



QUARTERLY REPORT TO
THE NEW JERSEY DEPARTMENT
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration
3rd Quarter, 2008*

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Executive Summary

The National Arbitration Forum (FORUM) encourages Personal Injury Protection (PIP) practitioners to use the cost-free online case management tools including online claim filing, case management, document uploading, and award searching. All of these functions saw month-over-month increases, some as high as 24%. The continuing migration from paper to electronic reduces costs for all practitioners and, ultimately, for auto insurance consumers.

The Advisory Council met once during the quarter. The Dispute Resolution Professional (DRP) panel consisted of 46 members. DRP regional deployment was as follows: 30 in the North; 8 in the Central with full caseloads and 1 with a reduced caseload; 7 in the South.

In the 3rd quarter of 2008, 13,397 cases were initiated in the PIP ADR program. Of these cases, 9,109 (68%) originated in the Northern region, 2,323 (17%) in the Central region, and 1,965 (15%) in the Southern region.

Of the pending cases filed with the FORUM in the PIP ADR program, 11,431 cases were concluded during the 3rd quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement, or withdrawal. There were 196 cases placed in abeyance by consent of the parties or by order of the court. There were 11,838 cases assigned to DRPs.

During the 3rd quarter, 3,189 cases settled during the conciliation period distributed regionally as follows: 2,130 in the North region, 581 in the Central region, and 478 in the South region.

System-wide, the average total amount awarded in arbitration was \$5,868 comprised of \$4,684 for PIP benefits and \$1,184 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 is less than the awarded amount.

Twenty-six (26) appeals to panels of 3 DRPs were concluded during the reporting period. Thirteen (13) involved awards rendered in the North Region, seven (7) involved awards rendered in the Central Region, and six (6) involved awards rendered in the South Region. Thirty-one (31%) percent of appeals resulted in some form of modification, vacation, or remand.

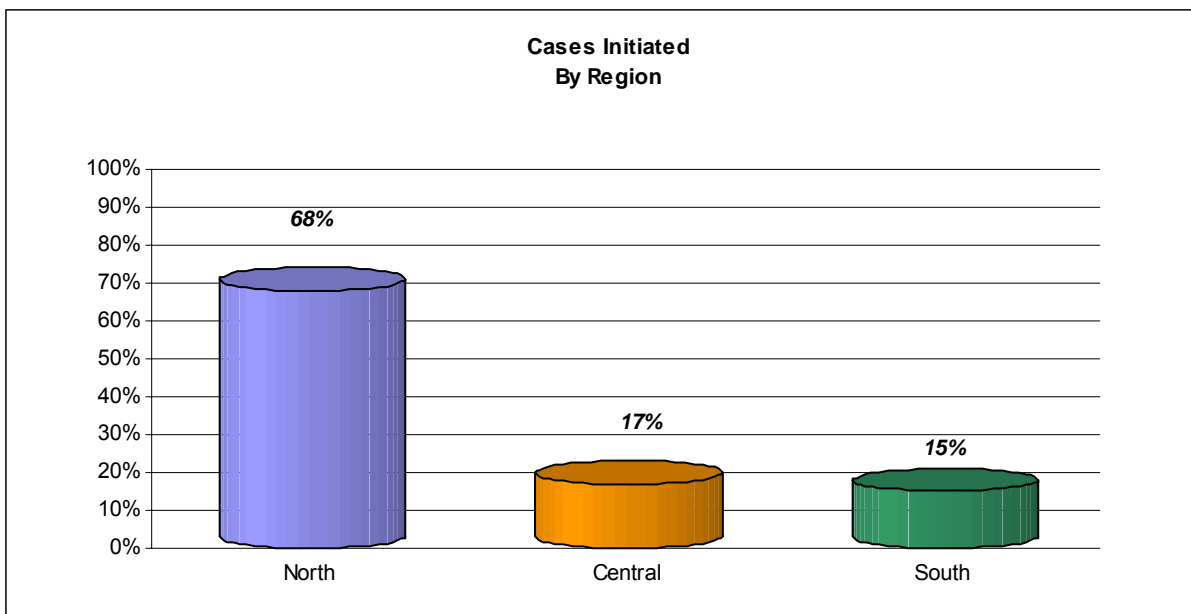
During the reporting period, parties requested 93 Medical Review Organization (MRO) reviews. The requests were apportioned among the three current MROs on a random rotating basis. No DRP requests were made.

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 3rd quarter of 2008, 13,397 cases were initiated in the PIP ADR program. Of these cases, 9,109 (68%) originated in the Northern region, 2,323 (17%) in the Central region, and 1,965 (15%) in the Southern region. See the table below for the monthly distribution.

