



QUARTERLY REPORT TO
THE NEW JERSEY DEPARTMENT
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration
4th Quarter, 2006*

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Executive Summary

A new section has been added to this report providing usage data for the FORUM's free web-based case management tools for PIP practitioners. At the inception of the No-Fault Dispute Resolution Program, FORUM launched a web site at www.nj-no-fault.com as a free customer service. It enables PIP practitioners to file and manage their cases online by means of a secure login. Recognizing that easy, unrestricted access to prior arbitration decisions would be a valuable aid to case evaluation, preparation and presentation, FORUM created a "DRP Decision" feature. This feature provides multiple search criteria including key word and full text. There are currently in excess of 27,000 decisions available.

To widen the scope of input from the user community, FORUM implemented a rotation of Advisory Council members in October. Six new members joined the Council, which met four times during the quarter.

The entire DRP panel was convened for a day-long meeting and seminar in October. The induction of 2 additional DRPs to expand the panel to 42 was completed during the quarter. Both were assigned to the North Region and began receiving cases assignments. Their first arbitration hearings are scheduled for late January 2007. Regional DRP deployment currently consists of 28 in the North Region, 8 in the Central Region and 6 in the South Region.

In the 4th quarter of 2006, 9,468 cases were initiated in the PIP ADR program. Of these cases, 5,957 (63%) originated in the Northern region, 1,958 (21%) in the Central region, and 1,553 (16%) in the Southern region.

Of the pending cases filed with the Forum in the PIP ADR program, 8,687 cases were concluded during the 4th quarter by means of an award or denial of award at hearing, pre-hearing dismissal of the case, settlement or withdrawal. 134 cases were placed in abeyance by consent of the parties or by order of the court. 8,775 cases were assigned to DRPs.

1,565 cases settled during the conciliation period distributed regionally as follows: 946 in the North region, 377 in the Central region and 242 in the South region.

System-wide, the average total amount awarded in arbitration was \$5,693 comprised of \$4,540 for personal injury protection benefits and \$1,153 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 is less than the awarded amount.

Twenty-three (23) appeals to panels of 3 DRPs were concluded during the reporting period. All appeals involved awards rendered in the North Region. 40% of appeals resulted in some form of modification, vacation or remand.

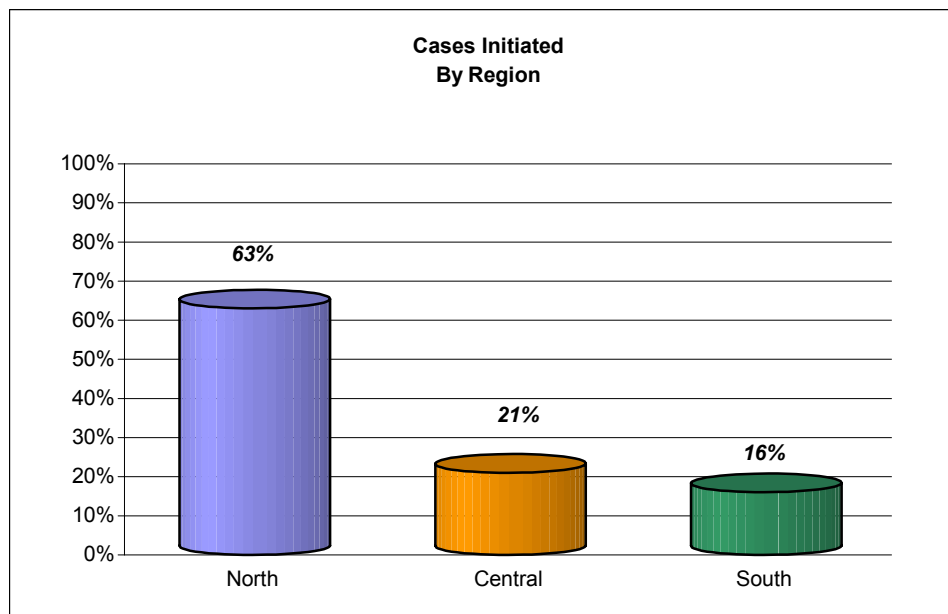
First Managed Care Option ("FMCO") and CFO Medical Services ("CFO") served as Medical Review Organizations during the reporting period. Parties requested 115 MRO reviews. No DRP requests were made.

