



QUARTERLY REPORT TO  
THE NEW JERSEY DEPARTMENT  
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration  
3rd Quarter, 2007*

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## Executive Summary

Continuing its efforts to widen the scope of input from the user community, The National Arbitration Forum (“FORUM”) advertised for new Advisory Council members during the reporting period. Telephone and in person interviews were conducted throughout the month of September in preparation for a rotation of members in the 4<sup>th</sup> quarter. The FORUM expresses its appreciation for those individuals who volunteered their services for this important function.

Stakeholders’ usage of the FORUM’s free No-Fault web site held steady during the reporting period which included the vacation months of July and August. Over 590,000 page views were recorded during the quarter. This report includes a comparison of usage for the last four (4) calendar quarters.

The Advisory Council recessed for July and August but conducted a meeting in September. It concluded its review of revisions to the No-Fault Arbitration Rules.

The DRP panel included 42 members. Regional DRP deployment consisted of 28 in the North Region, 8 in the Central Region and 6 in the South Region. Two new DRPs were recruited to begin hearings in the 4<sup>th</sup> quarter.

In the 3<sup>rd</sup> quarter of 2007, 10,317 cases were initiated in the PIP ADR program. Of these cases, 6,900 (67%) originated in the Northern region, 1,972 (19%) in the Central region, and 1,445 (14%) in the Southern region.

Of the pending cases filed with the Forum in the PIP ADR program, 8,992 cases were concluded during the 3<sup>rd</sup> quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement or withdrawal. 130 cases were placed in abeyance by consent of the parties or by order of the court. 8,659 cases were assigned to DRPs.

During the 3<sup>rd</sup> quarter, 2,096 cases settled during the conciliation period distributed regionally as follows: 1,372 in the North region, 453 in the Central region and 271 in the South region.

System-wide, the average total amount awarded in arbitration was \$5,076 comprised of \$3,925 for personal injury protection benefits and \$1,151 for attorney’s fees per case. It is common practice for users to stipulate that amounts awarded by DRPs are subject to further reduction for deductibles, co-payments, prior payments and/or medical fee schedule adjustments. In such cases, the final amount paid by the respondent for PIP benefits is less than the awarded amount.

Twenty-three (23) appeals to panels of 3 DRPs were concluded during the reporting period. Eighteen (18) involved awards rendered in the North Region, four (4) involved awards rendered in the Central Region, and one (1) involved a South award. Twenty-two (22%) percent of appeals resulted in some form of modification, vacation or remand.

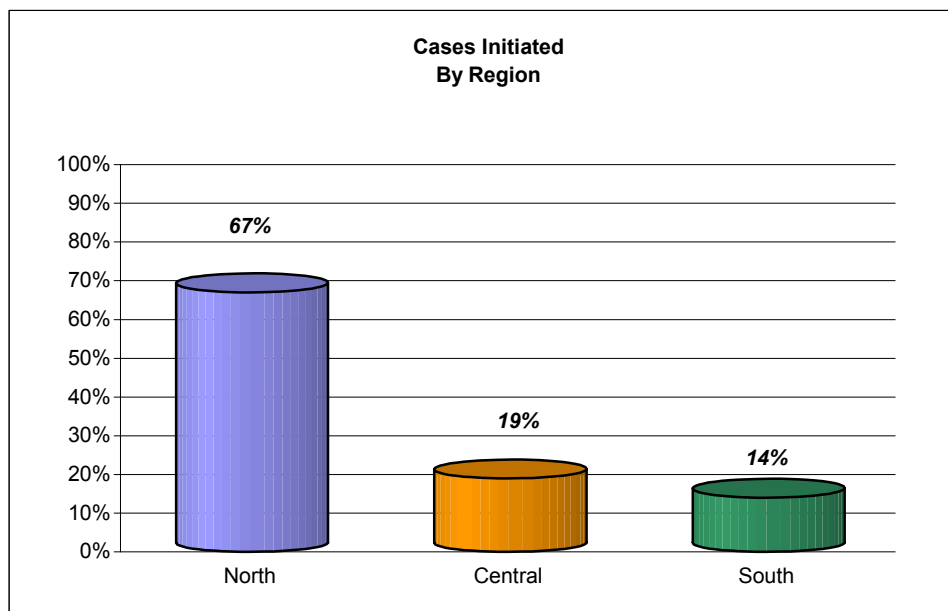
During the reporting period, parties requested 101 MRO reviews. The requests were apportioned among the three current MROs on a random rotating basis. No DRP requests were made.

