



QUARTERLY REPORT TO  
THE NEW JERSEY DEPARTMENT  
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration  
3rd Quarter, 2006*

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## Executive Summary

The Forum engaged in significant recruitment efforts during the 3<sup>rd</sup> quarter. To further the plan for Advisory Council member rotation, candidates were solicited from the user community by means of letters, emails, web site postings and advertisement in legal print media. DRP recruitment continued through legal print media and community outreach.

Following a summer hiatus for the months of July and August, the Advisory Council resumed its meeting schedule on September 28. Monthly meetings are anticipated for the next quarter to discuss rules changes and to replenish the DRP candidate pool.

Induction of 2 additional DRPs expanded the panel to 40 during the quarter. One DRP was required to take a leave of absence commencing on the last day of the quarter due to extraordinary personal circumstances. A previously qualified DRP candidate was quickly moved into the program, thus maintaining the panel at 40. Regional DRP deployment currently consists of 26 in the North Region, 8 in the Central Region and 6 in the South Region.

In the 3<sup>rd</sup> quarter of 2006, 9,322 cases were initiated in the PIP ADR program. Of these cases, 6,078 (65%) originated in the Northern region, 1,768 (19%) in the Central region, and 1,476 (16%) in the Southern region.

Of the pending cases filed with the Forum in the PIP ADR program, 7,823 cases were concluded during the 3<sup>rd</sup> quarter by means of an award or denial of award at hearing, pre-hearing dismissal of the case, settlement or withdrawal. 142 cases were placed in abeyance by consent of the parties or by order of the court. 8,356 cases were assigned to DRPs.

1,220 cases settled during the conciliation period distributed regionally as follows: 838 in the North region, 233 in the Central region and 149 in the South region.

System-wide, the average total amount awarded in arbitration was \$4,553 comprised of \$3,450 for personal injury protection benefits and \$1,103 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.

Twelve appeals to panels of 3 DRPs were concluded during the reporting period resulting in 6 cases affirmed and 6 cases vacated. The table within the body of this report was modified to distinguish between vacated cases that were remanded to the original DRP and those that were remanded to a new DRP.

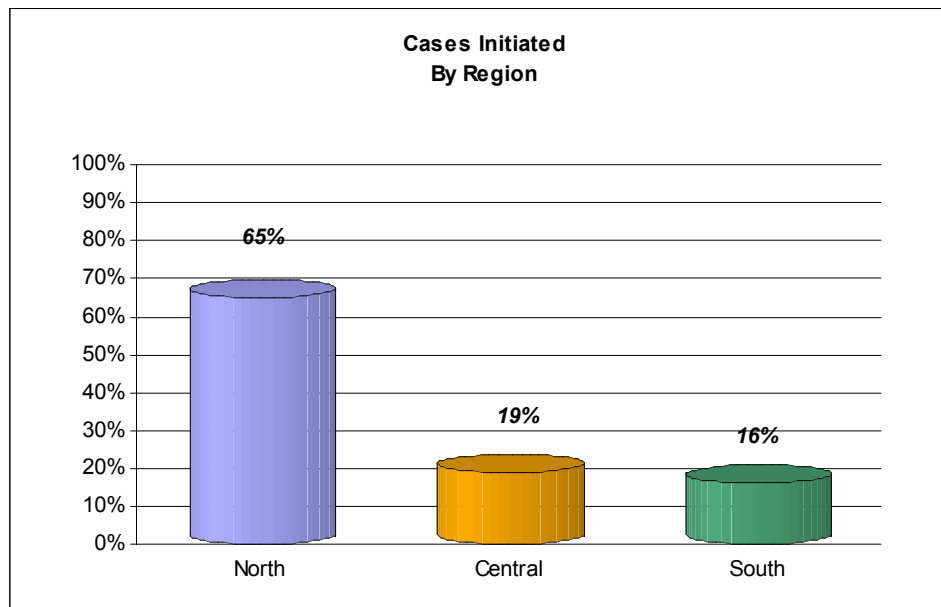
First Managed Care Option ("FMCO") and CFO Medical Services ("CFO") served as Medical Review Organizations during the reporting period. Parties requested 115 MRO reviews. No DRP requests were made.

## 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 3<sup>rd</sup> quarter of 2006, 9,322 cases were initiated in the PIP ADR program. Of these cases, 6,078 (65%) originated in the Northern region, 1,768 (19%) in the Central region, and 1,476 (16%) in the Southern region. See the Table below for the monthly distribution.

