



AUTOMOBILES

NEW JERSEY DEPARTMENT OF
BANKING AND INSURANCE
QUARTERLY REPORT

No Fault PIP Arbitration
1st Quarter 2014



FORTHRIGHT

1ST QUARTER 2014 REPORT

TO THE

NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE

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EXECUTIVE SUMMARY

The format of this report was updated to capture data for cases with in-person proceedings as well as more data for those with “on-the-papers” proceedings. Pursuant to changes in the applicable regulations, the PIP arbitration rules were amended and Forthright began accepting filings of on-the-papers cases on March 1, 2013. Throughout this report, in-person cases may be designated as “IP” and on-the-papers cases may be designated as “OTP.”

In the 1st quarter of 2014, 14,729 cases were initiated in the PIP dispute resolution program. Of these cases, 7,852 (53%) were initiated in the Northern region, 2,256 (15%) in the Central region, and 1,768 (12%) in the Southern region, and 2,853 (19%) as OTP.

During the quarter, the DRP panel consisted of 60 members. The DRPs were regionally deployed as follows: 41 in the North; 9 in the Central; 10 in the South. 13,464 cases were assigned to DRPs. Note that two DRPs are shown as being in both the North and Central regions. This is because those DRPs are in the process of moving from the Central to the North region.

Of the pending cases in the PIP arbitration program, 14,318 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 984 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 \$4,188, comprised of \$3,444 for personal injury protection benefits and \$744 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.

Fourteen (14) appeals to panels of 3 DRPs were concluded during the reporting period. Five (5) involved awards or dismissal orders rendered in the North Region, five (5) in the Central Region and four (4) in the South Region. No OTP awards were appealed. Twenty-one percent (21%) of appeals resulted in some form of vacation or modification.

During the reporting period, parties requested MRO reviews applicable to thirty-four (34) cases. DRPs did not request any reviews. The requests were apportioned among the four certified MROs on a rotating basis.

CASES INITIATED

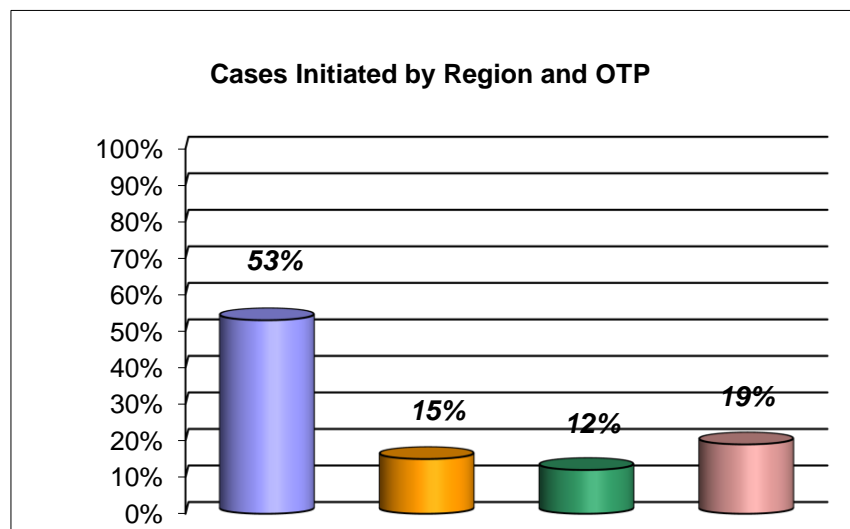
Cases are considered “filed” as of the date a Demand for Arbitration is received by Forthright. Case “initiation” occurs when an initiation letter is transmitted to the parties.

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 1st quarter of 2014, 14,729 cases were initiated in the PIP dispute resolution program. Of these cases, 7,852 (53%) were initiated in the Northern region, 2,256 (15%) in the Central region, and 1,768 (12%) in the Southern region, and 2,853 (19%) as OTP. See the table below for the monthly distribution.

	IP - North	IP -Central	IP - South	OTP	Total
January	2928	730	571	972	5201
February	2128	604	563	824	4119
March	2796	922	634	1057	5409
Totals	7852	2256	1768	2853	14729
Percent	53%	15%	12%	19%	



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 1st quarter and the reason.