	North	Central	South	Total
July	3,427	748	699	4,874
August	2,801	871	690	4,362
September	2,881	704	576	4,161
Region Total	9,109	2,323	1,965	13,397
Region Percent	68%	17%	15%	100%



The table below provides a view of initiations for the first half of 2008 by quarterly and regional distribution.

	North	Central	South	Total
1st Quarter 2008	8,253	2,448	1,418	12,119
2nd Quarter 2008	9,615	2,318	2,006	13,939
3rd Quarter 2008	9,109	2,323	1,965	13,997
Totals	26,977	7,089	5,389	40,055

Disposition of Cases in the PIP ADR Program

Of the pending cases filed with the FORUM in the PIP ADR program, 11,431 cases were concluded during the 3rd 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 various geographic regions.

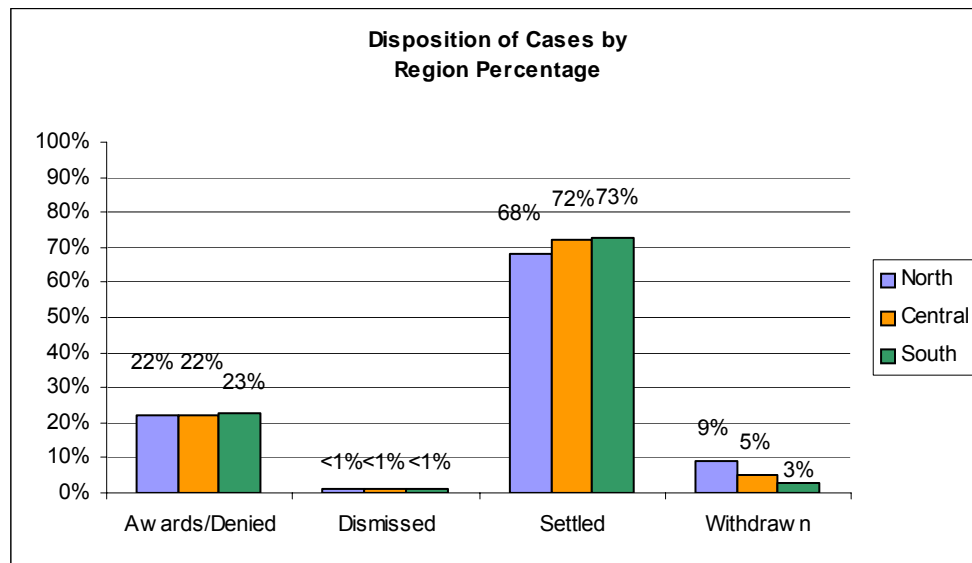
Disposition Type	North	Central	South	Total
Awarded/Denied	1,732	443	403	2,578
Dismissed Pre-Hearing	24	4	1	29
Settled	5,275	1,476	1,233	7,985
Withdrawn	675	110	54	839
Total	7,706	2,033	1,691	11,431

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	22%	22%	23%
Dismissed Pre-hearing	<1%	<1%	<1%
Settled	68%	72%	73%

Withdrawn	9%	5%	3%
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	129	54	13	196
Region Percent	66%	27%	7%	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 3rd quarter, 3,189 cases settled during the conciliation period distributed regionally as follows: 2,130 in the North region, 581 in the Central region, and 478 in the South region.

The following table illustrates that 11% to 12% of cases settled during the reconciliation period.

Geographic Regions	North	Central	South	System-wide
Region Settlements	2,130	581	478	3,189
Region Percent	11%	12%	11%	11%

*Note: This data is based upon user communications describing cases as settled or resolved. There may be cases communicated as “withdrawn” which were settled and would qualify for this category.

Dispute Resolution Professional Caseload

For the quarter, the DRP panel consisted of 46 members. The DRPs were regionally deployed as follows: 30 in the North; 8 in the Central with full caseloads and 1 with a reduced caseload; 7 in the South.

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 7,843 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 3rd quarter of 2008 after the cases were assigned to the DRP for hearing.

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	1,732	444	403	2,579	33%
Consent Award	3	0	0	3	0%
Dismissed by DRP	24	4	1	29	<1%
Settled	3,080	862	735	4,677	60%
Withdrawn	429	88	38	555	7%
Total	5,268	1,398	1,177	7,843	100%

Regional Awards' Percentage

As shown above, a total of 2,579 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes, and appeals. Of the awards, 67% were issued in the North region, 17% in the Central region, and 16% in the South.

