

**Minnesota No-Fault, Comprehensive or
Collision Damage Automobile Insurance
Arbitration Rules**

Substantially revised effective January 1, 1991
With amendments received through January 1, 2019

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Rule

1. Purpose and Administration

TEXT OF RULES

Rule 1. Purpose and Administration

(a) The purpose of the Minnesota no-fault arbitration system is to promote the orderly and efficient administration of justice in this State. To this end, the Court, pursuant to Minnesota Statutes, section 65B.525, and in the exercise of its rule making responsibilities, does hereby adopt these rules. These rules are intended to implement the Minnesota No-Fault Act.

(b) Arbitration under Minnesota Statutes, section 65B.525, shall be administered by a standing committee of not less than twelve members to be appointed by the Minnesota Supreme Court. Members shall be appointed for a four-year term commencing on January 1, with at least three members' terms expiring each year. No member shall serve more than two full terms and any partial term.

(c) The day-to-day administration of arbitration under Minnesota Statutes, section 65B.525, shall be by an arbitration organization designated by the Standing Committee with the concurrence of the Supreme Court. The administration shall be subject to the continuing supervision of the Standing Committee.

(Amended effective September 7, 1999; amended effective August 5, 2003; amended effective January 1, 2019.)

2019 INTEREST RATES ON STATE COURT JUDGMENTS AND ARBITRATION AWARDS

Minnesota Statutes, section 549.09 directs the State Court Administrator to determine the annual interest rate applicable to certain state court judgments, verdicts, and arbitration awards. For judgments and awards governed by section 549.09¹ the annual interest rate for calendar year 2018 shall be 4%, provided that for judgments exceeding \$50,000 that are finally entered on or after August 1, 2009, except a judgment or award for or against the state or a political subdivision of the state entered on or after April 16, 2010, or a judgment or award in a family court action entered on or after August 1, 2015, the interest rate shall be 10% per year until paid.² Minnesota Statutes, section 548.091, subdivision 1a, provides that the interest rate applicable to child support judgments shall be the rate provided in Minnesota Statutes, section 549.09, subject to a 18% maximum rate.

The following lists the judgment rates in effect for state courts:

| YEAR | M.S. 549.09 Annual Rate | M.S. 549.09 Rate for Judgment exceeding \$50,000 Finally entered on or after 8/1/09 But not judgments for or against The state or a political subdivision Finally entered on or after 4/16/2010, Or judgments or awards in family court Actions entered on or after 8/1/2015 | M.S. 548.091 Rate for Child Support Judgments |
|-------------|--------------------------------|---|--|
| 2009 | 4% | 10% Follow 549.09 rate (but not more than 18%) | |
| 2010 | 4% | 10% Follow 549.09 rate (but not more than 18%) | |
| 2011 | 4% | 10% Follow 549.09 rate (but not more than 18%) | |
| 2012 | 4% | 10% Follow 549.09 rate (but not more than 18%) | |
| 2013 | 4% | 10% Follow 549.09 rate (but not more than 18%) | |
| 2014 | 4% | 10% Follow 549.09 rate (but not more than 18%) | |
| 2015 | 4% | 10% Follow 549.09 rate (but not more than 18%) | |
| 2016 | 4% | 10% | 4% |
| 2017 | 4% | 10% | 4% |
| 2018 | 4% | 10% | 4% |
| 2019 | 4% | 10% | 4% |

¹The interest rate determined pursuant to Minnesota Statutes, section 549.09, does not apply to judgments for the recovery of taxes and employment arbitrations pursuant to Minnesota Statutes, chapter 179 or 179A, and may not apply to judgments in condemnation cases. In condemnation cases governed by Minnesota Statutes, section 117.195, the interest rate determined pursuant to Minnesota Statutes, section 549.09, is presumed to satisfy the constitutional requirement of just compensation unless the landowner shows that this rate does not provide what a reasonable and prudent investor would have earned while investing so as to maximize the rate of return, yet guarantee safety of principle. State by Humphrey v. Jim Lupient Oldsmobile Co., 509 N.W.2d 361, 364 (Minn. 1993). Under a Federal Employers Liability Act (FELA) case, United States Code, title 45, section 51 (2012), brought in state court, federal law governs all substantive matters. The Court of Appeals recently held that post-judgment interest is a substantive matter in a FELA case and the federal post-judgment interest applies to a state court judgment granted under FELA. Alby v. BNSF Railway Company, 918 N.W.2d 562 (Minn. App. 2018; *review granted* (Minn. October, 2018)).

The interest rate on judgments for the recovery of taxes owed to the Commissioner of the Department of Revenue, such as income, excise, and sales taxes, is established by the Commissioner pursuant to Minnesota Statutes, section 270C.40, subdivision 5. The interest rate for state tax judgments also applies to judgments for the recovery of real or personal property taxes, subject to a 10% minimum and 14% maximum, and double that in certain cases. See Minnesota Statutes, section 279.03, subdivision 1a. These rates may be obtained from the Department of Revenue.

Minnesota Statutes, section 549.09, subdivision 1, paragraph (d), provides that Minnesota Statutes, section 549.09, does not apply to arbitrations between employers and employees under Minnesota Statutes, chapter 179 or 179A, and that an arbitrator is neither required to nor prohibited from awarding interest under Minnesota Statutes, chapter 179, or Minnesota Statutes, section 179A.16, for essential employees.

²As amended by Minnesota Laws 2002, chapter 247, section 1, Minnesota Laws 2009, chapter 83, article 2, section 35, and Minnesota Laws 2010, chapter 249, Minnesota Statutes, section 549.09, directs that the annual rate is to be determined by using the monthly one-year constant maturity treasury yield reported in the latest statistical release of the federal reserve board of governors rounded to the nearest one percent, subject to a four percent minimum; provided that for certain judgments exceeding \$50,000 entered on or after August 1, 2009, the interest rate shall be 10% per year until paid. As amended by Laws 2015, chapter 30, section 12, judgments or awards exceeding \$50,000 in family court actions are no longer subject to the 10% interest rate.