Cases Initiated

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

In the 4th quarter of 2006, 9,468 cases were initiated in the PIP ADR program. Of these cases, 5,957 (63%) originated in the Northern region, 1,958 (21%) in the Central region, and 1,553 (16%) in the Southern region. See the Table below for the monthly distribution.

	North	Central	South	Total
October	2,138	727	553	3,418
November	2,098	669	633	3,400
December	1,721	562	367	2,650
Region Total	5,957	1,958	1,553	9,468
Region Percent	63%	21%	16%	100%



The Table below provides a rolling view of YTD initiations by quarterly and regional distribution.

	North	Central	South	Total
1st Quarter 2006	6,564	1,781	1,351	9,696
2 nd Quarter 2006	6,201	1,924	1,087	9,212
3 rd Quarter 2006	6,078	1,768	1,476	9,322
4 th Quarter 2006	5,957	1,958	1,553	9,468
Totals	24,800	7,431	5,467	37,698

Disposition of Cases in the PIP ADR Program

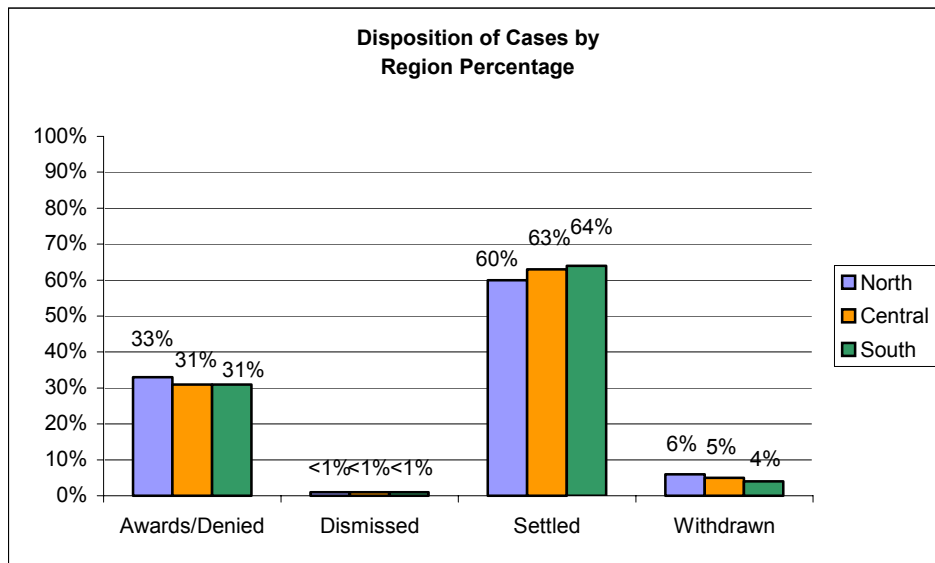
Of the pending cases filed with the Forum in the PIP ADR program, 8,687 cases were concluded during the 4th quarter by means of an award or denial of award at hearing, pre-hearing dismissal of the case, settlement or withdrawal. The table below illustrates the manner in which cases were administered and concluded in the various geographic regions.

Disposition Type	North	Central	South	Total
Awarded/Denied	1,871	568	407	2,846
Dismissed Pre-hearing	9	1	0	10
Settled	3,374	1,121	815	5,310
Withdrawn	361	100	60	521
Total	5,615	1,790	1,282	8,687

Disposition of Cases by Region Percentage

The table and chart below present the regional disposition of cases as percentages of all case dispositions during the reporting period.

Disposition Type	North	Central	South
Awarded/Denied	33%	31%	31%
Dismissed Pre-hearing	< 1%	< 1%	<1%
Settled	60%	63%	64%
Withdrawn	6%	5%	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	84	46	4	134
Region Percent	63%	34%	3%	100%

Cases Settled within 45 Days of Initiation

Respondents are granted a conciliation period of 45 days from case initiation in which to settle claims without incurring a respondent administration fee. During the 4th quarter, 1,565 cases settled during the conciliation period distributed regionally as follows: 946 in the North region, 377 in the Central region and 242 in the South region.

The following table illustrates that 6% to 8% of cases settled during the reconciliation period.