## Cases Initiated

Cases are considered “filed” as of the date a Demand for Arbitration is received by the Forum. Case “initiation” occurs when an initiation letter is transmitted to the parties.

In the 3<sup>rd</sup> quarter of 2007, 10,317 cases were initiated in the PIP ADR program. Of these cases, 6,900 (67%) originated in the Northern region, 1,972 (19%) in the Central region, and 1,445 (14%) in the Southern region. See the Table below for the monthly distribution.

	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
July	2,443	641	448	3,532
August	2,402	677	541	3,620
September	2,055	654	456	3,165
Region Total	6,900	1,972	1,445	10,317
Region Percent	67%	19%	14%	100%



The Table below provides a view of initiations for the first three quarters of 2007 by quarterly and regional distribution.

	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
1st Quarter 2007	6,207	2,016	1,473	9,696
2 <sup>nd</sup> Quarter 2007	6,542	1,947	1,638	10,127
3 <sup>rd</sup> Quarter 2007	6,900	1,972	1,445	10,317
Totals	19,549	5,935	4,556	30,140

### Disposition of Cases in the PIP ADR Program

Of the pending cases filed with the Forum in the PIP ADR program, 8,992 cases were concluded during the 3<sup>rd</sup> quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement or withdrawal. The table below illustrates the manner in which cases were administered and concluded in the various geographic regions.

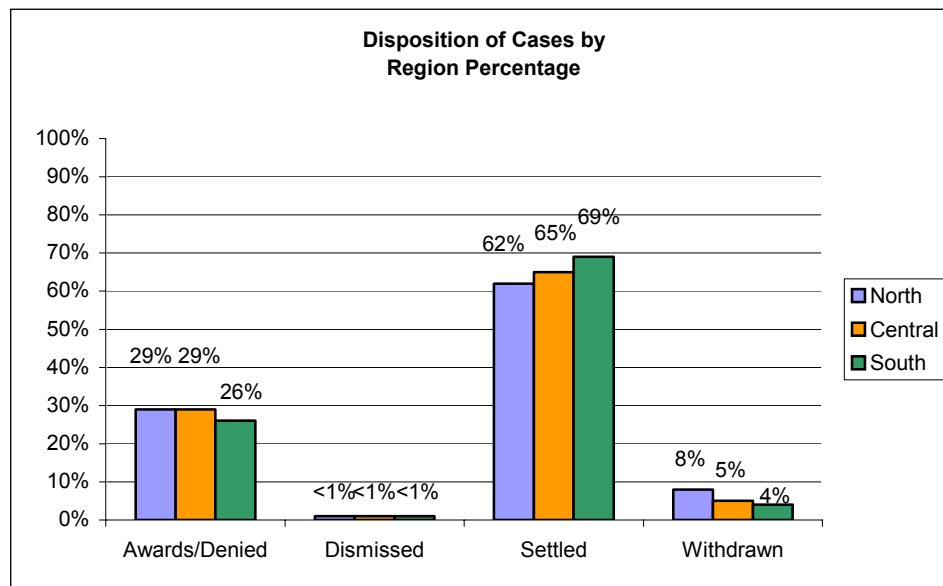
<b>Disposition Type</b>	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
Awarded/Denied	1,703	516	371	2,590
Dismissed Pre-hearing	16	2	3	21
Settled	3,594	1,173	982	5,750
Withdrawn	467	102	62	631
Total	5,780	1,793	1,418	8,992

### Disposition of Cases by Region Percentage

The table and chart below present the regional disposition of cases as percentages of all case dispositions during the reporting period.

