



QUARTERLY REPORT TO  
THE NEW JERSEY DEPARTMENT  
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration  
4th Quarter, 2007*

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## Executive Summary

Continuing the efforts of the National Arbitration Forum (FORUM) to widen the scope of input from the user community, eight new members joined the Advisory Council during the reporting period. Their addition to the group completed the rotation of all members, established October 2006. The Council met twice during the quarter to interview and qualify Dispute Resolution Professional (DRP) candidates.

Stakeholders' usage of the FORUM's free No-Fault website increased over the prior quarter. Over 640,000 page views were recorded during the quarter. This report includes a comparison of usage for the last four (4) calendar quarters.

In the 4<sup>th</sup> quarter of 2007, the DRP panel consisted of 43 individuals regionally deployed as follows: 28 in the North; 9 in the Central (8 with full caseloads and 1 with a reduced caseload); and 6 in the South. In the North, a new DRP joined the panel to assume cases from a DRP who planned retirement at the end of the 4<sup>th</sup> quarter. A new DRP was recruited for the South region and will begin hearings in Q1 2008.

In the 4<sup>th</sup> quarter of 2007, 10,261 cases were initiated in the PIP Arbitration program. Of these cases, 6,982 (68%) originated in the Northern region, 1,852 (18%) in the Central region, and 1,427 (14%) in the Southern region.

Of the pending cases filed with the FORUM in the PIP Arbitration program, 10,211 cases were concluded during the 4<sup>th</sup> quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement or withdrawal. 204 cases were placed in abeyance by consent of the parties or by order of the court. 8,720 cases were assigned to DRPs.

During the 4<sup>th</sup> quarter, 2,063 cases settled during the conciliation period distributed regionally as follows: 1,379 in the North, 392 in the Central and 292 in the South.

System-wide, the average total amount awarded in arbitration was \$5,363 comprised of \$4,210 for personal injury protection benefits and \$1,153 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.

Nineteen (19) appeals to panels of 3 DRPs were concluded during the reporting period. Fourteen (14) involved awards rendered in the North Region, four (4) involved awards rendered in the Central Region, and one (1) involved a South award. Twenty-six (26%) percent of appeals resulted in some form of modification, vacation or remand.

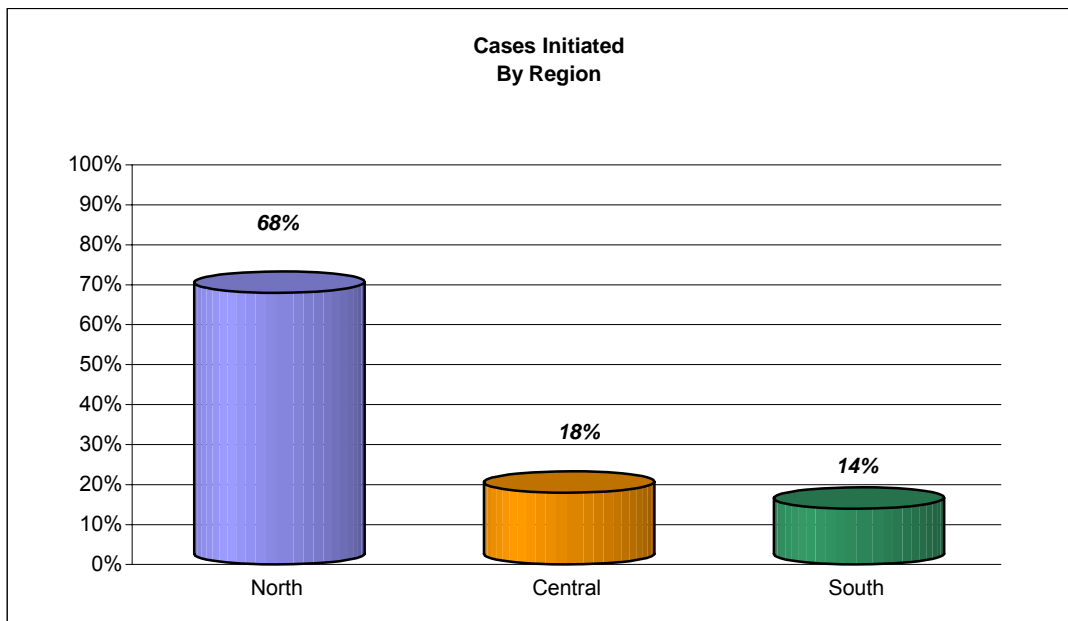
During the reporting period, parties requested 120 Medical Review Organizations (MRO) reviews. The requests were apportioned among the three current MROs on a random rotating basis. No DRP requests were made.

