



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

No Fault PIP Arbitration  
2nd Quarter 2016



FORTHRIGHT

**2<sup>ND</sup> QUARTER 2016 REPORT**

**TO THE**

**NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE**

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## EXECUTIVE SUMMARY

In the second quarter of 2016, 12,925 cases were initiated in the PIP dispute resolution program. Of these cases, 7,066 (55%) were initiated in the Northern region, 1,802 (14%) in the Central region, 1,641 (13%) in the Southern region, and 2,416 (19%) as OTP.

The DRP panel consisted of 65 members. The DRPs are regionally deployed as follows: 44 in the North, 10 in the Central, and 11 in the South. 11,922 cases were assigned to DRPs.

Of the pending cases in the PIP arbitration program, 15,020 were concluded during the second quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement, or withdrawal. There were 1,241 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 \$4,840, comprised of \$4,002 for personal injury protection benefits and \$838 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.

Eighteen appeals to panels of three DRPs were concluded during the reporting period. Seven involved awards or dismissal orders rendered in the North Region, five in the Central Region, and two in the South Region. Four OTP awards were appealed. Twenty-eight percent of awards were vacated and modified.

During the reporting period, parties requested MRO reviews applicable to 31 cases. DRPs did not request any reviews. The requests were apportioned among the four certified MROs on a rotating basis.

## CASES INITIATED

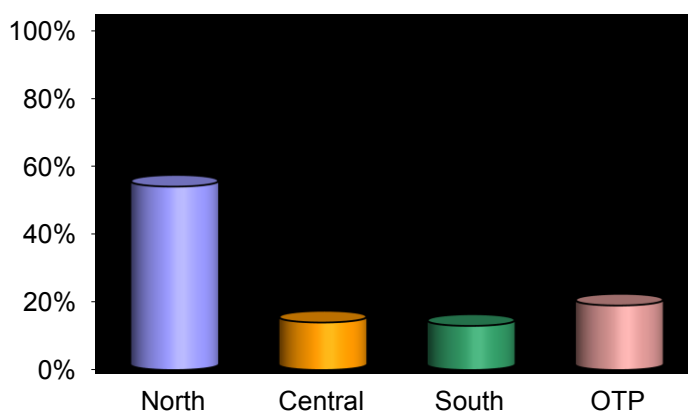
Cases are considered “filed” as of the date a Demand for Arbitration is received by Forthright. Case “initiation” occurs when an initiation letter is transmitted to the parties.

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 second quarter of 2016, 12,925 cases were initiated in the PIP dispute resolution program. Of these cases, 7,066 (55%) were initiated in the Northern region, 1,802 (14%) in the Central region, 1,641 (13%) in the Southern region, and 2,416 (19%) as OTP. See the table below for the monthly distribution.

	IP - North	IP - Central	IP - South	OTP	Total
April	2,299	539	534	816	4,188
May	2,350	614	546	752	4,262
June	2,417	649	561	848	4,475
Totals	7,066	1,802	1,641	2,416	12,925

**Cases Initiated by Region and OTP**



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

	IP - North	IP - Central	IP - South	OTP	Total
Q1 2016	8,455	2,346	2,133	2,399	15,333
Q2 2016	7,049	1,803	1,639	2,457	12,925

## 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 second quarter and the reason.

<b>Consolidation</b>	<b>Policy Issues</b>	<b>Change of Claim</b>	<b>Voluntary OTP Filings</b>	<b>Total</b>
244	16	57	46	363

## DISPOSITION OF CASES IN THE PIP ARBITRATION PROGRAM

Of the pending cases in the PIP arbitration program, 15,020 were concluded during the second 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	3,708	976	1,054	678	6,416
*Dismissed Pre-Hearing	9	2	3	0	14
Settled	3,994	1,144	934	1,475	7,547
Withdrawn	580	140	134	189	1,043
<b>Total</b>	<b>8,291</b>	<b>2,262</b>	<b>2,125</b>	<b>2,342</b>	<b>15,020</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	45%	50%	43%	29%
Dismissed Pre-Hearing	(<1%)	(<1%)	(<1%)	N/A
Settled	48%	44%	51%	63%
Withdrawn	7%	6%	6%	8%

