



NEW JERSEY DEPARTMENT OF  
BANKING AND INSURANCE  
**QUARTERLY REPORT**

No Fault PIP Arbitration  
1st Quarter 2015



FORTHRIGHT

**1<sup>ST</sup> QUARTER 2015 REPORT**

**TO THE**

**NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE**

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## EXECUTIVE SUMMARY

In the 1<sup>st</sup> quarter of 2015, 13,752 cases were initiated in the PIP dispute resolution program. Of these cases, 7,137 (52%) were initiated in the Northern region, 2,175 (16%) in the Central region, and 1,541 (11%) in the Southern region, and 2,889 (21%) as OTP.

During the quarter, Forthright completed expansion of the DRP panel from 60 to 65 members. The DRPs are regionally deployed as follows: 44 in the North; 10 in the Central; 11 in the South. 13,663 cases were assigned to DRPs.

Of the pending cases in the PIP arbitration program, 15,174 were concluded during the 1<sup>st</sup> quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement, or withdrawal. There were 841 cases placed in abeyance by consent of the parties or by order of the court.

System-wide, the average amount awarded in arbitration (excluding filing fees) was \$4,088, comprised of \$3,314 for personal injury protection benefits and \$774 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 may be less than the awarded amount.

Fourteen (14) appeals to panels of 3 DRPs were concluded during the reporting period. Seven (7) involved awards or dismissal orders rendered in the North Region, four (4) in the Central Region and three (3) in the South Region. No OTP awards were appealed. Seven percent (7%) of appeals resulted in some form of vacation or modification.

During the reporting period, parties requested MRO reviews applicable to twenty-one (21) cases. DRPs did not request any reviews. The requests were apportioned among the four certified MROs on a rotating basis.

**CASES INITIATED**

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

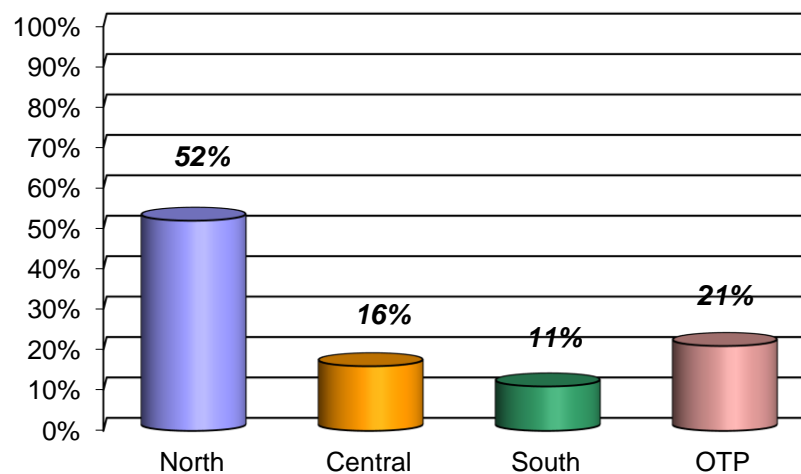
Cases which qualify for “in-person” (“IP”) proceedings may be filed in one of the three regions – Central, North or South. They are assigned to a DRP with an office within the geographic location. Cases that proceed “on-the-papers” (“OTP”) are not region specific and may be assigned to any DRP.

Throughout this report data are reported as OTP or IP. Regional breakdowns of data describe IP cases only and will bear the designation of “IP - [region]”.

In the 1<sup>st</sup> quarter of 2015, 13,752 cases were initiated in the PIP dispute resolution program. Of these cases, 7,137 (52%) were initiated in the Northern region, 2,175 (16%) in the Central region, and 1,541 (11%) in the Southern region, and 2,889 (21%) as OTP. See the table below for the monthly distribution.

