

**REQUEST FOR PROPOSALS FOR INDEPENDENT REVIEW ORGANIZATIONS
TO CONDUCT Motor Vehicle Damage Arbitration Service –
SUPPLEMENTAL INFORMATION**

1. Historical Data and Expectations

- a. Is this program new or has it or a similar program been in place previously?

Program has been in place for over 20 years

- b. If this program is not new, who was previously awarded the services?

American Arbitration Association

- c. Do you have any historical data or expectations relating to the annual volume of applicable arbitrations? **Historical data for the past five years**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
57	49	32	33	67	63

- d. If this or a similar program existed previously, what has been the pricing structure for this program in terms of price paid per arbitration and who has paid the applicable cost? **Current cost is \$3,025 for an insurance claim that proceeds to a hearing fee.**

There is a nonrefundable administrative fee of \$925 for case administration, including the appointment of a neutral and scheduling of an arbitration hearing, plus a compensation fee of \$1,350 per claim for the neutral arbitrator. These fees, totaling \$2,275, are paid by the Department at the time it notifies of an Insurance Claim subject to arbitration. Should the claim be settled or withdrawn before an arbitrator is appointed, the \$1,350 arbitrator compensation fee is refunded to the Department. Should the claim proceed to a hearing, the Department pays an additional administrative fee, the “final fee,” of \$800, payable in advance at the time the hearing is scheduled.

- e. If this or a similar program has existed previously, do you have any data or expectation around the average number of hours billed by neutrals per arbitration? **No such data is submitted to the Department. There is a flat arbitrator compensation fee per claim.**

- f. If this or a similar program has existed previously, do you have any data or expectation around the average length of time for an arbitration from assignment through decision? **Historically, the average time is 2 months. While scheduling issues do occur, our expectation is obtaining the hearing scheduled within 30 days of transmitting the claim.**
- g. If this or a similar program has existed previously, do you have any data or expectation around the average number of hours billed by neutrals per arbitration? **No data.**
- h. If this or a similar program has existed previously, do you have any data or expectation around the average length of time for an arbitration from assignment through decision? **Historically, the average time is 2 months. While scheduling issues do occur our expectation is obtaining the hearing or the hearing schedule within 30 days of transmittal of our case**

2. Requirements

- a. What is defined as “authorized to do business in Connecticut”? Does a Foreign Registration Statement filed with the Secretary of State of CT satisfy this requirement? **Yes. Arbitrators must be licensed and in good standing in Connecticut to the extent applicable**
- b. Is the organization/firm required to have a permanent physical location/office space in Connecticut? **No** In addition to CID offices, can different offices/locations where arbitrators may work and/or temporary locations be used as required? **Yes, Not required to have a permanent location. Yes, different offices/locations where arbitrators work can be used. The Connecticut Insurance Department has been used as an arbitration location in the past and remains available for in-person arbitration.**

3. Arbitration Services

- a. Will the CID be choosing a single administrator or can the arbitrators be sourced from different organizations/firms/providers? **The CID will select a single administrator, which will provide the neutrals. There is a statutory requirement for the Insurance Commissioner to approve a list of at least 10 arbitrators.**
- b. Regarding the claims to be determined, are there specific procedural guidelines that will govern the arbitrator’s determination? ? **Yes. See Conn. Gen. Stat. § 38a-9 and Regs. Conn. State Agencies § 38a-10-1 through 4.**

https://www.cga.ct.gov/current/pub/chap_697.htm#sec_38a-10

https://eregulations.ct.gov/eRegsPortal/Browse/RCSA/Title_38aSubtitle_38a-10/

- c. Is the arbitrator bound by policy limits? Will the arbitrator be made aware of the policy limits? **Yes**
- d. Who determines if the hearing is to be in-person or virtual? Is that up to the arbitrator? The parties? **Initially at the request indicated by the claimant. However, finalized with the respondent (insurance company).**
- e. In the past, how many arbitrators were approved/on the list? Is there a maximum number of arbitrators that the CID will approve for the list? **As mentioned above refer to 3a.**

4. Pricing

- a. Are there any requirements around the proposed pricing model (hourly vs flat fee, pricing limits, etc.)? **No requirement as to pricing model**
- b. Are there any requirements around who will be responsible for the costs of arbitration? CID? The parties? **The parties each pay \$20 fee respectively. The remaining costs are paid by CID.**
- c. Is the appointed organization allowed to charge administrative fees for its services in connection with the administration of each matter? **Yes**