



QUARTERLY REPORT TO  
THE NEW JERSEY DEPARTMENT  
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration  
1st Quarter, 2006*

**Table of Contents**

Executive Summary	1
Cases Initiated	2
Disposition of Cases in the PIP ADR Program	3
Disposition of Cases by Region Percentage	3
Cases in Abeyance	4
Cases Settled Within 45 Days of Initiation	4
Dispute Resolution Professional Caseload	5
Disposition of Cases After DRP Assignment	5
Regional Awards' Percentage	6
Awards as a Percentage of Claim Amount	6
PIP Benefits and Attorneys' Fees Comparison	7
Award Average, Median and Dollar Range	8
Appeals	8
Medical Review Organization Report	8
Appendix A	9

## Executive Summary

At the request of a major insurer, the National Arbitration Forum (“Forum”) implemented a significant enhancement to its online case management web site. All users may now control download and filtering of case lists in page displays that permit customization of user viewing preferences. Users may choose their own default settings for the number of records per page as well as record sorting. A new “Claim Number” search function will facilitate insurers’ case information retrieval.

As in 2005, significant efforts were directed toward DRP candidate identification and recruitment to meet the need for panel expansion and to respond to attrition. The Advisory Council met on January 10, February 16 and March 21, 2006 for the express purpose of interviewing candidates. Thereafter, the Forum interviewed the qualified candidates.

In the 1<sup>st</sup> quarter of 2006, 9,696 cases were initiated in the PIP ADR program. Of these cases, 6,564 (68%) originated in the Northern region, 1,781 (18%) in the Central region, and 1,351 (14%) in the Southern region.

Of the cases filed with the Forum in the PIP ADR program, 7,990 cases were concluded during the reporting period by means of an award or denial of award at hearing, dismissal of the case, settlement or withdrawal. 167 were placed in abeyance by consent of the parties or by order of the court.

8,533 cases were assigned to Dispute Resolution Professionals. One DRP left the program to accept appointment to the Administrative Law bench. Because of continuing DRP recruitment efforts, the Forum was capable of contracting a new DRP to fill the position within 45 days.

1,493 cases settled during the conciliation period distributed regionally as follows: 1,046 in the North region, 288 in the Central region and 159 in the South region.

System-wide, the average total amount awarded in arbitration was \$4,879 comprised of \$3,788 for personal injury protection benefits and \$1,091 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 is less than the awarded amount.

The data presentation of “Awards As A Percentage of Amount Claimed” has been revised from previous reports. 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 but is imprecise. DRPs may not award amounts greater than those claimed. For purposes of the data table and chart displayed in the body of this report, amended amounts are captured within a total amount claimed and then compared to the total amount awarded in order to determine the percentage.

Fifteen (15) cases were appealed to 3-member DRP panels resulting in 11 cases affirmed, 1 vacated and 3 vacated and remanded.

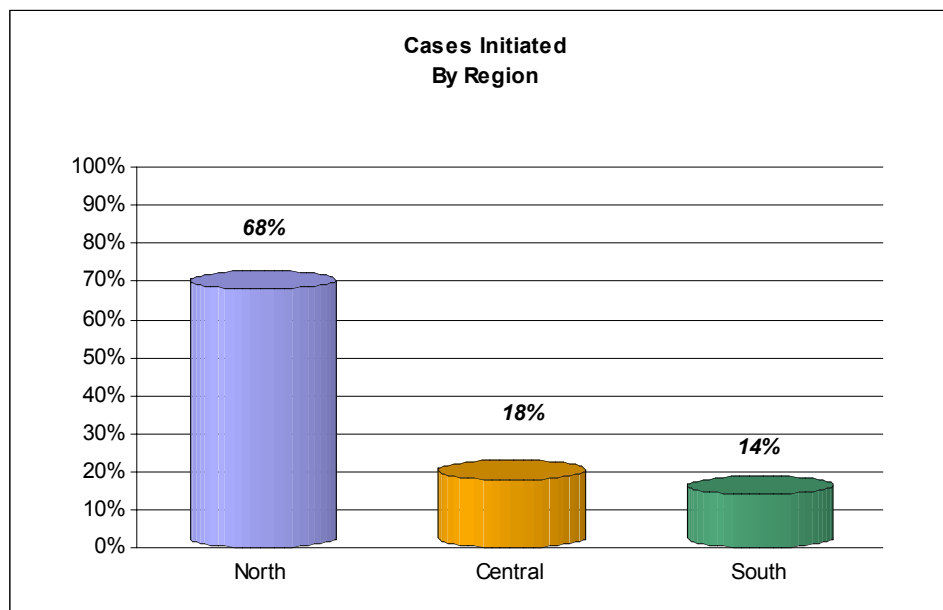
First Managed Care Option was utilized as the Medical Review Organization in accordance with the DOBI directive. Parties requested 87 MRO reviews. No DRP requests were made.

