CHAPTER 21-25A

ENFORCEMENT OF ARBITRATION AGREEMENTS

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<u>21-25A-1</u>. Enforceability of arbitration clauses in written contracts--Labor contracts.

A written agreement to submit any existing controversy to arbitration or a provision in a written contract to submit to arbitration any controversy thereafter arising between the parties is valid, enforceable and irrevocable, save upon such grounds as exist at law or in equity for the revocation of any contract. This chapter also applies to arbitration agreements between employers and employees or between their respective representatives.

Source: SL 1971, ch 157, § 1; SL 1976, ch 155, § 1.

Severability of provisions.

Citation of chapter.

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21-25A-2. Chapter prospective only.

This chapter applies only to agreements made subsequent to June 30, 1971.

Source: SL 1971, ch 157, § 21.

<u>21-25A-3</u>. Insurance policies not covered--Arbitration agreements void.

This chapter does not apply to insurance policies and every provision in any such policy requiring arbitration or restricting a party thereto or beneficiary thereof from enforcing any right under it by usual legal proceedings in ordinary tribunals or limiting the time to do so is void and unenforceable. However, nothing in this chapter may be deemed to impair the enforcement of or invalidate a contractual provision for arbitration entered into between insurance companies.

Source: SL 1971, ch 157, § 24; SL 1976, ch 155, § 2; SL 1997, ch 125, § 1.

21-25A-4. Circuit court jurisdiction of proceedings.

The term, court, means a circuit court of this state. The making of an agreement described in § <u>21-25A-1</u> providing for arbitration in this state confers jurisdiction on the court to enforce the agreement under this chapter and to enter judgment on an award thereunder.

Source: SL 1971, ch 157, § 18.

21-25A-5. Application to compel arbitration-Order to arbitrate or denial of application.

On application of a party showing an agreement described in § 21-25A-1, and the opposing party's refusal to arbitrate, the court shall order the parties to proceed with arbitration, but if the opposing party denies the existence of the agreement to arbitrate, the court shall proceed summarily to the determination of the issue so raised and shall order arbitration if found for the moving party, otherwise, the application shall be denied.

Source: SL 1971, ch 157, § 2.

<u>21-25A-6</u>. Merits of claim not considered on application to compel arbitration.

An order for arbitration shall not be refused on the ground that the claim in issue lacks merit or because any fault or grounds for the claim sought to be arbitrated have not been shown.

Source: SL 1971, ch 157, § 2.

21-25A-7. Stay of judicial proceedings on arbitrable issue--Severance of issues.

Any action or proceeding involving an issue subject to arbitration shall be stayed if an order for arbitration or an application therefor has been made under § 21-25A-5 or, if the issue is severable, the stay may be with respect thereto only. When the application is made in such action or proceeding, the order for arbitration shall include such stay.

Source: SL 1971, ch 157, § 2.

<u>21-25A-8</u>. Application to stay arbitration--Order to arbitrate or staying arbitration--Venue of application.

On application, the court may stay an arbitration proceeding commenced or threatened on a showing that there is no agreement to arbitrate. Such an issue, when in substantial and bona fide dispute, shall be forthwith and summarily tried and the stay ordered if found for the moving party. If found for the opposing party, the court shall order the parties to proceed to arbitration.

If an issue referable to arbitration under the alleged agreement is involved in an action or proceeding pending in a court having jurisdiction to hear applications under § 21-25A-5, the application shall be made therein. Otherwise and subject to § 21-25A-34, the application may be made in any court of competent jurisdiction.

Source: SL 1971, ch 157, § 2; SL 1976, ch 155, § 3.

21-25A-9. Appointment of arbitrators according to agreement--Appointment by court.

Except as provided by chapter 21-25B, if the arbitration agreement provides a method of appointment of arbitrators, this method shall be followed. In the absence thereof, or if the agreed method fails or for any reason cannot be followed, or when an arbitrator appointed fails or is unable to act and his successor has not been duly appointed, the court on application of a party shall appoint one or more arbitrators. An arbitrator so appointed has all the powers of one specifically named in the agreement.

Source: SL 1971, ch 157, § 3; SL 1976, ch 155, § 4.

21-25A-10. Arbitrators acting by majority.

The powers of the arbitrators may be exercised by a majority unless otherwise provided by the agreement or by this chapter.

Source: SL 1971, ch 157, § 4.

21-25A-11. Time and place of hearing--Notice to parties--Waiver of notice.

Unless otherwise provided by the agreement, the arbitrators shall appoint a time and place for the hearing and cause notification to the parties to be served personally or by registered or certified mail not less than five days before the hearing. Appearance at the hearing waives such notice.

Source: SL 1971, ch 157, § 5 (1); SL 1987, ch 29, § 26.

21-25A-12. Subpoenas issued by arbitrators--Service and enforcement.

The arbitrators may issue subpoenas for the attendance of witnesses and for the production of books, records, documents, and other evidence, and shall have the power to administer oaths. Subpoenas so issued shall be served, and enforced in the manner provided by law for the service and enforcement of subpoenas in a civil action.

