COURT-ANNEXED MANDATORY ARBITRATION

Annual Report of the Supreme Court of Illinois to the Illinois General Assembly for State Fiscal Year 2010



Honorable Thomas L. Kilbride, Chief Justice

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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 75 to 80 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 2010.

The State Fiscal Year 2010 Annual Report summarizes the activity of court-annexed mandatory arbitration from July 1, 2009 through June 30, 2010. The report includes an overview of mandatory arbitration in Illinois and contains statistical data as reported by each arbitration program.¹ 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.

¹A 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 <u>www.state.il.us/court</u>. An overview of arbitration program administration, caseflow and hearing calendars is offered in Appendix 1.

New Developments in State Fiscal Year 2010

- As part of its projects and priorities delineated by the Supreme Court, the Alternative Dispute Resolution Coordinating Committee (ADR Committee) of the Illinois Judicial Conference created a Uniform Arbitrator Reference Manual and developed a related training outline and materials. During 2010, the manual was distributed to all 16 arbitration programs for utilization as a tool to train new attorneys wishing to serve as arbitrators, as well as retrain existing arbitrators.
- The ADR Committee was charged by the Supreme Court with developing an arbitrator training video to accompany the Uniform Arbitrator Reference Manual. To help inform the crafting of its training video for statewide application, the Committee viewed existing training videos, as well as observed a live training offered in the Circuit Court of Cook County. The video will serve as a bridge in training and will be made available as a tool offered to assist in training those attorneys who are interested in serving as arbitrators when immediate training is not available. The training video is not intended to supplant in-person training; however, it is planned to be used as a mechanism to satisfy eligibility requirements for new arbitrators. In concept, the prospective arbitrator would view the video, thereby qualifying him/her to be immediately eligible to arbitrate. The Committee began development of an outline for the training video in 2010, and plans to begin production of the video in 2011.
- In its continued efforts to enrich the data analysis of arbitration programs and improve program operations and outcomes, the Supreme Court charged the ADR Committee with reviewing the current methods of collecting arbitration statistics to determine whether the data are accurately capturing the results of the program as intended when arbitration was implemented in 1987. A new aggregate data form, which more accurately captures information throughout the arbitration process, was created during 2010 and will be implemented for inclusion in the Fiscal Year 2011 report.
- The ADR Committee was also charged with surveying program practitioners and identifying measures of participant satisfaction with ADR processes. The ADR Committee, during 2010, reviewed survey instruments collected from various arbitration programs and related data, and identified the most useful information for improving arbitration processes in the state of Illinois. A survey instrument was developed and is anticipated to be administered in 2011 to all arbitration programs.
- As part of its projects and priorities assigned by the Supreme Court for 2010, the ADR Committee examined the possibility of developing a mentor program for arbitrator chairpersons. The purpose of the chairperson mentor program is to enhance training and offer a prospective arbitrator chairperson the practical experience necessary to excel as a fair and impartial chairperson. During 2010, the ADR Committee began to consider and preliminarily design a system of peer mentors for arbitration panel chairs. The goal of such an initiative is to provide a framework and a system for all sixteen (16) arbitration sites to support, enrich and advance the role of panel chairs.



Statewide Data Profile from Illinois' Arbitration Programs

Arbitration Caseload FY 10	
Cases Pending/Referred to Arbitration	40,229
Cases Settled/Dismissed	30,245
Arbitration Hearings	9,084
Awards Accepted	2,304
Awards Rejected	4,421
Cases Filed in Arbitration that Proceeded to Trial	502

The number of cases referred to Illinois' arbitration programs in FY 2010 marks the highest volume of cases in arbitration over the past five fiscal years. Generally, the number of civil cases filed in the Illinois courts increases annually, a trend which is also reflected in arbitration case filings. On average 35,773 cases per year

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were referred to, or are pending in, arbitration over the past five state fiscal years. The table presents information regarding the total number of cases litigated in all sixteen arbitration programs, reflects the total number of cases resolved during the arbitration process, and depicts the total number of cases that ultimately proceeded to trial.*

Program data indicate that either a settlement or dismissal was reached in 75 percent (30,245 of 40,229 cases were disposed) of the cases filed in Illinois' arbitration programs for State Fiscal Year 2010. This is slightly lower than the five-year average of 77 percent.

A more significant performance indicator for arbitration, however, is the number of cases which, having been arbitrated, proceed to trial. In State Fiscal Year 2010, statewide figures indicate that less than two percent of the cases filed in Illinois' arbitration programs proceeded to trial. This rate tracks the same trend over the past five years (2006 - 2010).



*The Statewide and Circuit Profile figures are derived from a compilation of data from the *Statewide Pre-Hearing Calendar* (Appendix 4), *Statewide Post-Hearing Calendar* (Appendix 5), and *Statewide Post-Rejection Calendar* (Appendix 6).

Third Judicial Circuit

Madison County

Arbitration Caseload FY 10	
Cases Pending/Referred to Arbitration	1,609
Cases Settled/Dismissed	1,106
Arbitration Hearings	139
Awards Accepted	57
Awards Rejected	53
Cases Filed in Arbitration that Proceeded to Trial	18

Madison County is one of two counties that comprises the Third Judicial Circuit. Madison County is the most recent county to petition the Supreme Court for authorization to implement a court-annexed mandatory arbitration program, having commenced operations

effective

July 1, 2007. The Madison County Arbitration Center is located in Wood River, Illinois. An arbitration supervising judge is assigned to oversee arbitration matters and is assisted by an arbitration program administrator.

