

To arbitrate or litigate: The Fate of Your PIP Claims

More and more, insurance companies are failing to pay PIP claims that are rightfully due. With no payment being received and no real reason for denial, bills are being handed over to attorneys to recover the unpaid fees. If a demand letter heeds no result there is an important decision that needs to be made; should the case go to trial.

As a strong advocate of the legal system many of the PIP claims need to go to trial, if only for the purpose of carving out case law to prevent future denials. However, in cases where the law is clearly established and in order to get payments quicker; arbitration is a viable solution. An arbitration demand must be made in writing and sent by certified mail. If demanded, arbitration must be provided within 60 days of receiving the arbitration demand. The arbitrator then has 30 days from the date of arbitration to provide the parties with a written decision. The effect of this allows PIP claims to be resolved within 90 days or less. However if there is still not a satisfactory outcome at the end of the arbitration, a party can still bring an action in court and a new trial will be conducted.

Proposals for mandatory arbitration have been repeatedly struck down as inhibiting access to courts. While arbitration is a comparable option to litigation, it should not replace litigation. Careful review of each and every PIP claim with your attorney will allow you to choose the appropriate method for each case.