



AUTOMOBILES

NEW JERSEY DEPARTMENT OF
BANKING AND INSURANCE
QUARTERLY REPORT

No Fault PIP Arbitration
4th Quarter 2011



FORTHRIGHT

4TH 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, user web access to individual cases continued to increase.

In the 4th quarter of 2011, 11,666 cases were initiated in the PIP ADR program. Of these cases, 7,679 (66%) originated in the Northern region 1,700 (14%) in the Central region, and 2,287 (20%) 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 10,175 cases were assigned to DRPs.

Of the pending cases filed with Forthright in the PIP arbitration program, 13,095 cases were concluded during the 4th quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement, or withdrawal. There were 127 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 \$4,342, comprised of \$3,326 for personal injury protection benefits and \$1,016 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.

Nine (9) appeals to panels of 3 DRPs were concluded during the reporting period. Seven (7) involved awards or dismissal orders rendered in the North Region, two (2) in the Central Region and none in the South Region. Fifty-six percent (56%) of appeals resulted in some form of modification or vacation.

During the reporting period, parties requested 124 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

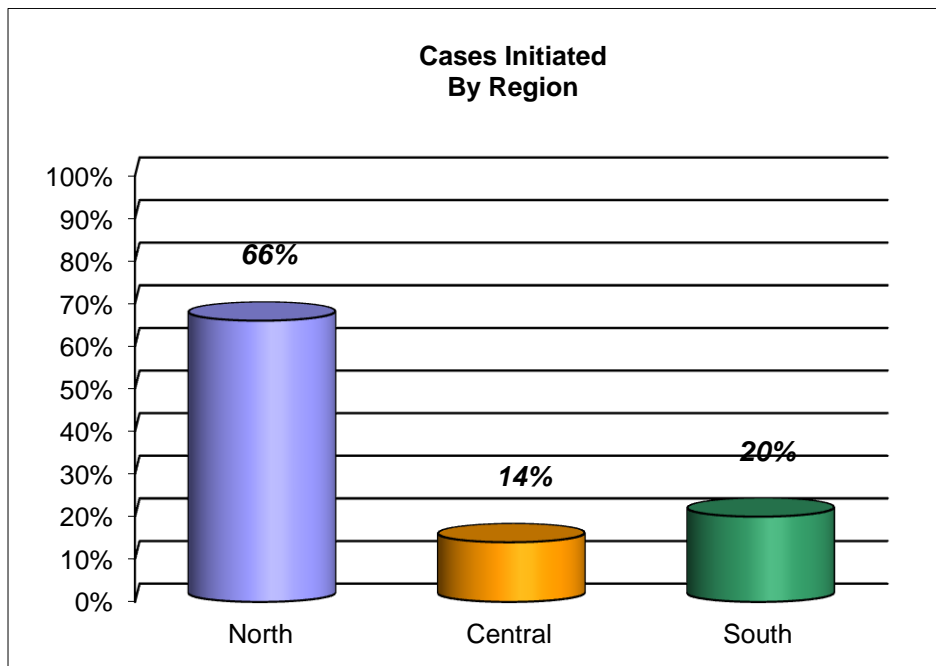
Cases are considered “filed” as of the date a Demand for Arbitration is received by Forthright. Case “initiation” occurs when an initiation letter is transmitted to the parties.

In the 4th quarter of 2011, 11,666 cases were initiated in the PIP ADR program. Of these cases, 7,679 (66%) originated in the Northern region, 1,700 (14%) in the Central region, and 2,287 (20%) in the Southern region. See the table below for the monthly distribution.