	North	Central	South	Total
July	1,735	482	492	2,709
August	2,193	634	426	3,253
September	2,150	652	558	3,360
Region Total	6,078	1,768	1,476	9,322
Region Percent	65%	19%	16%	100%



The Table below provides a rolling view of YTD initiations by quarterly and regional distribution.

	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
1st Quarter 2006	6,564	1,781	1,351	9,696
2 <sup>nd</sup> Quarter 2006	6,201	1,924	1,087	9,212
3 <sup>rd</sup> Quarter 2006	6,078	1,768	1,476	9,322
Totals	18,843	5,473	3,914	28,230

### Disposition of Cases in the PIP ADR Program

Of the pending cases filed with the Forum in the PIP ADR program, 7,823 cases were concluded during the 3<sup>rd</sup> quarter by means of an award or denial of award at hearing, 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.

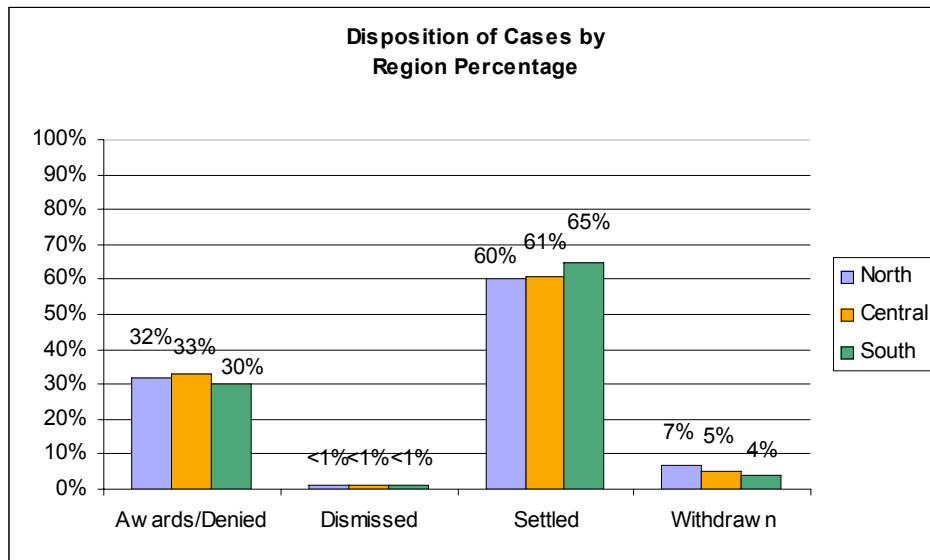
<b>Disposition Type</b>	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
Awarded/Denied	1,700	467	341	2,508
Dismissed Pre-hearing	11	2	1	14
Settled	3,188	864	737	4,789
Withdrawn	386	79	47	512
Total	5,285	1,412	1,126	7,823

### 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%	33%	30%
Dismissed Pre-hearing	< 1%	< 1%	<1%

Settled	60%	61%	65%
Withdrawn	7%	5%	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	99	34	9	142
Region Percent	70%	24%	6%	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 3<sup>rd</sup> quarter, 1,220 cases settled during the conciliation period distributed regionally as follows: 838 in the North region, 233 in the Central region and 149 in the South region.

The following table illustrates that 5% to 6% of cases settled during the reconciliation period.

Geographic Regions	North	Central	South	System-wide
Region Settlements	838	233	149	1,220
Region Percent	6%	6%	5%	6%

## Dispute Resolution Professional Caseload

Induction of 2 additional DRPs to expand the panel to 40 was completed during the quarter. One DRP was required to take a leave of absence commencing on the last day of the quarter due to extraordinary personal circumstances. A previously qualified DRP candidate was quickly moved into the program, thus maintaining the panel at 40. During the reporting period, 8,356 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 6,426 cases were resolved during the quarter, resulting from a combination of DRP issued awards (which includes denials), pre-hearing dismissals, settlements and withdrawals.

The following table represents the distribution and outcomes of cases across the entire DRP panel during the 3<sup>rd</sup> quarter of 2006 after the cases were assigned to the DRP for hearing:

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	1,700	467	341	2,508	39%
Consent Award	2	0	2	4	< 1%
Dismissed by DRP	11	2	1	14	< 1%
Settled	2,324	614	583	3,521	55%

Withdrawn	283	57	39	379	6%
Total	4,320	1,140	966	6,426	100%

### Regional Awards' Percentage

As shown above, a total of 2,508 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, 19% in the Central region and 13% in the South.

