



AUTOMOBILES

NEW JERSEY DEPARTMENT OF
BANKING AND INSURANCE
QUARTERLY REPORT

No Fault PIP Arbitration
1st Quarter 2012



FORTHRIGHT

1ST QUARTER 2012 REPORT

TO THE

NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE

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EXECUTIVE SUMMARY

On April 1, 2011, Forthright began administering No-Fault Insurance Personal Injury Protection (PIP) arbitrations under the State's Automobile Insurance Cost Reduction Act. Forthright submitted a joint proposal with the incumbent New Jersey PIP contractor, the National Arbitration Forum (FORUM). Forthright was spun off from FORUM as an independent company in 2007 and has provided back-end administrative services for arbitration and other claims processing applications since that time. Forthright is committed to providing service to the Department of Banking and Insurance as well as to the various PIP stakeholder groups.

Forthright completely re-designed the user web portals to enhance functionality as a free customer service. PIP practitioners now access a "dashboard" from which they can navigate their case information. They can retrieve and view all parties' document submissions as well as access rules and forms, file and manage cases online, upload case documents, and search prior decisions. The data shows that PIP practitioners are utilizing the new web features. For the quarter, user web access to individual cases continued to increase.

In the 1st quarter of 2012, 14,632 cases were initiated in the PIP ADR program. Of these cases, 9,797 (67%) originated in the Northern region 2,046 (14%) in the Central region, and 2,789 (19%) in the Southern region.

For the quarter, the DRP panel consisted of 52 members. The DRPs were regionally deployed as follows: 35 in the North; 9 in the Central; 8 in the South. A total of 11,374 cases were assigned to DRPs.

Of the pending cases filed with Forthright in the PIP arbitration program, 14,520 were concluded during the 1st quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement, or withdrawal. There were 419 cases placed in abeyance by consent of the parties or by order of the court.

System-wide, the average amount awarded in arbitration (excluding filing fees) was \$3,904, comprised of \$3,100 for personal injury protection benefits and \$804 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 may be less than the awarded amount.

Twenty-one (21) appeals to panels of 3 DRPs were concluded during the reporting period. Sixteen (16) involved awards or dismissal orders rendered in the North Region, four (4) in the Central Region and one (1) in the South Region. Nineteen percent (19%) of appeals resulted in some form of modification.

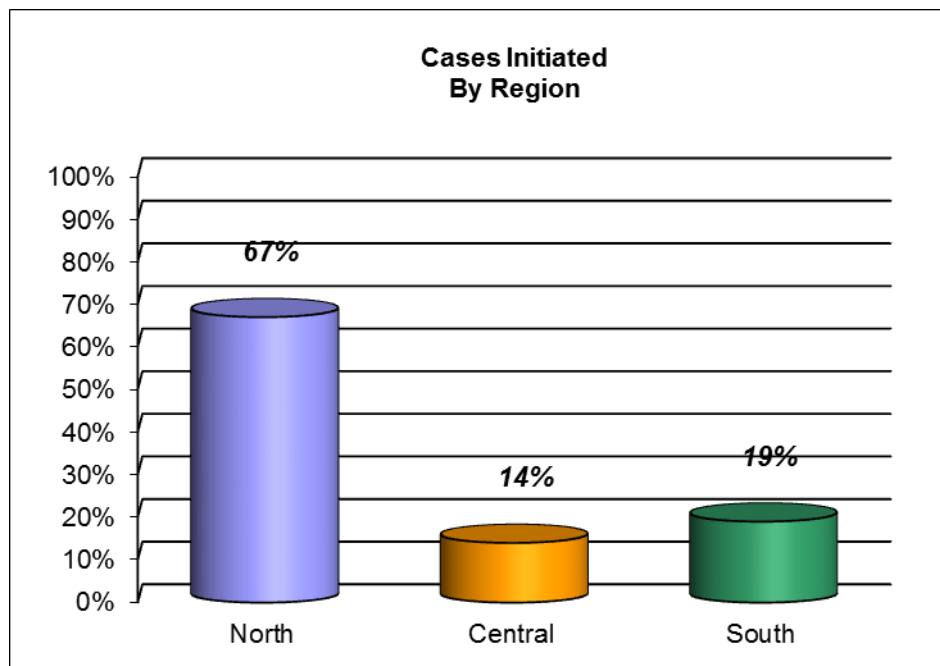
During the reporting period, parties requested 141 Medical Review Organization (MRO) reviews. DRPs did not request any reviews. The requests were apportioned among the three current MROs on a random rotating basis.

