



NEW JERSEY DEPARTMENT OF  
BANKING AND INSURANCE  
**QUARTERLY REPORT**

No Fault PIP Arbitration  
**2nd Quarter 2011**



**FORTHRIGHT**

**2<sup>ND</sup> QUARTER 2011 REPORT**

**TO**

**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.

New No-Fault rules and extensive new technology for users were introduced on April 1, 2011. While this report initially follows the format of those previously submitted by FORUM, it will change over time to report the effect of continuing changes to the program such as automated consolidations and on-the-papers arbitrations. Forthright will continue to use [www.nj-no-fault.com](http://www.nj-no-fault.com) as the primary tool for communicating with PIP participants and practitioners. This website also provides users with access to case information and administration.

Forthright made a substantial investment in new technology to support the PIP dispute resolution program. As discussed below, Forthright's administration provides PIP practitioners with a simple yet robust web-based portal to access case information using a "dashboard." Dashboard usage has been added to the "Online Case Management and Award Searching" section of this report. In addition to providing case information online and in order to further reduce costs to users, Forthright introduced fully electronic case filing and case management. By participating entirely in this electronic environment, parties not only reduce their costs for paper creation and transmission but may also qualify for partial refunds of arbitration administration costs. During the 2<sup>nd</sup> quarter of 2011 (the first quarter during which this feature was available), 430 users selected this option.

In the 2<sup>nd</sup> quarter of 2011, 14,649 cases were initiated in the PIP ADR program. Of these cases, 10,075 (69%) originated in the Northern region, 2,075 (14%) in the Central region, and 2,499 (17%) in the Southern region.

Of the pending cases filed with Forthright in the PIP arbitration program, 14,149 cases were concluded during the 2<sup>nd</sup> quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement or withdrawal. There were 170 cases placed in abeyance by consent of the parties or by order of the court. There were 14,040 cases assigned to DRPs.

During the 2<sup>nd</sup> quarter, 3,343 cases settled during the conciliation period distributed regionally as follows: 2,112 in the North region; 537 in the Central region; 694 in the South region. There are likely cases that the parties communicated as "withdrawn" or otherwise concluded which were actually settled and would qualify for this category.

System-wide, the average amount awarded in arbitration (excluding filing fees) was \$4,933 comprised of \$3,852 for personal injury protection benefits and \$1,081 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 (20) appeals to panels of 3 DRPs were concluded during the reporting period. Twelve (12) involved awards or dismissal orders rendered in the North Region, six (6) in the Central Region and two (2) in the South Region. Twenty-five (25%) percent of appeals resulted in some form of modification, vacation, or remand.

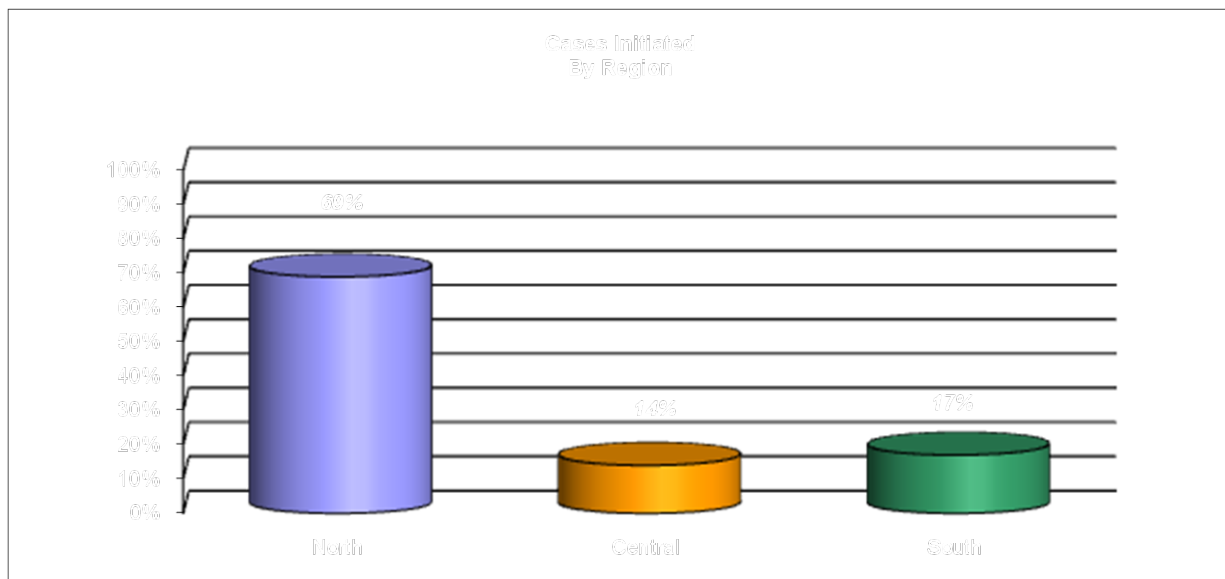
During the reporting period, parties requested 80 Medical Review Organization (MRO) reviews. DRPs did not request any reviews. The requests were apportioned among the three current MROs on a random rotating basis.

