



QUARTERLY REPORT TO
THE NEW JERSEY DEPARTMENT
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration
4th Quarter, 2005*

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Executive Summary

During the calendar quarter, the National Arbitration Forum (“Forum”) continued web site posting of Awards for public search by key words and phrases. Awards are posted within four weeks of issuance.

As in prior reporting periods for 2005, significant efforts were directed toward DRP candidate identification and recruitment. The selection process begins with the gathering of applications and resumes for inspection by the Advisory Council. The Council conducts interviews to identify qualified candidates. The Council’s involvement in the vetting process ends with its finding of qualification or non-qualification. Thereafter, the Forum interviews qualified candidates and decides whether to enter into a contract for DRP services.

The Advisory Council met twice during the quarter to review DRP candidate resumes, interview DRP candidates, and discuss proposed revisions to the arbitration rule governing MRO utilization.

In the 4th quarter of 2005, 7,424 cases were assigned to Dispute Resolution Professionals (“DRPs”). The DRP panel was expanded from 32 to 35. The DRP panel participated in a daylong training seminar with luncheon covering a variety of topics related to individual and system performance.

During the reporting period, 9,028 cases were initiated in the PIP ADR program. Of these cases, 6,270 (70%) originated in the Northern region, 1,469 (16%) in the Central region, and 1,289 (14%) in the Southern region.

Of the pending cases filed with the Forum in the PIP ADR program, 7,396 cases were concluded during the 4th quarter by means of an award or denial of award at hearing, dismissal of the case, settlement or withdrawal. 5,791 cases were resolved after the DRP was appointed. 112 were placed in abeyance by consent of the parties or by order of the court.

1,396 cases settled during the conciliation period distributed regionally as follows: 981 in the North region, 265 in the Central region and 150 in the South region.

System-wide, the average total amount awarded in arbitration was \$4,929 comprised of \$3,768 for personal injury protection benefits and \$1,161 for attorney’s fees per case.

Thirteen cases were appealed to 3-member DRP panels resulting in 10 affirmances, 2 vacations and 1 modification.

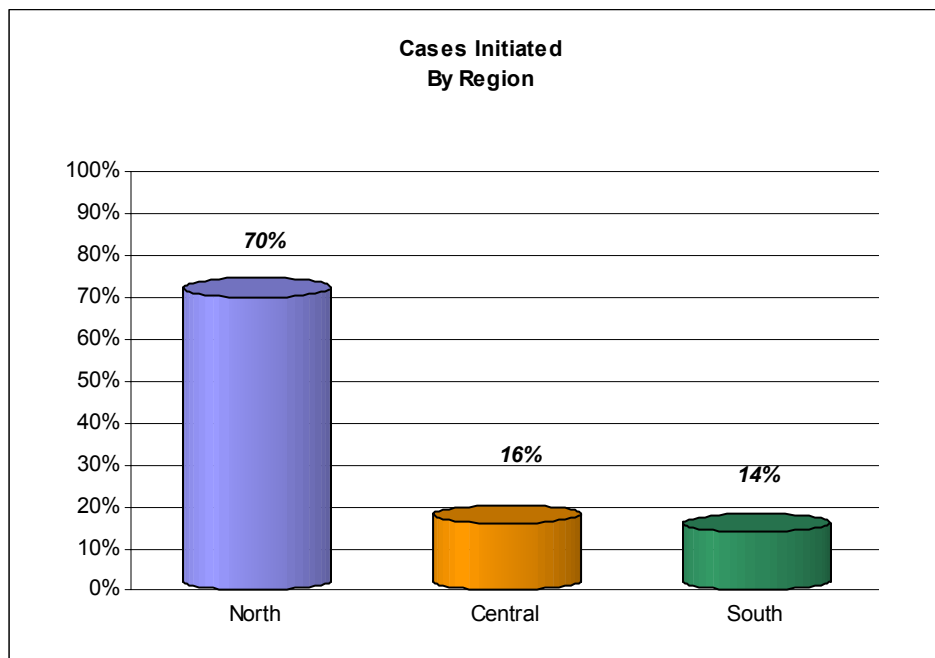
First Managed Care Option was utilized as the Medical Review Organization in accordance with the DOBI directive. Parties requested 94 MRO reviews. No DRP requests were made.