CASES INITIATED

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

In the 1st quarter of 2012, 14,632 cases were initiated in the PIP ADR program. Of these cases, 9,797 (67%) originated in the Northern region 2,046 (14%) in the Central region, and 2,789 (19%) in the Southern region. See the table below for the monthly distribution.

	North	Central	South	Total
January	3,373	768	1,012	5,153
February	3,055	612	816	4,483
March	3,369	666	961	4,996
Region Total	9,797	2,046	2,789	14,632
Region Percent	67%	14%	19%	100%



DISPOSITION OF CASES IN THE PIP ADR PROGRAM

Of the pending cases filed with Forthright in the PIP arbitration program, 14,520 were concluded during the 1st 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 three geographic regions.

Disposition Type	North	Central	South	Total
Awarded/Denied	3,063	691	593	4,347
Dismissed Pre-Hearing	10	4	4	18
Settled	5,702	1,303	1,808	8,813
Withdrawn	1,020	174	148	1,342
Total	9,795	2,172	2,553	14,520

DISPOSITION OF CASES BY REGION PERCENTAGE

The table below presents the regional disposition of cases as percentages of all case dispositions during the reporting period.

Disposition Type	North	Central	South
Awarded/Denied	31%	32%	23%
Dismissed Pre-Hearing	<1%	<1%	<1%
Settled	58%	60%	71%
Withdrawn	10%	8%	6%
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	215	150	54	419
Region Percent	51%	36%	13%	100%

CASES SETTLED WITHIN 45 DAYS OF INITIATION

The respondents are granted a conciliation period of 45 days from case initiation in which to settle claims without incurring the respondent administration fee.

The following table expresses the regional distribution of settlements in numbers and percentages.

Geographic Regions	North	Central	South	System-Wide
Region Settlements	2,088	511	626	3,225
Region Percent	65%	16%	19%	100%

*Note: This data is based only upon user communications describing cases as settled or resolved. There are likely cases that the parties communicated as “withdrawn” or otherwise concluded which were actually settled and would qualify for this category.

DISPUTE RESOLUTION PROFESSIONAL CASELOAD

For the quarter, the DRP panel consisted of 52 members. The DRPs were regionally deployed as follows: 35 in the North; 9 in the Central; 8 in the South. 11,374 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 10,984 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 1st quarter of 2012, after the cases were assigned to the DRP for hearing.

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	3,063	691	593	4,347	40%
Dismissed by DRP	10	4	4	18	<1%
Settled	3,594	774	1,139	5,507	49%
Withdrawn	854	141	117	1,112	10%
Total	7,521	1,610	1,853	10,984	100%

REGIONAL AWARDS' PERCENTAGE

As shown above, a total of 4,347 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes, and appeals. Of the awards issued, 70% were in the North region, 16% in the Central region, and 14% in the South.