**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 2<sup>nd</sup> quarter of 2011, 14,649 cases were initiated in the PIP ADR program. Of these cases, 10,075 (69%) originated in the Northern region, 2,075 (14%) in the Central region, and 2,499 (17%) in the Southern region. See the table below for the monthly distribution.

	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
April	3424	619	779	4,822
May	3226	752	820	4,798
June	3425	704	900	5,029
Region Total	10,075	2075	2499	14,649
Region Percent	69%	14%	17%	100%



**DISPOSITION OF CASES IN THE PIP ADR PROGRAM**

Of the pending cases filed with Forthright in the PIP arbitration program, 14,149 cases were concluded during the 2<sup>nd</sup> 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.

<b>Disposition Type</b>	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
Awarded/Denied	2648	661	605	3914
Dismissed Pre-Hearing	16	6	2	24
Settled	6075	1360	1677	9114
Withdrawn	838	151	107	1097
<b>Total</b>	<b>9577</b>	<b>2178</b>	<b>2391</b>	<b>14,149</b>

#### 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.

<b>Disposition Type</b>	<b>North</b>	<b>Central</b>	<b>South</b>
Awarded/Denied	27%	30%	25%
Dismissed Pre-Hearing	<1%	<1%	<1%
Settled	63%	62%	70%
Withdrawn	9%	7%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### 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.

<b>Geographic Regions</b>	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
Region Total	102	58	10	170
Region Percent	60%	34%	6%	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. During the 2<sup>nd</sup> quarter, 3,343 cases settled during the conciliation period distributed regionally as follows: 2,112 in the North region; 537 in the Central region; 694 in the South region.

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

<b>Geographic Regions</b>	<b>North</b>	<b>Central</b>	<b>South</b>	<b>System-Wide</b>
Region Settlements	2112	537	694	3343
Region Percent	9%	12%	14%	10%

\*Note: The cases above are those that were both initiated and settled during the quarter. Also, 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 48 members. The DRPs were regionally deployed as follows: 32 in the North; 9 in the Central; 7 in the South. 14,040 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 10,488 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 2<sup>nd</sup> quarter of 2011, 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	2648	661	605	3914	37%
Dismissed by DRP	16	6	2	24	<1%
Settled	3867	790	965	5622	53%
Withdrawn	712	129	87	928	9%
<b>Total</b>	<b>7243</b>	<b>1586</b>	<b>1659</b>	<b>10,488</b>	<b>100%</b>

### REGIONAL AWARDS' PERCENTAGE

As shown above, a total of 3,914 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes, and appeals. Of the awards issued, 68% were in the North region, 17% in the Central region, and 15% 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