Geographic Regions	North	Central	South	System-wide
Region Settlements	946	377	242	1,565
Region Percent	6%	8%	7%	7%

Dispute Resolution Professional Caseload

Induction of 2 additional DRPs to expand the panel to 42 was completed during the quarter. Both were assigned to the North Region and began receiving cases assignments. Their first arbitration hearings are scheduled for late January 2007. During the reporting period, 8,775 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 6,925 cases were resolved during the quarter, resulting from a combination of DRP issued awards (which includes denials), 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 2006 after the cases were assigned to the DRP for hearing:

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	1,871	568	407	2,846	41%
Consent Award	0	0	0	0	0%
Dismissed by DRP	9	1	0	0	< 1%
Settled	2,405	730	566	3,701	53%
Withdrawn	255	69	44	368	5%
Total	4,540	1,368	1,017	6,925	100%

Regional Awards' Percentage

As shown above, a total of 2,846 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes and appeals. 66% of the awards issued in the North region, 20% in the Central region and 14% in the South.

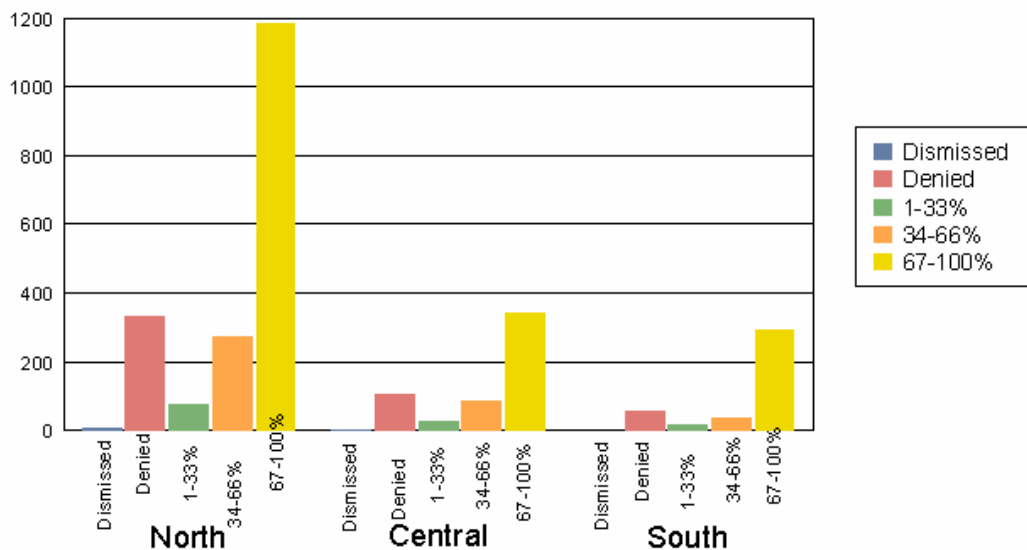
An online database of these awards is located at www.nj-no-fault.com.

Awards as a Percentage of Claim Amount

Dispute Resolution Professionals 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 2006, the graph below indicates the distribution of DRP awarded amounts, from 0% (denied/dismissed) to 100% of claim amounts.

The data presentation for 2006 is revised from previous years in that it no longer contains award data described as "more than 100%", representing claims amended upward at the time of hearing. This nomenclature was retained from reports provided to the Department by the prior administrator. However, the nomenclature is imprecise. DRPs may not award amounts greater than those claimed. For purposes of the data table and chart that follows, amended amounts are captured within a total amount claimed and then compared to the total amount awarded.

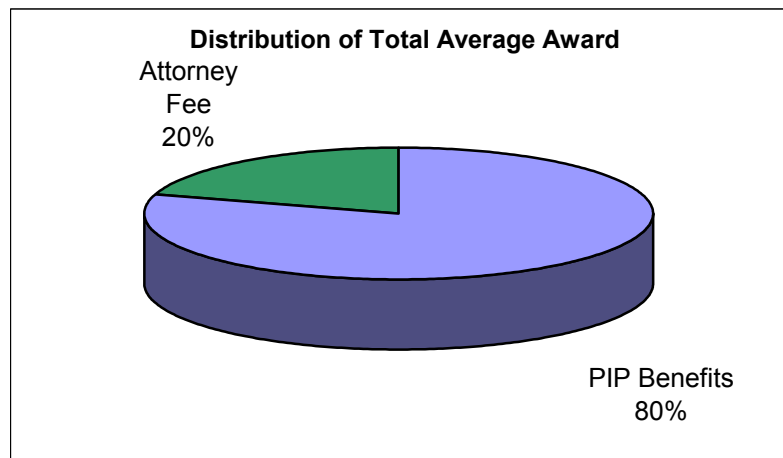
Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	9	332	79	273	1,187	1,880
Central	1	108	29	88	342	568
South	0	58	18	38	292	406
Total	10	498	126	399	1,821	2,854*



*Note: The data include 61 awards that are not included within the award total in Appendix A, “DRP Caseload Range.” These represent awards submitted by DRPs who were not assigned cases during the quarter.