## 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 1<sup>st</sup> quarter of 2006, 9,696 cases were initiated in the PIP ADR program. Of these cases, 6,564 (68%) originated in the Northern region, 1,781 (18%) in the Central region, and 1,351 (14%) in the Southern region. See the Table below for the monthly distribution.

	North	Central	South	Total
January	2,106	630	345	3,101
February	2,107	572	356	3,035
March	2,331	579	650	3,560
Region Total	6,564	1,781	1,351	9,696
Region Percent	68%	18%	14%	100%



## Disposition of Cases in the PIP ADR Program

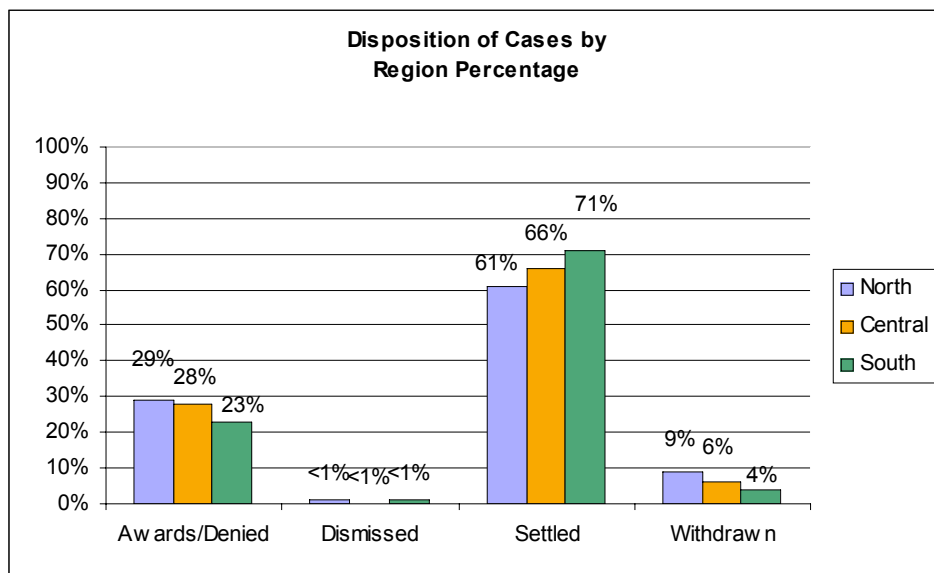
Of the pending cases filed with the Forum in the PIP ADR program, 7,990 cases were concluded during the 1<sup>st</sup> quarter by means of an award or denial of award at hearing, dismissal of the case, settlement or withdrawal. The table below illustrates the manner in which cases were administered and concluded in the various geographic regions.

Disposition Type	North	Central	South	Total
Awarded/Denied	1,551	471	248	2,271
Dismissed	21	1	0	22
Settled	3,259	1,046	763	5,069
Withdrawn	480	91	57	628
Total	5,311	1,609	1,068	7,990

## 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	29%	28%	23%
Dismissed	< 1%	0%	< 1%
Settled	61%	66%	71%
Withdrawn	9%	6%	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	136	25	6	167
Region Percent	81%	15%	4%	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 1<sup>st</sup> quarter, 1,493 cases settled during the conciliation period distributed regionally as follows: 1,046 in the North region, 288 in the Central region and 159 in the South region.