## 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.

<b>IP - North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>OTP</b>	<b>Total</b>
796	223	173	49	1,241

## 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.

	<b>IP - North</b>	<b>IP - Central</b>	<b>IP - South</b>	<b>OTP</b>	<b>Total</b>
Settlements*	1,783	481	365	989	3,618

*\* 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 are regionally deployed as follows: 44 in the North, 10 in the Central, and 11 in the South. 11,922 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 12,573 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 second 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	3,945	1,018	1,080	6,043	679
Dismissed by DRP	9	2	3	14	0*
Settled	2,258	657	574	3,489	1,462
Withdrawn	464	119	115	698	188
<b>Total</b>	<b>6,676</b>	<b>1,796</b>	<b>1,772</b>	<b>10,244</b>	<b>2,329</b>

\* Not applicable to OTP proceedings

### REGIONAL AWARDS PERCENTAGE

A total of 6,722 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 (6,043), 65% were in the North region, 17% in the Central region, and 18% 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 second 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.

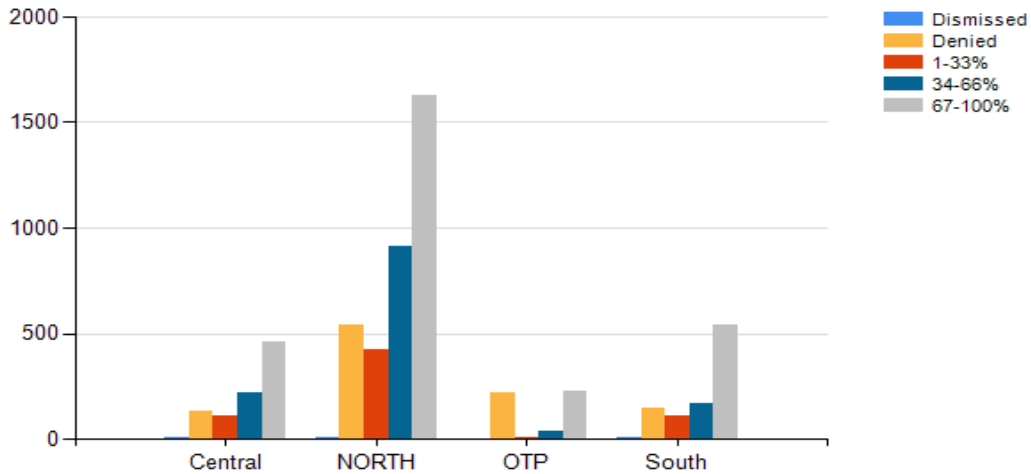
For purposes of the data table and chart below, amended amounts are captured within a total amount claimed and then compared to the total amount awarded.

	<b>Dismissed</b>	<b>Denied</b>	<b>1-33%</b>	<b>34-66%</b>	<b>67-100%</b>	<b>Total</b>
IP - Central	2	132	107	221	463	925
IP - North	9	538	421	914	1,628	3,510
IP - South	3	148	113	170	544	978
OTP	0*	219	6	40	224	489
<b>Total</b>	<b>14</b>	<b>1,037</b>	<b>647</b>	<b>1,345</b>	<b>2,859</b>	<b>5,902</b>