<b>Disposition Type</b>	<b>North</b>	<b>Central</b>	<b>South</b>
Awarded/Denied	29%	29%	26%

Dismissed Pre-hearing	<1%	<1%	<1%
Settled	62%	65%	69%
Withdrawn	8%	5%	4%
Total	100%	100%	100%



### Cases in Abeyance

Administration of certain cases is suspended by way of Court Order or consent of the parties. These cases are designated as in abeyance. Abeyances for the reporting period are shown in the table below by regional distribution and percentage.

Geographic Regions	North	Central	South	Total
Region Total	84	40	6	130
Region Percent	64%	31%	5%	100%

### Cases Settled within 45 Days of Initiation

Respondents are granted a conciliation period of 45 days from case initiation in which to settle claims without incurring a respondent administration fee. During the 3<sup>rd</sup> quarter, 2,096 cases

settled during the conciliation period distributed regionally as follows: 1,372 in the North region, 453 in the Central region and 271 in the South region.

The following table illustrates that 8% to 11% of cases settled during the reconciliation period.

<b>Geographic Regions</b>	<b>North</b>	<b>Central</b>	<b>South</b>	<b>System-wide</b>
Region Settlements	1,372	453	271	2,096
Region Percent	9%	11%	8%	9%

\*Note: This data is based upon user communications describing cases as settled or resolved. There may be cases communicated as “withdrawn” which were settled and would qualify for this category.

### Dispute Resolution Professional Caseload

For the quarter, the DRP panel consisted of 42 individuals regionally deployed as follows: 28 in the North; 8 in the Central and 6 in the South. During the reporting period, 8,659 cases were assigned to DRPs. Two new DRPs were recruited to begin hearings in the 4<sup>th</sup> quarter.

Caseload activity of DRPs is represented in Appendix A.

### Disposition of Cases after DRP Assignment

Following expiration of the 45-day conciliation period, cases are assigned to DRPs for disposition. After DRP appointment, a total of 6,674 cases were resolved during the quarter, resulting from a combination of DRP issued awards (which includes denials and appeals), pre-hearing dismissals, settlements and withdrawals.

The following table represents the distribution and outcomes of cases across the entire DRP panel during the 3<sup>rd</sup> quarter of 2007 after the cases were assigned to the DRP for hearing:

<b>Disposition</b>	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>	<b>System-Wide Percentage</b>
Awarded/Denied	1,703	516	371	2,590	38%
Consent Award	0	1	0	1	<1%
Dismissed by DRP	16	2	3	21	< 1%
Settled	2,192	703	701	3,596	53%
Withdrawn	348	70	48	466	7%

Total	4,259	1,292	1,123	6,674	100%
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### Regional Awards' Percentage

As shown above, a total of 2,591 awards and consent awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes and appeals. 66% of the awards issued in the North region, 20% in the Central region and 14% in the South.

An online database of these awards is located at [www.nj-no-fault.com](http://www.nj-no-fault.com).

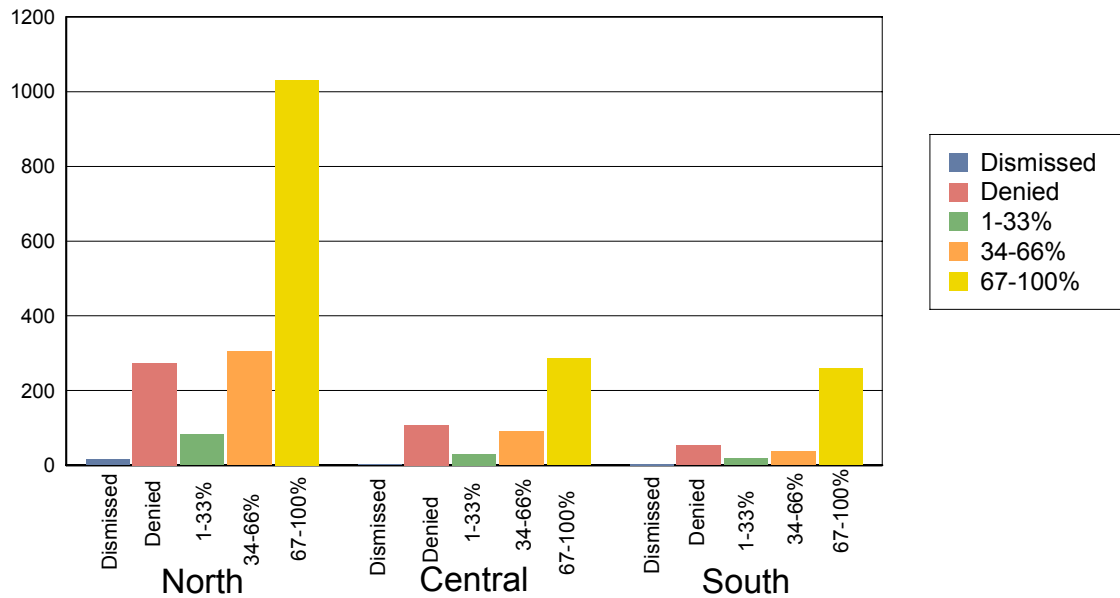
### Awards as a Percentage of Claim Amount