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

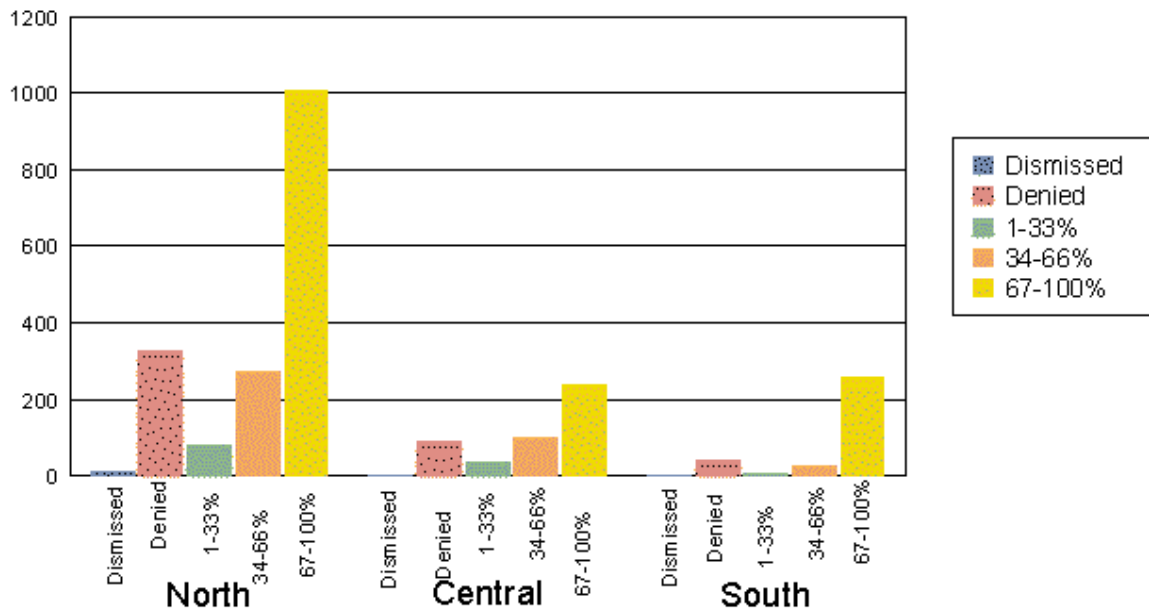
### Awards as a Percentage of Claim Amount

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 3<sup>rd</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 for 2006 is 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.

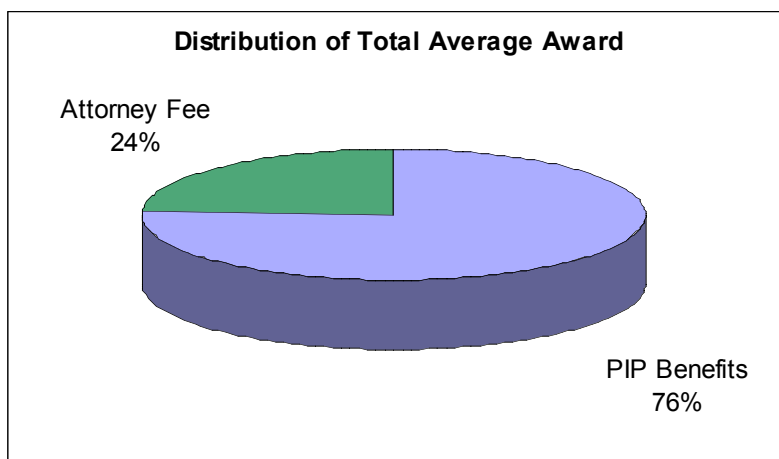
Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	11	328	80	274	1,007	1,701
Central	2	92	35	100	240	469
South	1	40	10	28	260	339
Total	14	460	125	402	1,507	2,508





### PIP Benefits and Attorneys' Fees Comparison

System-wide, the average total amount awarded in arbitration was \$4,553 comprised of \$3,450 for personal injury protection benefits and \$1,103 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 \$3,450\* per case. Awarded amounts ranged from \$0 to \$144,264. The median award during the reporting period was \$1,157.

The average amount awarded for attorneys' fees was \$1,103 per case. Awarded attorneys' fees ranged from \$0 to \$7,000. The median attorney's fee award during the reporting period was \$1,150.

