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1	ARBITRATION AMENDMENTS
2	2015 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Stephen H. Urquhart
5	House Sponsor: V. Lowry Snow
6 7	LONG TITLE
8	General Description:
9	This bill modifies the Insurance Code by amending provisions relating to arbitration in
10	third party motor vehicle accident cases.
11	Highlighted Provisions:
12	This bill:
13	requires a party that requests a trial de novo following an arbitration to file a copy of
14	the notice requesting a trial de novo with the Insurance Commissioner notifying the
15	commissioner of the party's request for a trial de novo.
16	Money Appropriated in this Bill:
17	None
18	Other Special Clauses:
19	None
20	<b>Utah Code Sections Affected:</b>
21	AMENDS:
22	31A-22-321, as last amended by Laws of Utah 2010, Chapter 217
<ul><li>23</li><li>24</li></ul>	Be it enacted by the Legislature of the state of Utah:
25	Section 1. Section 31A-22-321 is amended to read:
26	31A-22-321. Use of arbitration in third party motor vehicle accident cases.
27	(1) A person injured as a result of a motor vehicle accident may elect to submit all third
28	party bodily injury claims to arbitration by filing a notice of the submission of the claim to
29	binding arbitration in a district court if:

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30	(a) the claimant or the claimant's representative has:
31	(i) previously and timely filed a complaint in a district court that includes a third party
32	bodily injury claim; and
33	(ii) filed a notice to submit the claim to arbitration within 14 days after the complaint
34	has been answered; and
35	(b) the notice required under Subsection (1)(a)(ii) is filed while the action under
36	Subsection (1)(a)(i) is still pending.
37	(2) (a) If a party submits a bodily injury claim to arbitration under Subsection (1), the
38	party submitting the claim or the party's representative is limited to an arbitration award that
39	does not exceed \$50,000 in addition to any available personal injury protection benefits and
40	any claim for property damage.
41	(b) A claim for reimbursement of personal injury protection benefits is to be resolved
42	between insurers as provided for in Subsection 31A-22-309(6)(a)(ii).
43	(c) A claim for property damage may not be made in an arbitration proceeding under
44	Subsection (1) unless agreed upon by the parties in writing.
45	(d) A party who elects to proceed against a defendant under this section:
46	(i) waives the right to obtain a judgment against the personal assets of the defendant;
47	and
48	(ii) is limited to recovery only against available limits of insurance coverage.
49	(e) (i) This section does not prevent a party from pursuing an underinsured motorist
50	claim as set out in Section 31A-22-305.3.
51	(ii) An underinsured motorist claim described in Subsection (2)(e)(i) is not limited to
52	the \$50,000 limit described in Subsection (2)(a).
53	(iii) There shall be no right of subrogation on the part of the underinsured motorist
54	carrier for a claim submitted to arbitration under this section.
55	(3) A claim for punitive damages may not be made in an arbitration proceeding under
56	Subsection (1) or any subsequent proceeding, even if the claim is later resolved through a trial

de novo under Subsection (11).

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(4) (a) A person who has elected arbitration under this section may rescind the person's election if the rescission is made within:(i) 90 days after the election to arbitrate; and

(ii) no less than 30 days before any scheduled arbitration hearing.

- (b) A person seeking to rescind an election to arbitrate under this Subsection (4) shall:(i) file a notice of the rescission of the election to arbitrate with the district court in
- (1) file a notice of the rescission of the election to arbitrate with the district court in which the matter was filed; and
- (ii) send copies of the notice of the rescission of the election to arbitrate to all counsel of record to the action.
- (c) All discovery completed in anticipation of the arbitration hearing shall be available for use by the parties as allowed by the Utah Rules of Civil Procedure and Utah Rules of Evidence.
- (d) A party who has elected to arbitrate under this section and then rescinded the election to arbitrate under this Subsection (4) may not elect to arbitrate the claim under this section again.
- (5) (a) Unless otherwise agreed to by the parties or by order of the court, an arbitration process elected under this section is subject to Rule 26, Utah Rules of Civil Procedure.
- (b) Unless otherwise agreed to by the parties or ordered by the court, discovery shall be completed within 150 days after the date arbitration is elected under this section or the date the answer is filed, whichever is longer.
- (6) (a) Unless otherwise agreed to in writing by the parties, a claim that is submitted to arbitration under this section shall be resolved by a single arbitrator.
- (b) Unless otherwise agreed to by the parties or ordered by the court, all parties shall agree on the single arbitrator selected under Subsection (6)(a) within 90 days of the answer of the defendant.
- (c) If the parties are unable to agree on a single arbitrator as required under Subsection(6)(b), the parties shall select a panel of three arbitrators.
  - (d) If the parties select a panel of three arbitrators under Subsection (6)(c):

