

PERSONAL INJURY PROTECTION ARBITRATION

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen H. Urquhart

House Sponsor: Don L. Ipson

LONG TITLE

General Description:

This bill creates a new program for personal injury protection arbitration.

Highlighted Provisions:

This bill:

- ▶ requires the commissioner of insurance to issue a request for proposal for an organization to administer personal injury protection actions through arbitration;
- ▶ sets requirements for the request for proposal; and
- ▶ requires the commissioner to make rules regarding the process.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

- 78B-10a-101**, Utah Code Annotated 1953
 - 78B-10a-102**, Utah Code Annotated 1953
 - 78B-10a-103**, Utah Code Annotated 1953
 - 78B-10a-104**, Utah Code Annotated 1953
 - 78B-10a-105**, Utah Code Annotated 1953
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28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **78B-10a-101** is enacted to read:

30 **Part 1. Personal Injury Protection Arbitration Act**

31 **78B-10a-101. Title.**

32 This part is known as the "Personal Injury Protection Arbitration Act."

33 Section 2. Section **78B-10a-102** is enacted to read:

34 **78B-10a-102. Definition.**

35 As used in this part, "commissioner" means the commissioner of insurance.

36 Section 3. Section **78B-10a-103** is enacted to read:

37 **78B-10a-103. Personal Injury Protection Arbitration Program.**

38 (1) Any dispute regarding the recovery of medical expense benefits or other benefits
39 provided under personal injury protection coverage pursuant to Section 31A-22-307 arising out
40 of the operation, ownership, maintenance, or use of an automobile may be submitted to
41 arbitration on the initiative of any party to the dispute.

42 (2) This chapter also applies to any arbitration required under Subsection
43 31A-22-309(6)(a)(ii).

44 (3) Dispute resolution proceedings under this chapter shall include simplified
45 arbitration procedures that promote efficiency and cost savings through the utilization of
46 electronic filing and administration.

47 (4) Program costs shall be paid from fees generated from the users of the program.

48 (5) A request for dispute resolution may be made by an injured party, the insured, a
49 provider who is an assignee of personal injury protection benefits, or the insurer.

50 (6) All decisions of the dispute resolution professional shall:

51 (a) be in writing, in a form prescribed by the commissioner;

52 (b) state the issues in dispute, findings, and conclusions on which the decision is based;

53 and

54 (c) be signed by the dispute resolution professional.

55 (7) The dispute resolution professional may award expenses, interest, and attorney fees
56 pursuant to Section 31A-22-309.

57 (8) The final determination of the dispute resolution professional shall be binding upon
58 the parties unless vacated, modified, or corrected by review under Title 78B, Chapter 11, Utah

59 Uniform Arbitration Act.

60 Section 4. Section **78B-10a-104** is enacted to read:

61 **78B-10a-104. Arbitration administrator -- Dispute resolution plan.**

62 (1) The commissioner shall select, in accordance with Section 78B-10a-105, an
63 organization for the purpose of administering arbitration provided for by this chapter.

64 (2) The organization shall establish a dispute resolution plan, which shall include:

65 (a) procedures and arbitration rules governing the dispute resolution process; and

66 (b) provisions for monitoring the dispute resolution process to ensure adherence to the
67 standards of performance established by the commissioner.

68 (3) The plan, and any amendments, shall be subject to approval by the commissioner.

69 (4) The organization shall utilize qualified dispute resolution professionals who meet
70 standards of competency and performance to ensure the independence and fairness of the
71 review process, including:

72 (a) standards relative to the professional qualifications of the professionals presiding
73 over the dispute resolution process; and

74 (b) standards to ensure that no conflict of interest exists that would prevent the
75 performance of the professional's duties in an impartial manner.

76 (5) Compensation for the dispute resolution professionals shall be approved by the
77 commissioner.

78 Section 5. Section **78B-10a-105** is enacted to read:

79 **78B-10a-105. Request for proposal.**

80 (1) Not later than November 1, 2011, the commissioner shall issue a request for
81 proposal for an organization to oversee and administer the personal injury protection arbitration
82 program.

83 (2) The request for proposal shall include requirements regarding:

84 (a) organizational structure;

85 (b) operations;

86 (c) arbitration rules; and

87 (d) arbitrators to handle disputes involving automobile insurance personal injury
88 protection benefit claims.

89 (3) The commissioner shall make rules in accordance with Title 63G, Chapter 3, Utah

90 Administrative Rulemaking Act, that contain the specific qualifications necessary for bidders
91 and information about how the administrator shall conduct its operations as well as the conduct
92 of the dispute resolution proceedings as set forth in this chapter.

93 (4) The organization selected shall have experience administering dispute resolution
94 programs of similar scope and size.

Legislative Review Note

as of 2-22-11 8:06 AM

Office of Legislative Research and General Counsel

FISCAL NOTE

S.B. 225

SHORT TITLE: Personal Injury Protection Arbitration

SPONSOR: Urquhart, S.

2011 GENERAL SESSION, STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill may cost the Insurance Department \$21,000 one-time from the General Fund in FY 2012 to establish the Personal Injury Protection Arbitration program. Ongoing costs will be covered by fees.

STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
Revenue	\$0	\$0	\$0
Expenditure:			
General Fund, One-Time	\$0	\$21,000	\$0
Total Expenditure	\$0	\$21,000	\$0
Net Impact, All Funds (Rev.-Exp.)	\$0	(\$21,000)	\$0
Net Impact, General/Education Funds	\$0	(\$21,000)	\$0

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Individuals and businesses who use the program will pay program fees.