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 4th quarter of 2005, 9,028 cases were initiated in the PIP ADR program. Of these cases, 6,270 (70%) originated in the Northern region, 1,469 (16%) in the Central region, and 1,289 (14%) in the Southern region. See the Table below for the monthly distribution.

	North	Central	South	Total
October	2,202	545	353	3,100
November	1,871	514	526	2,911
December	2,197	410	410	3,017
Region Total	6,270	1,469	1,289	9,028
Region Percent	70%	16%	14%	100%



The Table below provides a view of initiations for 2005 by quarterly and regional distribution.

	North	Central	South	Total
1 st Quarter 2005	5,092	1,616	904	7,612
2 nd Quarter 2005	6,130	1,704	1,199	9,033
3 rd Quarter 2005	5,574	1,825	1,118	8,517
4 th Quarter 2005	6,270	1,469	1,289	9,028
Totals	23,066	6,614	4,510	34,190

Disposition of Cases in the PIP ADR Program

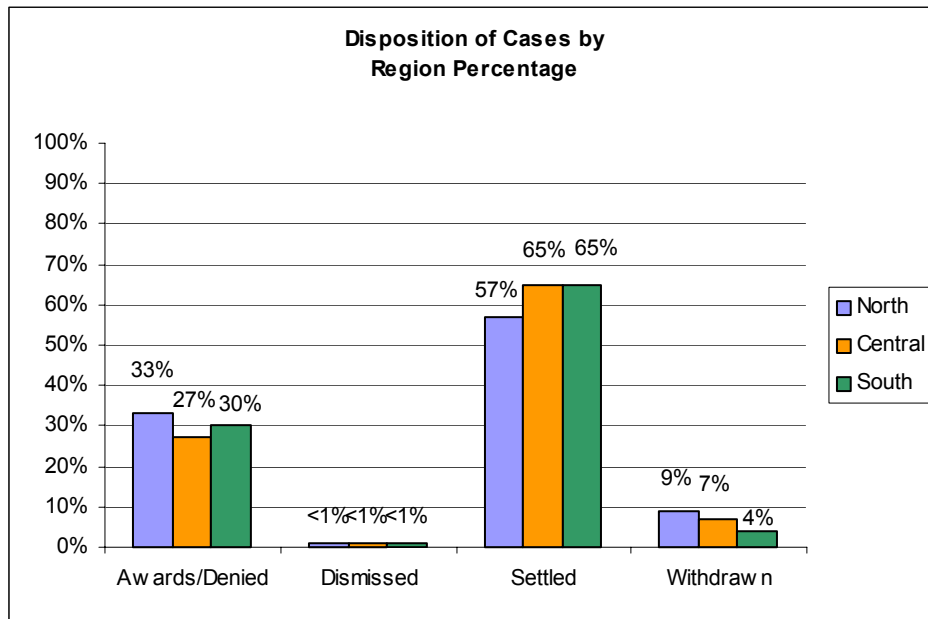
Of the pending cases filed with the Forum in the PIP ADR program, 7,396 cases were concluded during the 4th quarter by means of an award or denial of award at hearing, dismissal of the case, settlement or withdrawal. The table below illustrates the manner in which cases were administered and concluded in the various geographic regions.

Disposition Type	North	Central	South	Total
Awarded/Denied	1,641	365	283	2,289
Dismissed	13	4	3	20
Settled	2,970	893	626	4,489
Withdrawn	475	90	33	598
Total	5,099	1,352	945	7,396

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%	27%	30%
Dismissed	< 1%	< 1%	< 1%
Settled	57%	65%	65%
Withdrawn	9%	7%	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	88	14	10	112
Region Percent	79%	12%	9%	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 4th quarter, 1,396 cases settled during the conciliation period distributed regionally as follows: 981 in the North region, 265 in the Central region and 150 in the South region.

The following table illustrates that 6% to 8% of cases settle during the reconciliation period.