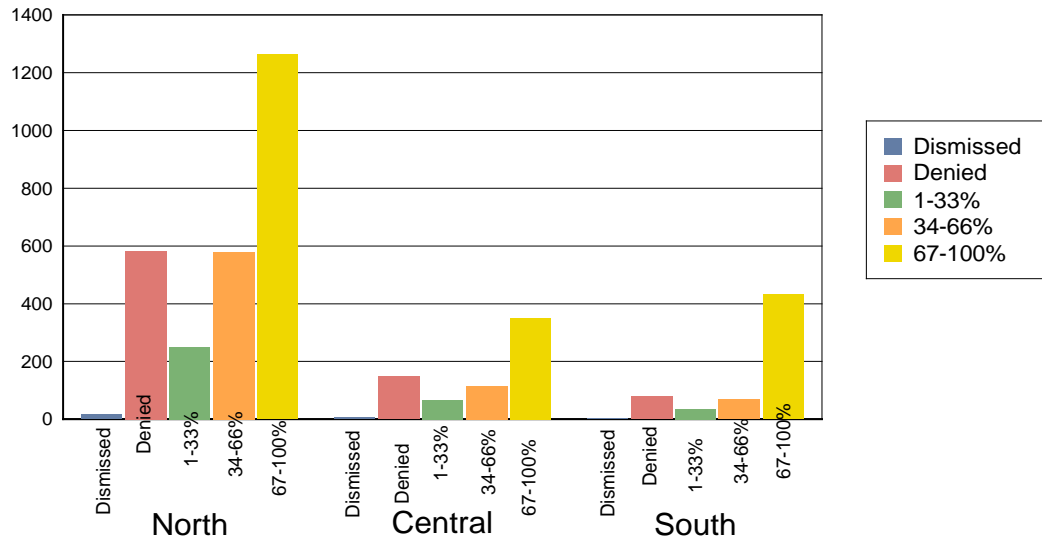
DRPs can deny a claim in its entirety or can award all or part of an amount requested by a Claimant. For cases decided in the 2<sup>nd</sup> quarter of 2011, the graph below indicates the distribution of DRP total awarded amounts, from 0% (denied/dismissed) to 100% of claimed amounts. Total awarded amounts include PIP benefits, legal fees and costs.

\*Note: 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.

<b>Region</b>	<b>Dismissed</b>	<b>Denied</b>	<b>1-33%</b>	<b>34-66%</b>	<b>67-100%</b>	<b>Total</b>
North	16	582	250	580	1263	2691
Central	6	147	66	115	350	684
South	2	78	35	68	432	615
<b>Total</b>	<b>24</b>	<b>807</b>	<b>351</b>	<b>763</b>	<b>2045</b>	<b>3990</b>

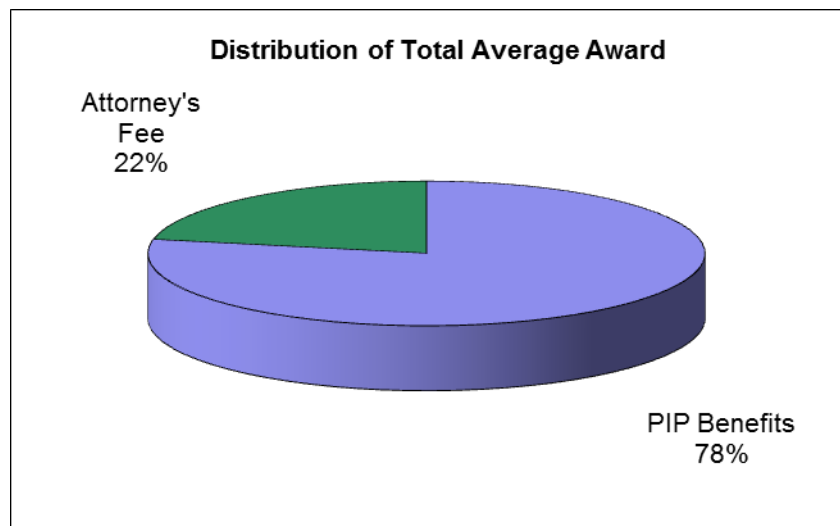




\*Note: The award data in this section excludes consent awards and appellate awards.

**PIP BENEFITS AND ATTORNEY’S FEES COMPARISON**

System-wide, the average amount awarded in arbitration (excluding filing fees) was \$4,933 comprised of \$3,852 for personal injury protection benefits and \$1,081 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 \$3,852\* per case. Awarded amounts ranged from \$0 to \$426,602. The median award during the reporting period was \$1,173.