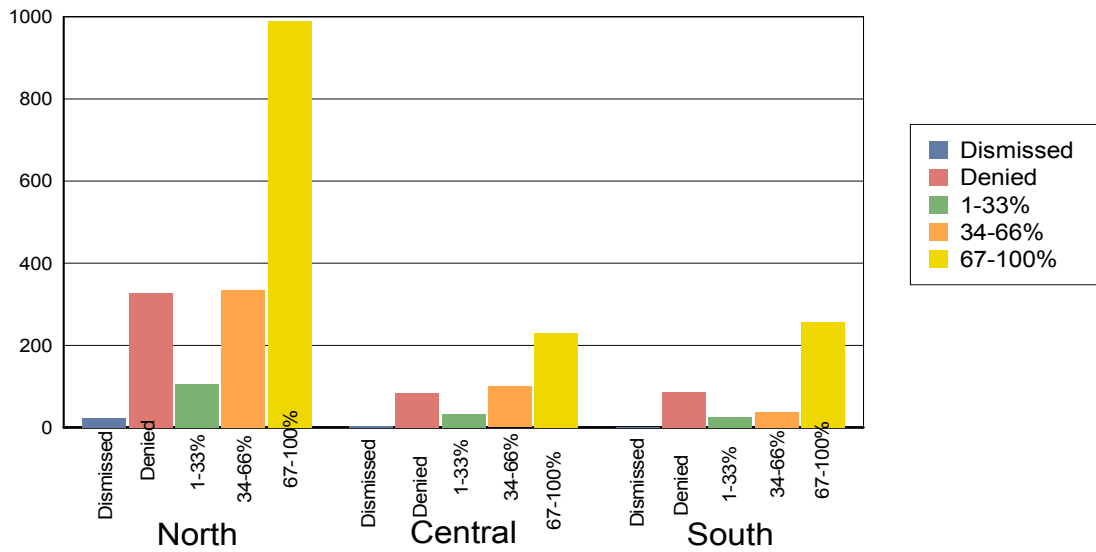
An online database of these awards is located at www.nj-no-fault.com.

Awards as a Percentage of Claim Amount

DRPs 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 3rd quarter of 2008, the graph below indicates the distribution of DRP awarded amounts, from 0% (denied/dismissed) to 100% of claimed amounts.

The data presentation for 2006 and thereafter was 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.

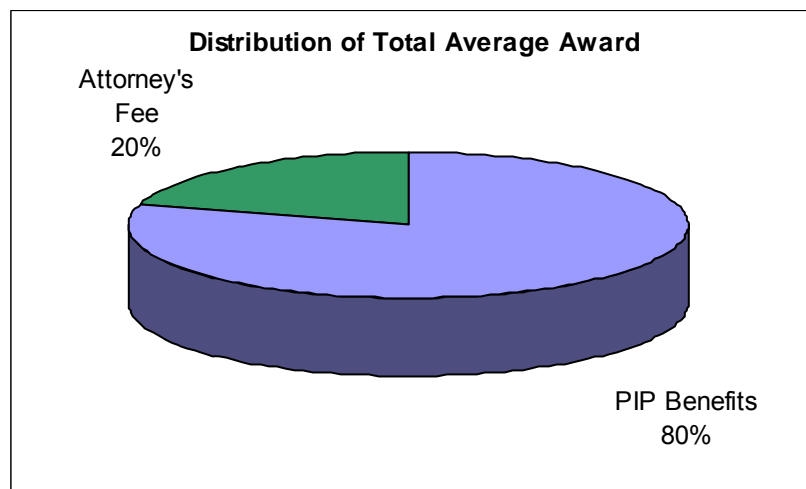
Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	24	329	106	336	990	1,785
Central	4	85	33	100	231	453
South	1	86	25	38	258	408
Total	29	500	164	474	1,479	2,646



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

PIP Benefits and Attorney's Fees Comparison

System-wide, the average total amount awarded in arbitration was \$5,868 comprised of \$4,684 for personal injury protection benefits and \$1,184 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 was \$4,684* per case. Awarded amounts ranged from \$0 to \$504,656. The median award during the reporting period was \$1,248.

The average amount awarded for attorney's fees was \$1,184 per case. Awarded attorney's fees ranged from \$0 to \$7,500. The median attorney's fee award during the reporting period was \$1,200.

	Average	Dollar Range	Median
PIP Benefits' Award	\$4,684*	\$0 to \$504,656	\$1,248
Attorney's Fee Award	\$1,184	\$0 to \$7,500	\$1,200

*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 is less than the awarded amount.