PIP Benefits and Attorneys’ Fees Comparison

System-wide, the average total amount awarded in arbitration was \$5,693 comprised of \$4,540 for personal injury protection benefits and \$1,153 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 attorneys' fees was \$4,540* per case. Awarded amounts ranged from \$0 to \$606,533. The median award during the reporting period was \$1,257.

The average amount awarded for attorneys' fees was \$1,153 per case. Awarded attorneys' fees ranged from \$0 to \$11,250. The median attorney's fee award during the reporting period was \$1,125.

	Average	Dollar Range	Median
PIP Benefits' Award	\$4,540*	\$0 to \$606,533	\$1,257
Attorneys' Fee Award	\$1,153	\$0 to \$11,250	\$1,125

*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 is less than the awarded amount.

Appeals

Twenty-three (23) appeals to panels of 3 DRPs were concluded during the reporting period. All appeals involved awards rendered in the North Region. 40% of appeals resulted in some form of modification, vacation or remand. The following table reports the results.

	North	Central	South	Total
Affirmed	14	0	0	14
Modified	2	0	0	2
Modified and Remanded	2	0	0	2
Vacated	1	0	0	1
Vacated & Remanded	2	0	0	2
Vacated & Remanded for New Hearing	2	0	0	2
TOTALS	23	0	0	23

Medical Review Organization Report

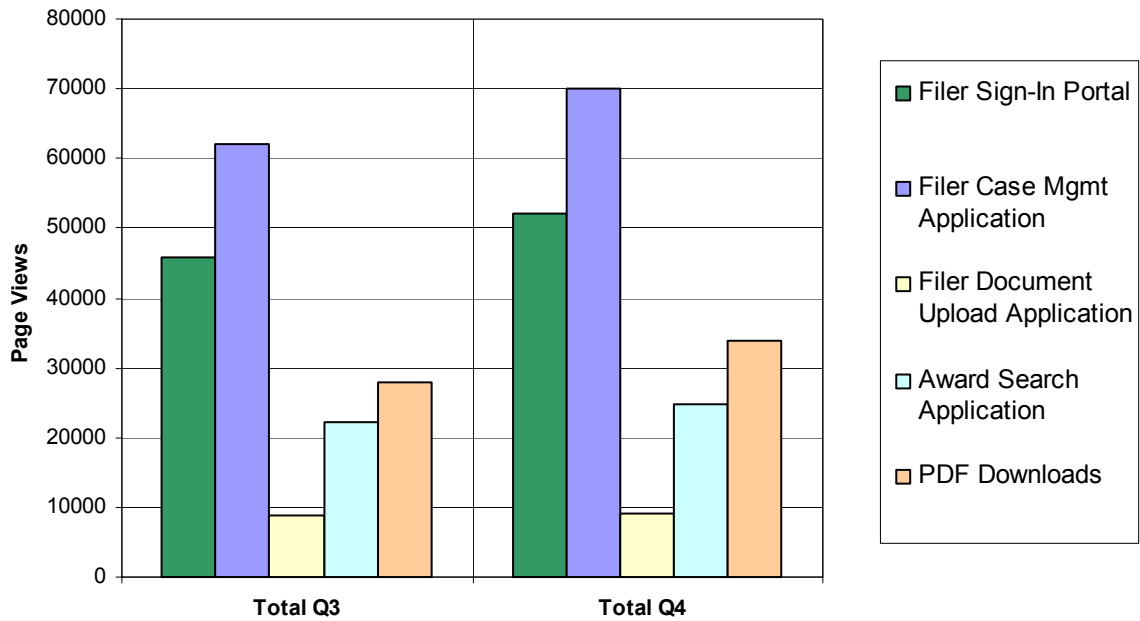
First Managed Care Option (“FMCO”) and CFO Medical Services (“CFO”) served as Medical Review Organizations during the reporting period. Information relevant to MRO usage is outlined in the table.