\* Not applicable to OTP proceedings

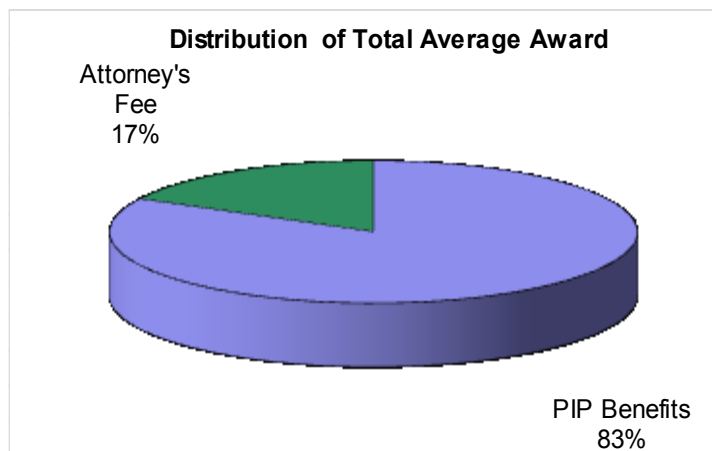
Note: The award data in this section excludes appellate awards.





### PIP BENEFITS AND ATTORNEY’S FEES COMPARISON

System-wide, the average amount awarded in arbitration (excluding filing fees) was \$4,840, comprised of \$4,002 for personal injury protection benefits and \$838 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 \$4,002\* per case. Awarded amounts ranged from \$0 to \$330,671. The median award during the reporting period was \$1,241. 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 \$838 per case. Awarded attorney’s fees ranged from \$0 to \$5,688. 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	\$4,002*	\$0 to \$330,671	\$1,241
Attorney's Fee Award	\$838	\$0 to \$5,688	\$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

Eighteen appeals to panels of three DRPs were concluded during the reporting period. Seven involved awards or dismissal orders rendered in the North Region, five in the Central Region, and two in the South Region. Four OTP awards were appealed. Twenty-eight percent of awards were vacated and modified. 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	4	5	1	3	13
Vacated & Modified	3	0	1	1	5
<b>TOTALS</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>18</b>

## MEDICAL REVIEW ORGANIZATION REPORT

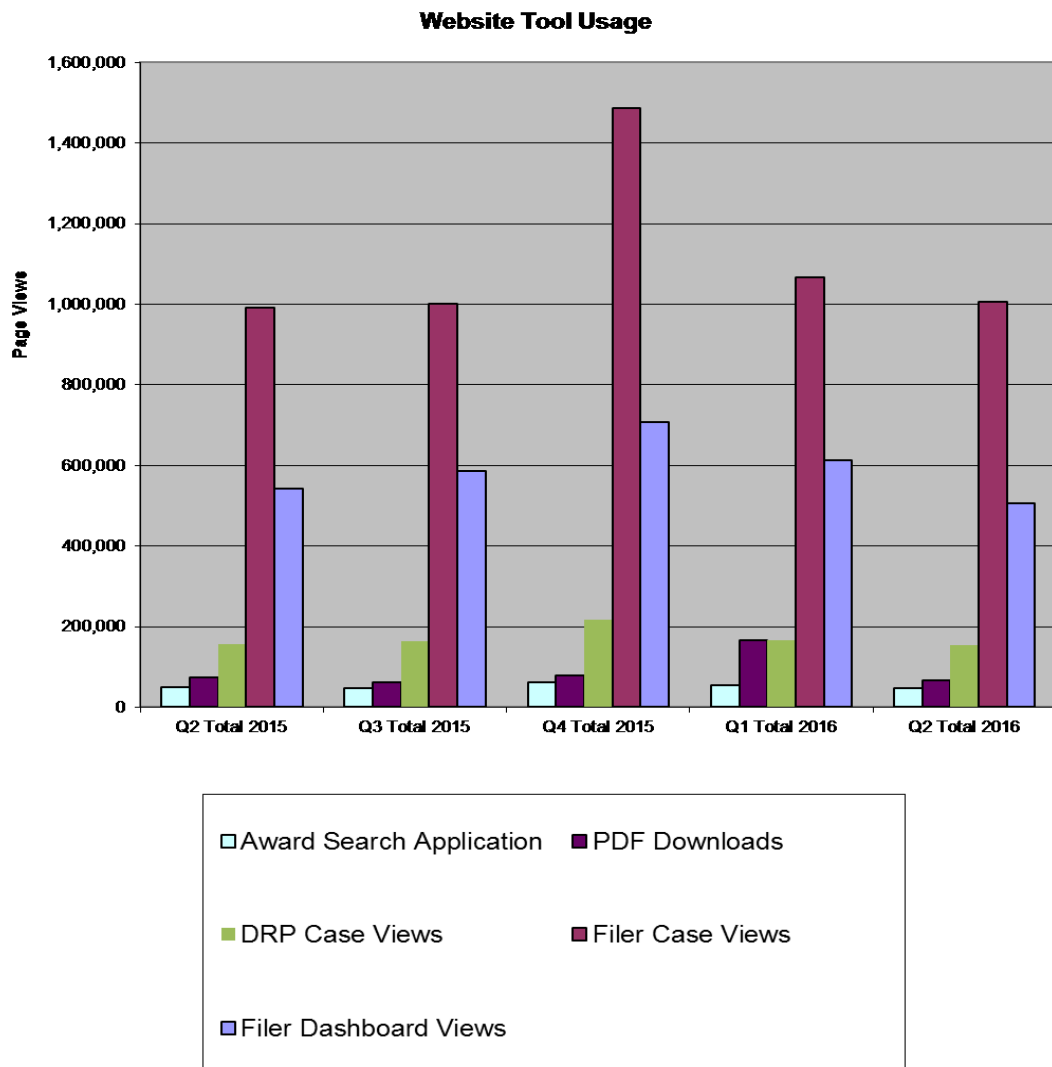
There are currently four Medical Review Organizations ("MRO") certified by the Department of Banking and Insurance. They are ExamWorks, formerly known as CFO Medical Services, First Managed Care Option ("FMCO"), Support Claim Services ("SCS"), and Rising Medical Solutions. Information relevant to MRO 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	9	0	9	0	9	0
FMCO	6	0	6	0	4	2
Rising Medical	8	0	8	1	8	0
SCS	8	0	8	0	8	0
<b>TOTALS</b>	<b>31</b>	<b>0</b>	<b>31</b>	<b>1</b>	<b>29</b>	<b>2</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**