The figures in the table represent the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately proceeded to trial. Program data indicate that either a settlement or dismissal was reached in 69 percent (1,106 of 1,609 cases were disposed) of the cases filed in the Madison County arbitration program for State Fiscal Year 2010.





The data for Madison County's 2010 arbitration operations are reflected in the above graphs. In Madison County, slightly more than one percent (18 of 1,609) of cases filed in arbitration proceeded to trial.

Eleventh Judicial Circuit

Ford County

Arbitration Caseload FY 1)
Cases Pending/Referred to Arbitration	58
Cases Settled/Dismissed	50
Arbitration Hearings	2
Awards Accepted	2
Awards Rejected	0
Cases Filed in Arbitration that Proceeded to Trial	0

In March of 1996, the Supreme Court of Illinois entered an order which authorized Ford and McLean Counties in the Eleventh Judicial Circuit to begin operating arbitration programs. The arbitration program center for the Eleventh Judicial Circuit is located near the McLean County

Law and

Justice Center in Bloomington, Illinois, which hosts hearings for both counties. A supervising judge from each county is assigned to oversee arbitration matters and both are assisted by an arbitration program administrator.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that either a settlement or dismissal was reached in 86 percent (50 of 58 cases were disposed) of the cases filed in the Ford County arbitration program for State Fiscal Year 2010. This disposition rate is higher than the five-year average of 80 percent and the statewide average of 75 percent.





The data for Ford County's 2010 arbitration operations are reflected in the above graphs. In Ford County, none of the cases filed in arbitration proceeded to trial.

Eleventh Judicial Circuit

McLean County

Arbitration Caseload FY 10	1
Cases Pending/Referred to Arbitration	1,459
Cases Settled/Dismissed	1,043
Arbitration Hearings	66
Awards Accepted	48
Awards Rejected	19
Cases Filed in Arbitration that Proceeded to Trial	3

While the number of cases referred to McLean County's arbitration program vary annually, on average, 1,322 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

Program data indicate that either a settlement or

dismissal

was reached in 71 percent (1,043 of 1,459 cases were disposed) of the cases filed in the McLean County arbitration program for State Fiscal Year 2010. This disposition rate is slightly higher than the five-year average of 70 percent and lower than the statewide average of 75 percent.

The data for McLean County's 2010 arbitration operations are reflected in the graphs below. In McLean County, less than one percent (3 of 1,459) of the cases litigated in arbitration proceeded to trial.





Twelfth Judicial Circuit

Will County

	1
Cases Pending/Referred to Arbitration	3,896
Cases Settled/Dismissed	2,865
Arbitration Hearings	194
Awards Accepted	61
Awards Rejected	81
Cases Filed in Arbitration that Proceeded to Trial	16

The Twelfth Judicial Circuit is one of five single-county circuits in Illinois. The Will County Arbitration Center is housed near the courthouse in Joliet, Illinois. After the Supreme Court approved its request, Will County began

h e a r i n g arbitration

cases in December of 1995. An arbitration supervising judge is assigned to oversee arbitration matters and is assisted by a trial court administrator and an arbitration program assistant.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately proceeded to trial. Program data indicate that either a settlement or dismissal was reached in 74 percent (2,865 of 3,896 cases were disposed) of the cases filed in the Will County arbitration program for State Fiscal Year 2010. This disposition rate is higher than the five-year average of 71 percent and slightly lower than the statewide average of 75 percent.





On average, 2,934 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years. The data for Will County's 2010 arbitration operations are reflected in the above graphs. In Will County, less than one percent (16 of 3,896) of cases filed in arbitration proceeded to trial.

Henry County

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Cases Pending/Referred to Arbitration	98
Cases Settled/Dismissed	83
Arbitration Hearings	4
Awards Accepted	1
Awards Rejected	1
Cases Filed in Arbitration that Proceeded to Trial	0

The Fourteenth Judicial Circuit is comprised of Henry, Mercer, Rock Island and Whiteside Counties. In November 1999, the Supreme Court authorized the inception of the program in all four counties of the circuit, and arbitration hearings began in October 2000. This circuit is the first to receive permanent authorization to

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hear cases with damage claims up to \$50,000. The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that either a settlement or dismissal was reached in 85 percent (83 of 98 cases were disposed) of the cases filed in the Henry County arbitration program for State Fiscal Year 2010. This disposition rate is lower than the five-year average of 89 percent and higher than the statewide average of 75 percent.

While the number of cases referred to Henry County's arbitration program vary annually, on average, 118 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The data for Henry County's 2010 arbitration operations are reflected in the graphs below. In Henry County, none of the cases filed in arbitration proceeded to trial.



Mercer County

Arbitration Caseload FY 10	
Cases Pending/Referred to Arbitration	51
Cases Settled/Dismissed	33
Arbitration Hearings	2
Awards Accepted	0
Awards Rejected	0
Cases Filed in Arbitration that Proceeded to Trial	0

While the number of cases referred to Mercer County's arbitration program vary annually, on average, 41 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during

the arbitration process, or ultimately went to trial. Program data indicate that either a settlement or dismissal was reached in 65 percent (33 of 51 cases were disposed) of the cases filed in the Mercer County arbitration program for State Fiscal Year 2010. This disposition rate is higher than the five-year average of 59 percent and lower than the statewide average of 75 percent.

