



Quarterly Report to the New Jersey Department
of Banking & Insurance

No Fault Insurance PIP Arbitration

2005



Executive Summary

As part of the National Arbitration Forum's commitment to provide the New Jersey Department of Banking and Insurance with relevant reports concerning administration of the No-Fault dispute resolution program, the following report summarizes case administration for the 1st Quarter of the 2005 calendar year.

The quarter was marked by both operational and technological enhancements including expansion of the DRP panel from 28 to 30 members, increased case coordinator support and greater user participation in web-based case management.

7,612 cases were initiated in the PIP ADR program. Of these cases, 5,092 (67%) originated in the Northern region, 1,616 (21%) in the Central region, and 904 (12%) in the Southern region.

Of the pending cases filed with NAF in the PIP ADR program, 5,884 cases were concluded during the first quarter by means of an award or denial of award at hearing, dismissal of the case, settlement, withdrawal and rescission. 278 were placed in abeyance by consent of the parties or by order of the court.

Respondents are granted a conciliation period of 45 days from case initiation in which to settle claims without incurring a respondent administration fee. 1,135 cases settled during the conciliation period distributed regionally as follows: 786 in the North region, 192 in the Central region and 157 in the South region.

Of all cases resolved in the PIP ADR program during the quarter, a total of 4,546 cases were resolved after the DRP was appointed, from a combination of DRP issued awards, dismissals, settlements and withdrawals.

System-wide, the average total amount awarded in arbitration was \$3,320 comprised of \$2,192 for personal injury protection benefits and \$1,128 for attorneys' fees.

Two cases were appealed to 3-member DRP panels resulting in one affirmance and one reversal.

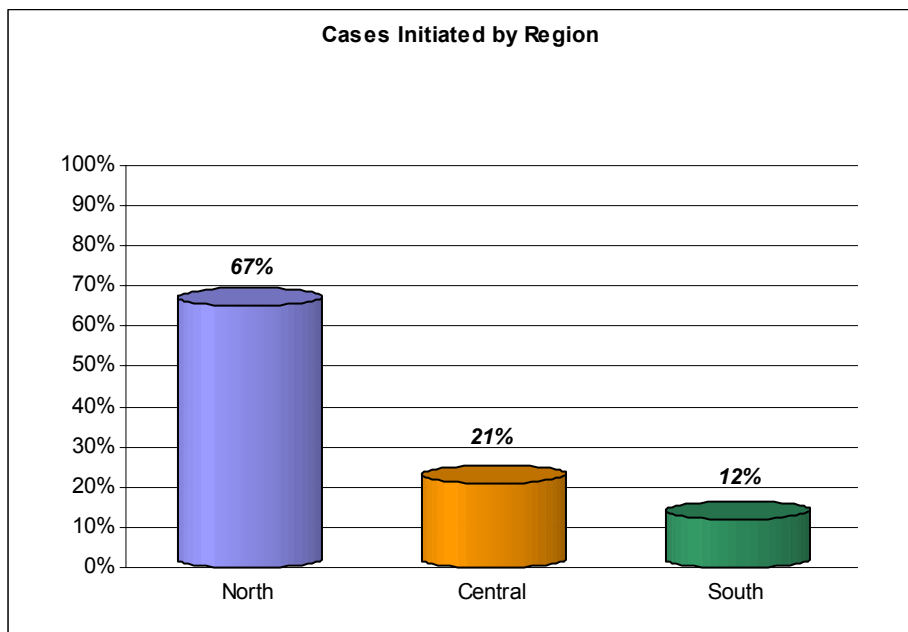
First Managed Care Option was utilized as the Medical Review Organization in accordance with the DOBI directive. Parties requested 105 MRO reviews. Only one DRP request was made.

Cases Initiated

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

In the first quarter of 2005, 7,612 cases were initiated in the PIP ADR program. Of these cases, 5,092 (67%) originated in the Northern region, 1,616 (21%) in the Central region, and 904 (12%) in the Southern region. See the Table below for the monthly distribution.