MRO	Request By Party	Request By DRP	Total Requests	Request for Information	Report in 20 Business Days	Report After 20 Business Days
CFO	63	0	63	0	21	0
FMCO	52	0	52	0	4	10
TOTALS	115	0	115	0	25	10

Online Case Management and Award Searching

A new section has been added to this report providing usage data for the FORUM’s free web-based case management tools for PIP practitioners. At the inception of the No-Fault Dispute Resolution Program, FORUM launched a web site at www.nj-no-fault.com as a free customer service. It enables PIP practitioners to access rules and forms, file and manage their cases online, upload cases documents and search prior decisions. The chart below compares usage for the 3rd and 4th quarters.

**Website Tool Usage
2006 Q3 & Q4**



Q3 & Q4 Highlights

- NJ PIP website had 945,591 total page views (PVs); usage increased 7% from Q3 to Q4
- Filer case management application had 97,987 PVs; usage increased 14% from Q3 to Q4
 - Award search application had 46,961 PVs; usage increased 12% from Q3 to Q4
- 61,917 PDFs (mostly awards) were accessed; PDF downloads increased 22% from Q3 to Q4

Appendix A

Dispute Resolution Caseload

DRP	Region	Assigned	Closed	Awarded/Denied	Hearings
Aloi, Anthony M.	CENTRAL	172	139	42	86
Alterman, Herbert S.	NORTH	278	189	68	118
Amendola, Esq., Francesca	NORTH	249	193	76	107
Andolino, Michael D.	CENTRAL	290	171	43	93
Annunziata, Maria	CENTRAL	153	165	91	135
Brodow, Nora J.	NORTH	291	169	62	95
Carr, Michael W.	NORTH	156	187	77	97
Carro, Sergio G.	NORTH	291	202	71	143
Celentano, Cynthia J.	NORTH	173	190	75	85
Daniskas, Maria I.	NORTH	205	153	66	93
de Cordova, Donald W.	NORTH	251	172	80	122
DeMarco, Joseph	NORTH	133	2	0	0
DeMichele, Richard A	SOUTH	272	178	88	138
Eisele-Grabowski, Karen	SOUTH	244	174	57	73
Fabiano, Edward	NORTH	103	194	84	109
Fannan, John J.	CENTRAL	225	173	80	147
Foley, Patrick W.	CENTRAL	202	196	96	132
Ganzhorn, Lisa A.	NORTH	213	185	90	134
Garrabrandt, James H.	NORTH	223	169	75	100
Grabowski (ML), David A.	SOUTH	216	173	74	99
Granato, S. Caroline	SOUTH	250	170	55	85
Johnston, Maureen M.	NORTH	242	185	85	118
Kaczka, Thomas M.	NORTH	237	195	76	127
Kincade, Kathleen D.	CENTRAL	222	189	73	110
Knuetter, Margaret	NORTH	217	171	72	92
La Salle (North), Robert C.	NORTH	118	155	45	87
LaPorta, David M.	NORTH	150	155	60	101
Lardiere, Andrea L	CENTRAL	197	115	34	60
Lesser, Gary T.	NORTH	302	216	100	144
Lynch, Charles H.	NORTH	193	198	98	151
McFadden (CH), Michael K.	SOUTH	165	165	59	76
McFadden (NO), Michael K.	SOUTH	20	14	8	18
Miller, Matthew G.	NORTH	103	2	0	0
Noonan, Scott M.	NORTH	137	168	57	86
Odell, Barry K.	CENTRAL	2	30	26	133
Parker, Ronald I.	NORTH	92	149	42	77
Patriaco, Andrew A.	NORTH	205	154	74	112
Remington-Knodel, Jennifer	NORTH	136	179	48	67
Sacco, Russ	CENTRAL	289	135	21	56
Sproviero, Scott G.	NORTH	342	202	91	144
Stokes, Nanci G.	NORTH	240	152	63	78
Tamburino, Joseph A.	NORTH	277	164	72	96
Wallen (AC), Kate R.	SOUTH	25	18	10	14
Wallen (CH), Kate R.	SOUTH	129	136	59	71
Zimmerman, Richard T.	NORTH	145	174	70	99
Total		8775	6965	2793	4308



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