The data for Mercer County's 2010 arbitration operations are reflected in the graphs below. In Mercer County, none of the cases litigated in arbitration since 2006 have proceeded to trial.





Rock Island County

Arbitration Caseload FY 10	1
Cases Pending/Referred to Arbitration	583
Cases Settled/Dismissed	394
Arbitration Hearings	34
Awards Accepted	7
Awards Rejected	13
Cases Filed in Arbitration that Proceeded to Trial	4

An average of 653 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately

went to trial.

Program data indicate that either a settlement or dismissal was reached in 68 percent (394 of 583 cases were disposed) of the cases filed in the Rock Island County arbitration program for State Fiscal Year 2010. This disposition rate is higher than the five-year average of 66 percent and less than the statewide average of 75 percent.

The data for Rock Island County's 2010 arbitration operations are reflected in the graphs below. In Rock Island County, less than one percent of the cases (4 of 583) filed in arbitration proceeded to trial.





Whiteside County

Arbitration Caseload FY 10	-
Cases Pending/Referred to Arbitration	225
Cases Settled/Dismissed	164
Arbitration Hearings	8
Awards Accepted	1
Awards Rejected	3
Cases Filed in Arbitration that Proceeded to Trial	0

While the number of cases referred to Whiteside County's arbitration program vary annually, on average, 241 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the

of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that either a settlement or dismissal was reached in 73 percent (164 of 225 cases were disposed) of the cases filed in the Whiteside County arbitration program for State Fiscal Year 2010. This disposition rate is higher than the five-year average of 68 percent and slightly less than the statewide average of 75 percent.

The data for Whiteside County's 2010 arbitration operations are reflected in the graphs below. In Whiteside County, none of the cases filed in arbitration proceeded to trial.





Sixteenth Judicial Circuit

Kane County

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Cases Pending/Referred to Arbitration	3,436
Cases Settled/Dismissed	2,198
Arbitration Hearings	214
Awards Accepted	45
Awards Rejected	132
Cases Filed in Arbitration that Proceeded to Trial	25

The Sixteenth Judicial Circuit consists of DeKalb, Kane and Kendall Counties. During Fiscal Year 1994, the Supreme Court approved the request of Kane County to begin operating a court-annexed mandatory arbitration program. Initial arbitration hearings were held in June 1995. The arbitration center is located in the

Geneva courthouse in Kane County. A supervising judge is assigned to oversee arbitration matters and is assisted by an arbitration program assistant.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that either a settlement or dismissal was reached in 64 percent (2,198 of 3,436 cases were disposed) of the cases filed in the Kane County arbitration program for State Fiscal Year 2010. This disposition rate is lower than the five-year average of 69 percent and the statewide average of 75 percent. On average, 2,518 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.



The data for Kane County's 2010 arbitration operations are reflected in the graphs below. In Kane County, less than one percent of the cases (25 of 3,436) filed in arbitration proceeded to trial.



Seventeenth Judicial Circuit

Boone County

Arbitration Caseload FY 10	
Cases Pending/Referred to Arbitration	260
Cases Settled/Dismissed	196
Arbitration Hearings	12
Awards Accepted	3
Awards Rejected	5
Cases Filed in Arbitration that Proceeded to Trial	0

The Seventeenth Judicial Circuit consists of Boone and Winnebago Counties. The circuit's arbitration center is located near the courthouse in Rockford, Illinois. The Boone County program began hearing arbitration-eligible matters in February 1995.

A supervising

judge from

each county is assigned to oversee the arbitration programs and is assisted by an arbitration administrator.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that either a settlement or dismissal was reached in 75 percent (196 of 260 cases were disposed) of the cases filed in the Boone County arbitration program for State Fiscal Year 2010. This disposition rate is slightly higher than the five-year average of 72 percent and consistent with the statewide average of 75 percent.



The data for Boone County's 2010 arbitration operations are reflected in the graphs below. In Boone County, none of the cases filed in arbitration proceeded to trial.



Seventeenth Judicial Circuit

Winnebago County

Arbitration Caseload FY 10	-
Cases Pending/Referred to Arbitration	1,573
Cases Settled/Dismissed	1,079
Arbitration Hearings	104
Awards Accepted	33
Awards Rejected	59
Cases Filed in Arbitration that Proceeded to Trial	9

In the fall of 1987, court-annexed mandatory arbitration was instituted as a pilot program in Winnebago County, making it the oldest court-annexed arbitration system in the state.

While cases referred to Winnebago County's arbitration program vary annually, on average, 1,390 cases per year have been

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referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that either a settlement or dismissal was reached in 69 percent (1,079 of 1,573 cases were disposed) of the cases filed in the Winnebago County arbitration program for State Fiscal Year 2010. This disposition rate is lower than the five-year average of 72 percent and the statewide average of 75 percent.

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FY07

The data for Winnebago County's 2010 arbitration operations are reflected in the graphs below. In Winnebago County, less than one percent of cases (9 of 1,573) filed in arbitration proceeded to trial.



