: 2020 Top Outstate Locations

Outstate	Number of Arbitrators
Duluth	10
St. Cloud	10
Rochester	9
Mankato	8

#### **CONTACT** US

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

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