



AUTOMOBILES

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

No Fault PIP Arbitration  
4th Quarter 2016



FORTHRIGHT

**4<sup>TH</sup> QUARTER 2016 REPORT**

**TO THE**

**NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE**

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## EXECUTIVE SUMMARY

In the fourth quarter of 2016, 13,087 cases were initiated in the PIP dispute resolution program. Of these cases, 6,954 (53%) were initiated in the Northern region, 1,856 (14%) in the Central region, 2,023 (15%) in the Southern region, and 2,254 (17%) as OTP.

The DRP panel consisted of 65 members although one member was on a leave of absence for the quarter. The DRPs are regionally deployed as follows: 44 in the North, 10 in the Central, and 11 in the South. 11,669 cases were assigned to DRPs.

Of the pending cases in the PIP arbitration program, 14,038 were concluded during the fourth quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement, or withdrawal. There were 1,162 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 \$5,420, comprised of \$4,581 for personal injury protection benefits and \$839 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-three appeals to panels of three DRPs were concluded during the reporting period. Fifteen involved awards or dismissal orders rendered in the North Region, eight in the Central Region, and none in the South Region. No OTP awards were appealed. Thirty-nine percent of awards were vacated and modified or remanded.

During the reporting period, parties requested MRO reviews applicable to 13 cases. DRPs did not request any reviews. The requests were apportioned among the four certified MROs on a rotating basis.

## CASES INITIATED

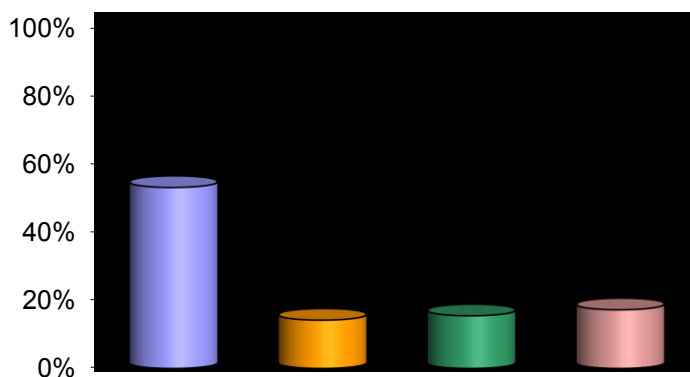
Cases are considered “filed” as of the date a Demand for Arbitration is received by Forthright. Case “initiation” occurs when an initiation letter is transmitted to the parties.

Cases which qualify for “in-person” (“IP”) proceedings may be filed in one of the three regions – Central, North, or South. They are assigned to a DRP with an office within the geographic location. Cases that proceed “on-the-papers” (“OTP”) are not region-specific and may be assigned to any DRP. Throughout this report, data are reported as OTP or IP. Regional breakdowns of data describe IP cases only and will bear the designation of “IP - [region].”

In the fourth quarter of 2016, 13,087 cases were initiated in the PIP dispute resolution program. Of these cases, 6,954 (53%) were initiated in the Northern region, 1,856 (14%) in the Central region, 2,023 (15%) in the Southern region, and 2,254 (17%) as OTP. See the table below for the monthly distribution.

	IP - North	IP - Central	IP - South	OTP	Total
October	2,357	544	569	696	4,166
November	2,151	660	578	717	4,106
December	2,446	652	876	841	4,815
Totals	6,954	1,856	2,023	2,254	13,087

**Cases Initiated by Region and OTP**



The following table summarizes the initiations for the quarters of 2016.

	IP - North	IP - Central	IP - South	OTP	Total
Q1 2016	7,078	1,637	1,591	2,338	12,644*
Q2 2016	7,066	1,802	1,641	2,416	12,925
Q3 2016	6,817	1,605	1,758	2,348	12,528
Q4 2016	6,954	1,856	2,023	2,254	13,087

*\*The data for Q1 have been changed to correct an error in prior reporting of initiations. We apologize for any inconvenience.*

### TRANSFER OF CASES FROM OTP PROCEEDINGS TO IP PROCEEDINGS

Under certain circumstances, cases that were initially filed as OTP may be transferred to IP proceedings. The circumstances include consolidations (automatic, by consent, or by request), insurance policy issues identified by Respondent, change of claim, and cases voluntarily filed as OTP but the Respondent does not consent. Please consult arbitration Rules 6, 9, and 51 for a complete explanation of the circumstances for transfer. The table below shows the number of cases transferred in the fourth quarter and the reason.