Consolidation	Policy Issues	Change of Claim	Voluntary OTP Filings	Total
271	39	105	47	462

DISPOSITION OF CASES IN THE PIP ARBITRATION PROGRAM

Of the pending cases in the PIP arbitration program, 14,318 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 IP geographic regions as well as the OTP category.

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

Disposition Type	IP - North	IP - Central	IP - South	OTP	Total
Awarded/Denied	3435	660	719	736	5550
*Dismissed Pre-Hearing	6	2	3	0	11
Settled	3996	961	941	1570	7468
Withdrawn	733	130	139	287	1289
Total	8170	1753	1802	2593	14318

DISPOSITION OF CASES BY PERCENTAGE

The table below presents the disposition of on-the-papers cases and the regional disposition of in-person cases as percentages of all case dispositions during the reporting period.

Disposition Type	IP - North	IP - Central	IP - South	OTP
Awarded/Denied	42%	40%	38%	28%
Dismissed Pre-Hearing	<1%	<1%	<1%	N/A
Settled	49%	52%	55%	61%
Withdrawn	9%	8%	7%	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
654	153	177	0	984

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	1249	309	266	901	2725

*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

During the quarter, the DRP panel consisted of 60 members. The DRPs were regionally deployed as follows: 41 in the North; 9 in the Central; 10 in the South. 13,464 cases were assigned to DRPs. Note that two DRPs are shown as being in both the North and Central regions. This is because those DRPs are in the process of moving from the Central to the North region.

Caseload activity of DRPs is represented in Appendix A. The appendix distinguishes in-person cases from on-the-papers 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 3 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 12,167 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 2014 after the cases were assigned to DRPs. Note that IP cases are assigned to DRPs after the 45-day conciliation period. OTP cases are assigned upon initiation. Also 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 3 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	IP - North	IP - Central	IP - South	Total	OTP	System-Wide Percent
Awarded/Denied	3268	649	680	4597	731	44%
Dismissed by DRP	8	2	3	13	0	<1%
Settled	2745	661	674	4080	1559	47%
Withdrawn	662	112	131	906	281	10%
Total	6683	1424	1488	9596	2571	

REGIONAL AWARDS' PERCENTAGE

A total of 5,328 awards were issued by DRPs concerning requests for emergent relief, standard relief and fee disputes in both in-person and on-the-papers proceedings. Of the awards issued for in-person cases, 71% were in the North region, 14% in the Central region, and 15% in the South.

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

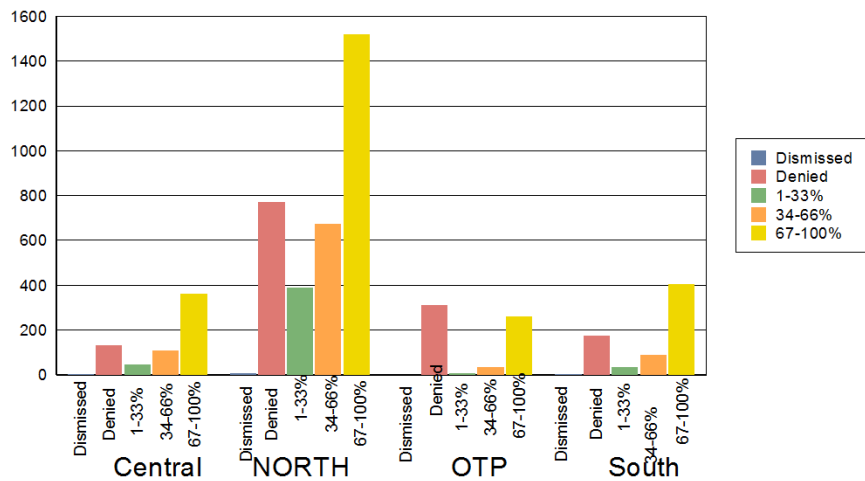
AWARDS AS A PERCENTAGE OF CLAIM AMOUNT

DRPs can deny a claim in its entirety or award all or part of an amount requested by a Claimant. For cases decided in the 1st quarter of 2014, 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.