## 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 4<sup>th</sup> quarter of 2007, 10,261 cases were initiated in the PIP Arbitration program. Of these cases, 6,982 (68%) originated in the Northern region, 1,852 (18%) in the Central region, and 1,427 (14%) in the Southern region. See the Table below for the monthly distribution.

	North	Central	South	Total
October	2,551	738	505	3,794
November	2,400	588	577	3,565
December	2,031	526	345	2,902
Region Total	6,982	1,852	1,427	10,261
Region Percent	68%	18%	14%	100%



The table below provides a view of initiations for CY 2007 by quarterly and regional distribution.

	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
1 <sup>st</sup> 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
4 <sup>th</sup> Quarter 2007	6,982	1,852	1,427	10,261
Totals	26,631	7,787	5,983	40,401

### Disposition of Cases in the PIP Arbitration Program

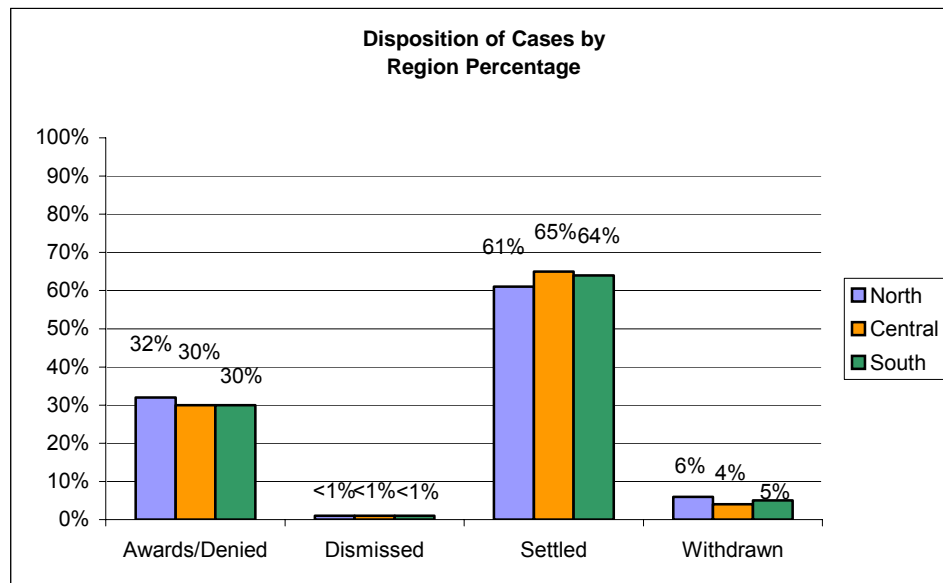
Of the pending cases filed with the FORUM in the PIP Arbitration program, 10,211 cases were concluded during the 4<sup>th</sup> quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement or withdrawal. The table below illustrates the manner in which 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	2,146	610	444	3,200
Dismissed Pre-hearing	9	4	2	15
Settled	4,098	1,320	946	6,364
Withdrawn	464	91	77	632
Total	6,717	2,025	1,469	10,211

### 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	32%	30%	30%
Dismissed Pre-hearing	<1%	<1%	<1%
Settled	61%	65%	64%
Withdrawn	6%	4%	5%
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	161	40	3	204
Region Percent	79%	20%	1%	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 4<sup>th</sup> quarter, 2,063 cases settled during the conciliation period distributed regionally as follows: 1,379 in the North region, 392 in the Central region and 292 in the South region.

The following table illustrates that 8% to 9% of cases settled during the reconciliation period.

Geographic Regions	North	Central	South	System-wide
Region Settlements	1,379	392	292	2,063
Region Percent	8%	9%	9%	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 43 individuals regionally deployed as follows:

28 in the North; 9 in the Central (8 with full caseloads and 1 with a reduced caseload); and 6 in the South. In the North, a new DRP joined the panel to assume cases from a DRP who planned retirement at the end of the 4<sup>th</sup> quarter. A new DRP was recruited for the South region and will begin hearings in Q1 2008.