Dispute Resolution Professionals can deny a claim in its entirety or can award all or part of an amount requested by a Claimant. For cases decided in the 3<sup>rd</sup> quarter of 2007, the graph below indicates the distribution of DRP awarded amounts, from 0% (denied/dismissed) to 100% of claimed amounts.

The data presentation for 2006 and thereafter was revised from previous years in that it no longer contains award data described as "more than 100%", representing claims amended upward at the time of hearing. This nomenclature was retained from reports provided to the Department by the prior administrator. However, the nomenclature is imprecise. DRPs may not award amounts greater than those claimed. For purposes of the data table and chart below, amended amounts are captured within a total amount claimed and then compared to the total amount awarded.

Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	16	273	83	305	1,031	1,708
Central	2	108	30	90	285	515
South	3	52	18	37	259	369
Total	21	433	131	432	1,575	2,592

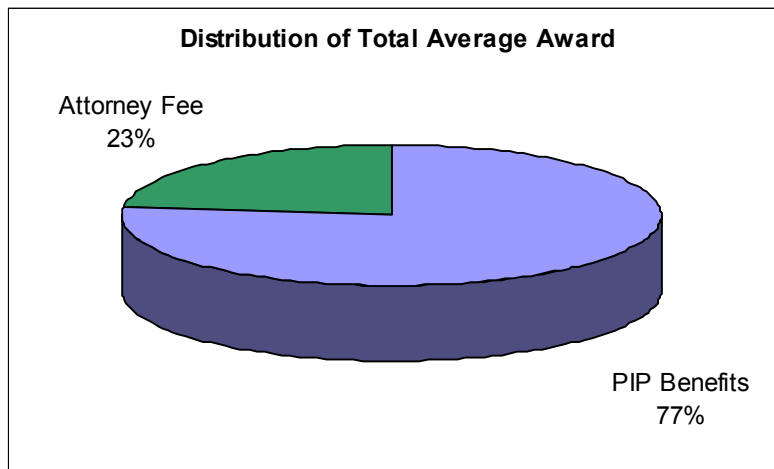




\*Note: The award data in this section excludes consent awards and appellate awards.

### PIP Benefits and Attorneys' Fees Comparison

System-wide, the average total amount awarded in arbitration was \$5,076 comprised of \$3,925 for personal injury protection benefits and \$1,151 for attorney's fees per case. The graphical representation compares the data as percentages.



## Award Average, Median and Dollar Range

The average amount awarded for claims other than attorneys' fees was \$3,925.\* per case. Awarded amounts ranged from \$0 to \$248,034. The median award during the reporting period was \$1,234.

The average amount awarded for attorneys' fees was \$1,151 per case. Awarded attorneys' fees ranged from \$0 to \$6,500. The median attorney's fee award during the reporting period was \$1,175.

	<b>Average</b>	<b>Dollar Range</b>	<b>Median</b>
PIP Benefits' Award	\$3,925*	\$0 to \$248,034	\$1,234
Attorneys' Fee Award	\$1,151	\$0 to \$6,500	\$1,175

\*NOTE: It is common practice for users to stipulate that amounts awarded by DRPs are subject to further reduction for policy deductibles, co-payments, prior payments and/or medical fee schedule adjustments. In such cases, the final amount paid by the respondent for PIP benefits is less than the awarded amount.