	North	Central	South	Total
October	2,302	437	948	3,687
November	2,644	590	744	3,978
December	2,733	673	595	4,001
Region Total	7,679	1,700	2,287	11,666
Region Percent	66%	14%	20%	100%

The following table summarizes the initiations for the four 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
4 th Quarter 2011	7,679	1,700	2,287	11,666
Totals	37,339	7,570	9,673	54,582



DISPOSITION OF CASES IN THE PIP ADR PROGRAM

Of the pending cases filed with Forthright in the PIP arbitration program, 13,095 cases were concluded during the 4th 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	2,782	646	606	4,034
Dismissed Pre-Hearing	10	3	6	19
Settled	5,097	1,030	1,749	7,876
Withdrawn	931	134	101	1,166
Total	8,820	1,813	2,462	13,095

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%	35%	24%
Dismissed Pre-Hearing	<1%	<1%	<1%
Settled	58%	57%	71%
Withdrawn	10%	7%	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	55	49	23	127
Region Percent	43%	39%	18%	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	1,653	305	613	2,571
Region Percent	8%	7%	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 52 members. The DRPs were regionally deployed as follows: 35 in the North; 9 in the Central; 8 in the South. 10,175 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 10,315 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 4th quarter of 2011, after the cases were assigned to the DRP for hearing.

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	2,782	646	606	4,034	39%
Dismissed by DRP	10	3	6	19	<1%
Settled	3,410	716	1,122	5,248	50%
Withdrawn	811	116	87	1,014	10%
Total	7,013	1,481	1,821	10,315	100%

REGIONAL AWARDS' PERCENTAGE

As shown above, a total of 4,034 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, 14% in the Central region, and 18% in the South.

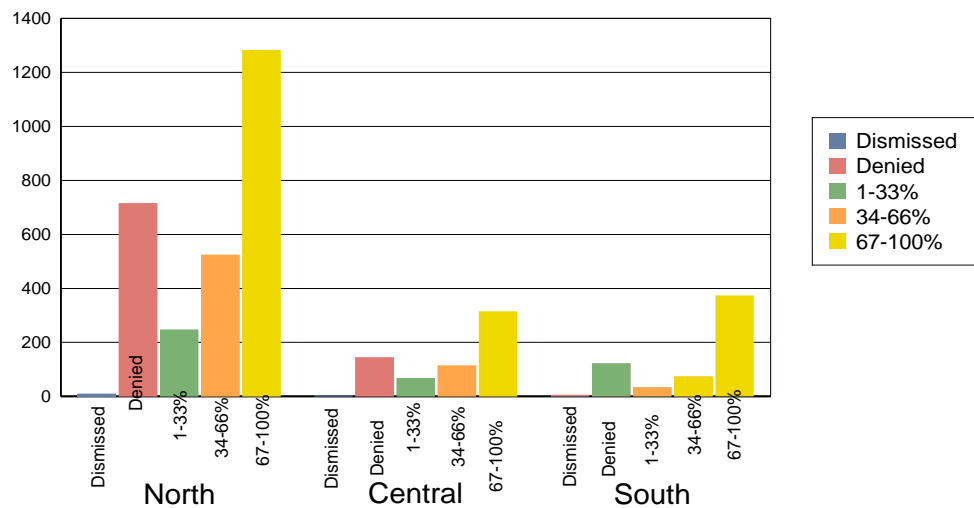
An online database of these awards is located at www.nj-no-fault.com.

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 4th 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.

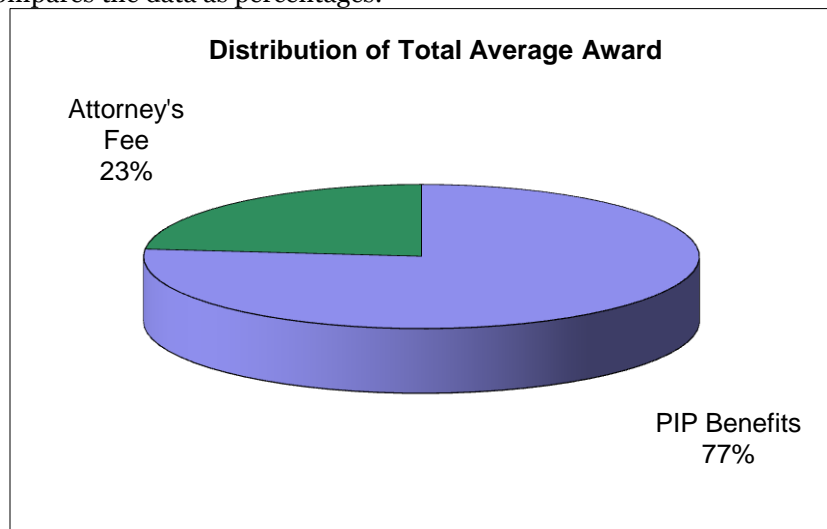
Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	10	715	247	524	1,283	2,779
Central	3	144	68	114	314	643
South	6	122	33	74	374	609
Total	19	981	348	712	1,971	4,031