The average amount awarded for attorney's fees was \$1,081 per case. Awarded attorney's fees ranged from \$0 to \$6,013. 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	\$3852*	\$0 to \$426,602	\$1173
Attorney's Fee Award	\$1081	\$0 to \$6013	\$1100

\*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 (20) appeals to panels of 3 DRPs were concluded during the reporting period. Twelve (12) involved awards or dismissal orders rendered in the North Region, six (6) in the Central Region and two (2) in the South Region. Twenty-five (25%) percent of appeals resulted in some form of modification, vacation, or remand. The following table reports the results.

	<b>North</b>	<b>Central</b>	<b>South</b>	<b>Total</b>
Affirmed	10	4	1	15
Vacated	1	1	1	3
Vacated Dismissal Order	1	1	0	2
<b>TOTALS</b>	<b>12</b>	<b>6</b>	<b>2</b>	<b>20</b>

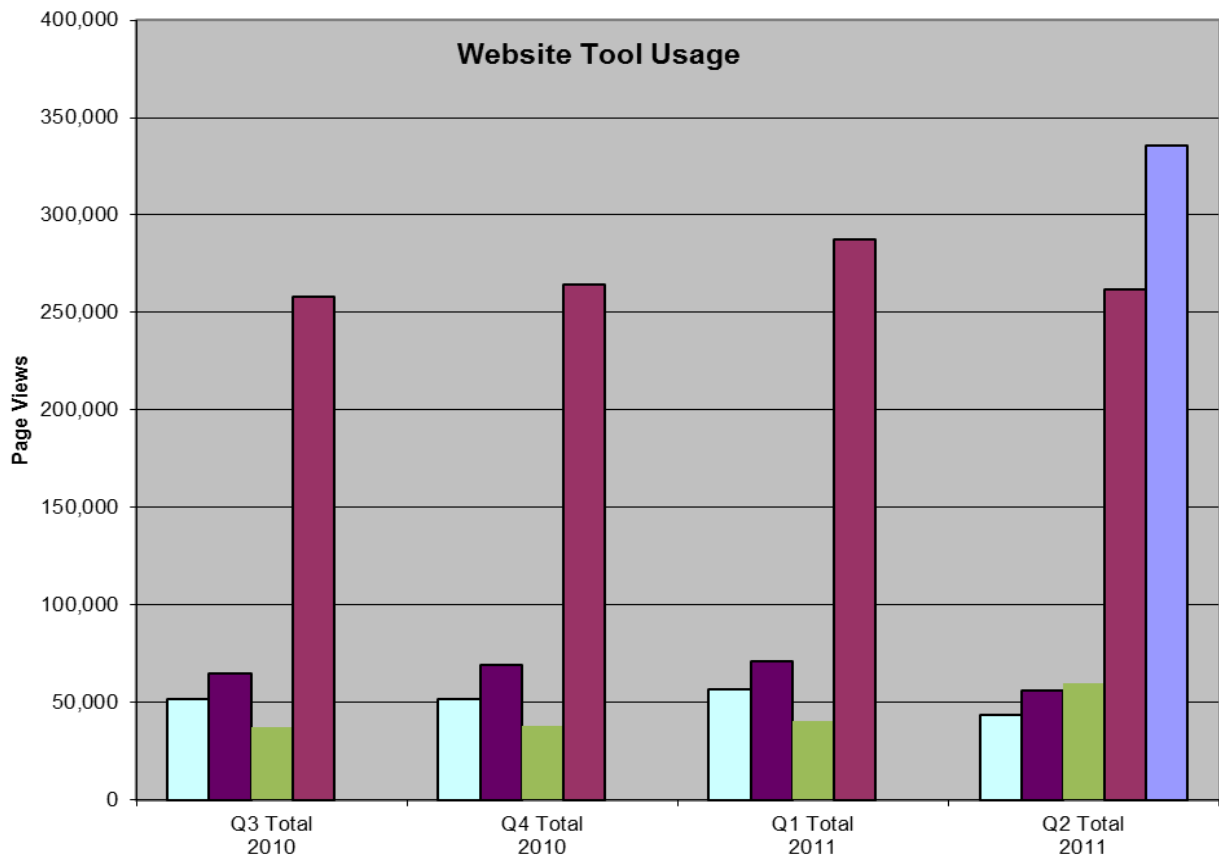
### MEDICAL REVIEW ORGANIZATION REPORT

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.

