



AUTOMOBILES

NEW JERSEY DEPARTMENT OF
BANKING AND INSURANCE
QUARTERLY REPORT

No Fault PIP Arbitration
1st Quarter 2017



FORTHRIGHT

1ST QUARTER 2017 REPORT

TO THE

NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE

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EXECUTIVE SUMMARY

In the first quarter of 2017, 13,611 cases were initiated in the PIP dispute resolution program. Of these cases, 7,631 (56%) were initiated in the Northern region, 1,797 (13%) in the Central region, 1,776 (13%) in the Southern region, and 2,407 (18%) as OTP.

The DRP panel consisted of 62 members. The DRPs were regionally deployed as follows: 41 in the North, 10 in the Central, and 11 in the South. 12,513 cases were assigned to DRPs.

Of the pending cases in the PIP arbitration program, 14,124 were concluded during the first quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement, or withdrawal. There were 1,473 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 \$5,232, comprised of \$4,393 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.

Sixteen appeals to panels of three DRPs were concluded during the reporting period. Nine involved awards or dismissal orders rendered in the North Region, three in the Central Region, and three in the South Region. One OTP award was appealed. Forty-four percent of awards were vacated and modified.

During the reporting period, parties requested MRO reviews applicable to 16 cases. DRPs did not request any reviews. The requests were apportioned among the four certified MROs on a rotating basis.

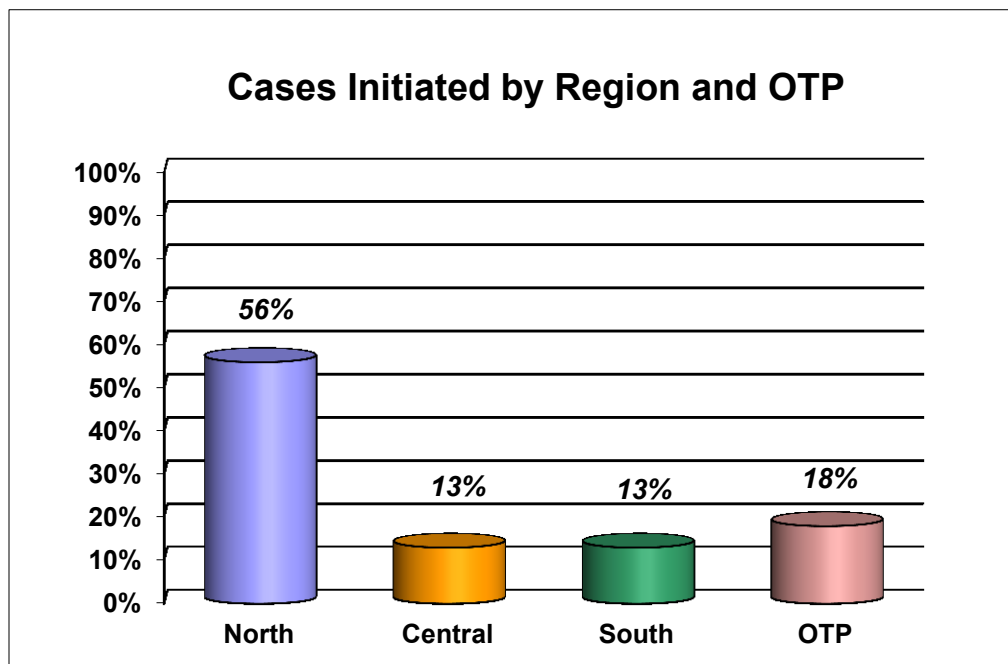
CASES INITIATED

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 first quarter of 2017, 13,611 cases were initiated in the PIP dispute resolution program. Of these cases, 7,631 (56%) were initiated in the Northern region, 1,797 (13%) in the Central region, 1,776 (13%) in the Southern region, and 2,407 (18%) as OTP. See the table below for the monthly distribution.

| | IP - North | IP - Central | IP - South | OTP | Total |
|----------|-------------------|---------------------|-------------------|------------|--------------|
| January | 2,453 | 609 | 574 | 772 | 4,408 |
| February | 2,291 | 568 | 473 | 713 | 4,045 |
| March | 2,887 | 620 | 729 | 922 | 5,158 |
| Totals | 7,631 | 1,797 | 1,776 | 2,407 | 13,611 |



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 first quarter and the reason.