	<b>IP - North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>OTP</b>	<b>Total</b>
January	2,443	719	486	981	4,629
February	2,225	676	474	942	4,317
March	2,469	780	581	976	4,806
Totals	7,137	2,175	1,541	2,899	13,752
Percent	52%	16%	11%	21%	

**Cases Initiated by Region and OTP**



## TRANSFER OF CASES FROM OTP PROCEEDINGS TO IP PROCEEDINGS

Under certain circumstances, cases that were initially filed as OTP may be transferred to IP proceedings. The circumstances include consolidations (automatic, by consent or by request), insurance policy issues identified by respondent, change of claim and cases voluntarily filed as OTP but the respondent does not consent. Please consult arbitration Rules 6, 9 and 51 for a complete explanation of the circumstances for transfer. The table below shows the number of cases transferred in the 1<sup>st</sup> quarter and the reason.

<b>Consolidation</b>	<b>Policy Issues</b>	<b>Change of Claim</b>	<b>Voluntary OTP Filings</b>	<b>Total</b>
243	49	10	38	340

## DISPOSITION OF CASES IN THE PIP ARBITRATION PROGRAM

Of the pending cases in the PIP arbitration program, 15,174 were concluded during the 1<sup>st</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 three IP geographic regions as well as the OTP category.

<b>Disposition Type</b>	<b>IP - North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>OTP</b>	<b>Total</b>
Awarded/Denied	3,317	735	803	865	5,720
*Dismissed Pre-Hearing	8	4	2	0	14
Settled	3,729	1,672	1,033	1,722	8,156
Withdrawn	729	165	135	255	1,284
<b>Total</b>	<b>7,783</b>	<b>2,576</b>	<b>1,973</b>	<b>2,842</b>	<b>15,174</b>

\* Pre-hearing dismissal is not an option for OTP cases.

## DISPOSITION OF CASES BY PERCENTAGE

The table below presents the disposition of OTP cases and the regional disposition of IP cases as percentages of all case dispositions during the reporting period.

<b>Disposition Type</b>	<b>IP - North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>OTP</b>
Awarded/Denied	58%	13%	14%	15%
Dismissed Pre-Hearing	<1%	<1%	<1%	N/A
Settled	46%	21%	13%	21%
Withdrawn	9%	13%	11%	20%

## 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.

<b>IP - North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>OTP</b>	<b>Total</b>
594	124	123	0	841

## CASES SETTLED WITHIN 45 DAYS OF INITIATION

The respondents are granted a conciliation period of 45 days from case initiation in which to settle claims without incurring the respondent administration fee.

The following table expresses the distribution of settlements within 45 days of initiation.

	<b>IP – North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>OTP</b>	<b>Total</b>
Settlements*	1314	445	270	889	2918

*\* Note: This data is based only upon user communications describing cases as settled or resolved. There are likely cases that the parties communicated as “withdrawn” or otherwise concluded which were actually settled and would qualify for this category.*

## DISPUTE RESOLUTION PROFESSIONAL CASELOAD

During the quarter, Forthright completed expansion of the DRP panel from 60 to 65 members. The DRPs are regionally deployed as follows: 44 in the North; 10 in the Central; 11 in the South. 13,663 cases were assigned to DRPs.

Caseload activity of DRPs is represented in Appendix A. The appendix distinguishes IP cases from OTP cases. Note that the tally of awarded and settled cases displayed in the “Disposition of Cases After DRP Added” Section and Appendix A may vary slightly because of the method of collecting data for each. For example, an award rendered by a 3 DRP panel is reported for each DRP in Appendix A. A case that settles while in abeyance without an active DRP will not be counted in Appendix A.

## DISPOSITION OF CASES AFTER DRP ASSIGNMENT

OTP cases are assigned to a DRP upon initiation. IP cases are assigned to DRPs following expiration of the 45-day conciliation period. After DRP appointment, a total of 13,284 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 1<sup>st</sup> quarter of 2015 after the cases were assigned to DRPs. Note that IP cases are assigned to DRPs after the 45-day conciliation period. OTP cases are assigned upon initiation. Also note that the tally of awarded and settled cases displayed in the “Disposition of Cases After DRP Added” Section and Appendix A may vary slightly because of the method of collecting data for each. For example, an award rendered by

a 3 DRP panel is reported for each DRP in Appendix A. A case that settles while in abeyance without an active DRP will not be counted in Appendix A.