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 7,891 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 4<sup>th</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	2,146	610	444	3,200	40%
Consent Award	0	0	0	0	0%
Dismissed by DRP	9	4	2	15	< 1%
Settled	2,675	900	646	4,221	53%
Withdrawn	327	70	58	455	6%
<b>Total</b>	<b>5,157</b>	<b>1,584</b>	<b>1,150</b>	<b>7,891</b>	<b>100%</b>

## Regional Awards' Percentage

As shown above, a total of 3,200 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes and appeals. 67% of the awards issued in the North region, 19% 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).

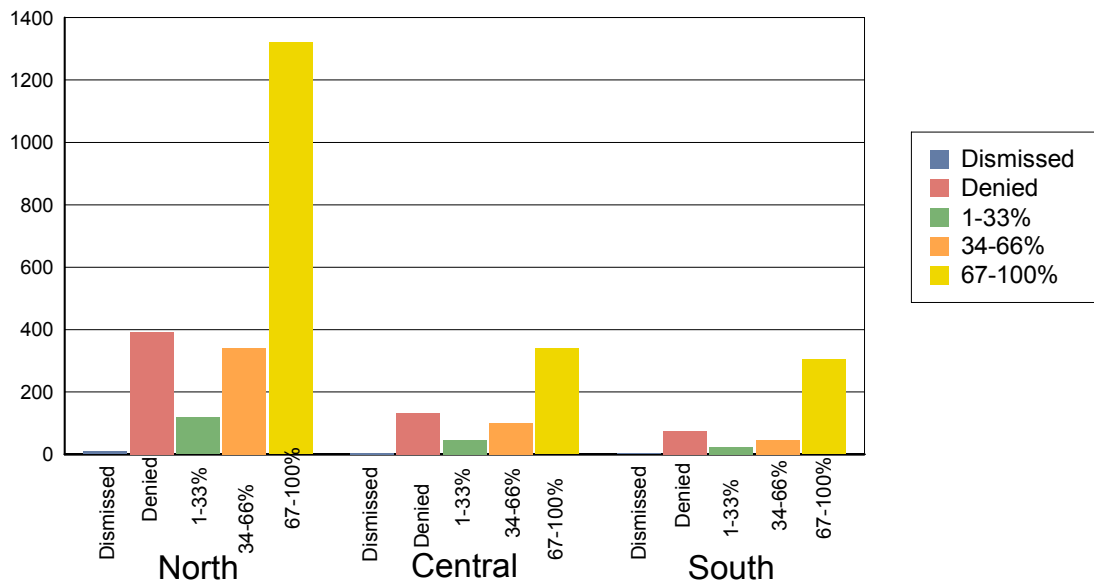
## Awards as a Percentage of Claim Amount

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 4<sup>th</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	9	393	118	342	1,320	2,182
Central	4	133	46	101	340	624
South	2	75	23	47	304	451
Total	15	601	187	490	1,964	3,257

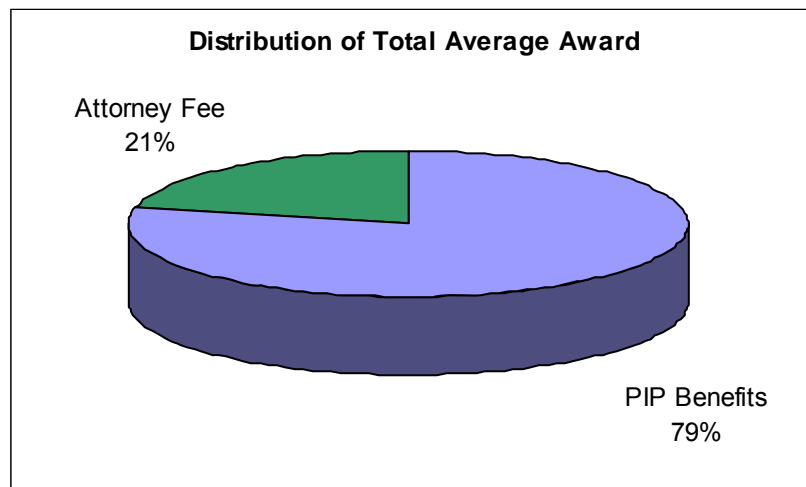


\*Note: The award data in this section excludes consent awards and appellate awards.