FY07

FY08

2010 Court-Annexed Mandatory Arbitration Report

FY06

FY10

Eighteenth Judicial Circuit

DuPage County

Arbitration Caseload FY 10	
Cases Pending/Referred to Arbitration	5,212
Cases Settled/Dismissed	4,439
Arbitration Hearings	360
Awards Accepted	98
Awards Rejected	209
Cases Filed in Arbitration that Proceeded to Trial	39

The Eighteenth Judicial Circuit, the second most populous jurisdiction in Illinois, is a suburban jurisdiction serving the residents of DuPage County. Court-annexed arbitration has become an important resource for assisting the judicial system in the adjudication of civil matters. The Supreme Court approved an arbitration

program for the circuit in December 1988. During State Fiscal Year 2002, the Supreme Court authorized DuPage County's arbitration program to permanently operate at the \$50,000 jurisdictional limit. A supervising judge oversees arbitration matters and is assisted by an arbitration program administrator.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. On average, 5,071 cases have been referred to, or are pending in, arbitration over the past five state fiscal years. Program data indicate that either a settlement or dismissal was reached in 85 percent (4,439 of 5,212 cases were disposed) of the cases filed in the DuPage County arbitration program for State Fiscal Year 2010. This disposition rate

is slightly higher than the five-year average of 83 percent and the statewide average of 75 percent. The data for DuPage County's 2010 arbitration operations are reflected in the graphs below. In DuPage County, less than one percent of cases (39 of 5,212) filed in arbitration proceeded to trial.



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Nineteenth Judicial Circuit

Lake County

Cases Pending/Referred to Arbitration	4,293
Cases Settled/Dismissed	3,233
Arbitration Hearings	411
Awards Accepted	88
Awards Rejected	209
Cases Filed in Arbitration that Proceeded to Trial	43

In December 1988, Lake County was approved by the Supreme Court to begin operating an arbitration program. The supervising judge is assisted by an arbitration program administrator and an administrative assistant. Arbitration hearings are conducted in

a facility

adjacent to

the Lake County Courthouse in Waukegan.

While the number of cases referred to Lake County's arbitration program vary annually, on average, 3,319 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that either a settlement or dismissal was reached in 75 percent (3,233 of 4,293 cases were disposed) of the cases filed in the Lake County arbitration program for State Fiscal Year 2010. This disposition rate is slightly higher than the five-year average of 74 percent and consistent with the statewide average of 75 percent.

The data for Lake County's 2010 arbitration operations are reflected in the graphs below. In Lake County, one percent of cases (43 of 4,293) filed in arbitration proceeded to trial.



2010 Court-Annexed Mandatory Arbitration Report



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Twentieth Judicial Circuit

St. Clair County

Arbitration Caseload FY 10	
Cases Pending/Referred to Arbitration	2,621
Cases Settled/Dismissed	1,895
Arbitration Hearings	142
Awards Accepted	56
Awards Rejected	54
Cases Filed in Arbitration that Proceeded to Trial	15

The Twentieth Judicial Circuit is comprised of five counties: St. Clair, Perry, Monroe, Randolph and Washington. The Supreme Court approved St. Clair County's request to begin an arbitration program in May 1993, and the first hearings were held in February 1994. The arbitration center is adjacent to the St. Clair County Courthouse. A

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supervising judge is assigned to oversee arbitration matters and is assisted by an arbitration program administrator.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that either a settlement or dismissal was reached in 72 percent (1,895 of 2,621 cases were disposed) of the cases filed in the St. Clair County arbitration program for State Fiscal Year 2010. This disposition rate is lower than the five-year average of 81 percent and the statewide average of 75 percent. An average of 2,316 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The data for St. Clair County's 2010 arbitration operations are reflected in the graphs below. In St. Clair County, less than one percent of cases (15 of 2,621) filed in arbitration proceeded to trial.





Twenty-Second Judicial Circuit McHenry County

Arbitration Caseload FY 10	1
Cases Pending/Referred to Arbitration	2,135
Cases Settled/Dismissed	1,585
Arbitration Hearings	118
Awards Accepted	40
Awards Rejected	55
Cases Filed in Arbitration that Proceeded to Trial	10

In 1990, McHenry County was approved to operate an arbitration program as a component of the Nineteenth Judicial Circuit's operations. On December 4, 2006, legislation created the Twenty-Second Judicial Circuit, making McHenry County a singlecounty circuit and the newest judicial circuit in the state. The

supervising judge in McHenry County is assisted by the arbitration program personnel from the Nineteenth Judicial Circuit (Lake County). Arbitration hearings are conducted in the McHenry County Courthouse in Woodstock.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. On average, 1,540 cases have been referred to, or are pending in, arbitration over the past five state fiscal years.

Program data indicate that either a settlement or dismissal was reached in 74 percent (1,585 of 2,135 cases were disposed) of the cases filed in the McHenry County arbitration program for State Fiscal Year 2010. This disposition rate

is slightly higher than the five-year average of 73 percent and slightly lower than the statewide average of 75 percent. The data for McHenry County's 2010 arbitration operations are reflected in the graphs below. In McHenry County, less than one percent of the cases (10 of 2,135) filed in arbitration proceeded to trial.





Circuit Court of Cook County

Arbitration Caseload FY 1	1
Cases Pending/Referred to Arbitration	12,720
Cases Settled/Dismissed	9,882
Arbitration Hearings	7,274
Awards Accepted	1,765
Awards Rejected	3,528
Cases Filed in Arbitration that Proceeded to Trial	320

As a general jurisdiction trial court, the Circuit Court of Cook County is the largest unified court in the nation. The Supreme Court granted approval to implement an arbitration program in Cook County in January 1990. The arbitration center

is located in downtown

Chicago. A supervising judge oversees arbitration program matters and is assisted by an arbitration program administrator and deputy administrator.