## Appeals

Twenty-three (23) appeals to panels of 3 DRPs were concluded during the reporting period. Eighteen (18) involved awards rendered in the North Region, four (4) involved awards rendered in the Central Region, and one (1) involved a South award. Twenty-two (22%) percent of appeals resulted in some form of modification, vacation or remand. The following table reports the results.

	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
Affirmed	14	3	1	18
Modified	0	0	0	0
Modified and Remanded	1	0	0	1
Vacated	1	1	0	2
Vacated & Remanded	2	0	0	2
<b>TOTALS</b>	<b>18</b>	<b>4</b>	<b>1</b>	<b>23</b>

## Medical Review Organization Report

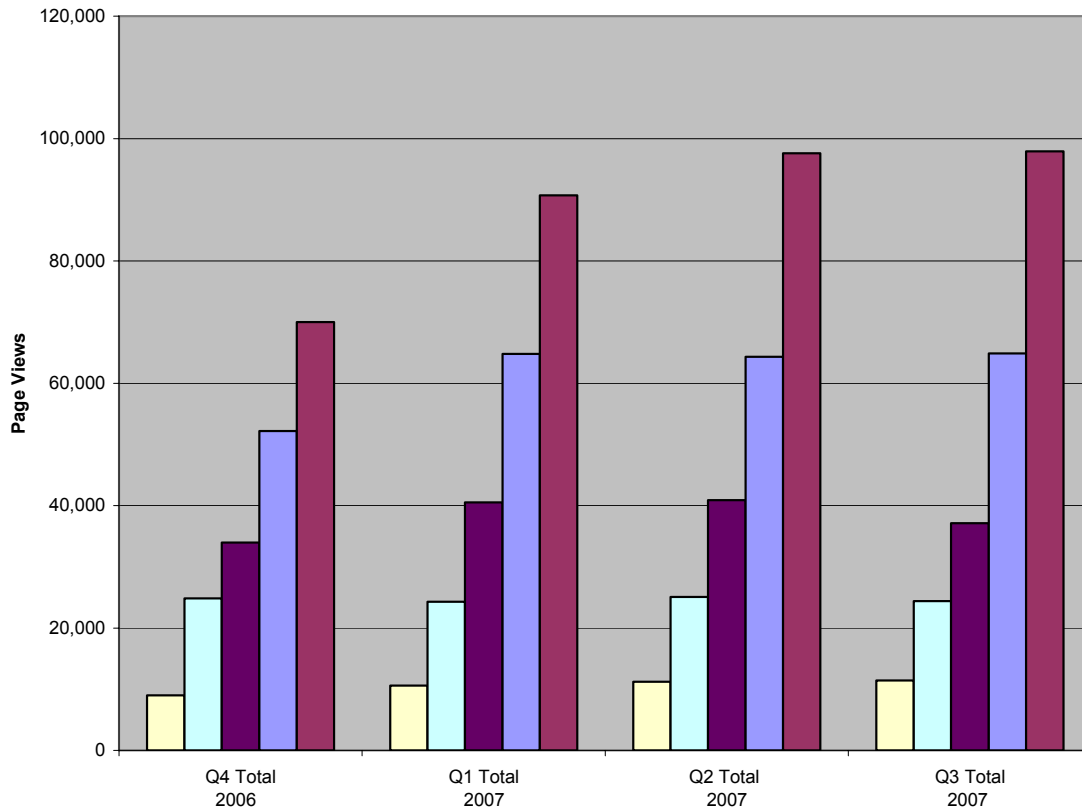
There are currently three Medical Review Organizations certified by the Department of Banking and Insurance. They are First Managed Care Option (“FMCO”), CFO Medical Services (“CFO”) and Support Claim Services (“SCS”). Information relevant to MRO usage is outlined in the table.