	North	Central	South	Total
January	1,598	472	319	2,389
February	1,685	431	270	2,386
March	1,809	713	315	2,837
Region Total	5,092	1,616	904	7,612
Region Percent	67%	21%	12%	100%



Disposition of Cases in the PIP ADR Program

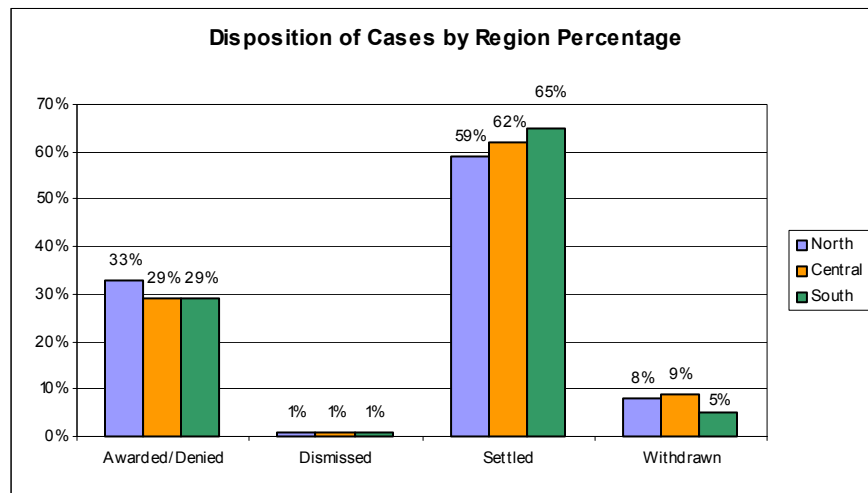
Of the pending cases filed with NAF in the PIP ADR program, 5,884 cases were concluded during the first quarter by means of an award or denial of award at hearing, dismissal of the case, settlement or withdrawal. The table below illustrates the manner in which cases were administered and concluded in the various geographic regions.

Disposition Type	North	Central	South	Total
Awarded/Denied	1,406	272	214	1,892
Dismissed	11	3	1	15
Settled	2,487	565	476	3,528
Withdrawn	331	79	39	449
Total	4,235	919	730	5,884

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.

Disposition Type	North	Central	South
Awarded/Denied	33%	29%	29%
Dismissed	< 1%	< 1%	< 1%
Settled	59%	62%	65%
Withdrawn	8%	9%	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.

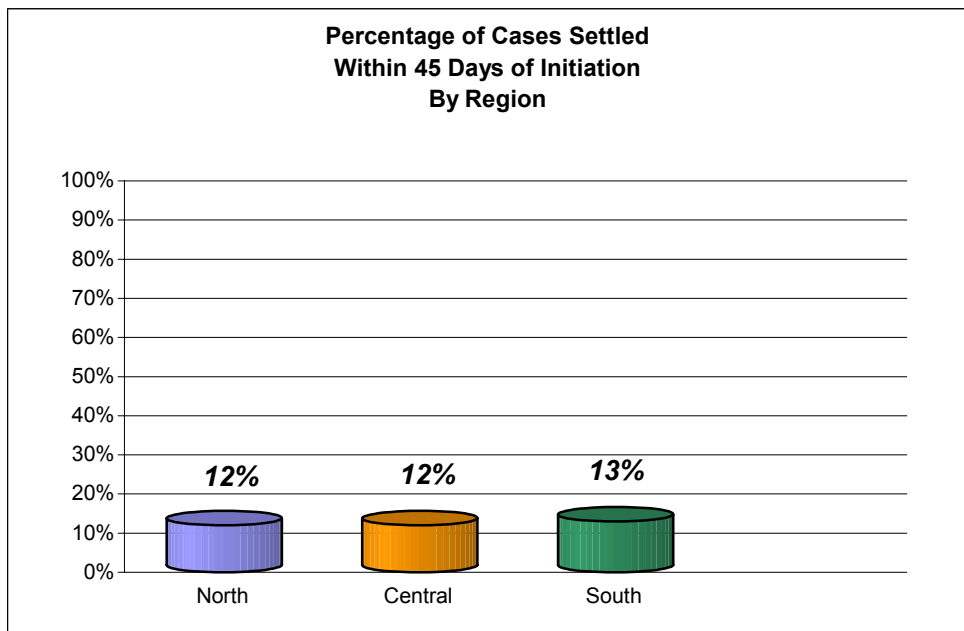
Geographic Regions	North	Central	South	Total
Region Total	250	20	8	278
Region Percent	90%	7%	3%	100%

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 first quarter, 1,135 cases settled during the conciliation period distributed regionally as follows: 786 in the North region, 192 in the Central region and 157 in the South region.