Geographic Regions	North	Central	South	System-wide
Region Settlements	981	265	150	1,396
Region Percent	8%	8%	6%	8%

Dispute Resolution Professional Caseload

In the 4th quarter of 2005, the panel of Dispute Resolution Professionals (“DRPs”) was expanded from 32 to 35. DRP recruitment continued to create a qualified candidate pool to respond to future attrition or expansion. During the reporting period, 7,424 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 5,791 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 4th quarter of 2005 after the cases were assigned to the DRP for hearing:

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	1,632	365	282	2,280	38%
Consent Award	9	0	1	10	< 1%
Dismissed by DRP	13	4	2	20	< 1%
Settled	1,963	616	471	3,052	53%
Withdrawn	338	67	24	429	7%
Total	3,955	1,052	780	5,791	100%

Regional Awards' Percentage

As shown above, a total of 2,280 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes and appeals. 72% of the awards issued in the North region, 16% in the Central region and 12% in the South.

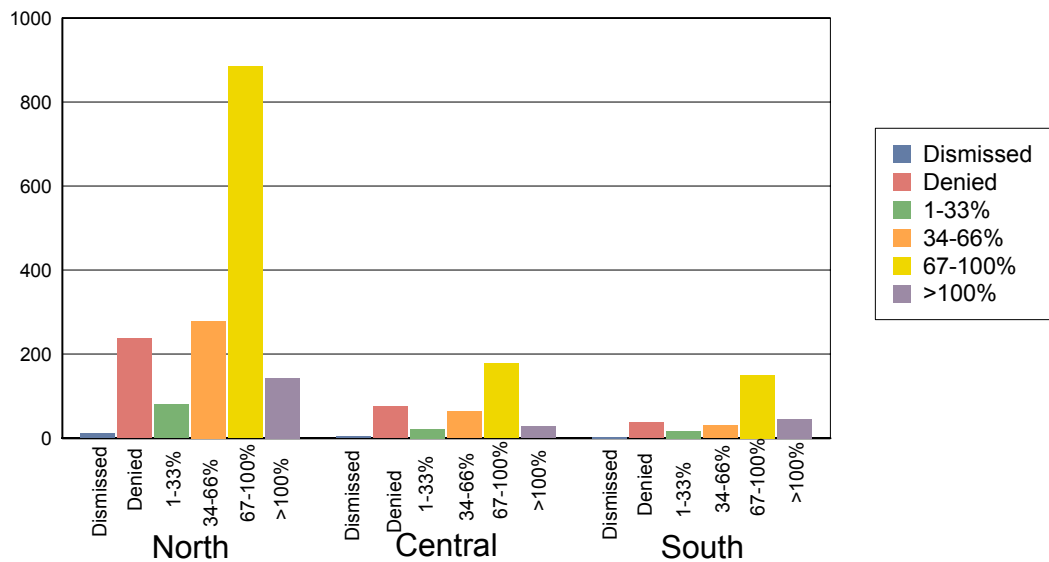
An online database of these awards is located at www.nj-no-fault.com.

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 4th 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].

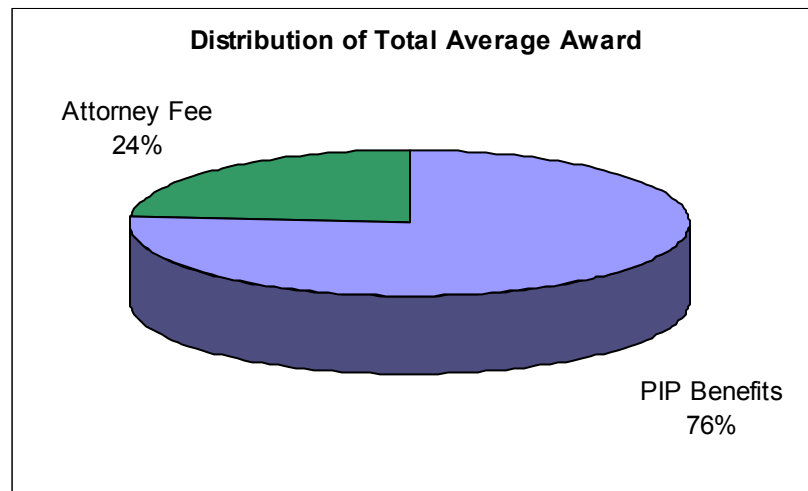
The data is presented in table and chart formats.