	Dismissed*	Denied	1-33%	34-66%	67-100%	Total
IP - Central	2	132	45	108	362	649
IP - North	8	772	387	674	1519	3360
IP - South	3	173	35	88	403	702
OTP	0	312	5	35	259	611
Total	13	1389	472	905	2543	5322

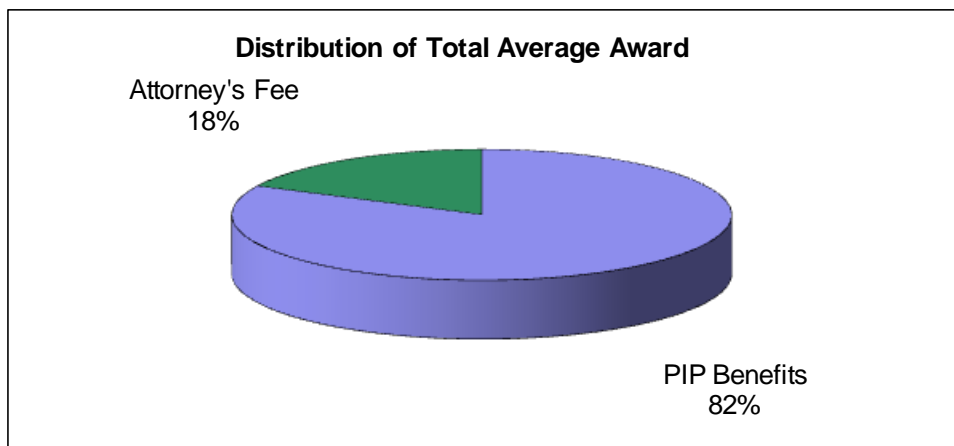
*Not applicable to OTP proceedings



*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 \$4,188, comprised of \$3,444 for personal injury protection benefits and \$744 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 \$3,444* per case. Awarded amounts ranged from \$0 to \$201,220. The median award during the reporting period was \$907. 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 \$744 per case. Awarded attorney's fees ranged from \$0 to \$5,000. The median attorney's fee award during the reporting period was \$900. Note that the calculation of the average and median attorney's fee includes cases in which the amount awarded was \$0.

	Average	Dollar Range	Median
PIP Benefits' Award	\$3444*	\$0 to \$201,220	\$907
Attorney's Fee Award	\$744	\$0 to \$5,000	\$900

*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

Fourteen (14) appeals to panels of 3 DRPs were concluded during the reporting period. Five (5) involved awards or dismissal orders rendered in the North Region, five (5) in the Central Region and four (4) in the South Region. No OTP awards were appealed. Twenty-one percent (21%) of appeals resulted in some form of vacation or modification. The following table reports the results.

	IP - North	IP - Central	IP- South	OTP	Total
Affirmed	5	4	2	0	11
Modified	0	1	1	0	2
Vacated & Remanded	0	0	1	0	1
TOTALS	5	5	4	0	14