<b>Consolidation</b>	<b>Policy Issues</b>	<b>Change of Claim</b>	<b>Voluntary OTP Filings</b>	<b>Total</b>
219	29	58	23	329

### DISPOSITION OF CASES IN THE PIP ARBITRATION PROGRAM

Of the pending cases in the PIP arbitration program, 14,038 were concluded during the fourth 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 IP geographic regions as well as the OTP category.

<b>Disposition Type</b>	<b>IP - North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>OTP</b>	<b>Total</b>
Awarded/Denied	3,787	908	778	695	6,168
*Dismissed Pre-Hearing	10	2	3	0*	15
Settled	3,395	1,058	899	1,244	6,596
Withdrawn	805	126	97	231	1259
<b>Total</b>	<b>7,997</b>	<b>2,094</b>	<b>1,777</b>	<b>2,170</b>	<b>14,038</b>

*\* Pre-hearing dismissal is not an option for OTP cases.*

### DISPOSITION OF CASES BY PERCENTAGE

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

<b>Disposition Type</b>	<b>IP - North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>OTP</b>
Awarded/Denied	47%	43%	44%	32%
Dismissed Pre-Hearing	(<1%)	(<1%)	(<1%)	N/A

Settled	43%	51%	51%	57%
Withdrawn	10%	6%	6%	11%

### 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.

IP - North	IP - Central	IP - South	OTP	Total
683	203	232	44	1,162

### 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 distribution of settlements within 45 days of initiation.

	IP - North	IP - Central	IP - South	OTP	Total
Settlements*	1,635	492	406	828	3,361

*\* 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

The DRP panel consisted of 65 members although one member was on a leave of absence for the quarter. The DRPs were regionally deployed as follows: 44 in the North, 10 in the Central, and 11 in the South. 11,669 cases were assigned to DRPs.

Caseload activity of DRPs is represented in Appendix A. The appendix distinguishes IP cases from OTP cases. Note that the tally of awarded and settled cases displayed in the "Disposition of Cases After DRP Added" Section and Appendix A may vary slightly because of the method of collecting data for each. For example, an award rendered by a three DRP panel is reported for each DRP in Appendix A. A case that settles while in abeyance without an active DRP will not be counted in Appendix A.

### DISPOSITION OF CASES AFTER DRP ASSIGNMENT

OTP cases are assigned to a DRP upon initiation. IP cases are assigned to DRPs following expiration of the 45-day conciliation period. After DRP appointment, a total of 11,610 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 fourth quarter of 2016 after the cases were assigned to DRPs. Note that the tally of awarded and

settled cases displayed in the “Disposition of Cases After DRP Added” Section and Appendix A may vary slightly because of the method of collecting data for each. For example, an award rendered by a three DRP panel is reported for each DRP in Appendix A. A case that settles while in abeyance without an active DRP will not be counted in Appendix A.

<b>Disposition</b>	<b>IP - North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>IP - Total</b>	<b>OTP</b>
Awarded/Denied	3,967	922	811	5,700	705
Dismissed by DRP	10	2	3	15	0*
Settled	1,757	571	490	2,818	1,237
Withdrawn	717	112	78	907	228
<b>Total</b>	<b>6,451</b>	<b>1,607</b>	<b>1,382</b>	<b>9,440</b>	<b>2,170</b>

\* Not applicable to OTP proceedings

## REGIONAL AWARDS PERCENTAGE

A total of 6,405 awards were issued by DRPs concerning requests for emergent relief, standard relief, and fee disputes in both IP and OTP proceedings. Of the awards issued for IP cases (4,987), 68% were in the North region, 17% in the Central region, and 15% in the South region.

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 award all or part of an amount requested by a Claimant. For cases decided in the fourth quarter of 2016, the table and graph below indicate 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.

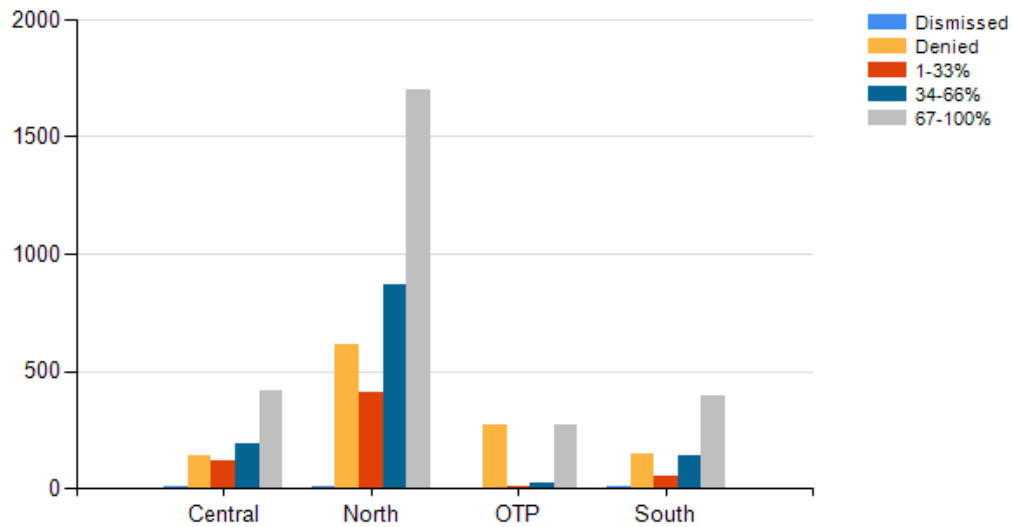
For purposes of the data table and chart below, amended amounts are captured within a total amount claimed and then compared to the total amount awarded.

