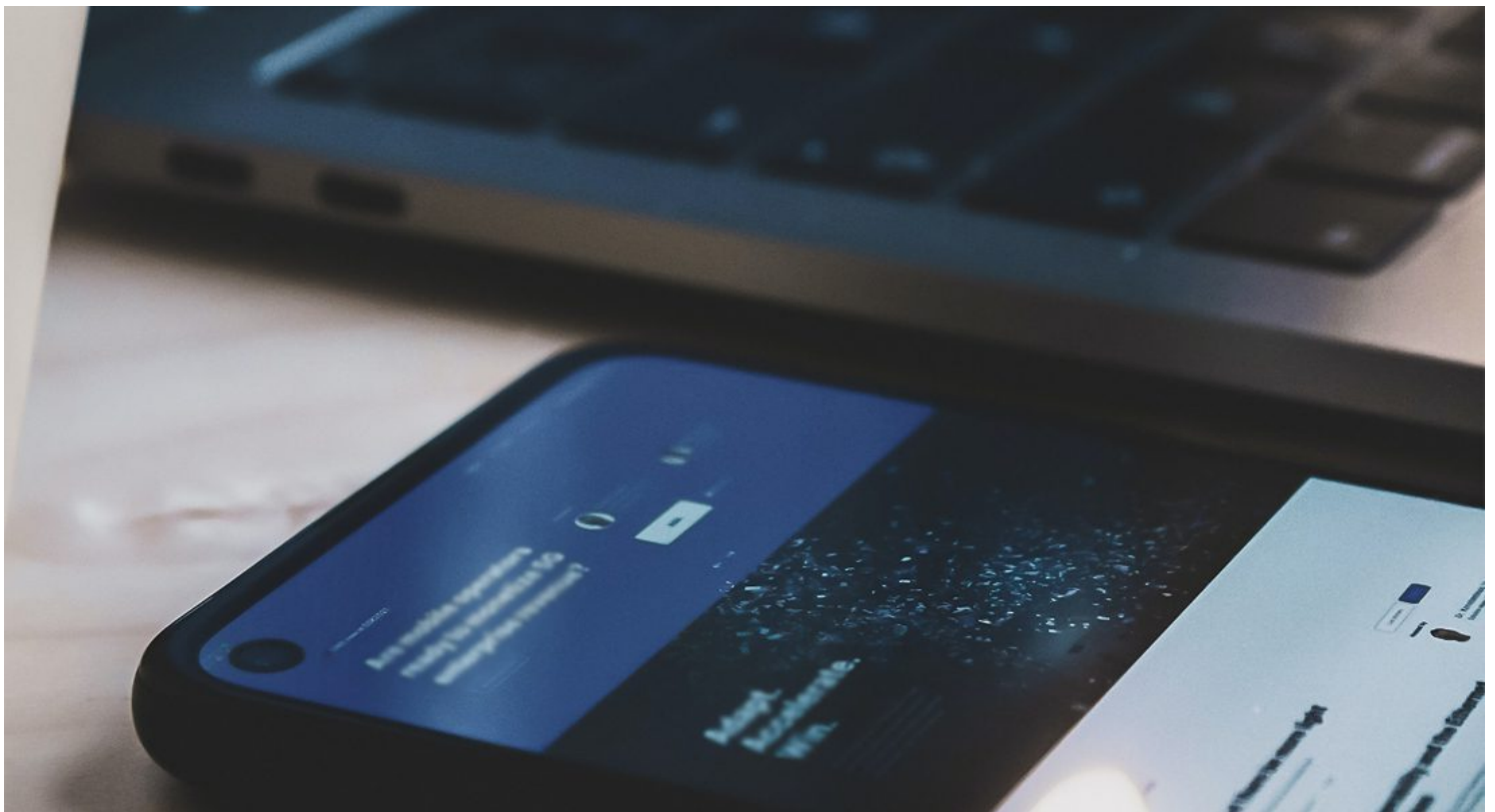


NEWS & INSIGHTS

Revamping Arbitration: Pennsylvania Adopts the Revised Uniform Arbitration Act

INSIGHTSLEGAL UPDATE

AUGUST 18, 2018



Pennsylvania first adopted the Uniform Arbitration Act (“UAA”) in 1927. Half a century later, in 1980, it was replaced with a modified version of the model Uniform Arbitration Act of 1955, to create the current UAA. The purpose of the UAA was to “promote the resolution of disputes in a nonjudicial forum while still providing for the court’s role in compelling or staying arbitration proceedings when requested.” *Toll Naval Assocs. v. Chun-Fang Hsu*, 85 A.3d 521, 526 (Pa. Super. 2014). Until now, despite the increased use of arbitration and calls for adopting a

more updated and modernized Act, Pennsylvania's UAA has undergone no changes.

On June 28, 2018, Governor Wolf signed into law House Bill [1644](#) as Act 55 of 2018, making Pennsylvania one of many states that has now adopted the Revised Uniform Arbitration Act ("RUAA"). It will become effective on July 1, 2019. The RUAA revamps and strengthens arbitration practice by providing greater guidance and assistance to parties engaging in arbitration. Here are five key changes under Pennsylvania's RUAA:

1. **Disclosure by Arbitrator:** To strengthen fairness in arbitration proceedings, the RUAA requires an arbitrator to disclose known financial or personal interests including any existing or past relationships with any party, their counsel or representatives, a witness, or another arbitrator. This obligation is ongoing and, if not disclosed, may be used to establish "evident partiality," which is grounds for vacating an arbitration award.
2. **Discovery:** Some key clarifications on the role of the arbitrator during the discovery process include (1) the arbitrator can permit discovery, including discovery from non-parties; (2) the arbitrator decides conditions under which a deposition is taken; (3) the arbitrator can issue protective orders; and (4) the arbitrator can take action against a party noncompliant with a discovery order to the same extent a court can.
3. **Punitive Damages:** The power of an arbitrator to award punitive damages is now explicitly recognized in the RUAA, subject to two threshold requirements. The arbitrator must specify (1) the basis in fact justifying the award and (2) the basis in law authorizing the award.
4. **Waiver:** Unlike the UAA, the RUAA identifies provisions which are subject to waiver by the parties which enables them to craft an agreement suited to meet their needs. There are, however, several core provisions of the RUAA which may not be waived by the parties.
5. **Retroactivity:** Pennsylvania's RUAA takes effect on **July 1, 2019** and applies to all arbitration agreements made on or after this date. There is, however, a provision that allows the parties to agree, in writing, that the RUAA governs arbitration agreements made before July 1, 2019.

Pennsylvania's RUAA is a significant overhaul to arbitration practice in the Commonwealth and will impact many fields. For more information or any questions about this important topic please feel free to [contact us](#).

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