## PIP Benefits and Attorneys' Fees Comparison

System-wide, the average total amount awarded in arbitration was \$5,363 comprised of \$4,210 for personal injury protection benefits and \$1,153 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 \$4,210\* per case. Awarded amounts ranged from \$0 to \$249,603. The median award during the reporting period was \$1,350.

The average amount awarded for attorney's fees was \$1,153 per case. Awarded attorney's fees ranged from \$0 to \$10,000. The median attorney's fee award during the reporting period was \$1,200.

	<b>Average</b>	<b>Dollar Range</b>	<b>Median</b>
PIP Benefits' Award	\$4,210*	\$0 to \$249,603	\$1,350
Attorney's Fee Award	\$1,153	\$0 to \$10,000	\$1,200

\*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

Nineteen (19) appeals to panels of 3 DRPs were concluded during the reporting period. Fourteen (14) involved awards rendered in the North Region, four (4) involved awards rendered in the Central Region, and one (1) involved a South award. Twenty-six (26%) percent of appeals resulted in some form of modification, vacation or remand. The following table reports the results.

	North	Central	South	Total
Affirmed	11	2	1	14
Affirmed in part and remanded	1	0	0	1
Vacated	0	0	0	0
Vacated & Remanded	2	2	0	4
TOTALS	14	4	1	19

## Medical Review Organization Report

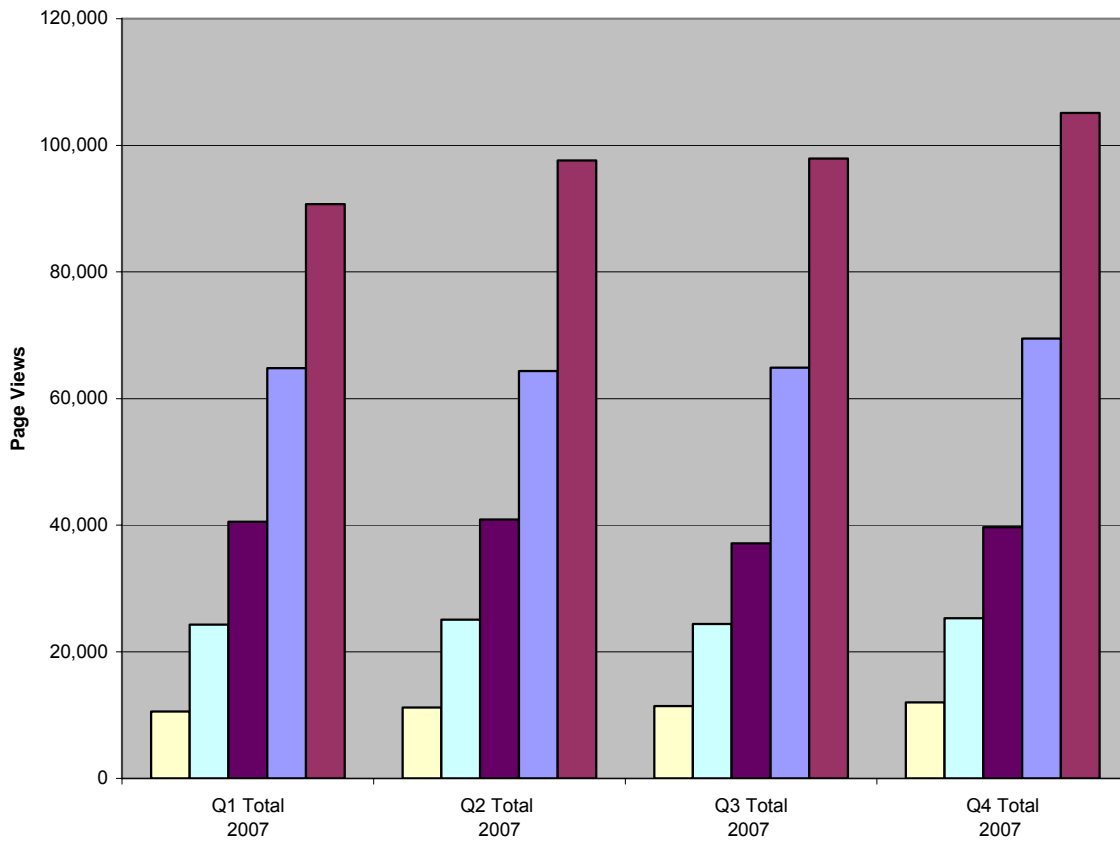
There are currently three Medical Review Organizations certified by the Department of Banking and Insurance. They are First Managed Care Option ("FMCO"), CFO Medical Services ("CFO") and Support Claim Services ("SCS"). Information relevant to MRO usage is outlined in the table.

