

## Program Overview

In Illinois, court-annexed arbitration is a mandatory, non-binding, non-court procedure designed to resolve civil disputes by utilizing a neutral third party, called an arbitration panel. Mandatory arbitration applies rules of evidence and procedure which are less formal than those followed in trial courts and usually leads to more timely and less expensive resolution of disputes. An arbitration panel can recommend, but not impose, a decision.

In the exercise of its general administrative and supervisory authority over Illinois courts, Supreme Court rules prescribe actions which are subject to mandatory arbitration. The rules address a range of operational procedures including: appointment, qualifications, and compensation of arbitrators; scheduling of hearings; discovery process; conduct of hearings; absence of a party; award and judgment on an award; rejection of an award; and form of oath, award and notice of award.

In the sixteen jurisdictions approved by the Supreme Court to operate such programs, all civil cases filed in which the amount of monetary damages being sought falls within the program's jurisdictional limit, are subject to the arbitration process. These modest sized claims are amenable to closer management and quicker resolution by using a less formal alternative process than a typical trial court proceeding.

A review and analysis of the data and program descriptions support the conclusion that the arbitration system in Illinois is operating consistent with policy makers' initial expectations for the program. Parties to arbitration proceedings are working to settle their differences without significant court intervention. The aggressive scheduling of arbitration hearing dates induces early settlements by requiring the parties to carefully manage the case prior to an arbitration hearing. Because arbitration hearings are held within one year of the filing or transfer of the arbitration case, most jurisdictions can dispose of approximately 70 to 75 percent of the arbitration caseload within one year of case filing.

Arbitration encourages dispositions early in the life of cases, helping courts operate more efficiently. Statewide figures show that only a small number of the cases filed or transferred into arbitration proceed to an arbitration hearing, and an even smaller number of cases proceed to trial. Arbitration-eligible cases are resolved and disposed prior to hearing in ways that do not require a significant amount of court time. Court-ordered dismissals, voluntary dismissals, settlement orders, and default judgments typically require very little court time to process.

Statewide statistics also show that a large number of cases that do proceed to the arbitration hearing are terminated in a post-hearing proceeding. In such cases, the parties either petition the court to enter judgment on the arbitration award or remove the case from the arbitration calendar via another form of post-hearing termination, including settlement.

Mandatory arbitration has proven to be an effective means of disposing cases swiftly for litigants. Furthermore, the overall success of the program is best exemplified in the fact that, statewide, an average of less than two percent of arbitration cases proceeded to trial in 2011.

The State Fiscal Year 2011 Annual Report summarizes the activity of court-annexed mandatory arbitration from July 1, 2010 through June 30, 2011. The report includes an overview of mandatory arbitration in Illinois and contains statistical data as reported by each arbitration program.<sup>1</sup> Aggregate statewide statistics are provided as an overview of Illinois' sixteen court-annexed mandatory arbitration programs. The final part of the report is devoted to providing a brief narrative and data profile for each of the court-annexed mandatory arbitration programs.

---

<sup>1</sup>A comprehensive history of mandatory arbitration, which began in 1987, is available upon request to the AOIC. Additionally, the previous five fiscal year reports may be viewed on the Supreme Court's website at [www.state.il.us/court](http://www.state.il.us/court). An overview of arbitration program administration, caseload and hearing information is offered in Appendix 1.