| Consolidation | Policy Issues | Change of Claim | Voluntary OTP Filings | Total |
|----------------------|----------------------|------------------------|------------------------------|--------------|
| 299 | 26 | 66 | 15 | 406 |

DISPOSITION OF CASES IN THE PIP ARBITRATION PROGRAM

Of the pending cases in the PIP arbitration program, 14,124 were concluded during the first 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.

| Disposition Type | IP - North | IP - Central | IP - South | OTP | Total |
|-------------------------|-------------------|---------------------|-------------------|--------------|---------------|
| Awarded/Denied | 3,627 | 716 | 716 | 702 | 5,761 |
| *Dismissed Pre-Hearing | 11 | 7 | 2 | 0* | 20 |
| Settled | 3,822 | 1,057 | 1,039 | 1,303 | 7,221 |
| Withdrawn | 667 | 136 | 125 | 194 | 1,122 |
| Total | 8,127 | 1,916 | 1,882 | 2,199 | 14,124 |

* 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.

| Disposition Type | IP - North | IP - Central | IP - South | OTP |
|-------------------------|-------------------|---------------------|-------------------|------------|
| Awarded/Denied | 45% | 38% | 37% | 32% |
| Dismissed Pre-Hearing | (<1%) | (<1%) | (<1%) | N/A |
| Settled | 47% | 55% | 55% | 59% |
| Withdrawn | 8% | 7% | 7% | 9% |

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 |
|-------------------|---------------------|-------------------|------------|--------------|
| 889 | 248 | 258 | 78 | 1,473 |

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* | 1,796 | 449 | 376 | 832 | 3,453 |

** 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 62 members. The DRPs were regionally deployed as follows: 41 in the North, 10 in the Central, and 11 in the South. 12,513 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 11,539 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 first quarter of 2017 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.

| Disposition | IP - North | IP - Central | IP - South | IP - Total | OTP |
|--------------------|-------------------|---------------------|-------------------|-------------------|--------------|
| Awarded/Denied | 3,786 | 750 | 733 | 5,269 | 699 |
| Dismissed by DRP | 11 | 7 | 2 | 20 | 0* |
| Settled | 2,059 | 605 | 652 | 3,316 | 1,294 |
| Withdrawn | 523 | 122 | 103 | 748 | 193 |
| Total | 6,379 | 1,484 | 1,490 | 9,353 | 2,186 |

* Not applicable to OTP proceedings

REGIONAL AWARDS PERCENTAGE

A total of 5,968 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 (5,269), 72% were in the North region, 14% in the Central region, and 14% in the South region.

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

AWARDS AS A PERCENTAGE OF CLAIM AMOUNT

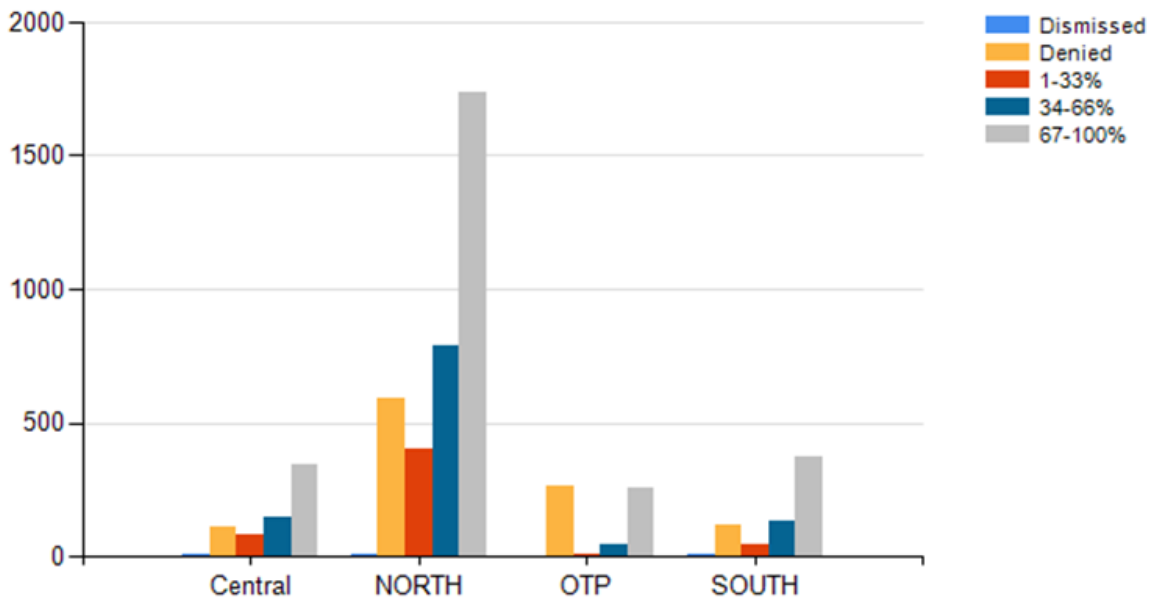
DRPs can deny a claim in its entirety or award all or part of an amount requested by a Claimant. For cases decided in the first quarter of 2017, the table and graph below indicate the distribution of DRP total awarded amounts, from 0% (denied/dismissed) to 100% of claimed amounts. Total awarded amounts 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.