Source: SL 1971, ch 157, § 7.

21-25A-13. Depositions permitted by arbitrators--Compelling testimony.

On application of a party and for use as evidence, the arbitrators may permit a deposition to be taken, in the manner and upon the terms designated by the arbitrators, of a witness who cannot be subpoenaed or is unable to attend the hearing. All provisions of law compelling a person under subpoena to testify are applicable.

Source: SL 1971, ch 157, § 7.

21-25A-14. Hearing by all arbitrators--Continuation when arbitrator ceases to act.

Unless otherwise provided by the agreement, the hearing shall be conducted by all the arbitrators but a majority may determine any question and render a final award. If, during the course of the hearing, an arbitrator for any reason ceases to act, the remaining arbitrator or arbitrators appointed to act as neutrals may continue with the hearing and determination of the controversy.

Source: SL 1971, ch 157, § 5 (3).

21-25A-15. Evidence presented by parties--Cross-examination.

Unless otherwise provided by the agreement, the parties are entitled to be heard, to present evidence material to the controversy and to cross-examine witnesses appearing at the hearing.

Source: SL 1971, ch 157, § 5 (2).

21-25A-16. Right to representation by counsel--Waiver ineffective.

A party has the right to be represented by an attorney at any proceeding or hearing under this chapter. A waiver thereof prior to the proceeding or hearing is ineffective.

Source: SL 1971, ch 157, § 6.

<u>21-25A-17</u>. Adjournment or postponement of hearing--Failure of party to appear--Court order to proceed promptly.

Unless otherwise provided by the agreement, the arbitrators may adjourn the hearing from time to time as necessary and, on request of a party and for good cause, or upon their own motion may postpone the hearing to a time not later than the date fixed by the agreement for making the award unless the parties consent to a later date. The arbitrators may hear and determine the controversy upon the evidence produced notwithstanding the failure of a party duly notified to appear. The court on application may direct the arbitrators to proceed promptly with the hearing and determination of the controversy.

Source: SL 1971, ch 157, § 5 (1).

21-25A-18. Witness fees.

Fees for attendance as a witness shall be the same as for a witness in the circuit courts of this state.

Source: SL 1971, ch 157, § 7.

21-25A-19. Time for making award--Extension of time.

An award shall be made within the time fixed therefor by the agreement or, if not so fixed, within such time as the court orders on application of a party. The parties may extend the time in writing either before or after the expiration thereof. A party waives the objection that an award was not made within the time required unless he notifies the arbitrators of his objection prior to the delivery of the award to him.

Source: SL 1971, ch 157, § 8.

The award shall be in writing and signed by the arbitrators joining in the award. The arbitrators shall deliver a copy to each party personally or by registered or certified mail, or as provided in the agreement.

Source: SL 1971, ch 157, § 8; SL 1987, ch 29, § 27.

21-25A-21. Modification or correction of award--Application--Notice.

On application of a party or, if an application to the court is pending under §§ 21-25A-23 to 21-25A-30, inclusive, on submission to the arbitrators by the court under such conditions as the court may order, the arbitrators may modify or correct the award upon the grounds stated in subdivisions 21-25A-28(1) and (3), for the purpose of clarifying the award. The application shall be made within twenty days after delivery of the award to the applicant. Written notice thereof shall be given forthwith to the opposing party, stating that he must serve his objections thereto, if any, within ten days from the notice. The award so modified or corrected is subject to the provisions of §§ 21-25A-23 to 21-25A-30, inclusive.

Source: SL 1971, ch 157, § 9.

21-25A-22. Payment of expenses of proceedings.

Except as provided in §§ 21-25B-22 and 21-25B-25, unless otherwise provided in the agreement to arbitrate, the arbitrators' expenses and fees, together with other expenses, not including counsel fees, incurred in the conduct of arbitration, shall be paid as provided in the award.

Source: SL 1971, ch 157, § 10; SL 1976, ch 155, § 5.

21-25A-23. Judicial confirmation of award.

Upon application of a party, the court shall confirm an award, unless within the time limits hereinafter imposed grounds are urged for vacating or modifying or correcting the award, in which case the court shall proceed as provided in §§ 21-25A-24 to 21-25A-30, inclusive.

Source: SL 1971, ch 157, § 11.

21-25A-24. Grounds for vacation of award.

Upon application of a party, the court shall vacate an award where:

- (1) The award was procured by corruption, fraud, or other undue means;
- (2) There was evident partiality by an arbitrator appointed as a neutral or corruption in any of the arbitrators or misconduct prejudicing the rights of any party;
- (3) The arbitrators exceeded their powers;
- The arbitrators refused to postpone the hearing upon sufficient cause being shown therefor or refused to hear evidence material to the controversy or otherwise so conducted the hearing, contrary to the provisions of §§ 21-25A-11 to 21-25A-17, inclusive, as to prejudice substantially the rights of a party;
- (5) There was no arbitration agreement and the issue was not adversely determined in proceedings under §§ 21-25A-5 to 21-25A-8, inclusive, and the party did not participate in the arbitration hearing without raising the objection; or
- (6) Conduct of a hearing officer which would prejudice substantially the rights of a party; provided that, the fact that the relief was such that it could not or would not be granted by a court of law or equity is not ground for vacating or refusing to confirm the award.