	<b>Dismissed</b>	<b>Denied</b>	<b>1-33%</b>	<b>34-66%</b>	<b>67-100%</b>	<b>Total</b>
IP - Central	2	136	118	188	420	864
IP - North	10	612	407	869	1,703	3,601
IP - South	3	149	49	141	392	734
OTP	0*	272	3	23	270	568
<b>Total</b>	<b>15</b>	<b>1,169</b>	<b>577</b>	<b>1,221</b>	<b>2,785</b>	<b>5,767</b>

\* Not applicable to OTP proceedings

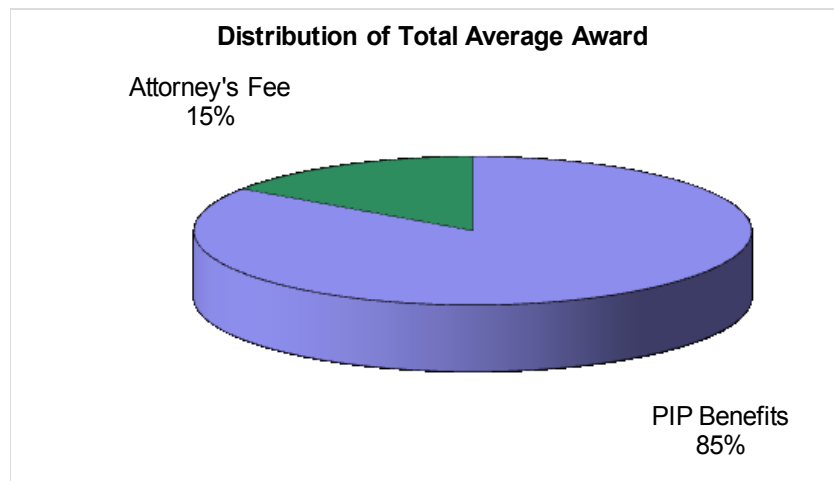
Note: The award data in this section excludes appellate awards.





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

System-wide, the average amount awarded in arbitration (excluding filing fees) was \$5,420, comprised of \$4,581 for personal injury protection benefits and \$839 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 \$4,581\* per case. Awarded amounts ranged from \$0 to \$584,258. The median award during the reporting period was \$1,257. Note that the calculation of the average and median includes cases in which the amount awarded was \$0.

The average amount awarded for attorney's fees was \$839 per case. Awarded attorney's fees ranged from \$0 to \$3,737. The median attorney's fee award during the reporting period was \$1,000. Note that the calculation of the average and median attorney's fee includes cases in which the amount awarded was \$0.

	<b>Average</b>	<b>Dollar Range</b>	<b>Median</b>
PIP Benefits' Award	\$4,581*	\$0 to \$584,258	\$1,257
Attorney's Fee Award	\$839	\$0 to \$3,737	\$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-three appeals to panels of three DRPs were concluded during the reporting period. Fifteen involved awards or dismissal orders rendered in the North Region, eight in the Central Region, and none in the South Region. No OTP awards were appealed. Thirty-nine percent of awards were vacated and modified or remanded. The following table reports the results.