While the number of cases referred to Cook County's arbitration program vary annually, on average, 13,188 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that either a settlement or dismissal was reached in 78 percent (9,882 of 12,720 cases were disposed) of the cases filed in the Cook County arbitration program for State Fiscal Year 2010. This

disposition rate is less than the five-year average of 81 percent and higher than the statewide average of 75 percent.

The data for Cook County's 2010 arbitration operations are reflected in the graphs below. In Cook County, less than three percent of the cases (320 of 12,720) filed in arbitration proceeded to trial.







APPENDIX 1

Administration

The Administrative Office of the Illinois Courts, the Alternative Dispute Resolution Coordinating Committee of the Illinois Judicial Conference, and local arbitration supervising judges and administrators provide ongoing support to the mandatory arbitration programs in Illinois. A brief description of the roles and functions of these entities follows.

Administrative Office of the Illinois Courts

The Administrative Office of the Illinois Courts (AOIC) works with the circuit courts to coordinate the operations of the arbitration programs throughout the state. Administrative Office staff assist in:

- Establishing new arbitration programs approved by the Supreme Court;
- Drafting local rules;
- Recruiting personnel;
- Acquiring facilities;
- Training new arbitrators;
- Purchasing equipment;
- Developing judicial calendaring systems;
- Preparing budgets;
- Processing vouchers;
- Addressing personnel issues;
- Compiling statistical data;
- Negotiating contracts and leases; and
- Coordinating the collection of arbitration filing fees.

In addition, AOIC staff serve as liaison to the Illinois Judicial Conference's Alternative Dispute Resolution Coordinating Committee.

Alternative Dispute Resolution Coordinating Committee

The charge of the Alternative Dispute Resolution Coordinating Committee, as directed by the Supreme Court, is to:

- Monitor and assess court-annexed mandatory arbitration programs;
- Make recommendations for proposed policy modifications to the full body of the Illinois Judicial Conference;
- Survey and compile information regarding existing court-supported dispute

resolution programs;

- Explore and examine innovative dispute resolution processing techniques;
- Study the impact of proposed amendments to relevant Supreme Court rules; and
- Propose rule amendments in response to suggestions and information received from program participants, supervising judges, and arbitration administrators.

Local Administration

The chief circuit judge in each jurisdiction operating a mandatory arbitration program appoints a supervising judge to provide oversight for the arbitration program. The supervising judge:

- Has authority to resolve questions arising in arbitration proceedings;
- Reviews applications for appointment or re-certification of an arbitrator;
- Resolves arbitrator or arbitration process complaints; and
- Promotes the dissemination of information about the arbitration process, the results of arbitration, developing caselaw, and new practices and procedures in the area of arbitration.

The supervising judges are assisted by arbitration administrators who are responsible for duties such as:

- Maintaining a roster of active arbitrators;
- Scheduling arbitration hearings;
- Conducting arbitrator training;
- Compiling statistical information required by the AOIC;
- Processing vouchers; and
- Submitting purchase requisitions related to arbitration programs.

Caseflow and Hearings Calendar

Case Assignment

In all jurisdictions, except Cook County, cases are assigned to mandatory arbitration calendars either as initially filed or by court transfer. In an initial filing, litigants may file their case with the office of the clerk of the circuit court as an arbitration case. The clerk places the matter directly onto the calendar of the supervising judge for arbitration.

An additional means by which cases are assigned to a mandatory arbitration calendar is through court transfer. In all jurisdictions operating a court-annexed mandatory arbitration program, if it appears to the court that no claim in the action has a value in excess of the arbitration program's jurisdictional amount, a case may be transferred to the arbitration calendar. For example, if the court finds that an action originally filed as a law case (actions for damages in excess of \$50,000) has a potential for damages within the jurisdictional amount for arbitration, the court may transfer the law case to the arbitration calendar.

In the Circuit Court of Cook County, cases are not initially filed as arbitration cases. Rather, civil cases in which the money damages being sought are between \$10,000 and \$50,000 are filed in the Municipal Department. Cases in which the money damages being sought are greater than \$10,000 but do not exceed \$30,000 are considered "arbitration-eligible." After preliminary matters are managed, arbitration-eligible cases are transferred to the arbitration program.

Pre-Hearing Matters

The pre-hearing stage for cases subject to arbitration is similar to the pretrial stage for all cases wherein a summons is issued, motions are made and argued, and discovery is conducted. However, for cases subject to arbitration, discovery is limited pursuant to Illinois Supreme Court Rules 89 and 222.

One of the most important features of the arbitration program is the court's control of the time elapsed between the date of filing or transfer of the case to the arbitration calendar and the arbitration hearing. Supreme Court Rule 88 mandates speedy dispositions. Pursuant to the Rule, and consistent with the practices of each program site, all cases set for arbitration must proceed to hearing within one year of the date of filing or transfer to the arbitration calendar unless continued by the court upon good cause shown.