The following table and chart illustrate that 12% to 13% of cases settle during the reconciliation period.

Geographic Regions	North	Central	South	System-wide
Region Settlements	786	192	157	1,135
Region Percent	12%	12%	13%	12%



Dispute Resolution Professional Caseload

In the first quarter of 2005, NAF increased the number of Dispute Resolution Professionals (“DRPs”) in the PIP ADR program to 30. One DRP began hearings in February. Another was contracted in March to begin hearings in May. During the reporting period, 5,832 cases were assigned to DRPs.

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 4,546 cases were resolved during the quarter, resulting from a combination of: DRP issued awards (which includes denials), dismissals, settlements and withdrawals.

The following table represents the distribution and outcomes of cases across the entire DRP panel during the first quarter of 2005 after the cases were assigned to the DRP for hearing:

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	1,406	272	214	1,892	42%
Consent Award	4	1	0	5	< 1%
Dismissed by DRP	11	3	1	15	< 1%
Settled	1,678	366	310	2,354	51%
Withdrawn	214	40	26	280	6%
Total	3,313	682	551	4,546	100%

Regional Awards' Percentage

As shown above, a total of 1,892 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes and appeals. 75% of the awards issued in the North region, 14% in the Central region and 11% in the South.

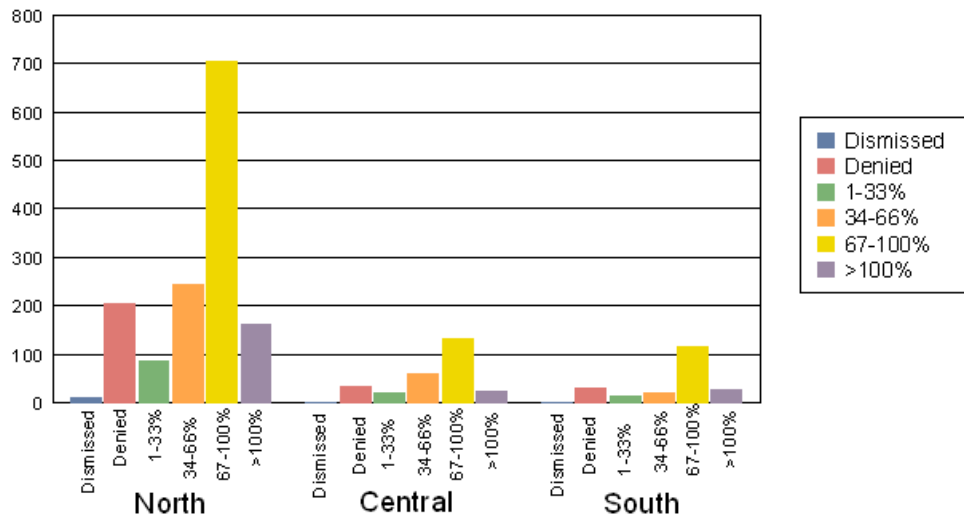
An online database of these awards is located at www.arbitration-forum.com/nj/awards.asp.

Awards as a Percentage of Claim Amount

Dispute Resolution Professions 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 first quarter of 2005, the graph below indicates the distribution of DRP awarded amounts, from 0% (denied) to more than 100%, of claim amounts. [Claims of more than 100% represent cases in which the initial claim was amended upward prior to or at the hearing in accordance with No-Fault Rule 7].

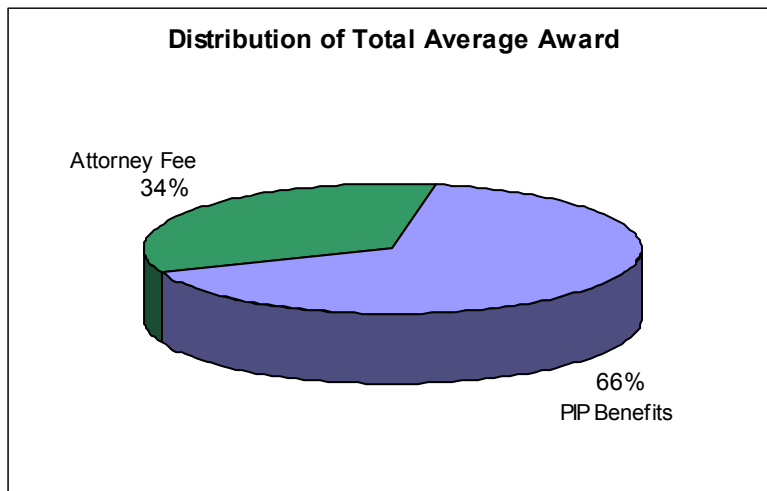
The data is presented in table and chart formats.