	<b>IP - North</b>	<b>IP - Central</b>	<b>IP- South</b>	<b>OTP</b>	<b>Total</b>
Affirmed	9	5	0	0	14
Vacated & Modified	1	2	0	0	3
Vacated & Remanded	5	1	0	0	6
<b>TOTALS</b>	<b>15</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>23</b>

## MEDICAL REVIEW ORGANIZATION REPORT

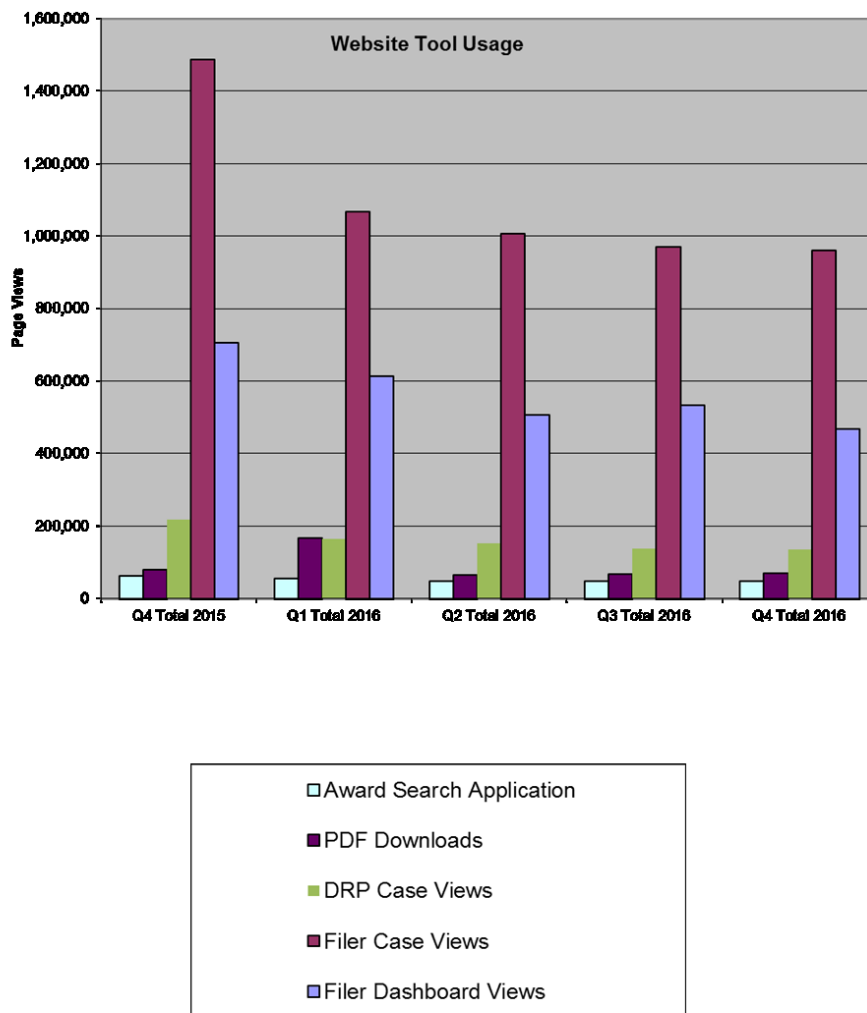
There are currently four Medical Review Organizations ("MRO") certified by the Department of Banking and Insurance. They are ExamWorks, formerly known as CFO Medical Services, First Managed Care Option ("FMCO"), Support Claim Services ("SCS"), and Rising Medical Solutions. Information relevant to MRO 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	3	0	3	0	3	0
FMCO	4	0	4	0	4	0
Rising Medical	3	0	3	0	3	0
SCS	3	0	3	0	3	0
<b>TOTALS</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>0</b>

Note that MRO requests are reported by case. If a request pertains to consolidated cases, it is counted for each case.

### 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 redesigned 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.