| | Dismissed | Denied | 1-33% | 34-66% | 67-100% | Total |
|--------------|------------------|---------------|--------------|---------------|----------------|--------------|
| IP - Central | 7 | 107 | 81 | 150 | 345 | 690 |
| IP - North | 11 | 591 | 401 | 785 | 1,738 | 3,526 |
| IP - South | 2 | 119 | 42 | 132 | 375 | 670 |
| OTP | 0* | 265 | 5 | 41 | 256 | 567 |
| Total | 20 | 1,082 | 529 | 1,108 | 2,714 | 5,453 |

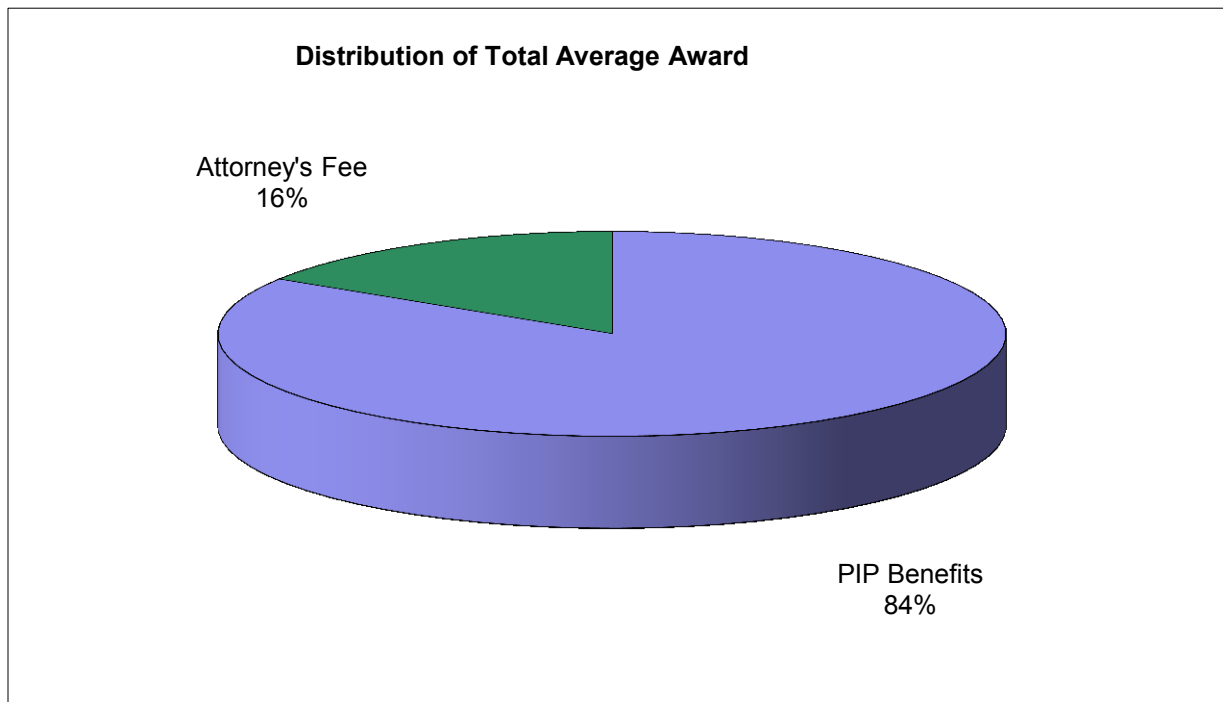
* Not applicable to OTP proceedings

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 \$5,232, comprised of \$4,393 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 \$4,393* per case. Awarded amounts ranged from \$0 to \$419,978. The median award during the reporting period was \$1,227. 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 \$4,515. 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.