*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 \$4,342, comprised of \$3,326 for personal injury protection benefits and \$1,016 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 \$3,326* per case. Awarded amounts ranged from \$0 to \$294,221. The median award during the reporting period was \$974.

The average amount awarded for attorney's fees was \$1,016 per case. Awarded attorney's fees ranged from \$0 to \$10,420. The median attorney's fee award during the reporting period was \$1,050.

	Average	Dollar Range	Median
PIP Benefits' Award	\$3,326*	\$0 to \$294,221	\$974
Attorney's Fee Award	\$1,016	\$0 to \$10,420	\$1050

*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

Nine (9) appeals to panels of 3 DRPs were concluded during the reporting period. Seven (7) involved awards or dismissal orders rendered in the North Region, two (2) in the Central Region and none in the South Region. Fifty-six percent (56%) of appeals resulted in some form of modification or vacation. The following table reports the results.

	North	Central	South	Total
Affirmed	3	1	0	4
Vacated	3	0	0	3
Modified	1	1	0	2
TOTALS	7	2	0	9

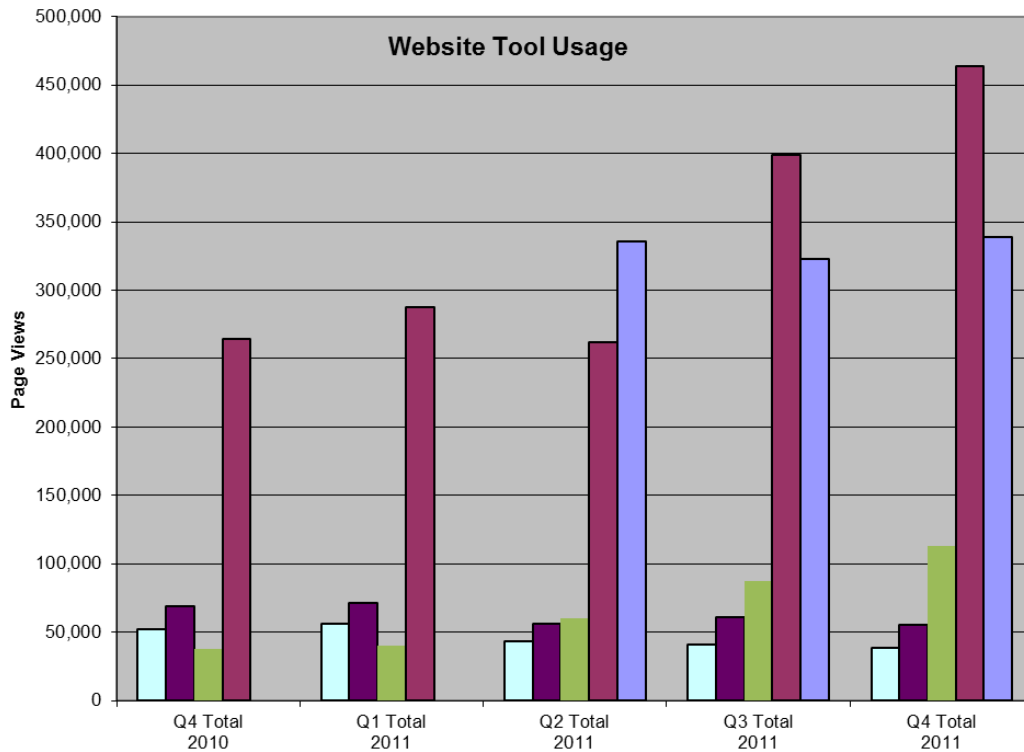
MEDICAL REVIEW ORGANIZATION REPORT

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	53	0	53	4	27	0
FMCO	27	0	27	0	7	0
SCS	44	0	44	0	23	0
TOTALS	124	0	124	4	57	0

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 Q4 Highlights

- Total content page views of the corporate site in Q4 '11 has increased 24.9% from Q3 '11.
- DRP case views have increased 22.4% from Q3 '11.
- The number of cases visited by Attorneys have increased 14.0% from Q3 '11.
- The number of visits to the home page from the same period in 2010 has increased by 18.1%.