<b>Disposition</b>	<b>IP - North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>IP - Total</b>	<b>OTP</b>	<b>System-Wide Percent</b>
Awarded/Denied	3,480	756	844	5,080	871	45%
Dismissed by DRP	8	4	2	14	0*	<1%
Settled	2,445	1,223	760	4,428	1,712	47%
Withdrawn	650	148	128	926	253	9%
<b>Total</b>	<b>6,583</b>	<b>2,131</b>	<b>1,734</b>	<b>10,448</b>	<b>2,836</b>	<b>13,284</b>

\* Not applicable to OTP proceedings

### REGIONAL AWARDS PERCENTAGE

A total of awards were issued by DRPs concerning requests for emergent relief, standard relief and fee disputes in both IP and OTP proceedings. Of the awards issued for IP cases, 69% were in the North region, 15% in the Central region, and 17% 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

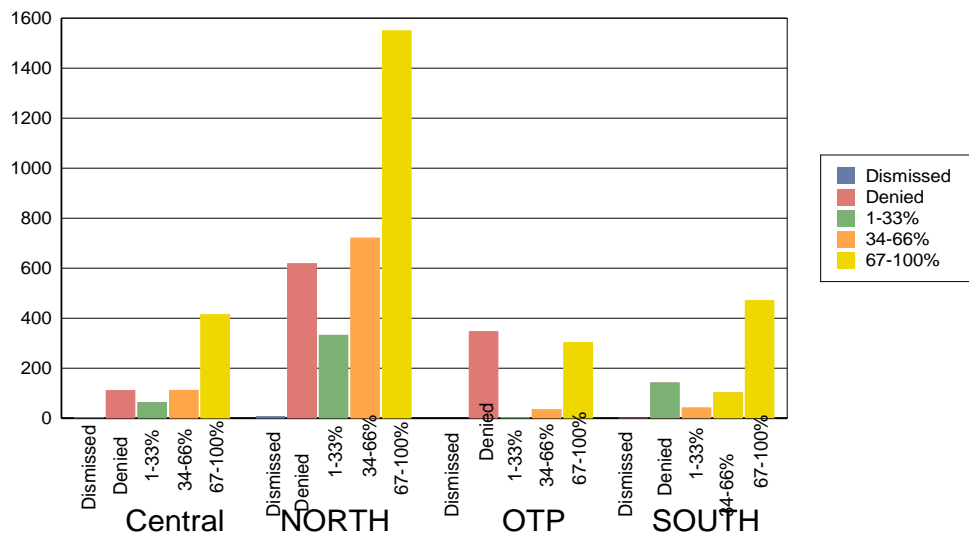
DRPs can deny a claim in its entirety or award all or part of an amount requested by a Claimant. For cases decided in the 1<sup>st</sup> quarter of 2015, the graph below indicates the distribution of DRP total awarded amounts, from 0% (denied/dismissed) to 100% of claimed amounts. Total awarded amounts include PIP benefits, legal fees and costs.

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.

	<b>Dismissed</b>	<b>Denied</b>	<b>1-33%</b>	<b>34-66%</b>	<b>67-100%</b>	<b>Total</b>
IP - Central	4	112	65	113	415	709
IP - North	8	619	333	722	1,551	3,233
IP - South	2	143	43	103	472	763
OTP	0*	348	4	36	304	692
<b>Total</b>	<b>14</b>	<b>1,222</b>	<b>445</b>	<b>974</b>	<b>2,742</b>	<b>5,397</b>