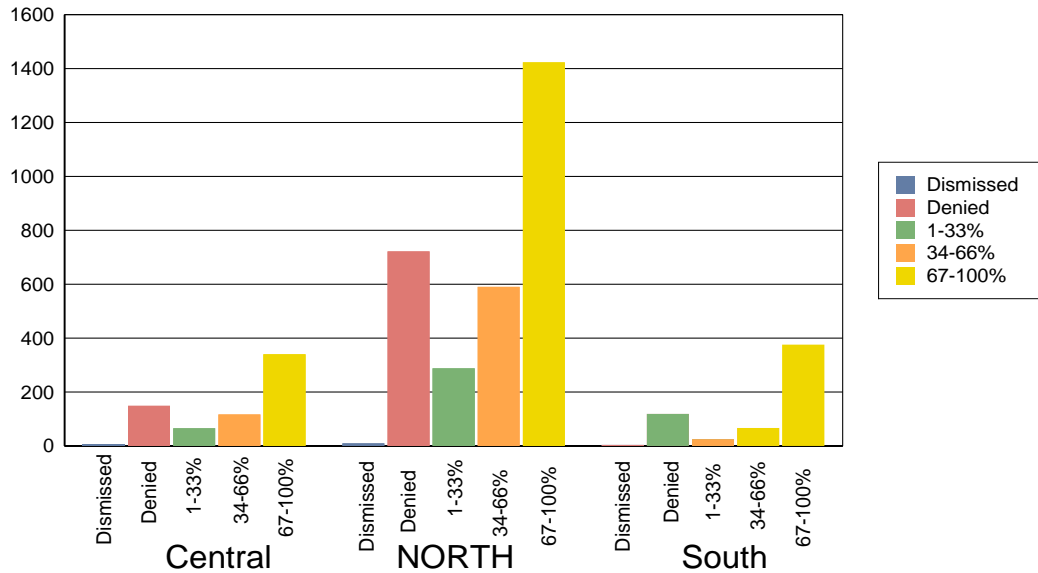
An online database of these awards is located at www.nj-no-fault.com.

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 1st quarter of 2012, the graph below indicates the distribution of DRP total awarded amounts, from 0% (denied/dismissed) to 100% of claimed amounts. Total awarded amounts include PIP benefits, legal fees and costs.

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.

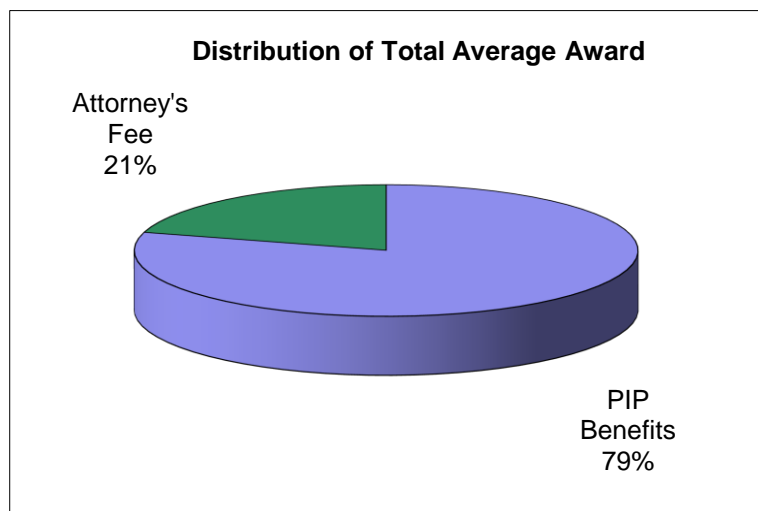
Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	4	149	66	117	335	671
Central	10	722	288	593	1,416	3,029
South	4	119	25	66	376	590
Total	18	990	379	776	2,127	4,290



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

PIP BENEFITS AND ATTORNEY'S FEES COMPARISON

System-wide, the average amount awarded in arbitration (excluding filing fees) was \$3,904, comprised of \$3,100 for personal injury protection benefits and \$804 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 and costs was \$3,100* per case. Awarded amounts ranged from \$0 to \$196,887. The median award during the reporting period was \$985.

The average amount awarded for attorney's fees was \$804 per case. Awarded attorney's fees ranged from \$0 to \$3,750. The median attorney's fee award during the reporting period was \$1,000.

	Average	Dollar Range	Median
PIP Benefits' Award	\$3100*	\$0 to \$196,887	\$985
Attorney's Fee Award	\$804	\$0 to \$3750	\$1,000

*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 may be less than the awarded amount.

APPEALS

Twenty-one (21) appeals to panels of 3 DRPs were concluded during the reporting period. Sixteen (16) involved awards or dismissal orders rendered in the North Region, four (4) in the Central Region and one (1) in the South Region. Nineteen percent (19%) of appeals resulted in some form of modification. The following table reports the results.