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

<b>Geographic Regions</b>	<b>North</b>	<b>Central</b>	<b>South</b>	<b>System-wide</b>
Region Settlements	1,046	288	159	1,493
Region Percent	8%	8%	6%	8%

## Dispute Resolution Professional Caseload

To respond to future attrition or expansion, DRP recruitment continued throughout the quarter with the Advisory Council interviewing DRP candidates during evening meetings conducted on January 10, February 16 and March 21, 2006. During the reporting period, 8,533 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 6,310 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 1<sup>st</sup> quarter of 2006 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	1,551	471	248	2,271	36%
Consent Award	2	0	2	4	< 1%
Dismissed by DRP	21	1	0	22	< 1%
Settled	2,185	746	598	3,529	55%
Withdrawn	363	75	46	484	7%
Total	4,122	1,293	894	6,310	100%

## Regional Awards' Percentage

As shown above, a total of 2,271 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes and appeals. 68% of the awards issued in the North region, 21% in the Central region and 11% in the South.

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

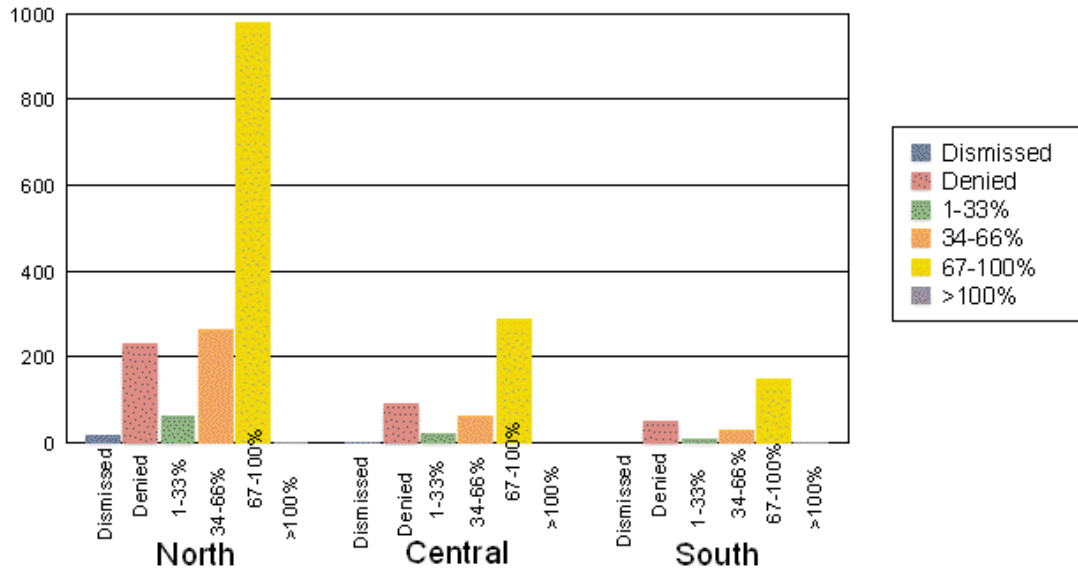
## Awards as a Percentage of Claim Amount

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 1<sup>st</sup> quarter of 2006, the graph below indicates the distribution of DRP awarded amounts, from 0% (denied/dismissed) to 100% of claim amounts.

The data presentation is revised from previous reports 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.

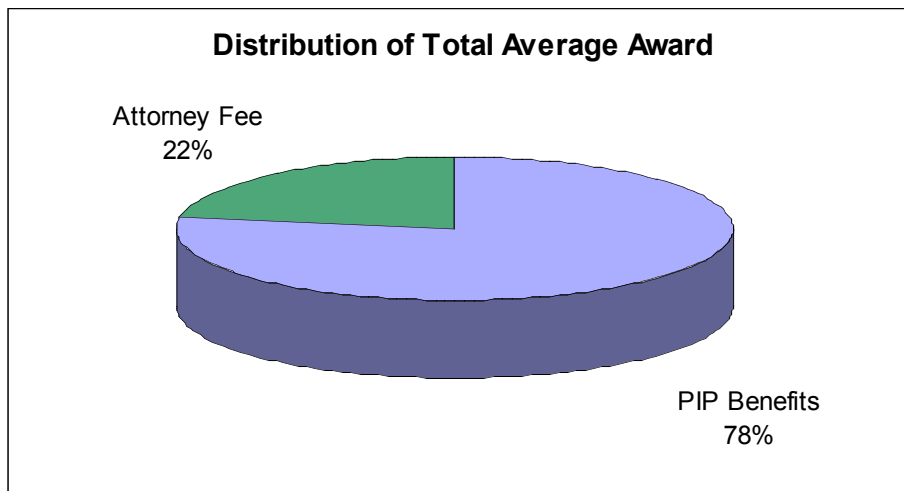
Region	Dismissed	Denied	1-33%	34-66%	67-100%	>100%	Total
North	20	234	66	267	984	0	1,571
Central	1	92	23	65	292	0	473
South	0	51	12	33	151	0	247
Total	21	377	101	365	1,427	0	2,291