MRO	Request By Party	Request By DRP	Total Requests	Request for Information	Report in 20 Business Days	Report After 20 Business Days
CFO	37	0	37	0	10	0
FMCO	41	0	41	0	3	8
SCS	42	0	42	0	4	0
TOTALS	120	0	120	0	17	8

## 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 website 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 case documents and search prior decisions. The chart below compares usage for the past four calendar quarters.

**Website Tool Usage**



**2007 Q4 Highlights**

- NJ PIP website had 641,145 total page views (PVs) in Q4 '07, up 6% from Q3 '07.
- Filer case management application had 105,105 PVs in Q4 '07; up 7% from Q3 '07.
- Filer document upload application had 11,435 PVs in Q4 '07; up 5% from Q3 '07. Over 7,600 documents were uploaded in Q4 '07.
- Award search application had 25,281 PVs in Q4 '07; up 4% from Q3 '07.
- 39,694 PDFs (mostly awards) were accessed in Q4 '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	163	168	65	100
Alterman, Herbert S.	NORTH	243	208	90	147
Amendola, Esq., Francesca	NORTH	239	207	86	131
Andolino, Michael D.	CENTRAL	169	205	61	73
Annunziata, Maria	CENTRAL	183	197	79	120
Brodow, Nora J.	NORTH	234	198	64	103
Carr, Michael W.	NORTH	212	189	85	129
Carro, Sergio G.	NORTH	212	219	89	137
Celentano, Cynthia J.	NORTH	198	193	77	92
Daniskas, Maria I.	NORTH	219	188	86	128
de Cordova, Donald W.	NORTH	213	203	74	113
DeMarco, Joseph	NORTH	141	166	84	117
DeMichele, Richard A	SOUTH	207	199	63	92
Eisele-Grabowski, Karen	SOUTH	196	224	92	129
Fabiano, Edward	NORTH	218	204	83	117
Fannan, John J.	CENTRAL	189	179	81	106
Foley, Patrick W.	CENTRAL	179	193	84	107
Ganzhorn, Lisa A.	NORTH	214	168	68	112
Garrabrandt, James H.	NORTH	204	177	67	91
Grabowski (ML), David A.	SOUTH	184	160	63	94
Granato, S. Caroline	SOUTH	183	213	86	112
Hackett, Michael	NORTH	426	70	0	8
Johnston, Maureen M.	NORTH	207	176	83	120
Kaczka, Thomas M.	NORTH	211	200	83	133
Kincade, Kathleen D.	CENTRAL	168	196	79	105
Knuetter, Margaret	NORTH	223	193	78	91
La Salle (North), Robert C.	NORTH	204	196	79	104
LaPorta, David M.	NORTH	195	195	73	116
Lardiere, Andrea L	CENTRAL	171	199	72	109
Lesser, Gary T.	NORTH	207	196	79	127
Lynch, Charles H.	NORTH	201	191	81	126
McFadden (CH), Michael K.	SOUTH	162	148	50	71
McFadden (NO), Michael K.	SOUTH	24	21	8	13
Miller, Matthew G.	NORTH	133	151	70	92
Noonan, Scott M.	NORTH	195	179	71	110
Odell, Barry K.	CENTRAL	189	83	7	40
Patriaco, Andrew A.	NORTH	238	185	82	113
Remington-Knodel, Jennifer	NORTH	186	200	90	107
Sacco, Russ	CENTRAL	184	190	93	115
Sproviero, Scott G.	NORTH	156	220	112	173
Stokes, Nanci G.	NORTH	209	149	59	92
Tamburino, Joseph A.	NORTH	208	207	91	123
Wallen (AC), Kate R.	SOUTH	24	16	10	15
Wallen (CH), Kate R.	SOUTH	187	188	79	87
Zimmerman, Richard T.	NORTH	212	167	70	106
<b>Total</b>		<b>8,720</b>	<b>7,974</b>	<b>3,226</b>	<b>4,646</b>



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