

# **NEW DEVELOPMENTS IN STATE FISCAL YEAR 2006**

## **Expanded Statistical Collection and Analysis**

During State Fiscal Year 2005, the AOIC implemented expanded statistical reporting requirements for arbitration programs to permit additional analytical material for this report. The new reporting includes the collection of information on the various types of cases that proceed through arbitration (i.e., auto, contract, personal injury, collections, etc.), information on the monetary value of a case at the time of filing and average award granted by arbitration panels, as well as the length of time from case filing to final resolution. Collection of this data assists in determining if arbitration is meeting program objectives. The new statistics, gathered during this first year of expanded data collection, can be found in the statewide data profile as well as the data profiles for each of the individual circuits. They reveal, for example, that almost half of the arbitration matters relate to personal injury cases and that the average time a case spends in the arbitration system ranges from 254 days (for collection matters) to 407 days (for the automobile/subrogation category). In future years, when comparisons can be made and trends identified, a more in-depth analysis will be possible.

## **Supreme Court Rule 281**

Effective January 1, 2006, Supreme Court Rule 281 was amended to increase the small claims jurisdictional limit from \$5,000 to \$10,000. From State Fiscal Year 2005 to 2006, cases referred to arbitration experienced an almost 16% decrease. The expanded small claims jurisdiction may be a factor in this decline. Administrators indicate that some matters which previously would have been eligible for arbitration are now proceeding as small claims cases.

It should be noted that arbitration statistics are reported for the state's 12 month fiscal period (July 1 to June 30) and that the Supreme Court amended Rule 281 on January 1, 2006. Thus, Rule 281, as amended, was in effect for only half of this reporting period. The 2007 arbitration report, which will cover a full year under the Rule 281 amendment, will provide the opportunity for a more complete analysis.