Appeals

Twenty-six (26) appeals to panels of 3 DRPs were concluded during the reporting period. Thirteen (13) involved awards rendered in the North Region, seven (7) involved awards rendered in the Central Region, and six (6) involved awards rendered in the South Region. Thirty-one (31%) percent of appeals resulted in some form of modification, vacation, or remand. The following table reports the results.

	North	Central	South	Total
Affirmed	8	7	2	17
Modified	1	0	0	1
Vacated	2	0	0	2
Vacated/Modified & Remanded	2	0	3	5
Withdrawn	0	0	1	1
TOTALS	13	7	6	26

Medical Review Organization Report

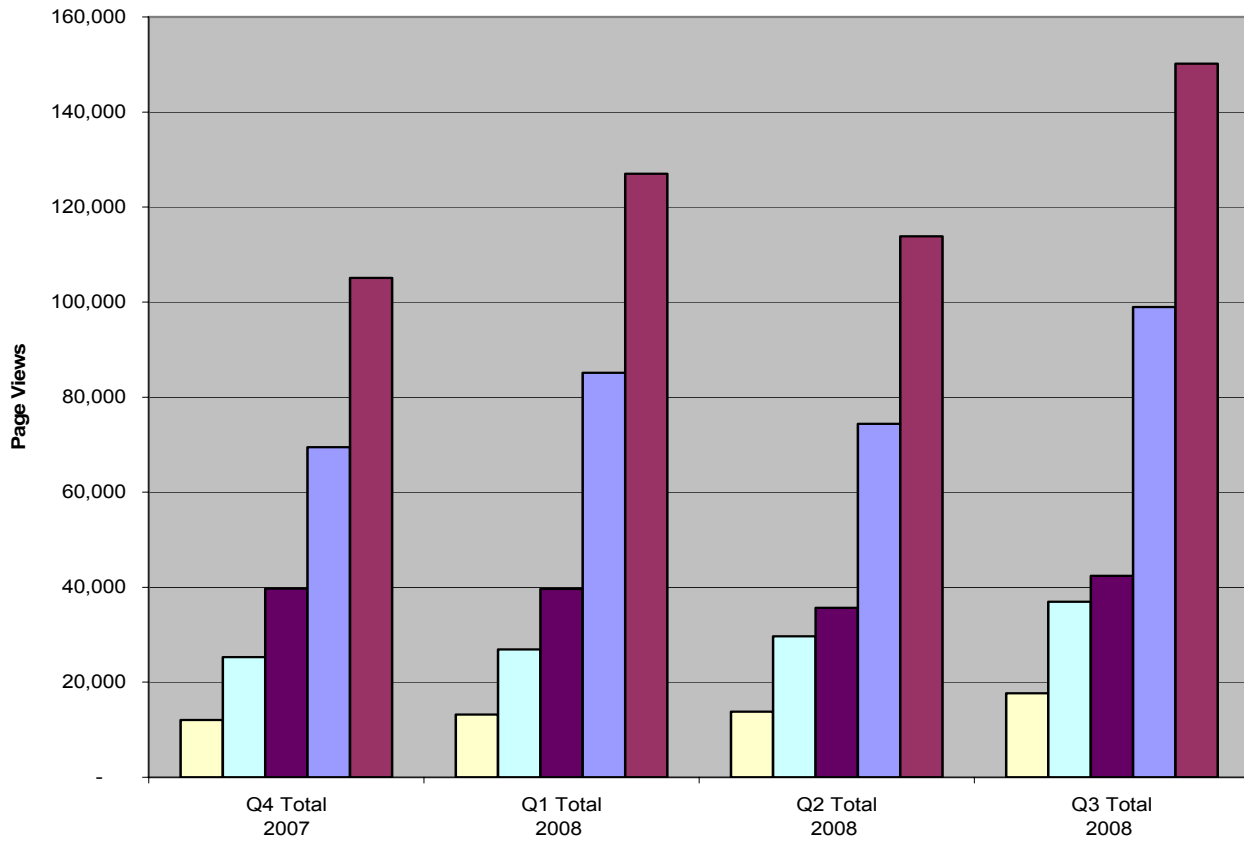
There are currently three Medical Review Organizations certified by the Department of Banking and Insurance. They are CFO Medical Services (“CFO”), First Managed Care Option (“FMCO”), and Support Claim Services (“SCS”). Information relevant to MRO usage is outlined in the table.

