



NEW JERSEY DEPARTMENT OF
BANKING AND INSURANCE
QUARTERLY REPORT

No Fault PIP Arbitration
3rd Quarter 2011



FORTHRIGHT

3RD QUARTER 2011 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, there has been an increase of 34% in user web access to individual cases.

In the 3rd quarter of 2011, 12,729 cases were initiated in the PIP ADR program. Of these cases, 8,644 (68%) originated in the Northern region, 1,706 (13%) in the Central region, and 2,379 (19%) in the Southern region.

For the quarter, the Dispute Resolution Professionals ("DRP") panel consisted of 50 members. The DRPs were regionally deployed as follows: 33 in the North; 9 in the Central; 8 in the South. A total of 12,809 cases were assigned to DRPs.

Of the pending cases filed with Forthright in the PIP arbitration program, 12,292 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 123 cases placed in abeyance by consent of the parties or by order of the court.

During the 3rd quarter, 2,655 cases settled during the conciliation period distributed regionally as follows: 1,714 in the North region; 384 in the Central region; 557 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 \$4,862, comprised of \$3,855 for personal injury protection benefits and \$1,007 for attorney's fees. 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.

Nineteen (19) appeals to panels of 3 DRPs were concluded during the reporting period. Ten (10) involved awards or dismissal orders rendered in the North Region, seven (7) in the Central Region and two (2) in the South Region. Twenty-one percent (21%) of appeals resulted in some form of modification, vacation, or remand.

During the reporting period, parties requested 78 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

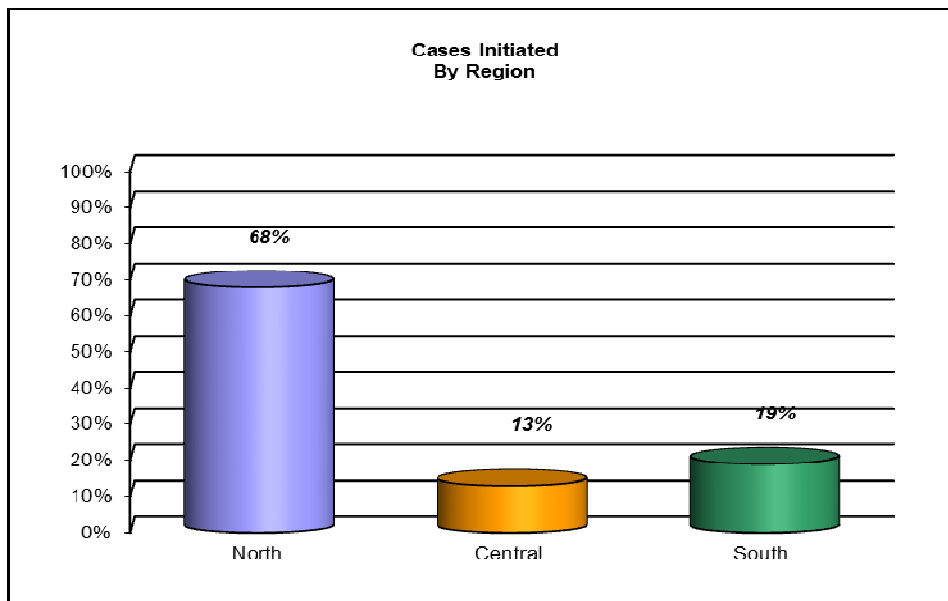
Cases are considered “filed” as of the date a Demand for Arbitration is received by Forthright. Case “initiation” occurs when an initiation letter is transmitted to the parties.

In the 3rd quarter of 2011, 12,729 cases were initiated in the PIP ADR program. Of these cases, 8,644 (68%) originated in the Northern region, 1,706 (13%) in the Central region, and 2,379 (19%) in the Southern region. See the table below for the monthly distribution.

	North	Central	South	Total
July	2,831	606	812	4,249
August	2,861	572	819	4,252
September	2,952	528	748	4,228
Region Total	8,644	1,706	2,379	12,729
Region Percent	68%	13%	19%	100%

The following table summarizes the initiations for the first three quarters of 2011.