\* Not applicable to OTP proceedings

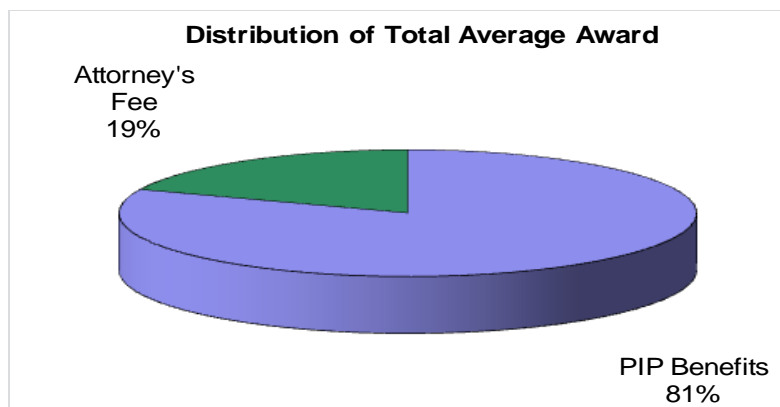




\* Note: The award data in this section excludes consent awards and appellate awards.

### PIP BENEFITS AND ATTORNEY’S FEES COMPARISON

System-wide, the average amount awarded in arbitration (excluding filing fees) was \$4,088, comprised of \$3,314 for personal injury protection benefits and \$774 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 attorney’s fees and costs was \$3,314\* per case. Awarded amounts ranged from \$0 to \$154,189. The median award during the reporting period was \$1,060. Note that the calculation of the average and median includes cases in which the amount awarded was \$0.

The average amount awarded for attorney's fees was \$774 per case. Awarded attorney's fees ranged from \$0 to \$4,000. The median attorney's fee award during the reporting period was \$900. Note that the calculation of the average and median attorney's fee includes cases in which the amount awarded was \$0.

	<b>Average</b>	<b>Dollar Range</b>	<b>Median</b>
PIP Benefits' Award	\$3,314*	\$0 to \$154,189	\$1,060
Attorney's Fee Award	\$774	\$0 to \$4,000	\$900

\* 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 may be less than the awarded amount.

## APPEALS

Fourteen (14) appeals to panels of 3 DRPs were concluded during the reporting period. Seven (7) involved awards or dismissal orders rendered in the North Region, four (4) in the Central Region and three (3) in the South Region. No OTP awards were appealed. Seven percent (7%) of appeals resulted in some form of vacation or modification. The following table reports the results.

	<b>IP - North</b>	<b>IP - Central</b>	<b>IP- South</b>	<b>OTP</b>	<b>Total</b>
Affirmed	6	4	3	0	13
Vacated & Modified	1	0	0	0	1
<b>TOTALS</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>14</b>

## MEDICAL REVIEW ORGANIZATION REPORT

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

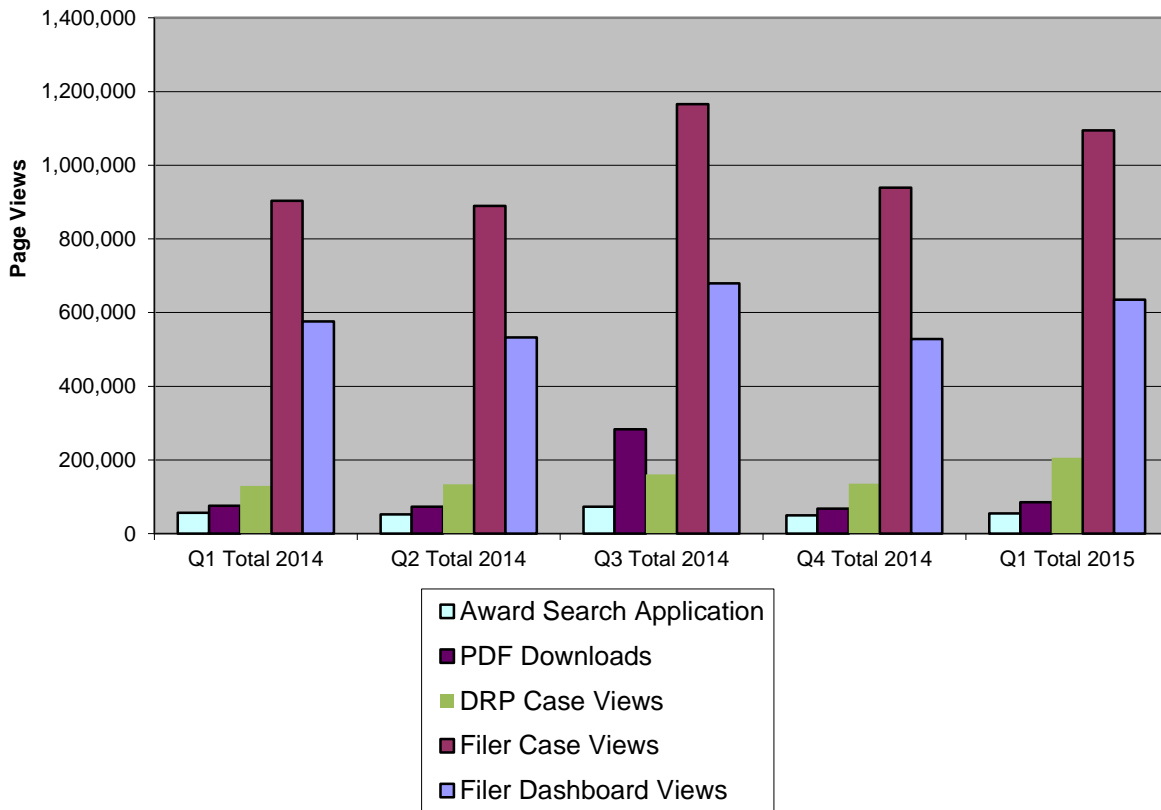
MRO	Request By Party	Request By DRP	Total Requests	Request for Information	Report in 20 Business Days	Report After 20 Business Days
ExamWorks	6	0	6	0	6	0
FMCO	3	0	3	0	3	0
Rising Medical	5	0	5	0	5	0
SCS	7	0	7	0	7	0
<b>TOTALS</b>	<b>21</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>21</b>	<b>0</b>