<b><u>DRP</u></b>	<b><u>Region</u></b>	<b><u>IP Assigned</u></b>	<b><u>OTP Assigned</u></b>	<b><u>IP Settled/ Withdrawn</u></b>	<b><u>OTP Settled/ Withdrawn</u></b>	<b><u>IP Awarded/ Denied</u></b>	<b><u>OTP Awarded/ Denied</u></b>	<b><u>In Person Proceeding</u></b>
Aloi, Anthony M.	CENTRAL	118	16	77	10	90	9	97
Amendola, Francesca	NORTH	0	0	4	1	0	0	0
Andolino, Michael D.	NORTH	152	32	60	30	109	15	123
Annunziata, Maria	CENTRAL	124	25	60	15	105	3	106
Barry, Martin M.	CENTRAL	108	45	82	24	87	7	76
Campbell, Jennifer M.	NORTH	209	52	90	30	101	12	120
Carnelli, Christopher M.	SOUTH	161	54	51	45	108	14	104
Caserta, Patrick J.	NORTH	188	51	77	37	94	13	102
Cassella, Deborah M.	NORTH	129	56	57	29	78	15	96
Celentano, Cynthia J.	NORTH	175	25	55	14	96	5	98
Croft, Douglas M.	NORTH	176	34	106	29	108	6	98
Damiano, Robert S.	NORTH	190	29	78	20	75	8	98
Daniskas, Maria I.	NORTH	158	62	70	41	72	12	98
Della Badia, Joseph	NORTH	168	21	65	22	87	6	94
DeMarco, Jodi L.	NORTH	155	43	51	32	81	6	101
DeMarco, Joseph	NORTH	189	39	60	26	120	8	91
Ducey, John G.	CENTRAL	155	35	70	29	71	5	82
Eisele-Grabowski, Karen	SOUTH	116	62	52	36	89	13	88
Fabiano, Edward	NORTH	121	48	60	28	104	10	107
Fannan, John J.	CENTRAL	148	19	75	15	86	2	72
Fazio, Cataldo F.	NORTH	127	63	62	39	91	7	105
Finiello, Susanne N.	SOUTH	184	28	87	27	73	3	74
Foley, Patrick W.	CENTRAL	126	14	66	11	128	5	108
Frankland, Suzanne J.	NORTH	161	33	63	21	72	10	87
Ganzhorn, Lisa A.	NORTH	157	62	53	34	98	16	103
Garrabrandt, James H.	NORTH	160	41	65	31	105	15	97
Grabowski, David A.	SOUTH	125	16	82	15	105	4	82
Granato, S. Caroline	SOUTH	120	55	44	31	103	14	102
Hackett, Michael	NORTH	199	28	74	25	100	8	97
Hebron, Sylvia A	NORTH	153	36	61	36	82	12	104
Johnston, Maureen M.	NORTH	178	19	81	13	121	2	98
Kaczka, Thomas M.	NORTH	108	49	43	30	106	7	86
Kaiser, Brian K.	NORTH	126	53	53	25	78	24	85
Karbasian, Carolyn K.	SOUTH	95	26	56	26	117	14	123
Keller, Grant W.	SOUTH	92	54	59	25	96	19	101
Kincade, Kathleen D.	CENTRAL	146	20	65	13	81	4	87
La Salle, Robert C.	NORTH	122	33	54	14	108	11	108
LaPorta Esq., David M.	NORTH	130	48	57	25	112	11	114
LaPorta, Phillip A.	NORTH	144	39	69	26	82	12	102