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

APPENDIX A

DRP	Region	Assigned	Closed	Award/Deny Denied	Hearings
Aloi, Anthony M.	CENTRAL	181	198	77	96
Amendola, Francesca	NORTH	169	221	107	161
Andolino, Michael D.	CENTRAL	150	173	81	113
Annunziata, Maria	CENTRAL	128	164	77	126
Brodow, Nora J.	NORTH	149	173	73	120
Campbell, Jennifer M.	NORTH	993	241	6	13
Carnelli, Christopher M.	SOUTH	156	225	79	115
Carro, Sergio G.	NORTH	179	214	108	160
Caserta, Patrick J.	NORTH	189	214	88	122
Cassella, Deborah M.	NORTH	174	164	77	91
Celentano, Cynthia J.	NORTH	173	212	84	92
Croft, Douglas M.	NORTH	350	219	10	30
Damiano, Robert S.	NORTH	192	220	88	128
Daniskas, Maria I.	NORTH	169	188	75	136
de Cordova, Donald W.	NORTH	162	216	93	140
DeMarco, Joseph	NORTH	152	201	79	115
Eisele-Grabowski, Karen	SOUTH	158	219	94	129
Fabiano, Edward	NORTH	180	191	82	100
Fannan, John J.	CENTRAL	104	176	90	125
Fazio, Cataldo F.	NORTH	185	211	75	123
Foley, Patrick W.	CENTRAL	148	201	85	119
Ganzhorn, Lisa A.	NORTH	231	213	92	140
Garrabrandt, James H.	NORTH	181	210	92	144
Grabowski, David A.	SOUTH	191	212	68	95
Granato, S. Caroline	SOUTH	136	261	109	142
Hackett, Michael	NORTH	172	193	85	126
Hebron, Sylvia A	NORTH	173	194	86	143
Johnston, Maureen M.	NORTH	135	187	79	124
Kaczka, Thomas M.	NORTH	159	195	76	96
Karbasian, Carolyn K.	SOUTH	667	204	17	38
Keller, Grant W.	SOUTH	169	269	84	122
Kincade, Kathleen D.	CENTRAL	124	148	57	98
Knuetter, Margaret	NORTH	161	173	77	110
La Salle, Robert C.	NORTH	128	189	86	134
LaPorta, Phillip A.	NORTH	164	201	85	140
Lardiere, Andrea L	CENTRAL	160	152	72	98
Lesser, Gary T.	NORTH	130	187	86	128
McFadden (LI), Michael K.	SOUTH	8	9	6	11
McFadden, Michael K.	SOUTH	151	197	63	87
Miller, Matthew G.	NORTH	160	206	91	124
Noonan, Scott M.	NORTH	167	209	93	130
Odell, Barry K.	CENTRAL	144	172	66	103
Patriaco, Andrew A.	NORTH	176	207	95	131
Reis, Karen M.	NORTH	327	219	26	41
Remington-Knodel, Jennifer	NORTH	184	224	109	145
Riva, Joseph J.	NORTH	116	166	66	77
Sacco, Russ	CENTRAL	122	160	67	94
Sproviero, Scott G.	NORTH	208	219	93	148
Stampone, Vincenzo	NORTH	256	208	49	93

Stokes, Nanci G.	NORTH	201	218	96	121
Tamburino, Joseph A.	NORTH	133	172	78	116
Wallen (NO), Kate R.	SOUTH	9	7	3	5
Wallen, Kate R.	SOUTH	123	227	80	95
Zimmerman, Richard T.	NORTH	168	214	98	144
Total		10175	10463	4058	5897

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