Note that MRO requests are reported by case. If a request pertains to consolidated cases, it is counted for each case.

### ONLINE CASE MANAGEMENT AND AWARD SEARCHING

This section of the report provides usage data for Forthright’s free web-based case management tools for PIP practitioners located online at [www.nj-no-fault.com](http://www.nj-no-fault.com). Forthright completely re-designed and enhanced the functionality of the user web portals as a free customer service. PIP practitioners now access a “dashboard” from which they can navigate through their case information. They can retrieve and view both parties’ document submissions as well as access rules and forms, file and manage cases online, upload case documents, and search prior decisions. The chart below compares usage for the past five calendar quarters.

#### Website Tool Usage



**APPENDIX A**

<b>DRP</b>	<b>Region</b>	<b>IP Assigned</b>	<b>OTP Assigned</b>	<b>IP Settled/ Withdrawn</b>	<b>OTP Settled/ Withdrawn</b>	<b>IP Awarded/ Denied</b>	<b>OTP Awarded/ Denied</b>	<b>IP Proceedings</b>
Aloi, Anthony M.	CENTRAL	115	11	106	11	89	10	96
Amendola, Francesca	NORTH	115	37	57	34	73	15	117
Andolino, Michael D.	NORTH	169	40	98	36	77	14	109
Annunziata, Maria	CENTRAL	170	13	141	6	75	19	102
Barry, Martin M.	CENTRAL	326	14	126	1	26	0	62
Campbell, Jennifer M.	NORTH	170	48	65	45	94	13	128
Carnelli, Christopher M.	SOUTH	126	58	70	34	65	16	107
Carro, Sergio G.	NORTH	147	43	67	35	58	14	133
Caserta, Patrick J.	NORTH	197	55	78	30	89	23	98
Cassella, Deborah M.	NORTH	189	45	64	41	107	15	118
Celentano, Cynthia J.	NORTH	138	42	76	35	73	15	99
Croft, Douglas M.	NORTH	146	51	72	32	80	11	117
Damiano, Robert S.	NORTH	155	57	63	34	98	22	117
Daniskas, Maria I.	NORTH	136	37	73	32	83	12	112
Della Badia, Joseph	NORTH	152	60	78	42	81	17	86
DeMarco, Jodi L.	NORTH	176	52	83	32	87	17	120
DeMarco, Joseph	NORTH	185	52	81	31	67	12	105
Ducey, John G.	CENTRAL	416	15	133	2	26	0	36
Eisele-Grabowski, Karen	SOUTH	114	48	90	30	77	21	100
Fabiano, Edward	NORTH	149	37	65	28	91	20	117
Fannan, John J.	CENTRAL	132	24	102	10	81	11	86
Fazio, Cataldo F.	NORTH	203	58	70	41	78	14	130
Foley, Patrick W.	CENTRAL	123	17	112	6	62	13	99