	Average	Dollar Range	Median
PIP Benefits' Award	\$3,450*	\$0 to \$144,264	\$1,157
Attorneys' Fee Award	\$1,103	\$0 to \$7,000	\$1,150

\*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 is less than the awarded amount.

## Appeals

Twelve appeals to panels of 3 DRPs were concluded during the reporting period resulting in 6 cases affirmed and 6 cases vacated. The following table reports the results and distinguishes between vacated cases that are remanded to the original DRP and those that remanded to a new DRP.

	North	Central	South	Total
Affirmed	5	0	1	6
Vacated	1	0	0	1
Vacated & Remanded	3	0	0	3
Vacated & Remanded to New DRP	1	1	0	2

## Medical Review Organization Report

First Managed Care Option (“FMCO”) and CFO Medical Services (“CFO”) served as Medical Review Organizations during the reporting period. Information relevant to MRO usage is outlined in the table.

<b>MRO</b>	<b>Request By Party</b>	<b>Request By DRP</b>	<b>Total Requests</b>	<b>Request for Information</b>	<b>Report in 20 Business Days</b>	<b>Report After 20 Business Days</b>
<b>CFO</b>	53	0	53	0	22	0
<b>FMCO</b>	62	0	62	0	0	3
<b>TOTALS</b>	115	0	115	0	22	3

## Appendix A

### Dispute Resolution Caseload

DRP	Region	Assigned	Closed	Awarded/Denied	Hearings
Aloi, Anthony M.	CENTRAL	77	102	30	34
Alterman, Herbert S.	NORTH	211	194	68	108
Amendola, Esq., Francesca	NORTH	151	188	80	122
Andolino, Michael D.	CENTRAL	402	20	0	0
Annunziata, Maria	CENTRAL	278	171	65	106
Brodow, Nora J.	NORTH	139	141	58	87
Carnevale (PR), Michael F.	CENTRAL	18	72	12	48
Carr, Michael W.	NORTH	262	184	82	115
Carro, Sergio G.	NORTH	184	192	106	179
Celentano, Cynthia J.	NORTH	237	199	89	99
Daniskas, Maria I.	NORTH	181	151	60	90
de Cordova, Donald W.	NORTH	66	140	57	98
DeMichele, Richard A	SOUTH	54	168	73	127
Eisele-Grabowski, Karen	SOUTH	416	144	31	35
Fabiano, Edward	NORTH	260	161	67	94
Fannan, John J.	CENTRAL	262	167	79	132
Foley, Patrick W.	CENTRAL	283	184	86	133
Ganzhorn, Lisa A.	NORTH	145	208	103	166
Garrabrandt, James H.	NORTH	128	165	76	130
Grabowski (ML), David A.	SOUTH	149	181	46	94
Granato, S. Caroline	SOUTH	278	145	25	62
Johnston, Maureen M.	NORTH	170	190	85	135
Kaczka, Thomas M.	NORTH	247	191	82	127
Kincade, Kathleen D.	CENTRAL	344	183	75	107
Knuetter, Margaret	NORTH	274	180	82	104
La Salle (North), Robert C.	NORTH	377	167	33	49
LaPorta, David M.	NORTH	183	145	21	55
Lardiere, Andrea L	CENTRAL	91	168	63	89
Lesser, Gary T.	NORTH	171	185	74	133
Lynch, Charles H.	NORTH	166	194	80	132
McFadden (CH), Michael K.	SOUTH	48	168	90	104
McFadden (NO), Michael K.	SOUTH	15	17	12	13
Noonan, Scott M.	NORTH	235	139	13	34
Parker, Ronald I.	NORTH	263	178	54	78
Patriaco, Andrew A.	NORTH	150	163	67	108
Remington-Knodel, Jennifer	NORTH	320	135	12	28
Sacco, Russ	CENTRAL	309	10	0	0
Sproviero, Scott G.	NORTH	179	138	42	106
Stokes, Nanci G.	NORTH	167	176	85	91
Tamburino, Joseph A.	NORTH	126	124	46	71
Wallen (AC), Kate R.	SOUTH	27	27	11	13
Wallen (CH), Kate R.	SOUTH	80	126	54	64
Zimmerman, Richard T.	NORTH	233	172	77	117
<b>Total</b>		<b>8356</b>	<b>6453</b>	<b>2451</b>	<b>3817</b>



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