

Good afternoon, SUM/UM Arbitration Participants,

In pertinent part, Rule 4 of the American Arbitration Association (AAA) Rules for Arbitration of Supplementary Uninsured/Underinsured Motorist Insurance Disputes and Uninsured Motorist Insurance Disputes state,

“If within twenty (20) days after service of a demand or a notice of intention to arbitrate the insurer moves in court in accordance with Section 7503 of the Civil Practice Law and Rules to contest coverage, applicable policy limits, or the stacking of policy coverage, the AAA will suspend administration until such issues are decided if the application is received by the AAA within thirty (30) calendar days after acknowledgment of the demand. Notwithstanding the aforementioned procedure, the AAA will proceed with administration of the matter at the request of applicant, unless the insurer obtains a court order staying the proceedings.”

Pursuant to New York Governor Cuomo’s executive orders stemming from the COVID-19 pandemic, New York State Courts suspended accepting documents for filing non-emergency matters. We received several reports from insurers claiming the Courts’ action restricted them from filing petitions to obtain stays of SUM/UM arbitrations.

After taking these reports under advisement, consulting with the Department of Financial Services (DFS), and reviewing the applicable AAA rules, the AAA effective immediately will suspend administration of SUM/UM cases upon receipt of a courtesy copy of an insurer’s petition it intends to file once courts resume accepting such filings. Consistent with the intent of Rule 4, such copy must be received by the AAA within thirty (30) days after acknowledgment of the demand. Please be advised this is a momentary accommodation and does not waive, negate, or diminish the parties’ obligations to adhere to the AAA’s rules. Once New York State Courts begin accepting such filings, parties again will be required to comply with all relevant rules.

Thank you for your cooperation. Please contact me if you have any questions. Best wishes to you and your families for good health and spirits.

Frank Cruz
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