## APPENDIX A

<u>DRP</u>	<u>Region</u>	<u>IP Assigned</u>	<u>OTP Assigned</u>	<u>IP Settled/ Withdrawn</u>	<u>OTP Settled/ Withdrawn</u>	<u>IP Awarded/ Denied</u>	<u>OTP Awarded/ Denied</u>	<u>In Person Proceedings</u>
Aloi, Anthony M.	CENTRAL	152	42	89	24	83	4	77
Amendola, Francesca	NORTH	2	0	6	0	0	0	0
Andolino, Michael D.	NORTH	136	31	51	17	103	5	100
Annunziata, Maria	CENTRAL	186	54	80	19	90	8	90
Barry, Martin M.	CENTRAL	159	50	91	25	105	9	84
Campbell, Jennifer M.	NORTH	168	51	71	43	81	13	101
Carnelli, Christopher M.	SOUTH	150	55	36	36	79	15	92
Caserta, Patrick J.	NORTH	184	31	63	26	102	12	90
Cassella, Deborah M.	NORTH	142	55	53	40	63	18	84
Celentano, Cynthia J.	NORTH	156	26	56	17	80	11	95
Croft, Douglas M.	NORTH	146	22	50	8	111	8	100
Damiano, Robert S.	NORTH	136	17	70	17	105	7	98
Daniskas, Maria I.	NORTH	163	53	43	36	88	20	116
Della Badia, Joseph	NORTH	127	26	63	14	89	6	101
DeMarco, Jodi L.	NORTH	118	38	39	34	87	11	75
DeMarco, Joseph	NORTH	125	46	56	24	106	9	83
Ducey, John G.	CENTRAL	170	39	50	20	100	6	87
Eisele-Grabowski, Karen	SOUTH	150	62	45	53	81	20	87
Fabiano, Edward	NORTH	185	51	71	35	96	13	109
Fannan, John J.	CENTRAL	49	11	44	15	78	8	101
Fazio, Cataldo F.	NORTH	64	31	54	32	82	15	108
Finiello, Susanne N.	SOUTH	125	54	52	12	71	14	68
Foley, Patrick W.	CENTRAL	176	30	73	14	94	8	89
Frankland, Suzanne J.	NORTH	129	28	47	25	123	10	107
Ganzhorn, Lisa A.	NORTH	174	59	55	40	78	20	95
Garrabrandt, James H.	NORTH	146	36	51	26	100	13	80
Grabowski, David A.	SOUTH	152	25	80	10	92	4	66
Granato, S. Caroline	SOUTH	130	55	50	37	63	15	73
Hackett, Michael	NORTH	139	21	52	15	116	3	111
Hebron, Sylvia A	NORTH	161	30	65	21	87	9	105
Johnston, Maureen M.	NORTH	173	16	52	8	76	4	96
Kaczka, Thomas M.	NORTH	193	30	70	19	109	18	117

Kaiser, Brian K.	NORTH	123	32	59	26	88	15	92
Karbasian, Carolyn K.	SOUTH	134	37	59	11	97	8	88
Keller, Grant W.	SOUTH	143	70	65	37	59	13	70
Kincade, Kathleen D.	CENTRAL	104	30	56	11	83	11	89
La Salle, Robert C.	NORTH	154	21	68	15	76	6	95
LaPorta Esq., David M.	NORTH	153	30	65	20	94	17	105
LaPorta, Phillip A.	NORTH	186	20	69	17	97	9	100
Lardiere, Andrea L.	CENTRAL	117	60	61	31	93	10	88
Lesser, Gary T.	NORTH	66	19	38	16	88	17	77
McFadden (LI), Michael K.	SOUTH	15	0	0	0	2	0	4
McFadden, Michael K.	SOUTH	174	32	55	12	62	7	60
Miller, Matthew G.	NORTH	137	31	68	18	81	19	85
Mundy, Lisa D.	NORTH	136	30	72	20	89	12	106
Nardella, George C.	NORTH	196	42	50	22	106	15	88
Noonan, Scott M.	NORTH	163	35	68	23	86	14	99
O'Brien, Matthew J.	NORTH	141	39	54	27	87	12	76
Odell, Barry K.	CENTRAL	149	23	52	10	99	3	100
O'Donnel, Kenneth L.	NORTH	164	8	72	5	100	4	97
Patriaco, Andrew A.	NORTH	179	47	60	31	93	12	90
Pettersen, Nina L.	SOUTH	139	34	39	19	66	9	86
Reis, Karen M.	NORTH	130	41	61	32	87	17	96
Remington- Knodel, Jennifer	NORTH	132	42	41	37	92	19	105
Reynolds, William E.	SOUTH	138	55	36	28	53	12	71
Riva, Joseph J.	NORTH	144	42	64	37	97	21	97
Rivera, Barbara Brosnan	NORTH	147	34	51	15	86	5	95
Sacco, Russ	NORTH	137	36	51	20	74	10	99
Sproviero, Scott G.	NORTH	177	28	57	9	93	3	104
Stampone, Vincenzo	NORTH	149	38	55	29	109	8	99
Stokes, Nanci G.	NORTH	155	53	40	34	90	15	116
Tamburino, Joseph A.	NORTH	181	35	63	28	89	10	94
Tarrant, Tara D.	NORTH	172	14	49	11	128	12	91
Voorhees, Gregory X.	CENTRAL	144	50	76	24	66	7	67
Wallen (NO), Kate R.	SOUTH	7	1	0	0	3	0	2
Wallen, Kate R.	SOUTH	153	26	46	16	82	5	80
Zimmerman, Richard T.	NORTH	42	12	62	12	87	12	78
<b>Total</b>		<b>9,347</b>	<b>2,322</b>	<b>3,710</b>	<b>1,465</b>	<b>5,700</b>	<b>705</b>	<b>5,874</b>

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