	North	Central	South	Total
1st Quarter 2011	10,941	2,089	2,508	15,538
2 nd Quarter 2011	10,075	2,075	2,499	14,649
3 rd Quarter 2011	8,644	1,706	2,379	12,729
Totals	29,010	5,870	7,386	42,916



DISPOSITION OF CASES IN THE PIP ADR PROGRAM

Of the pending cases filed with Forthright in the PIP arbitration program, 12,292 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 three geographic regions.

Disposition Type	North	Central	South	Total
Awarded/Denied	2,205	619	455	3,279
Dismissed Pre-Hearing	9	4	0	13
Settled	5,141	1,137	1,522	7,800
Withdrawn	934	152	114	1,200
Total	8,289	1,912	2,091	12,292

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	26%	32%	22%
Dismissed Pre-Hearing	<1%	<1%	<1%
Settled	62%	59%	72%
Withdrawn	11%	8%	5%
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	57	51	15	123
Region Percent	46%	42%	12%	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 3rd quarter, 2,655 cases settled during the conciliation period distributed regionally as follows: 1,714 in the North region; 384 in the Central region; 557 in the South region.

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

Geographic Regions	North	Central	South	System-Wide
Region Settlements	1,714	384	557	2,655
Region Percent	8%	8%	11%	8%

*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 50 members. The DRPs were regionally deployed as follows: 33 in the North; 9 in the Central; 8 in the South. 12,809 cases were assigned to DRPs.

Caseload activity of DRPs is represented in Appendix A. The Appendix lists more than 50 DRPs because it includes DRPs who were transitioning into or out of the program during the reporting period.

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 9,327 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 2011, after the cases were assigned to the DRP for hearing.

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	2,205	618	453	3,276	35%
Dismissed by DRP	9	4	0	13	<1%
Settled	3,360	736	947	5,043	54%
Withdrawn	786	125	84	995	10%
Total	6,360	1,483	1,484	9,327	100%

REGIONAL AWARDS' PERCENTAGE

As shown above, a total of 3,276 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes, and appeals. Of the awards issued, 67% were in the North region, 19% in the Central region, and 14% in the South.

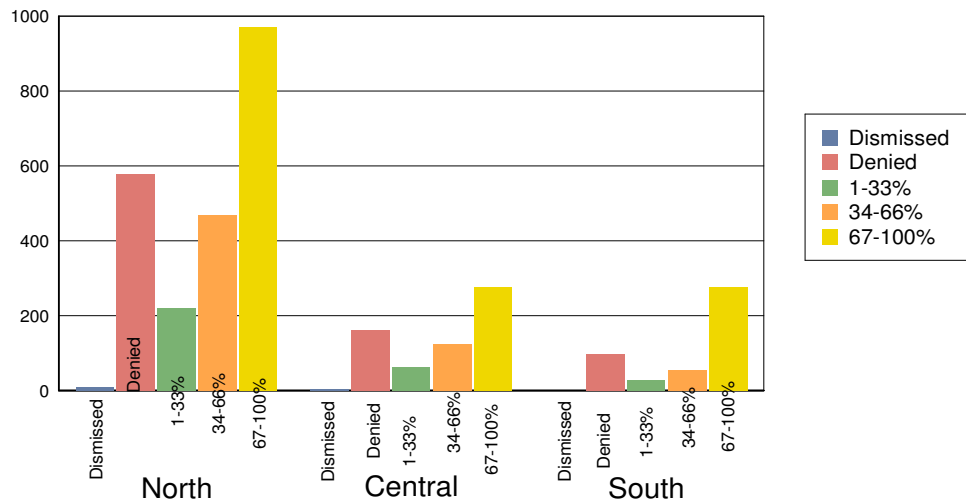
An online database of these awards is located at www.nj-no-fault.com.

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 3rd 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.

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.