Frankland, Suzanne J.	NORTH	204	51	109	28	31	0	51
Ganzhorn, Lisa A.	NORTH	175	52	76	41	70	14	106
Garrabrandt, James H.	NORTH	189	57	88	39	71	9	89
Grabowski, David A.	SOUTH	130	50	85	35	77	11	90
Granato, S. Caroline	SOUTH	110	48	78	30	71	17	118
Hackett, Michael	NORTH	147	48	75	34	91	5	105
Hebron, Sylvia A	NORTH	175	61	78	40	91	15	106
Johnston, Maureen M.	NORTH	185	48	87	36	86	11	115
Kaczka, Thomas M.	NORTH	172	38	81	30	81	24	105
Kaiser, Brian K.	NORTH	129	52	79	39	71	4	86
Karbasian, Carolyn K.	SOUTH	119	50	70	31	93	17	106
Keller, Grant W.	SOUTH	119	40	81	34	90	24	126
Kincade, Kathleen D.	CENTRAL	120	23	131	7	81	8	86
La Salle, Robert C.	NORTH	135	36	88	35	114	17	105
LaPorta Esq., David M.	NORTH	165	48	64	32	75	11	99
LaPorta, Phillip A.	NORTH	169	42	86	38	74	13	101
Lardiere, Andrea L	CENTRAL	151	23	152	9	64	11	86
Lesser, Gary T.	NORTH	171	59	61	38	70	16	108
McFadden (LI), Michael K.	SOUTH	7	0	9	0	14	0	15
McFadden, Michael K.	SOUTH	134	37	58	34	73	7	85
Miller, Matthew G.	NORTH	201	51	78	35	101	19	112

Mundy, Lisa D.	NORTH	215	52	80	32	95	13	128
Nardella, George C.	NORTH	179	57	72	34	93	16	105
Noonan, Scott M.	NORTH	180	40	97	38	107	9	118
O'Brien, Matthew J.	NORTH	126	58	56	31	81	19	115
Odell, Barry K.	CENTRAL	137	19	112	5	68	18	86
O'Donnel, Kenneth L.	NORTH	163	54	57	43	82	9	102
Patriaco, Andrew A.	NORTH	157	47	66	33	96	14	137
Pettersen, Nina L.	SOUTH	116	62	71	30	83	19	112
Reis, Karen M.	NORTH	141	56	64	28	90	13	122
Remington-Knodel, Jennifer	NORTH	138	49	53	32	84	17	95
Reynolds, William E.	SOUTH	97	51	84	22	80	15	127
Riva, Joseph J.	NORTH	146	47	65	27	82	15	108
Rivera, Barbara Brosnan	NORTH	221	55	91	42	83	12	99
Sacco, Russ	NORTH	127	58	56	33	75	10	96
Sproviero, Scott G.	NORTH	211	46	67	32	90	17	131
Stampone, Vincenzo	NORTH	145	57	63	37	96	10	108
Stokes, Nanci G.	NORTH	159	52	72	39	80	15	110
Sutton, Gregory J.	SOUTH	272	56	117	29	42	0	55
Tamburino, Joseph A.	NORTH	134	33	53	31	76	19	109
Voorhees, Gregory X.	CENTRAL	358	16	151	2	36	0	48
Wallen (NO), Kate R.	SOUTH	1	0	0	0	1	0	1
Wallen, Kate R.	SOUTH	91	61	56	38	71	19	90
Zimmerman, Richard T.	NORTH	181	58	66	54	64	15	90
Total		10751	2912	5353	1965	5081	871	6,686

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