MEDICAL REVIEW ORGANIZATION REPORT

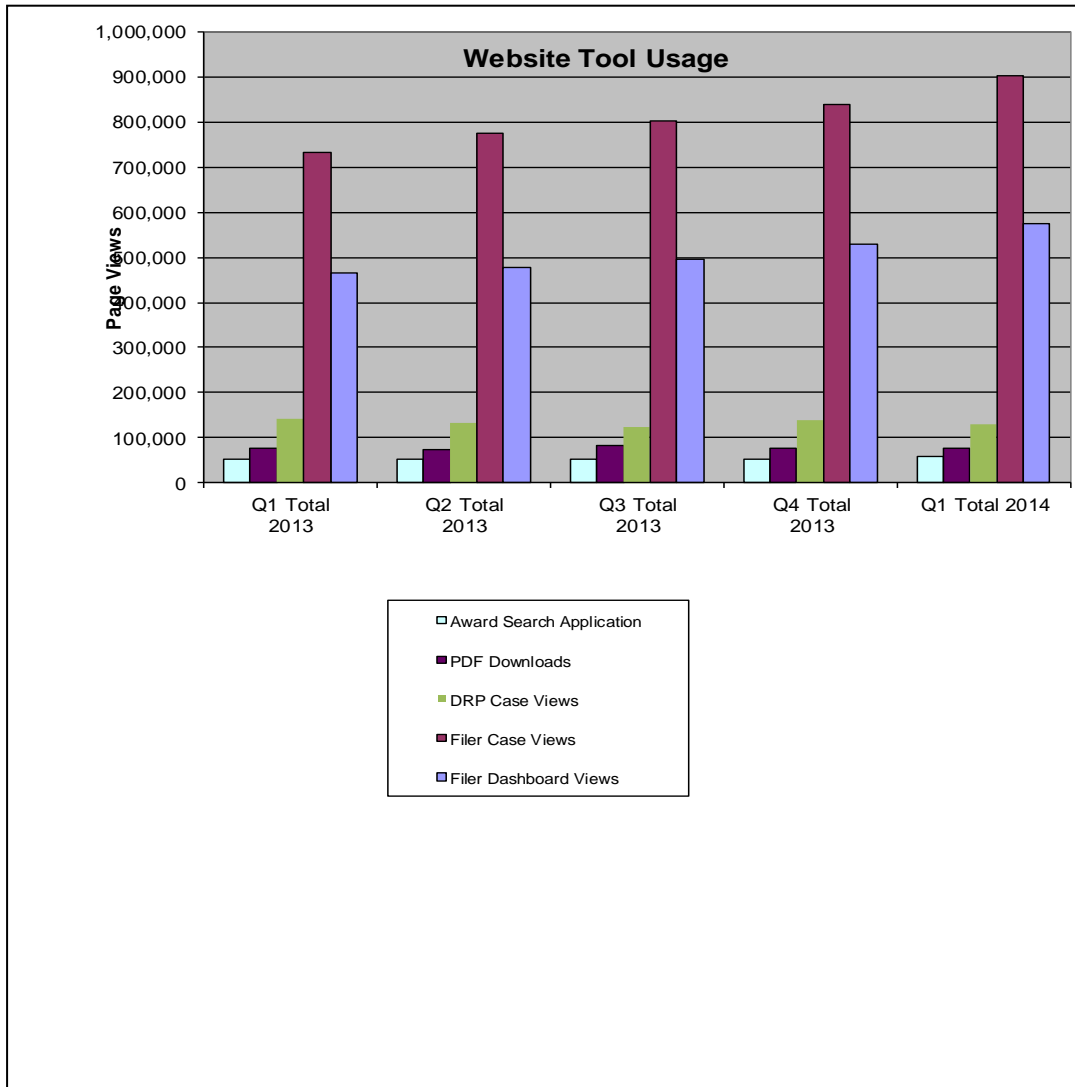
There are currently four Medical Review Organizations certified by the Department of Banking and Insurance. They are ExamWorks, formerly known as CFO Medical Services, First Managed Care Option (“FMCO”), Support Claim Services (“SCS”) and Rising Medical Solutions. Information relevant to MRO usage is 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	12	0	12	0	11	1
FMCO	7	0	7	1	7	0
Rising Medical	8	0	8	0	8	0
SCS	7	0	7	0	7	0
TOTALS	34	0	34	1	33	1

Note that MRO requests are reported by case. If a request pertains to consolidated cases, it is counted for each case. Also, Forthright discovered and corrected an error in the column for “Report After 20 Business Days.” We apologize for the previous inaccuracy.

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.