| | Average | Dollar Range | Median |
|----------------------|----------------|---------------------|---------------|
| PIP Benefits' Award | \$4,393* | \$0 to \$419,978 | \$1,227 |
| Attorney's Fee Award | \$839 | \$0 to \$4,515 | \$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

Sixteen appeals to panels of three DRPs were concluded during the reporting period. Nine involved awards or dismissal orders rendered in the North Region, Three in the Central Region, and three in the South Region. One OTP award was appealed. Forty-four percent of awards were vacated and modified. The following table reports the results.

| | IP - North | IP - Central | IP- South | OTP | Total |
|---------------------|-------------------|---------------------|------------------|------------|--------------|
| Affirmed | 6 | 1 | 2 | 0 | 9 |
| Vacated & Corrected | 2 | 2 | 1 | 1 | 6 |
| Modified | 1 | 0 | 0 | 0 | 1 |
| TOTALS | 9 | 3 | 3 | 1 | 16 |

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.

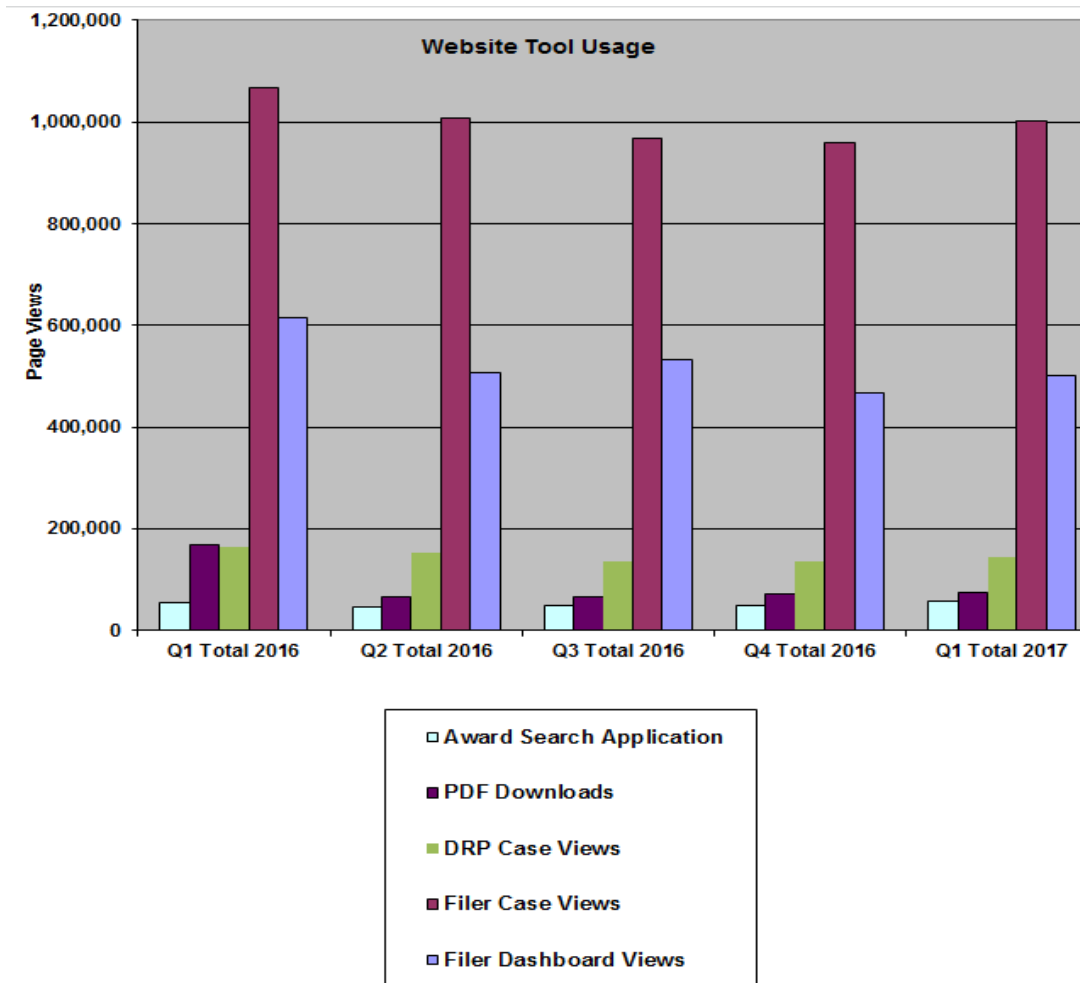
| MRO | Request By Party | Request By DRP | Total Requests | Request for Information | Report in 20 Business Days | Report After 20 Business Days |
|-----------|------------------|----------------|----------------|-------------------------|----------------------------|-------------------------------|
| ExamWorks | 5 | 0 | 5 | 0 | 5 | 0 |

