

FILED

March 18, 2025

**OFFICE OF
APPELLATE COURTS**

STATE OF MINNESOTA

IN SUPREME COURT

ADM09-8011

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

The supreme court is responsible for promulgating rules to facilitate the use of arbitration for claims that fall under Minnesota Statutes § 65B.525 (2024). The day-to-day administration of no-fault insurance arbitration under Minnesota Statutes § 65B.525 is provided by an arbitration organization pursuant to a contract with and overseen by this court's No-Fault Standing Committee on the Rules for No-Fault Insurance Arbitration. The cost of the arbitration organization's administration of no-fault insurance arbitration is paid for exclusively through the contract from fees as designated by the Rules of No-Fault Insurance Arbitration Procedure ("Rules"). The No-Fault Standing Committee informed this court that the contract was expiring and the revenue generated from fees designated in the Rules is inadequate to cover the arbitration organization's costs of administering no-fault insurance arbitration. According to the arbitration organization, this shortfall is due to a decrease in cases filed annually and the resulting decrease in total Rule-based fee revenue collected. The No-Fault Standing Committee has recommended extending the contract with the arbitration organization. The court has adopted that recommendation and has separately directed the negotiation of an extension of the contract period through January 1, 2027. In addition, in light of the decrease in cases and filings and corresponding

decreased fee revenue, the court recognizes the need to increase the motion and administrative fees for no-fault arbitration in Rules 39 and 40 of the Rules of No-Fault Insurance Arbitration Procedure to provide adequate revenue for the administrative expenses of administering no-fault insurance arbitration.

This amendment will establish the motion and administrative fees necessary to continue providing no-fault insurance arbitration under Minnesota Statutes § 65B.525.

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

IT IS HEREBY ORDERED that the Minnesota Rules of No-Fault Insurance Arbitration Procedure are amended as shown in the attachment. The amendments are effective as of April 1, 2025.

Dated: March 18, 2025

BY THE COURT:

A handwritten signature in black ink that reads "Natalie E. Hudson". The signature is written in a cursive, flowing style.

Natalie E. Hudson
Chief Justice

**AMENDMENTS TO THE RULES OF
NO-FAULT INSURANCE ARBITRATION PROCEDURE**

[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 39. Administrative Fees

The initial fee is due and payable at the time of filing and shall be paid as follows: by the claimant, ~~\$50.00~~\$60.00; by the respondent, ~~\$200.00~~\$235.00. In the event that there is more than one respondent in an action, each respondent shall pay the ~~\$200.00~~\$235.00 fee.

Upon review of a petition, if the arbitration organization determines that a claim was filed in error, the organization may require that payment of respondent's filing fee be assessed against the claimant.

The arbitration organization may, in the event of extreme hardship on the part of any party, defer or reduce the administrative fee.

Rule 40. Arbitrator, Motion, and Application Fees

(a) Motion Fees: If prior to any scheduled hearing, a motion or application is brought for the arbitrator to decide (other than a motion to postpone a hearing), the following fees shall be paid:

1. The movant/applicant shall pay to (deposit with) the arbitration organization a motion fee in the amount of ~~\$150.00~~\$175.00 at the time the movant submits its motion/application papers to the arbitration organization.
2. The party opposing the motion/application shall pay to (deposit with) the arbitration organization a motion fee in the amount of ~~\$150.00~~\$175.00 at the time the opposing party submits its opposition/responsive papers to the arbitration organization.

Upon the arbitration organization's receipt of all papers and required motion fees from the parties, the arbitration organization shall deliver the submissions to the arbitrator. No motion shall be heard or decided by the arbitrator until all required fees have been deposited and papers submitted to the arbitration organization.

In the event there is no response to a motion (filed with the arbitration organization and for which a motion fee has been deposited) by the deadline to respond as set forth in the

arbitration organization's written notice to the parties, the motion papers shall be submitted to the arbitrator for consideration.

For each motion in which there are submissions by both parties to the motion, the arbitrator shall be compensated \$100.00 and the arbitration organization shall be compensated a ~~\$50.00~~\$75.00 administrative fee. The arbitrator shall direct which party is responsible for the arbitrator and administrative fees, which shall be paid from that party's previously deposited motion fee. The party not responsible for the arbitrator and administrative fees shall be refunded the motion fee that was previously deposited with the arbitration organization.

For each motion in which there is no response from the responding party, the arbitrator shall be compensated \$50.00 for the motion and the arbitration organization shall be compensated a ~~\$50.00~~\$75.00 administrative fee, which shall be paid from the moving party's deposited motion fee. The moving party may assert a claim at the hearing for the portion of the motion fee deposited with the arbitration organization that is not subject to refund from the arbitration organization.

In the event the arbitration organization is notified prior to submission to the arbitrator that the motion is withdrawn or resolved, the arbitration organization shall be compensated a ~~\$50.00~~\$75.00 administrative fee, which shall be paid from the moving party's deposited motion fee. The remaining \$100 shall be refunded to the moving party. The moving party may assert a claim at the hearing for the ~~\$50.00~~\$75.00 administrative fee paid to the arbitration organization.

(b) In addition to compensation as in (a) above, except as otherwise provided by the Rules, an arbitrator shall be compensated for services and for any use of office facilities in the amount of \$300 per case.

(c) If the arbitration organization is notified of a settlement or a withdrawal of a claim at any time up to 24 hours prior to the scheduled hearing, but after the appointment of the arbitrator, the arbitrator's fee shall be the sum of \$50. If the arbitration organization is notified of a postponement, settlement or a withdrawal of a claim 24 hours or less prior to the scheduled hearing, the arbitrator's fee shall be \$300. Unless the parties agree otherwise, the fee in a settlement shall be assessed equally to the parties, the fee in a withdrawal shall be borne by claimant, and the fee in a postponement shall be borne by the requesting party. Regardless of the resolution of the case, the arbitrator's fee shall not exceed \$300 and is subject to the provisions of Rule 15.

(d) An arbitrator serving on a court-ordered or party-consolidated glass case shall be compensated at a rate of \$200.00 per hour.

(e) Once a hearing is commenced, the arbitrator shall direct assessment of the fee.