### PIP Benefits and Attorneys' Fees Comparison

System-wide, the average total amount awarded in arbitration was \$4,879 comprised of \$3,788 for personal injury protection benefits and \$1,091 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 \$3,788\* per case. Awarded amounts ranged from \$0 to \$210,897. The median award during the reporting period was \$1,250.

The average amount awarded for attorneys' fees was \$1,091 per case. Awarded attorneys' fees ranged from \$0 to \$6,250. The median attorney's fee award during the reporting period was \$1,100

	<b>Average</b>	<b>Dollar Range</b>	<b>Median</b>
PIP Benefits' Award	\$3,788*	\$0 to \$210,897	\$1,250
Attorneys' Fee Award	\$1,091	\$0 to \$6,250	\$1,100

\*NOTE: 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 is less than the awarded amount.

## Appeals

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

	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
Affirmed	6	3	2	11
Vacated	1	0	0	1
Vacated & Remanded	3	0	0	3

## 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
87	0	87	0	17	16

## Appendix A

### Dispute Resolution Caseload

DRP	Region	Assigned	Closed	Awarded/ Denied	Hearings
Aloi, Anthony M.	CENTRAL	384	143	33	36
Alterman, Herbert S.	NORTH	255	207	67	96
Amendola, Esq., Francesca	NORTH	276	214	83	114
Annunziata, Maria	CENTRAL	313	162	33	46
Brodow, Nora J.	NORTH	284	174	62	100
Carnevale (PR), Michael F.	CENTRAL	4	179	95	140
Carr, Michael W.	NORTH	257	192	94	108
Carro, Sergio G.	NORTH	254	186	64	150
Celentano, Cynthia J.	NORTH	320	187	78	88
Daniskas, Maria I.	NORTH	183	199	74	95
de Cordova, Donald W.	NORTH	300	188	63	85
DeMichele, Richard A	SOUTH	272	204	53	83
Fabiano, Edward	NORTH	303	158	36	42
Fannan, John J.	CENTRAL	92	186	80	101
Foley, Patrick W.	CENTRAL	107	194	70	91
Ganzhorn, Lisa A.	NORTH	241	221	79	101
Garrabrandt, James H.	NORTH	253	157	62	111
Grabowski (ML), David A.	SOUTH	253	210	60	69
Johnston, Maureen M.	NORTH	251	197	79	108
Kaczka, Thomas M.	NORTH	333	207	78	102
Kincade, Kathleen D.	CENTRAL	68	175	81	90
Knuetter, Margaret	NORTH	280	172	66	73
La Salle (North), Robert C.	NORTH	144	11	0	0
La Salle, Robert C.	CENTRAL	45	177	69	87
Lardiere, Andrea L	CENTRAL	264	20	0	0
Lesser, Gary T.	NORTH	301	167	38	94
Lynch, Charles H.	NORTH	225	163	68	93
McFadden (CH), Michael K.	SOUTH	245	197	42	55
McFadden (NO), Michael K.	SOUTH	33	40	19	21
Odell, Barry K.	CENTRAL	130	76	15	66
Parker, Ronald I.	NORTH	197	194	52	65
Patriaco, Andrew A.	NORTH	224	193	89	103
Sproviero, Scott G.	NORTH	293	187	65	90
Stokes, Nanci G.	NORTH	306	231	91	99
Tamburino, Joseph A.	NORTH	220	192	69	92
Wallen (AC), Kate R.	SOUTH	41	51	24	30
Wallen (CH), Kate R.	SOUTH	233	200	50	57
Zimmerman, Richard T.	NORTH	349	121	38	65
TOTALS		8533	6332	2219	3046



*A FORUM Dispute Management Organization*

285 Davidson Ave., Suite 502  
Somerset, NJ 08873  
888-881-6231  
[www.adrforum.com](http://www.adrforum.com)

© 2006 NATIONAL ARBITRATION FORUM  
05/06 JH