<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>ExamWorks</b>	25	0	25	0	15	0
<b>FMCO</b>	26	0	26	0	18	4
<b>SCS</b>	29	0	29	2	18	0
<b>TOTALS</b>	80	0	80	2	51	4

#### 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](http://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 four calendar quarters and includes new data showing dashboard usage for the 2<sup>nd</sup> quarter of 2011.



**2011 Q2 Highlights**

- Total content page views of the homepage in Q2 '11 has increased 11.9% from Q1 '11.
- DRP case views have increased 32.4% from Q1 '11.
- The number of cases visited by Attorneys have increased 14.5% from Q1 '11.
- The number of home page views has increased by over 20,000 views from Q2 '10 for a 30.4% increase in downloads.

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

## APPENDIX A

DRP	Region	Assigned	Closed	Awarded/Denied	Hearings
Aloi, Anthony M.	CENTRAL	122	161	71	92
Amendola, Francesca	NORTH	250	223	85	123
Andolino, Michael D.	CENTRAL	209	198	95	101
Annunziata, Maria	CENTRAL	148	182	83	124
Brodow, Nora J.	NORTH	223	173	59	98
Carnelli, Christopher M.	SOUTH	321	243	79	101
Carro, Sergio G.	NORTH	452	235	90	121
Caserta, Patrick J.	NORTH	547	261	84	123
Cassella, Deborah M.	NORTH	230	206	84	94
Celentano, Cynthia J.	NORTH	362	255	98	107
Damiano, Robert S.	NORTH	344	235	77	112
Daniskas, Maria I.	NORTH	198	220	89	122
de Cordova, Donald W.	NORTH	180	220	87	152
DeMarco, Joseph	NORTH	347	236	81	120
Eisele-Grabowski, Karen	SOUTH	257	228	90	127
Fabiano, Edward	NORTH	243	204	62	70
Fannan, John J.	CENTRAL	87	165	61	93
Fazio, Cataldo F.	NORTH	492	258	94	137
Foley, Patrick W.	CENTRAL	195	187	86	120
Ganzhorn, Lisa A.	NORTH	243	228	89	131
Garrabrandt, James H.	NORTH	198	238	94	124
Grabowski, David A.	SOUTH	404	275	91	113
Granato, S. Caroline	SOUTH	261	239	105	136
Hackett, Michael	NORTH	422	254	93	130
Hebron, Sylvia A	NORTH	1,088	158	9	34
Johnston, Maureen M.	NORTH	337	280	111	147
Kaczka, Thomas M.	NORTH	298	238	79	95
Keller, Grant W.	SOUTH	388	282	83	116
Kincade, Kathleen D.	CENTRAL	116	163	72	96
Knuetter, Margaret	NORTH	286	265	120	125
La Salle, Robert C.	NORTH	263	216	74	115
LaPorta, David M.	NORTH	50	214	89	121
LaPorta, Phillip A.	NORTH	389	266	79	124
Lardiere, Andrea L	CENTRAL	190	198	87	111
Lesser, Gary T.	NORTH	310	231	78	122
McFadden (LI), Michael K.	SOUTH	28	14	7	10
McFadden, Michael K.	SOUTH	145	199	67	88
Miller, Matthew G.	NORTH	358	233	72	115
Noonan, Scott M.	NORTH	262	237	121	157
Odell, Barry K.	CENTRAL	355	199	52	64
Patriaco, Andrew A.	NORTH	256	219	99	143
Remington-Knodel, Jennifer	NORTH	311	233	84	106
Riva, Joseph J.	NORTH	372	207	78	93
Sacco, Russ	CENTRAL	241	208	97	129
Sproviero, Scott G.	NORTH	410	255	91	132
Stokes, Nanci G.	NORTH	264	226	74	89
Tamburino, Joseph A.	NORTH	147	199	84	115
Wallen (NO), Kate R.	SOUTH	6	7	6	8

Wallen, Kate R.	SOUTH	225	223	93	99
Zimmerman, Richard T.	NORTH	210	227	74	117
Total		14040	10721	4007	5442

## Contact us

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