	North	Central	South	Total
Affirmed	13	3	1	17
Vacated	0	0	0	0
Modified	3	1	0	4
TOTALS	16	4	1	21

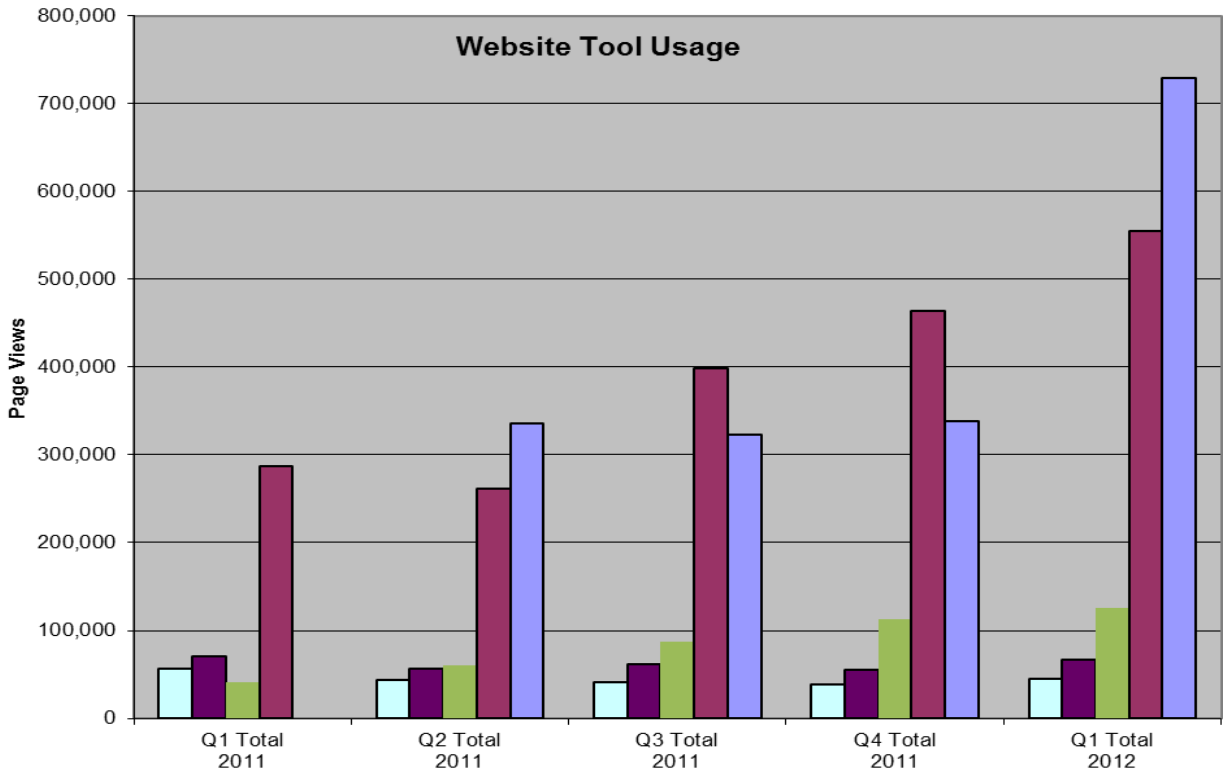
MEDICAL REVIEW ORGANIZATION REPORT

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

MRO	Request By Party	Request By DRP	Total Requests	Request for Information	Report in 20 Business Days	Report After 20 Business Days
ExamWorks	46	0	46	4	32	14
FMCO	48	0	48	6	33	15
SCS	47	0	47	0	35	13
TOTALS	141	0	141	10	100	42

ONLINE CASE MANAGEMENT AND AWARD SEARCHING

This section of the report provides usage data for Forthright’s free web-based case management tools for PIP practitioners located online at www.nj-no-fault.com. Forthright completely re-designed and enhanced the functionality of the user web portals as a free customer service. PIP practitioners now access a “dashboard” from which they can navigate through their case information. They can retrieve and view both parties’ document submissions as well as access rules and forms, file and manage cases online, upload case documents, and search prior decisions. The chart below compares usage for the past five calendar quarters.