Pre-Hearing Calendar

The first stage of the arbitration process is pre-hearing. The pre-hearing arbitration calendar is comprised of new filings, reinstatements and transfers from other calendars. Cases may be removed from the pre-hearing calendar in either a dispositive or non-dispositive manner. A dispositive removal is one which terminates the case prior to commencement of the arbitration hearing. There are generally three types of pre-hearing dispositive removals: entry of a judgment; case dismissal; or the entry of a settlement order by the court.

A non-dispositive removal of a case from the pre-hearing arbitration calendar may remove the case from the arbitration calendar altogether. Other non-dispositive removals may simply move the case along to the next stage of the arbitration process. A case which has proceeded to an arbitration hearing, for example, is considered a non-dispositive removal from the pre-hearing calendar. Non-dispositive removals also include those occasions when a case is placed on a special calendar. For example, a case transferred to a bankruptcy calendar will generally stay all arbitrationrelated activity. Another type of non-dispositive removal from the pre-hearing calendar occurs when a case is transferred out of arbitration. Occasionally, a judge may decide that a case is not suited for arbitration and transfer the case to the appropriate calendar.

To provide litigants with the timeliest disposition of their cases, Illinois' arbitration system encourages attorneys and litigants to focus their early attention on arbitration-eligible cases. Therefore, the practice is to set a firm and prompt date for the arbitration hearing so that disputing parties, anxious to avoid the time and cost of an arbitration hearing, have a powerful incentive to negotiate and settle the matter prior to the hearing. In instances where a default judgment can be taken, parties are also encouraged to seek that disposition at the earliest possible time.

As a result of this program philosophy, a sizeable portion of each jurisdiction's arbitration caseload terminates voluntarily, or by court order, in advance of the arbitration hearing. An analysis of the State Fiscal Year 2010 statistics indicates that parties are carefully managing their cases and working to settle disputes without significant court intervention prior to the arbitration hearing. During State Fiscal Year 2010, 55 percent of the cases on the pre-hearing arbitration calendar were disposed through default judgment, dismissal, or some other form of pre-hearing termination. While it is true that a large number of these cases may have terminated without the need for a trial, regardless of the availability of arbitration, the arbitration process tends to motivate a disposition sooner in the life of most cases due in part to the setting of a firm hearing date.

Additionally, terminations via court-ordered dismissals, voluntary dismissals, settlement orders, and default judgments typically require limited court time to process. To the extent that arbitration encourages these dispositions, the system helps save the court and the litigants the expense of more costly and time-consuming proceedings.

A high rate of pre-hearing terminations also allows each program site to remain current with its hearing calendar and may allow the court to reduce a backlog. The combination of pre-hearing terminations and arbitration hearing capacity enables the system to absorb and process a greater number of cases in less time. (*See Appendix 4 for Pre-Hearing Calendar Data*).

Arbitration Hearing and Award

With some exceptions, the arbitration hearing resembles a traditional trial court proceeding. The Illinois Code of Civil Procedure and the rules of evidence apply. However, Supreme Court Rule 90(c) makes certain documents presumptively admissible. These documents include bills, records, and reports of hospitals, doctors, dentists, repair persons and employers, as well as written statements from opinion witnesses. The streamlined mechanism for the presentation of evidence enables attorneys to present their cases without undue delay.

Unlike proceedings in the trial court, the arbitration hearing is conducted by a panel of three trained attorneys who serve as arbitrators. At the hearing, each party to the dispute makes a concise presentation of his/her case to the arbitrators. Immediately following the hearing, the arbitrators deliberate privately and decide the issues as presented. To find in favor of a party requires the concurrence of two arbitrators. In most instances, an arbitration hearing is completed in approximately two hours. Following the hearing and the arbitrators' disposition, the clerk of the court records the arbitration award and forwards notice to the parties. As a courtesy to the litigants, many arbitration centers post the arbitration award immediately following submission by the arbitrators, thereby notifying the parties of the outcome on the same day as the hearing.

Post-Hearing Calendar

The post-hearing arbitration calendar consists largely of cases which have been heard by an arbitration panel and are awaiting further action. Upon conclusion of an arbitration hearing, a case is removed from the pre-hearing arbitration calendar and added to the post-hearing calendar. Cases previously terminated following a hearing may also be subsequently reinstated (added) at this stage. However, this is a rare occurrence even in the larger arbitration programs.

Arbitration administrators report three types of post-hearing removals from the arbitration calendar: entry of judgment on the arbitration award; dismissal or settlement by order of the court; or rejection of the arbitration award. While any of these actions will remove a case from the post-hearing calendar, only judgment on the award, dismissal, or settlement result in termination of the case. These actions are considered dispositive removals. Post-hearing terminations, or dispositive removals, are typically the most common means by which cases are removed from the post-hearing arbitration calendar.

A rejection of an arbitration award is a non-dispositive removal of a case from the posthearing arbitration calendar, which places the case on the post-rejection arbitration calendar.

A commonly cited measure of performance for court-annexed arbitration programs is the extent to which awards are accepted by the litigants as the final resolution of the case. However, parties have many resolution options after the arbitration hearing is concluded. Tracking the various options by which post-hearing cases are removed from the arbitration inventory provides the most accurate measure.