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86	(i) each side shall select one arbitrator; and
87	(ii) the arbitrators appointed under Subsection (6)(d)(i) shall select one additional
88	arbitrator to be included in the panel.
89	(7) Unless otherwise agreed to in writing:
90	(a) each party shall pay an equal share of the fees and costs of the arbitrator selected
91	under Subsection (6)(a); and
92	(b) if an arbitration panel is selected under Subsection (6)(d):
93	(i) each party shall pay the fees and costs of the arbitrator selected by that party's side;
94	and
95	(ii) each party shall pay an equal share of the fees and costs of the arbitrator selected
96	under Subsection (6)(d)(ii).
97	(8) Except as otherwise provided in this section and unless otherwise agreed to in
98	writing by the parties, an arbitration proceeding conducted under this section shall be governed
99	by Title 78B, Chapter 11, Utah Uniform Arbitration Act.
100	(9) (a) Subject to the provisions of this section, the Utah Rules of Civil Procedure and
101	Utah Rules of Evidence apply to the arbitration proceeding.
102	(b) The Utah Rules of Civil Procedure and Utah Rules of Evidence shall be applied
103	liberally with the intent of concluding the claim in a timely and cost-efficient manner.
104	(c) Discovery shall be conducted in accordance with Rules 26 through 37 of the Utah
105	Rules of Civil Procedure and shall be subject to the jurisdiction of the district court in which
106	the matter is filed.
107	(d) Dispositive motions shall be filed, heard, and decided by the district court prior to
108	the arbitration proceeding in accordance with the court's scheduling order.
109	(10) A written decision by a single arbitrator or by a majority of the arbitration panel
110	shall constitute a final decision.
111	(11) An arbitration award issued under this section shall be the final resolution of all

bodily injury claims between the parties and may be reduced to judgment by the court upon

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motion and notice unless:

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114	(a) either party, within 20 days after service of the arbitration award:
115	(i) files a notice requesting a trial de novo in the district court; and
116	(ii) serves the nonmoving party with a copy of the notice requesting a trial de novo
117	under Subsection (11)(a)(i); or
118	(b) the arbitration award has been satisfied.
119	(12) (a) Upon filing a notice requesting a trial de novo under Subsection (11):
120	(i) unless otherwise stipulated to by the parties or ordered by the court, an additional 90
121	days shall be allowed for further discovery;
122	(ii) the additional discovery time under Subsection (12)(a)(i) shall run from the notice
123	of appeal; and
124	(iii) the claim shall proceed through litigation pursuant to the Utah Rules of Civil
125	Procedure and Utah Rules of Evidence in the district court.
126	(b) In accordance with Rule 38, Utah Rules of Civil Procedure, either party may
127	request a jury trial with a request for trial de novo filed under Subsection (11)(a)(i).
128	(13) (a) If the plaintiff, as the moving party in a trial de novo requested under
129	Subsection (11), does not obtain a verdict that is at least \$5,000 and is at least 30% greater than
130	the arbitration award, the plaintiff is responsible for all of the nonmoving party's costs.
131	(b) Except as provided in Subsection (13)(c), the costs under Subsection (13)(a) shall
132	include:
133	(i) any costs set forth in Rule 54(d), Utah Rules of Civil Procedure; and
134	(ii) the costs of expert witnesses and depositions.
135	(c) An award of costs under this Subsection (13) may not exceed \$6,000.
136	(14) (a) If a defendant, as the moving party in a trial de novo requested under
137	Subsection (11), does not obtain a verdict that is at least 30% less than the arbitration award,
138	the defendant is responsible for all of the nonmoving party's costs.
139	(b) Except as provided in Subsection (14)(c), the costs under Subsection (14)(a) shall
140	include:
141	(i) any costs set forth in Rule 54(d), Utah Rules of Civil Procedure; and

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142	(ii) the costs of expert witnesses and depositions.
143	(c) An award of costs under this Subsection (14) may not exceed \$6,000.
144	(15) For purposes of determining whether a party's verdict is greater or less than the
145	arbitration award under Subsections (13) and (14), a court may not consider any recovery or
146	other relief granted on a claim for damages if the claim for damages:
147	(a) was not fully disclosed in writing prior to the arbitration proceeding; or
148	(b) was not disclosed in response to discovery contrary to the Utah Rules of Civil
149	Procedure.
150	(16) If a district court determines, upon a motion of the nonmoving party, that the
151	moving party's use of the trial de novo process was filed in bad faith as defined in Section
152	78B-5-825, the district court may award reasonable attorney fees to the nonmoving party.
153	(17) Nothing in this section is intended to affect or prevent any first party claim from
154	later being brought under any first party insurance policy under which the injured person is a
155	covered person.
156	(18) (a) If a defendant requests a trial de novo under Subsection (11), in no event can
157	the total verdict at trial exceed \$15,000 above any available limits of insurance coverage and in
158	no event can the total verdict exceed \$65,000.
159	(b) If a plaintiff requests a trial de novo under Subsection (11), the verdict at trial may
160	not exceed \$50,000.
161	(19) All arbitration awards issued under this section shall bear postjudgment interest
162	pursuant to Section 15-1-4.
163	(20) If a party requests a trial de novo under Subsection (11), the party shall file a copy

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of the notice requesting a trial de novo with the commissioner notifying the commissioner of

the party's request for a trial de novo under Subsection (11).