MRO	Request By Party	Request By DRP	Total Requests	Request for Information	Report in 20 Business Days	Report After 20 Business Days
CFO	28	0	28	0	7	0
FMCO	31	0	31	0	5	1
SCS	34	0	34	0	6	1
TOTALS	93	0	93	0	18	2

Online Case Management and Award Searching

This section of the report provides usage data for the FORUM’s free web-based case management tools for PIP practitioners. At the inception of the No-Fault Dispute Resolution Program, the FORUM launched a website at www.nj-no-fault.com as a free customer service. It enables PIP practitioners to access rules and forms, file and manage their cases online, upload cases documents, and search prior decisions. The chart below compares usage for the past four calendar quarters.

Website Tool Usage



2008 Q3 Highlights

- Overall, the NJ PIP website webtool usage increased an average of 24% from Q2 '08
- NJ PIP website had 795,095 total page views (PVs) in Q3 '08, with a significant increase of 23.4% from Q2 '08.
- Filer case management application had 150,156 PVs in Q3 '08; which is up 24.2% from Q2 '08.
- Filer document upload application Has gone up 5.2% since Q2 '08.
- Award search application had 36,933 PVs in Q3 '08; with an increase of 19.7% from Q2 '08.
- 42,383 PDFs were accessed in Q3 '08; with an increase of 15.8% from Q2 '08.

- Filer Doc Upload Application
- Award Search Application
- PDF Downloads
- Filer Sign-In Portal
- Filer Case Mgmt Application

Appendix A

DRP	Region	Assigned	Closed	Awarded/Denied	Hearings
Aloi, Anthony M.	CENTRAL	218	145	48	59
Andolino, Michael D.	CENTRAL	230	157	44	54
Annunziata, Maria	CENTRAL	227	186	74	112
Fannan, John J.	CENTRAL	232	156	47	90
Foley, Patrick W.	CENTRAL	213	184	61	99
Kincade, Kathleen D.	CENTRAL	212	154	39	62
Lardiere, Andrea L	CENTRAL	232	182	60	110
Sacco, Russ	CENTRAL	227	163	43	88
Odell, Barry K.	CENTRAL	101	93	35	53
Alterman, Herbert S.	NORTH	255	179	65	113
Amendola, Esq., Francesca	NORTH	263	185	54	108
Brodow, Nora J.	NORTH	244	175	57	86
Carro, Sergio G.	NORTH	250	186	66	108
Cassella, Deborah M.	NORTH	609	87	5	7
Celentano, Cynthia J.	NORTH	236	169	58	65
Damiano, Robert S.	NORTH	347	171	18	47
Daniskas, Maria I.	NORTH	258	140	28	58
de Cordova, Donald W.	NORTH	250	184	52	84
DeMarco, Joseph	NORTH	259	150	55	78
Fabiano, Edward	NORTH	258	185	81	109
Ganzhorn, Lisa A.	NORTH	253	181	60	104
Garrabrandt, James H.	NORTH	247	166	51	82
Hackett, Michael	NORTH	259	190	62	97
Johnston, Maureen M.	NORTH	258	211	68	108
Kaczka, Thomas M.	NORTH	246	171	46	94
Knuetter, Margaret	NORTH	255	207	89	109
La Salle (North), Robert C.	NORTH	247	178	58	91
LaPorta, David M.	NORTH	259	211	73	105
LaPorta, Phillip A.	NORTH	386	131	9	31
Lesser, Gary T.	NORTH	255	198	69	118
Lynch, Charles H.	NORTH	235	198	75	111
Miller, Matthew G.	NORTH	262	175	56	83
Noonan, Scott M.	NORTH	263	189	82	124
Patriaco, Andrew A.	NORTH	260	169	62	104
Remington-Knodel, Jennifer	NORTH	272	181	67	113
Sproviero, Scott G.	NORTH	265	201	66	124
Stokes, Nanci G.	NORTH	245	189	67	101
Tamburino, Joseph A.	NORTH	252	167	49	83
Zimmerman, Richard T.	NORTH	248	182	58	96
DeMichele, Richard A	SOUTH	276	176	70	135
Eisele-Grabowski, Karen	SOUTH	277	170	50	98
Grabowski (ML), David A.	SOUTH	251	176	53	93
Granato, S. Caroline	SOUTH	271	174	75	105
McFadden (CH), Michael K.	SOUTH	248	164	49	83

Wallen (CH), Kate R.	SOUTH	232	182	69	80
Perillo, Christopher J	SOUTH	136	110	30	37
Wallen (AC), Kate R.	SOUTH	25	20	12	15
McFadden (NO), Michael K.	SOUTH	34	25	8	11
Total		11838	7923	2573	4125



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