A satisfied party may move the court to enter judgment on the arbitration award. Statewide statistics indicate 25 percent of parties in arbitration hearings motioned the court to enter a judgment on an award. If no party rejects the arbitration award, the court may enter judgment. Reported figures indicate that approximately 37 percent of the cases which progressed to a hearing were disposed after the arbitration hearing on terms other than those stated in the award. These cases were disposed either through settlement reached by the parties or by voluntary dismissals. The parties work toward settling the conflict prior to the deadline for rejecting the arbitration award. These statistics suggest in a number of cases that proceed to hearing, the parties may be guided by the arbitrator's assessment of the worth of the case, but they may not want a judgment entered.

The post-hearing statistics for arbitration programs consist of judgments entered on the arbitration award and settlements reached after the arbitration award and prior to the expiration for the filing of a rejection.

Rejecting an Arbitration Award

Supreme Court Rule 93 sets forth four conditions which a party must meet in order to reject an arbitration award. The rejecting party must have: been present, personally or via counsel, at the arbitration hearing; participated in the arbitration process in good faith and in a meaningful manner; filed a rejection notice within 30 days of the date the award was filed; and unless indigent, paid a rejection fee. If these four conditions are not met, the party may be barred from rejecting the award and any other party to the action may petition the court to enter a judgment on the arbitration award. If a party's rejection of an arbitration award is filed and not barred, the supervising judge for arbitration must place the case on the trial call.

The rejection fee is intended to discourage frivolous rejections. All such fees are paid to the clerk of the court, who forwards the fee to the State Treasurer for deposit in the Mandatory Arbitration Fund. For awards of \$30,000 or less, the rejection fee is \$200. For awards greater than \$30,000, the rejection fee is \$500.

Rejection rates for arbitration awards vary from jurisdiction to jurisdiction. In State Fiscal Year 2010, the statewide average rejection rate was 49 percent and is consistent with the five-year average of 51 percent (State Fiscal Year 2006 through 2010). Although the rejection rate may seem high, the success of arbitration is best measured by the percentage of cases resolved before trial, rather than by the rejection rate of arbitration awards alone. Of cases qualifying for the arbitration process, less than two percent ultimately went to trial in State Fiscal Year 2010. (*See Appendix 5 for Post-Hearing Calendar Data*).

Post-Rejection Calendar

The post-rejection calendar consists of arbitration cases in which one of the parties rejects the award of the arbitrators and seeks a trial before a judge or jury. In addition, cases which are occasionally reinstated at this stage of the arbitration process may be added to the inventory of cases pending post-rejection action. Removals from the post-rejection arbitration calendar are generally dispositive. When a case is removed by way of judgment before or after trial, dismissal or settlement, it is removed from the court's inventory of pending civil cases.

Many options remain available to parties after having rejected an award. As noted, parties file a notice of rejection of the arbitration award for the same variety of tactical reasons that they file notices of appeal from trial court judgments. More significant than the rejection rate is the frequency in which arbitration cases are settled subsequent to the rejection, but prior to trial. Of those cases that have gone to hearing, but for which the award has been rejected, 61 percent are still resolved. (*See Appendix 6 for Post-Rejection Calendar Data*).

APPENDIX 2

AVERAGE AWARD AMOUNT FOR ARBITRATION CASES

The table reflects, by case type, the average award amount for cases that were heard in arbitration in State Fiscal Year 2010.

Arbitration Program	Automobile/ Subrogation	Collections	Contracts	Liability/ Tort	Property Damage	Personal Injury	Other
Boone	\$13,151	\$13,010	\$2,072			\$11,395	
Cook	\$4,960	\$14,768*		\$22,923**		\$9,309	\$2,360
DuPage	\$6,541	\$26,246	\$19,190	\$17,704	\$5,847	\$13,452	\$16,778
Ford		\$23,055					
Henry***							
Kane	\$4,100	\$19,000	\$10,762	\$5,927	\$5,645	\$14,850	\$5,911
Lake	\$4,651	\$13,870	\$14,116		\$3,008	\$12,680	
Madison	\$13,797	\$11,920	\$15,714	\$10,815	\$7,630	\$17,400	\$742
McHenry	\$5,766	\$13,872	\$15,561		<u>\$450</u>	\$11,764	\$1,523
McLean		\$11,636	\$12,614		\$1,850	\$19,701	\$10,604
Mercer			\$33,205				
Rock Island	\$4,170	\$11,732	\$15,945		\$1,600	\$8,720	
St. Clair	\$18,347	\$9,002	\$5,076	\$16,719	\$4,521	\$15,070	\$18,366
Whiteside***					an in the second		
Will	\$16,306	\$14,122	\$12,041		\$5,752	\$17,075	\$11,995
Winnebago	\$15,096	\$11,117	\$21,928		\$15,943	\$12,979	

*This figure includes Collections and Contracts

** This figure includes Liability, Tort and Property Damage

***No data available as hearings are pending

APPENDIX 3

AVERAGE NUMBER OF DAYS IN ARBITRATION

The table reflects, by case type, the average number of days a case spends in the arbitration system, from filing to final determination.

