

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 4 - 0 - 1

Yeas: George L., Monnes Anderson, Starr, Metsger

Nays: 0

Exc.: Deckert

Prepared By: Janet Adkins, Administrator

Meeting Dates: 2/1, 3/7

WHAT THE MEASURE DOES: Specifies requirements for auto liability arbitration proceedings unless the parties agree otherwise. Includes the submission of uninsured motorist disputes to a three-person arbitration panel consisting of one arbitrator chosen by each party to the dispute and a third chosen by the first two arbitrators. For personal injury protection arbitration proceedings, requires findings and awards to be binding on both parties to the dispute but not for other litigation. Requires proceedings for both types of arbitration to be conducted under local county trial court rules. Sunsets the three-judge panel requirement for uninsured motorist disputes on January 2, 2012.

ISSUES DISCUSSED:

- Problems under current law
- Local trial court rules regarding doctor appearance
- Admissibility in other proceedings

EFFECT OF COMMITTEE AMENDMENT: Applies the three-judge panel requirement to uninsured motorist (UM) but not personal injury protection (PIP) arbitration proceedings. Applies the findings and awards limitations to PIP arbitration proceedings but not UM proceedings. Adds a sunset of January 2, 2012 to the three-judge panel requirement.

BACKGROUND: Most, but not all, insurance companies use an arbitration process with a three-person arbitration panel, but there is no state requirement that this process be used. SB 256-A would require use of three-person binding arbitration panel for uninsured motorist arbitration proceedings unless the parties to the dispute agree to a different process. The change is intended to help consumers when they are injured by an uninsured driver or have a disagreement with their own insurance company. It requires the same process for all insurance companies. Many personal injury protection claims are small enough that a three-judge panel is not necessary. Bringing all proceedings under county trial court rules means that a consumer's doctor may submit a written report instead of requiring the doctor to appear in person. This will mean a cost savings to consumers, and in small cases, will allow them to have a chance at recovery.

3/13/2007 4:50:00 PM

This summary has not been adopted or officially endorsed by action of the committee.