APPENDIX A

DRP	Region	IP Assigned	OTP Assigned	IP Settled/ Withdrawn	OTP Settled/ Withdrawn	IP Awarded/ Denied	OTP Awarded/ Denied	IP Proceedings
Aloi, Anthony M.	CENTRAL	221	50	101	26	58	20	78
Amendola, Francesca	NORTH	129	34	69	33	102	13	128
Andolino, Michael D.*	CENTRAL	37	22	58	21	102	10	116
Andolino, Michael D.*	NORTH	293	45	21	13	0	0	0
Annunziata, Maria	CENTRAL	213	44	82	32	67	4	96
Campbell, Jennifer M.	NORTH	181	47	93	45	79	5	103
Carnelli, Christopher M.	SOUTH	180	57	114	43	58	15	76
Carro, Sergio G.	NORTH	173	37	84	31	101	18	91
Caserta, Patrick J.	NORTH	220	40	89	40	55	10	96
Cassella, Deborah M.	NORTH	170	53	75	37	87	13	118
Celentano, Cynthia J.	NORTH	193	53	86	31	86	16	116
Croft, Douglas M.	NORTH	171	38	61	36	70	5	112
Damiano, Robert S.	NORTH	171	49	55	23	83	12	82
Daniskas, Maria I.	NORTH	196	34	75	25	89	15	108
de Cordova, Donald W.	NORTH	143	45	84	23	89	12	110
Della Badia, Joseph	NORTH	166	58	70	32	74	6	73
DeMarco, Jodi L.	NORTH	164	51	96	35	77	16	106
DeMarco, Joseph	NORTH	192	48	80	17	83	11	119
Eisele-Grabowski, Karen	SOUTH	152	41	95	25	88	13	95
Fabiano, Edward	NORTH	172	41	99	30	101	16	119
Fannan, John J.	CENTRAL	222	53	79	36	76	18	73
Fazio, Cataldo F.	NORTH	158	49	97	25	64	9	108
Foley, Patrick W.	CENTRAL	242	55	66	31	58	17	84
Ganzhorn, Lisa A.	NORTH	187	47	80	34	86	13	125
Garrabrandt, James H.	NORTH	160	49	73	29	52	11	91
Grabowski, David A.	SOUTH	115	47	93	24	71	20	94
Granato, S. Caroline	SOUTH	89	43	62	25	65	17	92
Hackett, Michael	NORTH	175	49	80	42	72	9	98
Hebron, Sylvia A	NORTH	182	54	102	33	82	12	113
Johnston, Maureen M.	NORTH	114	39	87	27	69	9	106
Kaczka, Thomas M.	NORTH	166	38	92	29	82	11	95
Karbasian, Carolyn K.	SOUTH	126	55	74	32	82	14	102
Keller, Grant W.	SOUTH	139	51	94	33	60	17	99
Kincade, Kathleen D.	CENTRAL	211	53	95	29	64	20	104
La Salle, Robert C.	NORTH	188	40	97	25	96	16	97
LaPorta Esq., David M.	NORTH	175	48	85	39	72	8	97
LaPorta, Phillip A.	NORTH	179	45	85	30	74	9	103
Lardiere, Andrea L	CENTRAL	289	51	100	36	70	10	105
Lesser, Gary T.	NORTH	174	52	83	29	88	6	88
McFadden (LI), Michael K.	SOUTH	15	0	5	0	9	0	8
McFadden, Michael K.	SOUTH	84	43	70	15	59	12	97
Miller, Matthew G.	NORTH	142	38	83	25	87	13	105
Mundy, Lisa D.	NORTH	196	53	79	38	65	17	80
Nardella, George C.	NORTH	155	45	83	32	88	8	112
Noonan, Scott M.	NORTH	169	38	76	28	92	20	121
O'Brien, Matthew J.	NORTH	132	45	62	25	91	7	104
Odell, Barry K.	CENTRAL	215	49	86	21	60	18	91
O'Donnel, Kenneth L.	NORTH	156	48	66	31	85	11	104
Patriaco, Andrew A.	NORTH	183	51	90	34	74	17	108
Petersen, Nina L.	SOUTH	137	64	59	28	56	12	98
Reis, Karen M.	NORTH	203	54	96	34	68	11	96
Remington-Knodel, Jennifer	NORTH	137	46	74	27	71	10	104
Reynolds, William E.	SOUTH	143	46	88	33	62	9	82
Riva, Joseph J.	NORTH	142	50	90	28	82	10	96
Rivera, Barbara Brosnan	NORTH	175	49	114	30	90	2	95
Sacco, Russ*	CENTRAL	54	30	52	27	75	13	107
Sacco, Russ*	NORTH	302	63	14	14	0	0	0
Sproviero, Scott G.	NORTH	176	43	65	31	69	13	120
Stampono, Vincenzo	NORTH	206	46	85	35	75	9	109
Stokes, Nanci G.	NORTH	178	48	96	40	82	14	79
Tamburino, Joseph A.	NORTH	161	32	86	29	86	12	104
Wallen (NO), Kate R.	SOUTH	9	0	3	0	3	0	4
Wallen, Kate R.	SOUTH	110	48	66	23	64	8	81
Zimmerman, Richard T.	NORTH	172	50	84	26	73	9	86
Total		10580	2884	4983	1840	4598	731	6,007

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