Arbitration Program	Automobile/ Subrogation	Collections	Contracts	Liability/ Tort	Property Damage	Personal Injury	Other
Boone	523 days	390 days	471 days			488 days	
Cook	274 days	247 days*		278 days**		298 days	266 days
DuPage	343 days	412 days	415 days	403 days	333 days	395 days	390 days
Ford	Sugar.	137 days	278 days				
Henry***							
Kane	331 days	332 days	481 days	623 days	347 days	589 days	753 days
Lake	209 days	268 days	425 days		272 days	344 days	285 days
Madison	418 days	283 days	366 days	528 days	280 days	411 days	322 days
McHenry	289 days	387 days	487 days		436 days	444 days	299 days
McLean	394 days	234 days	319 days		394 days	568 days	256 days
Mercer***							
Rock Island	480 days	175 days	448 days	621 days	275 days	575 days	373 days
St. Clair	467 days	375 days	430 days	401 days	578 days	388 days	312 days
Whiteside***							
Will	468 days	371 days	418 days		294 days	297 days	576 days
Winnebago	351 days	255 days	343 days		495 days	394 days	252 days

*This figure includes Collections and Contracts

**This figure includes Liability, Tort and Property Damage

***No data available as hearings are pending

APPENDIX 4 STATE FISCAL YEAR 2010 STATEWIDE PRE-HEARING CALENDAR DATA

ARBITRATION PROGRAMS	and the second se	CASES REFERRED TO ARBITRATION	TOTAL CASES ON CALENDAR	PRE-HEARING DISPOSITIONS	PERCENT OF CASES ON PRE- HEARING CALENDAR DISPOSED PRIOR TO ARBITRATION HEARING	ARBITRATION HEARING	PERCENTAGE REFERRED TO HEARING	CASES PENDING 06/30/10
Boone	56	203	259	184	71%	12	5%	63
Cook	2,424	10,296	12,720	3,200	25%	7,274	57%	2,246
DuPage	788	4,233	5,021	4,084	81%	360	7%	577
Ford	12	46	58	48	83%	2	3%	8
Henry	21	76	97	79	81%	4	4%	14
Kane	1,126	2,085	3,211	1,996	62%	214	7%	1,001
Lake	882	3,274	4,156	2,848	69%	411	10%	897
Madison	458	1,092	1,550	981	63%	139	9%	430
McHenry	473	1,622	2,095	1,471	70%	118	6%	506
McLean	527	888	1,415	967	68%	66	5%	382
Mercer	18	33	51	31	61%	2	4%	18
Rock Island	172	393	565	353	62%	34	6%	178
St. Clair	479	2,101	2,580	1,777	69%	142	6%	661
Whiteside	79	144	223	156	70%	8	4%	59
Will	811	3,021	3,832	2,689	70%	194	5%	949
Winnebago	431	1,108	1,539	987	64%	104	7%	448

APPENDIX 5 STATE FISCAL YEAR 2010 STATEWIDE POST-HEARING CALENDAR DATA

ARBITRATION PROGRAMS	CASES PENDING ON POST- HEARING CALENDAR 07/01/09 AS REPORTED	CASES ADDED	JUDGMENT ON AWARD	POST-HEARING PRE-REJECTION DISPOSITION DISMISSED	AWARDS REJECTED	AWARDS REJECTED AS A PERCENTAGE OF HEARINGS	TOTAL CASES AS A PERCENTAGE OF ALL WHICH WERE REJECTED 07/01/09 THROUGH 06/30/10	CASES PENDING 06/30/10
Boone	0	12	3	4	5	42%	2%	0
Cook	N/A	7,274	1,765	2,972	3,528	49%	28%	N/A
DuPage	35	360	98	68	209	58%	47%	20
Ford	0	2	2	0	0	0%	0%	0
Henry	0	4	1	2	1	25%	1%	0
Kane	45	214	45	42	132	62%	4%	40
Lake	45	413	88	101	209	51%	5%	60
Madison	16	140	57	19	53	38%	3%	27
McHenry	12	118	40	25	55	47%	3%	10
McLean	29	66	48	15	19	29%	1%	13
Mercer	0	2	0	2	0	0%	0%	0
Rock Island	7	34	7	18	13	38%	2%	3
St. Clair	17	142	56	31	54	38%	2%	18
Whiteside	0	9	1	5	3	37%	1%	0
Will	33	194	61	56	81	42%	2%	29
Winnebago	13	104	33	18	59	57%	4%	7

APPENDIX 6 STATE FISCAL YEAR 2010 STATEWIDE POST-REJECTION CALENDAR DATA

ARBITRATION PROGRAMS	CASES PENDING ON POST-REJECTION CALENDAR 07/01/09 AS REPORTED	CASES ADDED	PRE-TRIAL POST-REJECTION DISPOSITIONS DISMISSAL	TRIALS	PERCENT OF TOTAL CASES ON PRE-HEARING CALENDAR PROGRESSING TO TRIAL 07/01/09 THROUGH 06/30/10	CASES PENDING 06/30/10
Boone	1	5	5	0	0%	1
Cook	N/A	3,528	1,945	320	3%	1,690
DuPage	156	209	189	39	less than 1%	137
Ford	0	0	0	0	0%	0
Henry	1	1	1	0	0%	1
Kane	180	132	115	25	less than 1%	172
Lake	92	212	196	43	1%	65
Madison	43	57	49	18	1%	33
McHenry	28	57	49	10	less than 1%	26
McLean	15	20	13	3	less than 1%	19
Mercer	0	0	0	0	0%	0
Rock Island	11	13	16	4	less than 1%	4
St. Clair	24	54	31	15	less than 1%	32
Whiteside	2	3	2	0	0%	3
Will	31	81	59	16	less than 1%	37
Winnebago	21	61	41	9	less than 1%	32