Source: SL 1971, ch 157, § 12; SL 1976, ch 155, § 6.

An application under § 21-25A-24 shall be made within ninety days after delivery of a copy of the award to the applicant, except that, if predicated upon corruption, fraud, or other undue means, it shall be made within ninety days after such grounds are known or should have been known, but in no case more than one year after delivery of a copy of the award to the applicant.

Source: SL 1971, ch 157, § 13; SL 1976, ch 155, § 7.

21-25A-26. Confirmation of award on denial of application to vacate.

If the application to vacate is denied and no motion to modify or correct the award is pending, the court shall confirm the award.

Source: SL 1971, ch 157, § 13.

21-25A-27. Rehearing ordered after vacation of award--Time allowed for award on rehearing.

In vacating the award on grounds other than stated in subdivision 21-25A-24(5), the court may order a rehearing before new arbitrators chosen as provided in the agreement, or in the absence thereof, by the court in accordance with § 21-25A-9, or, if the award is vacated on grounds set forth in subdivisions 21-25A-24(3) and (4) the court may order a rehearing before the arbitrators who made the award or their successors appointed in accordance with § 21-25A-9. The time within which the agreement requires the award to be made is applicable to the rehearing and commences from the date of the order.

Source: SL 1971, ch 157, § 13.

21-25A-28. Grounds for modification or correction of award.

Upon application made within ninety days after delivery of a copy of the award to the applicant, the court shall modify or correct the award where:

- (1) There was an evident miscalculation of figures or an evident mistake in the description of any person, thing, or property referred to in the award;
- (2) The arbitrators have awarded upon a matter not submitted to them and the award may be corrected without affecting the merits of the decision upon the issues submitted; or
- (3) The award is imperfect in a matter of form, not affecting the merits of the controversy.

Source: SL 1971, ch 157, § 14.

21-25A-29. Alternative application to modify, correct, or vacate.

An application to modify or correct an award may be joined in the alternative with an application to vacate the award.

Source: SL 1971, ch 157, § 14.

21-25A-30. Confirmation of award after determining application to correct or modify.

If the application to modify or correct an award is granted, the court shall modify and correct the award so as to effect its intent and shall confirm the award as so modified and corrected. Otherwise, the court shall confirm the award as made.

Source: SL 1971, ch 157, § 14.

21-25A-31. Judgment or decree on confirmed award--Costs.

Upon the granting of an order confirming, modifying, or correcting an award, judgment, or decree shall be entered in conformity therewith and be enforced as any other judgment or decree. Costs of the application and the proceedings subsequent thereto, and disbursements may be awarded by the court.

Source: SL 1971, ch 157, § 15.

21-25A-32. Filing and docketing of judgment or decree.

On entry of judgment or decree, the clerk shall file the following:

- (1) The agreement and each written extension of the time within which to make the award;
- (2) The award;
- (3) The order confirming, modifying, or correcting the award; and
- (4) The judgment or decree.

The judgment or decree may be docketed as if rendered in an action.

Source: SL 1971, ch 157, § 16; SL 1990, ch 149, § 12.

21-25A-33. Applications by motion--Service of notices.

Except as otherwise provided, an application to the court under this chapter shall be by motion and shall be heard in the manner and upon the notice provided by law for the making and hearing of motions. Unless the parties have agreed otherwise, notice of an initial application for an order shall be served in the manner provided by law for the service of a summons in a civil action.

Source: SL 1971, ch 157, § 17.

21-25A-34. Venue of applications.

An initial application shall be made to the court of the county in which the agreement provides the arbitration hearing shall be held or, if the hearing has been held, in the county in which it was held. Otherwise the application shall be made in the county where the adverse party resides or has a place of business or, if he has no residence or place of business in this state, to the court of any county. All subsequent applications shall be made to the court hearing the initial application.

Source: SL 1971, ch 157, § 19.

21-25A-35. Appeals from orders, judgments, and decrees.

An appeal may be taken from:

- (1) An order denying an application to compel arbitration made under § 21-25A-5;
- (2) An order granting an application to stay arbitration made under § 21-25A-8;
- (3) An order confirming or denying confirmation of an award;
- (4) An order modifying or correcting an award;
- (5) An order vacating an award without directing a rehearing; or
- (6) A judgment or decree entered pursuant to the provisions of this chapter.

The appeal shall be taken in the manner and to the same extent as from orders or judgments in a civil action.

Source: SL 1971, ch 157, § 20.

21-25A-36. Uniformity of construction of chapter.

This chapter shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

Source: SL 1971, ch 157, § 22.

21-25A-37. Severability of provisions.

If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the chapter which can be given without the invalid provision or application, and to this end the provisions of this chapter are severable.

Source: SL 1971, ch 157, § 23.

21-25A-38. Citation of chapter.

This chapter may be cited as the Uniform Arbitration Act.

Source: SL 1971, ch 157, § 25.