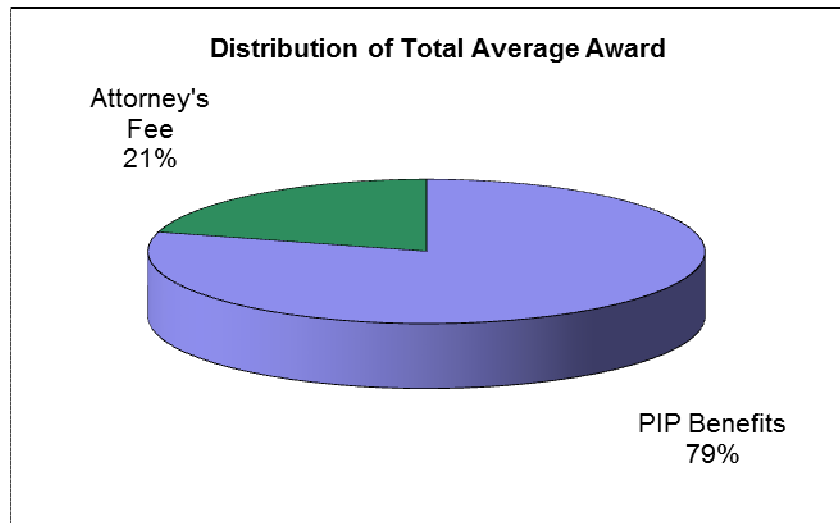
Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	9	579	220	470	972	2,250
Central	4	162	62	124	276	628
South	0	98	28	54	276	456
Total	13	839	310	648	1,524	3,334



*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 \$4,862, comprised of \$3,855 for personal injury protection benefits and \$1,007 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 \$3,855* per case. Awarded amounts ranged from \$0 to \$372,506. The median award during the reporting period was \$974.

The average amount awarded for attorney’s fees was \$1,007 per case. Awarded attorney’s fees ranged from \$0 to \$8,500. The median attorney’s fee award during the reporting period was \$1,050.

	Average	Dollar Range	Median
PIP Benefits’ Award	\$3,855*	\$0 to \$372,506	\$974
Attorney’s Fee Award	\$1,007	\$0 to \$8,500	\$1,050

*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

Nineteen (19) appeals to panels of 3 DRPs were concluded during the reporting period. Ten (10) involved awards or dismissal orders rendered in the North Region, seven (7) in the Central Region and two (2) in the South Region. Twenty-one percent (21%) of appeals resulted in some form of modification, vacation, or remand. The following table reports the results.

	North	Central	South	Total
Affirmed	8	6	1	15
Vacated	2	1	1	4
TOTALS	10	7	2	19

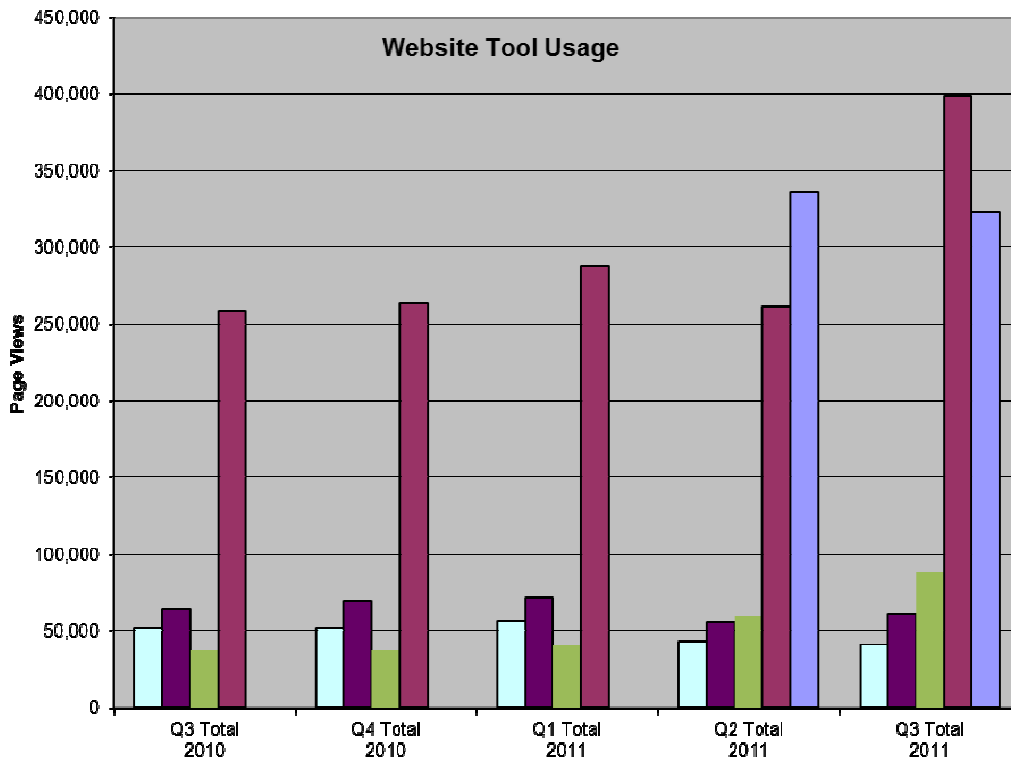
MEDICAL REVIEW ORGANIZATION REPORT

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	29	0	29	0	10	0
FMCO	24	0	24	0	11	0
SCS	25	0	25	0	13	2
TOTALS	78	0	78	0	34	2

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.