Region	Dismissed	Denied	1-33%	43-66%	67-100%	>100%	Total
North	11	205	87	244	706	164	1417
Central	3	34	20	62	132	24	275
South	1	31	16	22	118	27	215
Total	15	270	123	328	956	215	1907



PIP Benefits and Attorneys' Fees Comparison

System-wide, the average total amount awarded in arbitration was \$3,320 comprised of \$2,192 for personal injury protection benefits and \$1,128 for attorney's fees. The graphical representation compares the data as percentages.



Award Average and Dollar Range

As displayed in the following table, the average amount awarded for claims other than attorneys’ fees was \$2,192. Awarded amounts ranged from \$0 to \$ 152,426. The average amount awarded for attorneys’ fees was \$1,128. Awarded attorneys’ fees ranged from \$0 to \$7,500.

	Average	Dollar Range
PIP Benefits’ Award	\$2,192	\$0 to \$152,426
Attorneys’ Fee Award	\$1,128	\$0 to \$7,500

Appeals

Two appeals to panels of 3 DRPs were concluded during the reporting period. An appeal in the North Region resulted in an affirmance. In the South Region, a DRP panel vacated an award.

Medical Review Organization Report

First Managed Care Option was utilized as the Medical Review Organization during the reporting period. Information relevant to MRO usage is outlined in the table.

Request By Party	Request By DRP	Total Requests	Request for Information	Report in 20 Business Days	Report After 20 Business Days
105	1	106	0	50	21

Appendix A

Dispute Resolution Caseload

	Region	Assigned	Closed	Awarded/ Denied	Hearings
Alterman, Herbert S.	NORTH	123	177	75	94
Amendola, Francesca	NORTH	240	186	76	90
Brodow, Nora J.	NORTH	198	115	50	66
Carnevale (CR), Michael F.	NORTH	16	93	46	51
Carnevale (PR), Michael F.	CENTRAL	352	41	0	0
Carr, Michael W.	NORTH	170	185	76	86
Carro, Sergio G.	NORTH	147	176	90	102
Daniskas, Maria I.	NORTH	73	154	56	68
de Cordova, Donald W.	NORTH	150	170	78	86
DeMichele, Richard A	SOUTH	352	175	52	58
Fannan, John J.	CENTRAL	126	162	75	86
Foley, Patrick W.	CENTRAL	209	153	73	80
Ganzhorn, Lisa A.	NORTH	191	160	67	72
Garrabrandt, James H.	NORTH	106	167	55	65
Grabowski (ML), David A.	SOUTH	58	0	0	0
Grabowski, David A.	NORTH	110	155	61	67
Johnston, Maureen M.	NORTH	195	164	64	76
Kaczka, Thomas M.	NORTH	351	135	47	59
Kincade, Kathleen D.	CENTRAL	206	177	70	75
Knuetter, Margaret	NORTH	260	10	0	0
Lesser, Gary T.	NORTH	190	116	51	58
Lynch, Charles H.	NORTH	89	150	66	69
McFadden (CH), Michael K.	SOUTH	125	132	62	67
McFadden (NO), Michael K.	SOUTH	54	36	8	13
Moscowitz, Barry E.	NORTH	254	181	63	72
Odell, Barry K.	CENTRAL	152	179	65	74
Parker, Ronald I.	NORTH	222	170	58	72
Patriaco, Andrew A.	NORTH	107	162	92	97
Sproviero, Scott G.	NORTH	229	157	70	82
Stokes, Nanci G.	NORTH	70	180	81	89
Tamburino, Joseph A.	NORTH	200	173	74	81
Wallen (AC), Kate R.	SOUTH	52	18	8	8
Wallen (CH), Kate R.	SOUTH	185	194	82	86
Zimmerman, Richard T.	NORTH	270	59	1	0
Total		5832	4662	1892	2149