Region	Dismissed	Denied	1-33%	34-66%	67-100%	>100%	Total
North	12	238	81	279	885	143	1,638
Central	4	75	22	63	178	28	370
South	3	38	17	31	151	46	286
Total	19	351	120	373	1,214	217	2,294



PIP Benefits and Attorneys' Fees Comparison

System-wide, the average total amount awarded in arbitration was \$4,929 comprised of \$3,768 for personal injury protection benefits and \$1,161 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 \$3,768 per case. Awarded amounts ranged from \$0 to \$131,330. The average amount awarded for attorneys' fees was \$1,161 per case. Awarded attorneys' fees ranged from \$0 to \$5,880.

At the Department's request, the Forum's reporting function was augmented to calculate the medians for both the personal injury protection benefits' award and the attorneys' fee award. The averages, medians and dollar ranges appear in the following data table.

	Average	Dollar Range	Median
PIP Benefits' Award	\$3,768	\$0 to \$131,330	\$1,875
Attorneys' Fee Award	\$1,161	\$0 to \$5,880	\$1,125

Appeals

Thirteen appeals to panels of 3 DRPs were concluded during the reporting period. The results are shown in the following table.

	North	Central	South	Total
Affirmed	9	0	1	10
Vacated	2	0	0	2
Modified	1	0	0	1

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
94	0	94	0	0	13

Appendix A

Dispute Resolution Caseload

DRP	Region	Assigned	Closed	Awarded/ Denied	Hearings
Aloi, Anthony M.	CENTRAL	156	2	0	0
Alterman, Herbert S.	NORTH	241	194	94	109
Amendola, Esq., Francesca	NORTH	244	197	76	88
Annunziata, Maria	CENTRAL	307	27	0	0
Brodow, Nora J.	NORTH	185	174	54	72
Carnevale (PR), Michael F.	CENTRAL	144	121	20	76
Carr, Michael W.	NORTH	184	171	64	77
Carro, Sergio G.	NORTH	201	194	80	110
Celentano, Cynthia J.	NORTH	234	125	30	36
Daniskas, Maria I.	NORTH	225	186	83	97
de Cordova, Donald W.	NORTH	233	174	63	75
DeMichele, Richard A	SOUTH	280	205	77	93
Fabiano, Edward	NORTH	256	41	2	2
Fannan, John J.	CENTRAL	177	217	90	96
Foley, Patrick W.	CENTRAL	196	206	79	89
Ganzhorn, Lisa A.	NORTH	234	189	61	69
Garrabrandt, James H.	NORTH	217	160	52	60
Grabowski (ML), David A.	SOUTH	199	170	57	70
Johnston, Maureen M.	NORTH	259	195	88	106
Kaczka, Thomas M.	NORTH	243	171	76	97
Kincade, Kathleen D.	CENTRAL	164	200	93	100
Knuetter, Margaret	NORTH	205	166	73	81
La Salle, Robert C.	CENTRAL	242	120	14	17
Lesser, Gary T.	NORTH	202	221	87	113
Lynch, Charles H.	NORTH	193	188	90	113
McFadden (CH), Michael K.	SOUTH	273	187	59	66
McFadden (NO), Michael K.	SOUTH	23	27	16	25
Moscowitz, Barry E.	NORTH	26	170	61	73
Odell, Barry K.	CENTRAL	153	178	69	111
Parker, Ronald I.	NORTH	234	177	46	57
Patriaco, Andrew A.	NORTH	239	178	75	80
Sproviero, Scott G.	NORTH	239	178	82	100
Stokes, Nanci G.	NORTH	249	201	81	86
Tamburino, Joseph A.	NORTH	231	189	80	96
Wallen (AC), Kate R.	SOUTH	35	37	18	20
Wallen (CH), Kate R.	SOUTH	268	161	57	60
Zimmerman, Richard T.	NORTH	33	167	130	154
TOTALS		7424	5864	2277	2774