| | | | | | | |
|----------------|----|---|----|---|----|---|
| FMCO | 3 | 0 | 3 | 1 | 3 | 0 |
| Rising Medical | 4 | 0 | 4 | 0 | 4 | 0 |
| SCS | 4 | 0 | 4 | 0 | 4 | 0 |
| TOTALS | 16 | 0 | 16 | 1 | 16 | 0 |

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. 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 | 200 | 55 | 83 | 36 | 80 | 8 | 97 |
| Andolino, Michael D. | NORTH | 191 | 34 | 75 | 20 | 76 | 8 | 108 |
| Annunziata, Maria | CENTRAL | 229 | 54 | 93 | 37 | 84 | 10 | 106 |
| Barry, Martin M. | CENTRAL | 232 | 53 | 91 | 37 | 69 | 7 | 99 |
| Campbell, Jennifer M. | NORTH | 174 | 35 | 68 | 24 | 97 | 17 | 132 |
| Carnelli, Christopher M. | SOUTH | 183 | 64 | 64 | 42 | 72 | 10 | 70 |
| Caserta, Patrick J. | NORTH | 118 | 47 | 48 | 32 | 80 | 13 | 100 |
| Cassella, Deborah M. | NORTH | 171 | 38 | 63 | 36 | 90 | 15 | 106 |
| Celentano, Cynthia J. | NORTH | 147 | 34 | 53 | 12 | 112 | 7 | 118 |
| Croft, Douglas M. | NORTH | 155 | 38 | 66 | 21 | 85 | 12 | 93 |
| Damiano, Robert S. | NORTH | 200 | 51 | 74 | 18 | 77 | 7 | 67 |
| Daniskas, Maria I. | NORTH | 158 | 36 | 75 | 22 | 103 | 20 | 105 |
| Della Badia, Joseph | NORTH | 202 | 28 | 55 | 18 | 86 | 3 | 90 |
| DeMarco, Jodi L. | NORTH | 138 | 42 | 65 | 19 | 105 | 12 | 114 |
| DeMarco, Joseph | NORTH | 215 | 36 | 72 | 19 | 82 | 8 | 116 |
| Ducey, John G. | CENTRAL | 179 | 48 | 83 | 20 | 75 | 12 | 101 |
| Eisele-Grabowski, Karen | SOUTH | 163 | 43 | 75 | 30 | 71 | 11 | 77 |
| Fabiano, Edward | NORTH | 155 | 29 | 57 | 17 | 92 | 25 | 122 |
| Fannan, John J. | CENTRAL | 41 | 6 | 24 | 2 | 68 | 11 | 48 |
| Fazio, Cataldo F. | NORTH | 120 | 18 | 41 | 9 | 94 | 13 | 101 |
| Finiello, Susanne N. | SOUTH | 121 | 53 | 64 | 42 | 52 | 7 | 60 |
| Foley, Patrick W. | CENTRAL | 162 | 54 | 64 | 29 | 74 | 2 | 100 |
| Frankland, Suzanne J. | NORTH | 161 | 47 | 61 | 21 | 123 | 6 | 115 |
| Ganzhorn, Lisa A. | NORTH | 168 | 35 | 79 | 30 | 75 | 13 | 117 |
| Garrabrandt, James H. | NORTH | 191 | 47 | 85 | 27 | 87 | 10 | 132 |
| Grabowski, David A. | SOUTH | 174 | 31 | 68 | 9 | 59 | 6 | 77 |
| Granato, S. Caroline | SOUTH | 174 | 40 | 54 | 38 | 69 | 19 | 97 |
| Hackett, Michael | NORTH | 208 | 31 | 75 | 16 | 105 | 7 | 114 |
| Hebron, Sylvia A | NORTH | 159 | 51 | 66 | 20 | 92 | 20 | 98 |
| Johnston, Maureen M. | NORTH | 196 | 30 | 78 | 19 | 101 | 8 | 105 |
| Kaczka, Thomas M. | NORTH | 137 | 34 | 61 | 18 | 67 | 14 | 96 |
| Kaiser, Brian K. | NORTH | 149 | 32 | 56 | 13 | 74 | 14 | 94 |
| Karbasian, Carolyn K. | SOUTH | 194 | 33 | 81 | 31 | 93 | 7 | 100 |
| Keller, Grant W. | SOUTH | 171 | 42 | 63 | 34 | 71 | 14 | 74 |
| Kincade, Kathleen D. | CENTRAL | 205 | 44 | 63 | 24 | 78 | 7 | 99 |
| La Salle, Robert C. | NORTH | 163 | 28 | 80 | 13 | 107 | 16 | 121 |
| LaPorta Esq., David M. | NORTH | 146 | 40 | 46 | 22 | 92 | 10 | 107 |
| LaPorta, Phillip A. | NORTH | 159 | 38 | 65 | 17 | 65 | 5 | 82 |