Lardiere, Andrea L.	CENTRAL	182	48	114	24	99	7	104
Lesser, Gary T.	NORTH	176	55	74	38	76	17	85
McFadden (LI), Michael K.	SOUTH	7	0	4	0	8	0	5
McFadden, Michael K.	SOUTH	109	21	58	14	72	9	67
Miller, Matthew G.	NORTH	180	45	83	26	93	11	102
Mundy, Lisa D.	NORTH	180	35	58	26	78	9	117
Nardella, George C.	NORTH	114	45	49	34	93	19	97
Noonan, Scott M.	NORTH	105	39	42	24	122	16	103
O'Brien, Matthew J.	NORTH	150	50	76	32	101	13	85
Odell, Barry K.	CENTRAL	154	17	75	17	88	7	86
O'Donnel, Kenneth L.	NORTH	139	22	77	21	93	8	97
Patriaco, Andrew A.	NORTH	123	36	59	26	103	18	91
Pettersen, Nina L.	SOUTH	156	42	56	15	109	13	111
Reis, Karen M.	NORTH	150	52	44	34	91	20	115
Remington-Knodel, Jennifer	NORTH	140	53	47	27	83	12	89
Reynolds, William E.	SOUTH	133	37	58	28	117	13	127
Riva, Joseph J.	NORTH	108	54	63	33	105	17	115
Rivera, Barbara Brosnan	NORTH	153	35	57	31	95	6	109
Sacco, Russ	CENTRAL	0	0	1	0	0	0	0
Sacco, Russ	NORTH	195	33	73	27	89	16	98
Sproviero, Scott G.	NORTH	111	26	64	19	92	14	95
Stampone, Vincenzo	NORTH	157	48	71	35	76	10	89
Stokes, Nanci G.	NORTH	139	64	65	35	91	13	96
Tamburino, Joseph A.	NORTH	114	49	48	28	120	14	131
Tarrant, Tara D.	NORTH	203	29	71	24	111	7	89
Voorhees, Gregory X.	CENTRAL	139	21	71	14	66	7	88
Wallen (NO), Kate R.	SOUTH	2	0	3	0	0	0	0
Wallen, Kate R.	SOUTH	169	16	67	13	81	7	71
Zimmerman, Richard T.	NORTH	173	31	64	25	72	11	74
<b>Total</b>		<b>9,454</b>	<b>2,468</b>	<b>4,186</b>	<b>1,650</b>	<b>6,043</b>	<b>681</b>	<b>6,250</b>

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