2012 Q1 Highlights

- The Awards Search page has seen a 12.4% increase in visits since Q4 '11.
- The number of cases visited by Attorneys has increased 16.4% from Q4 '11.
- The number of cases visited by DRPs has increased 9.9% from Q4 '11.
- The number of visits to the home page has increased by 6.7% since Q4 '11.

- Award Search Application
- PDF Downloads
- DRP Case Views
- Filer Case Views
- Filer Dashboard Views

APPENDIX A

DRP	Region	Assigned	Closed	Awarded/ Denied
Aloi, Anthony M.	CENTRAL	144	231	101
Amendola, Francesca	NORTH	274	238	98
Andolino, Michael D.	CENTRAL	173	215	88
Annunziata, Maria	CENTRAL	156	192	85
Brodow, Nora J.	NORTH	141	168	81
Campbell, Jennifer M.	NORTH	296	230	37
Carnelli, Christopher M.	SOUTH	217	217	55
Carro, Sergio G.	NORTH	244	207	89
Caserta, Patrick J.	NORTH	272	206	65
Cassella, Deborah M.	NORTH	158	196	85
Celentano, Cynthia J.	NORTH	279	242	97
Croft, Douglas M.	NORTH	247	209	49
Damiano, Robert S.	NORTH	218	198	69
Daniskas, Maria I.	NORTH	217	237	99
de Cordova, Donald W.	NORTH	211	219	91
DeMarco, Joseph	NORTH	233	188	67
Eisele-Grabowski, Karen	SOUTH	198	226	91
Fabiano, Edward	NORTH	202	215	102
Fannan, John J.	CENTRAL	185	183	86
Fazio, Cataldo F.	NORTH	198	205	88
Foley, Patrick W.	CENTRAL	187	193	70
Ganzhorn, Lisa A.	NORTH	249	225	84
Garrabrandt, James H.	NORTH	211	227	78
Grabowski, David A.	SOUTH	218	215	70
Granato, S. Caroline	SOUTH	241	261	83
Hackett, Michael	NORTH	233	212	83
Hebron, Sylvia A	NORTH	257	249	92
Johnston, Maureen M.	NORTH	204	202	82
Kaczka, Thomas M.	NORTH	249	258	111
Karbasian, Carolyn K.	SOUTH	266	264	50
Keller, Grant W.	SOUTH	261	260	71
Kincade, Kathleen D.	CENTRAL	163	189	80
Knuetter, Margaret	NORTH	219	272	120
La Salle, Robert C.	NORTH	283	272	140
LaPorta, Phillip A.	NORTH	211	218	90
Lardiere, Andrea L	CENTRAL	135	161	58
Lesser, Gary T.	NORTH	216	191	63
McFadden (LI), Michael K.	SOUTH	5	17	5
McFadden, Michael K.	SOUTH	214	226	63
Miller, Matthew G.	NORTH	204	208	80
Noonan, Scott M.	NORTH	223	250	110
Odell, Barry K.	CENTRAL	211	186	70
Patriaco, Andrew A.	NORTH	264	248	95
Reis, Karen M.	NORTH	258	230	46
Remington-Knodel, Jennifer	NORTH	254	217	85
Riva, Joseph J.	NORTH	224	200	80
Sacco, Russ	CENTRAL	188	193	88
Sproviero, Scott G.	NORTH	259	247	95

Stampone, Vincenzo	NORTH	255	233	86
Stokes, Nanci G.	NORTH	188	183	83
Tamburino, Joseph A.	NORTH	222	208	88
Wallen (NO), Kate R.	SOUTH	2	11	4
Wallen, Kate R.	SOUTH	147	191	62
Zimmerman, Richard T.	NORTH	190	202	73
Total		11,374	11,341	4,261

Contact us

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FORTHRIGHT