2011 Q3 Highlights

- Total content page views of the corporate site in Q3 '11 has increased 17.7% from Q2 '11.
- DRP case views have increased 31.7% from Q2 '11.
- The number of cases visited by Attorneys have increased 34.3% from Q2 '11.
- The number of PDF Downloads has increased by 8.9% from Q2 '11.

- 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	226	170	66	73
Amendola, Francesca	NORTH	213	189	58	106
Andolino, Michael D.	CENTRAL	193	148	54	81
Annunziata, Maria	CENTRAL	228	183	75	116
Brodow, Nora J.	NORTH	146	152	61	108
Campbell, Jennifer M.	NORTH	79	0	0	0
Carnelli, Christopher M.	SOUTH	237	214	62	96
Carro, Sergio G.	NORTH	215	228	85	122
Caserta, Patrick J.	NORTH	279	238	74	123
Cassella, Deborah M.	NORTH	220	244	102	108
Celentano, Cynthia J.	NORTH	218	215	79	94
Croft, Douglas M.	NORTH	815	60	0	0
Damiano, Robert S.	NORTH	213	204	81	133
Daniskas, Maria I.	NORTH	175	186	69	107
de Cordova, Donald W.	NORTH	120	141	52	103
DeMarco, Joseph	NORTH	234	213	57	102
Eisele-Grabowski, Karen	SOUTH	171	199	64	103
Fabiano, Edward	NORTH	185	187	80	86
Fannan, John J.	CENTRAL	188	178	79	125
Fazio, Cataldo F.	NORTH	236	213	83	119
Foley, Patrick W.	CENTRAL	172	173	92	137
Ganzhorn, Lisa A.	NORTH	185	191	88	129
Garrabrandt, James H.	NORTH	215	199	74	133
Grabowski, David A.	SOUTH	233	215	52	87
Granato, S. Caroline	SOUTH	220	178	57	106
Hackett, Michael	NORTH	195	190	62	98
Hebron, Sylvia A	NORTH	221	211	70	133
Johnston, Maureen M.	NORTH	209	176	59	104
Kaczka, Thomas M.	NORTH	220	215	73	85
Karbasian, Carolyn K.	SOUTH	336	33	0	0
Keller, Grant W.	SOUTH	285	240	71	111
Kincade, Kathleen D.	CENTRAL	140	156	67	99
Knuetter, Margaret	NORTH	227	191	67	90
La Salle, Robert C.	NORTH	180	195	65	107
LaPorta, Phillip A.	NORTH	203	207	78	124
Lardiere, Andrea L	CENTRAL	147	176	73	98
Lesser, Gary T.	NORTH	211	208	82	130
McFadden (LI), Michael K.	SOUTH	19	15	10	14
McFadden, Michael K.	SOUTH	182	196	67	94
Miller, Matthew G.	NORTH	219	206	75	108
Noonan, Scott M.	NORTH	213	202	65	111
Odell, Barry K.	CENTRAL	153	172	62	94
Patriaco, Andrew A.	NORTH	227	215	95	138
Reis, Karen M.	NORTH	902	124	0	0

Remington-Knodel, Jennifer	NORTH	293	201	63	120
Riva, Joseph J.	NORTH	222	206	71	88
Sacco, Russ	CENTRAL	195	178	83	102
Sproviero, Scott G.	NORTH	252	233	70	124
Stampone, Vincenzo	NORTH	930	108	0	18
Stokes, Nanci G.	NORTH	228	199	79	118
Tamburino, Joseph A.	NORTH	124	133	48	75
Wallen (NO), Kate R.	SOUTH	7	7	5	6
Wallen, Kate R.	SOUTH	264	226	81	107
Zimmerman, Richard T.	NORTH	189	189	80	128
Total		12809	9526	3365	5121

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FORTHRIGHT