<b>MRO</b>	<b>Request By Party</b>	<b>Request By DRP</b>	<b>Total Requests</b>	<b>Request for Information</b>	<b>Report in 20 Business Days</b>	<b>Report After 20 Business Days</b>
<b>CFO</b>	35	0	35	0	11	0
<b>FMCO</b>	35	0	35	0	4	4
<b>SCS</b>	31	0	31	0	5	3
<b>TOTALS</b>	101	0	101	0	20	7

## Online Case Management and Award Searching

This section of the report provides usage data for the FORUM’s free web-based case management tools for PIP practitioners. At the inception of the No-Fault Dispute Resolution Program, FORUM launched a web site at [www.nj-no-fault.com](http://www.nj-no-fault.com) as a free customer service. It enables PIP practitioners to access rules and forms, file and manage their cases online, upload cases documents and search prior decisions. The chart below compares usage for the past four calendar quarters.

**Website Tool Usage**



**2007 Q3 Highlights**

- NJ PIP website had 590,887 total page views (PVs) in Q3 '07.
- Filer case management application had 97,923 PVs in Q3 '07.
- Filer document upload application had 11,435 PVs in Q3 '07.
- Award search application had 24,402 PVs in Q3 '07.
- 37,123 PDFs (mostly awards) were accessed in Q3 '07.

- Filer Doc Upload Application
- Award Search Application
- PDF Downloads
- Filer Sign-In Portal
- Filer Case Mgmt Application

## Appendix A

DRP	Region	Assigned	Closed	Awarded/Denied	Hearings
Aloi, Anthony M.	CENTRAL	162	151	56	77
Alterman, Herbert S.	NORTH	239	165	51	111
Amendola, Esq., Francesca	NORTH	231	125	39	71
Andolino, Michael D.	CENTRAL	156	184	74	85
Annunziata, Maria	CENTRAL	160	161	67	109
Brodow, Nora J.	NORTH	230	151	40	74
Carr, Michael W.	NORTH	223	147	57	92
Carro, Sergio G.	NORTH	226	178	76	111
Celentano, Cynthia J.	NORTH	240	135	57	64
Daniskas, Maria I.	NORTH	228	133	51	93
de Cordova, Donald W.	NORTH	230	156	61	86
DeMarco, Joseph	NORTH	62	124	54	87
DeMichele, Richard A	SOUTH	221	199	64	88
Eisele-Grabowski, Karen	SOUTH	215	186	62	90
Fabiano, Edward	NORTH	232	135	58	63
Fannan, John J.	CENTRAL	162	165	54	89
Foley, Patrick W.	CENTRAL	156	168	66	95
Ganzhorn, Lisa A.	NORTH	237	174	71	101
Garrabrandt, James H.	NORTH	247	147	61	83
Grabowski (ML), David A.	SOUTH	218	182	45	68
Granato, S. Caroline	SOUTH	237	191	52	81
Johnston, Maureen M.	NORTH	209	175	63	113
Kaczka, Thomas M.	NORTH	229	154	53	92
Kincade, Kathleen D.	CENTRAL	159	144	50	80
Knuetter, Margaret	NORTH	241	170	73	81
La Salle (North), Robert C.	NORTH	271	113	46	76
LaPorta, David M.	NORTH	234	152	61	98
Lardiere, Andrea L	CENTRAL	152	179	88	117
Lesser, Gary T.	NORTH	202	174	56	85
Lynch, Charles H.	NORTH	223	174	72	103
McFadden (CH), Michael K.	SOUTH	206	167	63	70
McFadden (NO), Michael K.	SOUTH	22	21	7	8
Miller, Matthew G.	NORTH	49	133	58	84
Noonan, Scott M.	NORTH	243	176	77	110
Odell, Barry	CENTRAL	117	8	1	23
Parker, Ronald I.	NORTH	2	177	89	107
Patriaco, Andrew A.	NORTH	226	191	82	102
Remington-Knodel, Jennifer	NORTH	265	175	71	92
Sacco, Russ	CENTRAL	162	156	57	90
Sproviero, Scott G.	NORTH	227	167	49	80
Stokes, Nanci G.	NORTH	225	171	74	78
Tamburino, Joseph A.	NORTH	235	123	50	85
Wallen (AC), Kate R.	SOUTH	22	20	12	16
Wallen (CH), Kate R.	SOUTH	205	165	66	70
Zimmerman, Richard T.	NORTH	221	165	58	93
<b>Totals</b>		<b>8,659</b>	<b>6,807</b>	<b>2592</b>	<b>3771</b>



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