| | | | | | | | | |
|----------------------------|---------|---------------|--------------|--------------|--------------|--------------|------------|--------------|
| Lardiere, Andrea L | CENTRAL | 187 | 48 | 61 | 30 | 82 | 18 | 100 |
| Lesser, Gary T. | NORTH | 0 | 0 | 0 | 0 | 27 | 6 | 0 |
| McFadden, Michael K. | SOUTH | 179 | 30 | 97 | 20 | 63 | 3 | 87 |
| Miller, Matthew G. | NORTH | 162 | 38 | 61 | 24 | 74 | 6 | 94 |
| Mundy, Lisa D. | NORTH | 165 | 28 | 78 | 20 | 103 | 14 | 115 |
| Nardella, George C. | NORTH | 139 | 36 | 62 | 19 | 81 | 16 | 106 |
| Noonan, Scott M. | NORTH | 168 | 37 | 54 | 27 | 88 | 9 | 121 |
| O'Brien, Matthew J. | NORTH | 130 | 49 | 39 | 24 | 79 | 12 | 123 |
| Odell, Barry K. | CENTRAL | 100 | 39 | 52 | 23 | 53 | 7 | 17 |
| O'Donnel, Kenneth L. | NORTH | 170 | 28 | 72 | 13 | 86 | 4 | 95 |
| Patriaco, Andrew A. | NORTH | 137 | 36 | 66 | 24 | 88 | 13 | 104 |
| Pettersen, Nina L. | SOUTH | 162 | 55 | 73 | 42 | 67 | 22 | 88 |
| Reis, Karen M. | NORTH | 150 | 41 | 51 | 21 | 95 | 15 | 105 |
| Remington-Knodel, Jennifer | NORTH | 169 | 33 | 68 | 19 | 106 | 4 | 106 |
| Reynolds, William E. | SOUTH | 139 | 54 | 59 | 49 | 75 | 19 | 99 |
| Riva, Joseph J. | NORTH | 51 | 22 | 43 | 19 | 94 | 9 | 104 |
| Rivera, Barbara Brosnan | NORTH | 139 | 33 | 64 | 25 | 89 | 10 | 122 |
| Sacco, Russ | NORTH | 161 | 45 | 39 | 25 | 80 | 14 | 74 |
| Sproviero, Scott G. | NORTH | 151 | 24 | 72 | 15 | 77 | 14 | 115 |
| Stampone, Vincenzo | NORTH | 137 | 43 | 47 | 27 | 114 | 15 | 111 |
| Stokes, Nanci G. | NORTH | 165 | 35 | 51 | 26 | 110 | 14 | 113 |
| Tamburino, Joseph A. | NORTH | 152 | 27 | 65 | 17 | 96 | 14 | 118 |
| Tarrant, Tara D. | NORTH | 181 | 37 | 86 | 14 | 73 | 6 | 112 |
| Voorhees, Gregory X. | CENTRAL | 247 | 61 | 87 | 45 | 85 | 10 | 122 |
| Wallen, Kate R. | SOUTH | 128 | 48 | 65 | 24 | 58 | 7 | 75 |
| Zimmerman, Richard T. | NORTH | 9 | 0 | 2 | 0 | 44 | 5 | 15 |
| Total | | 10,087 | 2,426 | 4,049 | 1,486 | 5,269 | 700 | 6,199 |

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