

FILED

February 17, 2022

**OFFICE OF
APPELLATE COURTS**

STATE OF MINNESOTA

IN SUPREME COURT

ADM09-8011

**ORDER PROMULGATING AMENDMENTS TO THE
RULES FOR NO-FAULT INSURANCE ARBITRATION**

The Minnesota Supreme Court No-Fault Standing Committee on the Rules of No-Fault Insurance Arbitration recommended amendments to those rules to clarify arbitrator qualifications and to provide procedures to recover delinquent invoiced arbitration fees.¹ A public comment period was opened; no objections or comments regarding the proposed amendments were filed during the public comment period.

The supreme court is responsible for promulgating rules to facilitate the use of arbitration for claims that fall under Minn. Stat. § 65B.525 (2020). Having carefully considered the Minnesota Supreme Court No-Fault Standing Committee's recommended amendments and the reasons for the proposed amendments, we conclude that the recommended amendments should be adopted as modified to further the purpose of clarifying arbitrator qualifications.

Based on all the files, records, and proceedings herein,

¹ The Minnesota Supreme Court No-Fault Standing Committee also recommended amendments to provide an appeal process when discipline or other adverse actions are imposed on arbitrators. Those proposed amendments will be addressed at a later date in a separate order.

IT IS HEREBY ORDERED that the Minnesota No-Fault, Comprehensive, or Collision Damage Automobile Insurance Arbitration Rules are amended as shown in the attachments. The amendments are effective as of April 18, 2022.

Dated: February 17, 2022

BY THE COURT:

A handwritten signature in black ink, appearing to read "Lorie S. Gildea". The signature is written in a cursive style with a large initial "L".

Lorie S. Gildea
Chief Justice

**MINNESOTA NO-FAULT, COMPREHENSIVE OR COLLISION DAMAGE
AUTOMOBILE INSURANCE ARBITRATION RULES**

APPENDIX. STANDARDS OF CONDUCT FOR NO-FAULT ARBITRATORS

**Standards of Conduct Minnesota
No-Fault Arbitrators**

[Note: In the following amendments, deletions are indicated by a line drawn through the words and additions are indicated by a line drawn under the words.]

VIII. Arbitrator Qualifications

An arbitrator must continue to meet the qualifications under Rule 10 in order to serve on the Minnesota No-Fault Panel.

- A. ~~An arbitrator shall be faithful to the law and shall maintain professional competence in it.~~ In accordance with Rule 10, a lawyer or retired judge must be in “good standing.” A lawyer is in good standing if the lawyer meets the qualifications for “active status” or “inactive status” under Rule 2.A or 2.B of the Rules of the Supreme Court on Lawyer Registration. A determination by the Minnesota Supreme Court in a disciplinary proceeding commenced by the Office of Lawyers Professional Responsibility or the Minnesota Board on Judicial Standards that the lawyer or judge shall be disbarred, involuntarily retired, suspended, or placed on disability status is conclusive and will not be reconsidered by the No-Fault Standing Committee.
- B. ~~An arbitrator shall file a timely and accurate recertification form on an annual basis. An arbitrator shall be faithful to the law and shall maintain professional competence in it.~~
 - 1. An arbitrator’s conviction of a felony or a crime that involves fraud or dishonesty is evidence of not being faithful to the law.
 - a) The No-Fault Standing Committee may consider evidence of such a conviction as grounds to suspend and/or recommend removal from the panel.
 - b) Notwithstanding the foregoing, if the Minnesota Supreme Court determines through a disciplinary proceeding commenced by the Office of Lawyers Professional Responsibility or the Minnesota Board on Judicial Standards that despite such conviction, an arbitrator is not disbarred or suspended, the result of which is that the arbitrator may remain in “good standing” at least as to the requirements under Rules 2.A(3) and 2.B(3) of the Minnesota Supreme Court Rules on Lawyer

Registration, said determination shall be a final determination that the arbitrator is faithful to the law.

2. The No-Fault Standing Committee may place an arbitrator charged with a felony or a crime that involves fraud or dishonesty on temporary inactive status.

~~C. An arbitrator shall provide evidence of qualifications upon request by the arbitration organization, No-Fault Standing Committee, or Minnesota Supreme Court. An~~
arbitrator shall file a timely and accurate recertification form on an annual basis.

D. An arbitrator shall provide evidence of qualifications upon request by the arbitration organization, No-Fault Standing Committee, or Minnesota Supreme Court.

**MINNESOTA NO-FAULT, COMPREHENSIVE OR COLLISION DAMAGE
AUTOMOBILE INSURANCE ARBITRATION RULES**

[Note: In the following amendments, deletions are indicated by a line drawn through the words and additions are indicated by a line drawn under the words.]

Rule 10. Qualification of Arbitrator and Disclosure Procedure

a. Every member of the panel shall be a licensed attorney at law of this state or a retired attorney or judge in good standing. A lawyer is in good standing if the lawyer meets the qualifications for “active status” or “inactive status” under Rule 2.A or 2.B of the Rules of the Supreme Court on Lawyer Registration. Requirements for qualification as an arbitrator shall be:

- (1) at least 5 years in practice in this state;
- (2) at least one-quarter, based upon a five (5) year average, of the attorney’s practice is with auto insurance claims or, for an attorney not actively representing clients, at least one-quarter, based upon a five (5) year average, of an ADR practice is with motor vehicle claims or no-fault matters;
- (3) completion of an arbitrator training program approved by the No-Fault Standing Committee prior to appointment to the panel;
- (4) at least three CLE hours on no-fault issues within the reporting period; and
- (5) arbitrators will be required to re-certify each year, confirming at the time of recertification that they continue to meet the above requirements.

* * *

Rule 42. Expenses and Payment of Fees Invoiced by the Arbitration Organization

Generally each side should pay its own expenses. An arbitrator does, however, have the discretion to direct a party or parties to pay expenses as part of an award.

The arbitration organization shall charge simple interest at the rate of 15 percent per annum on fees assessed pursuant to Rule(s) 39, 40, and 41 but not paid within 60 days of the date of an invoice. The No-Fault Standing Committee is authorized to adopt by policy statement or resolution procedures to enforce payment of overdue Rule 39, 40, and 41 fees.