



QUARTERLY REPORT TO
THE NEW JERSEY DEPARTMENT
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration
2nd Quarter, 2007*

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Executive Summary

The National Arbitration Forum (“FORUM”) is diligent in its efforts to fulfill the needs of the NJ No-Fault stakeholders and to provide clear administrative guidance to its users. To that end, in the 1st calendar quarter, the FORUM filed a Petition for Review to the New Jersey Supreme Court seeking clarification of a decision of the Committee on the Unauthorized Practice of Law that impacts the application of No-Fault rules as approved by the New Jersey Department of Banking and Insurance. Although other stakeholders are more directly affected, the FORUM assumed the lead in seeking a review and interpretation of the decision. During this reporting period, the New Jersey Supreme Court granted certification and will hear the Petition.

Stakeholders’ usage of the FORUM’s free No-Fault web site increased again during the reporting period. Almost 600,000 page views were recorded during the quarter. This report includes a comparison of usage for the last four (4) calendar quarters.

The Advisory Council was convened in May and June to continue its review of No-Fault Arbitration Rules revisions. The council recessed for the summer and will re-convene in the 3rd quarter.

The DRP panel included 42 members. Regional DRP deployment consisted of 28 in the North Region, 8 in the Central Region and 6 in the South Region.

In the 2nd quarter of 2007, 10,127 cases were initiated in the PIP ADR program. Of these cases, 6,542 (65%) originated in the Northern region, 1,947 (19%) in the Central region, and 1,638 (16%) in the Southern region.

Of the pending cases filed with the Forum in the PIP ADR program, 9,249 cases were concluded during the 2nd quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement or withdrawal. 377 cases were placed in abeyance by consent of the parties or by order of the court. 8,195 cases were assigned to DRPs.

During the 2nd quarter, 1,926 cases settled during the conciliation period distributed regionally as follows: 1,178 in the North region, 455 in the Central region and 293 in the South region.

System-wide, the average total amount awarded in arbitration was \$5,047 comprised of \$3,890 for personal injury protection benefits and \$1,157 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 is less than the awarded amount.

Twenty-one (21) appeals to panels of 3 DRPs were concluded during the reporting period. Fifteen (14) involved awards rendered in the North Region, six (6) involved awards rendered in the Central Region, and 1 involved a South award. 29% of appeals resulted in some form of modification, vacation or remand.

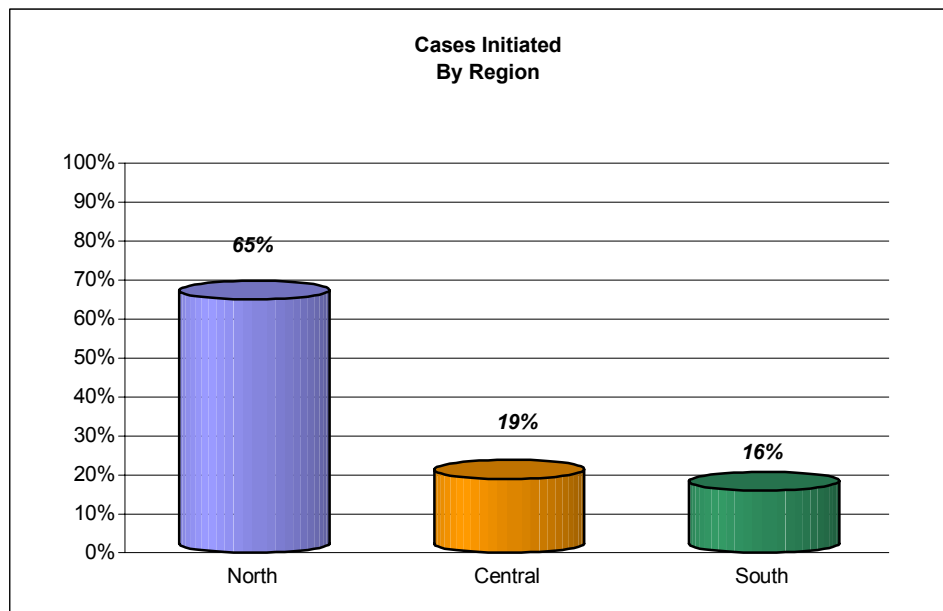
During the reporting period, parties requested 106 MRO reviews. The requests were apportioned among the three current MROs on a random rotating basis. No DRP requests were made.

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 2nd quarter of 2007, 10,127 cases were initiated in the PIP ADR program. Of these cases, 6,542 (65%) originated in the Northern region, 1,947 (19%) in the Central region, and 1,638 (16%) in the Southern region. See the Table below for the monthly distribution.

	North	Central	South	Total
April	1,740	679	426	2,845
May	2,557	678	600	3,835
June	2,245	590	612	3,447
Region Total	6,542	1,947	1,638	10,127
Region Percent	65%	19%	16%	100%



The Table below provides a view of initiations for the first half of 2007 by quarterly and regional distribution.

	North	Central	South	Total
1st Quarter 2007	6,207	2,016	1,473	9,696
2 nd Quarter 2007	6,542	1,947	1,638	10,127
Totals	12,749	3,963	3,111	19,823

Disposition of Cases in the PIP ADR Program

Of the pending cases filed with the Forum in the PIP ADR program, 9,249 cases were concluded during the 2nd 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 various geographic regions.

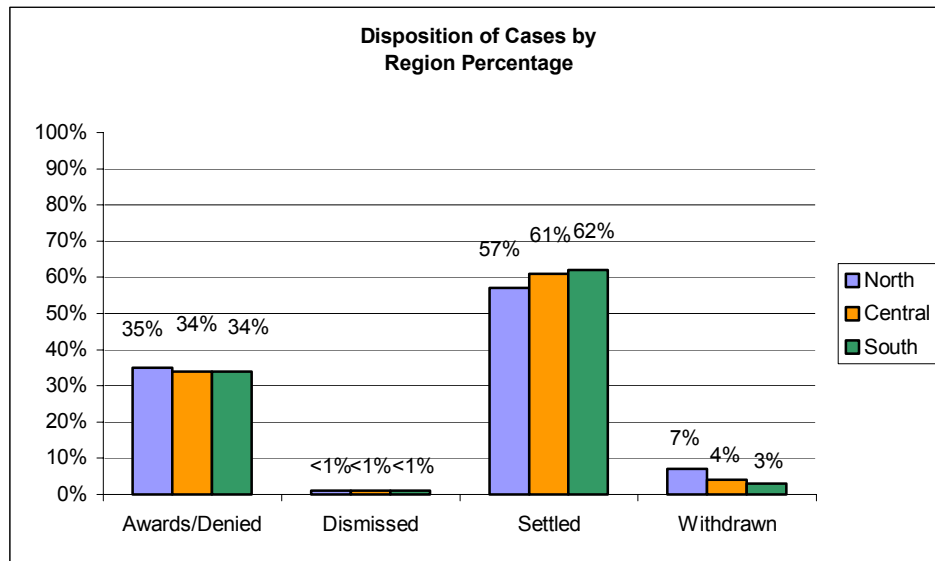
Disposition Type	North	Central	South	Total
Awarded/Denied	2,085	679	469	3,233
Dismissed Pre-hearing	10	1	2	13
Settled	3,362	1,215	870	5,447
Withdrawn	415	96	45	556
Total	5,872	1,991	1,386	9,249

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	35%	34%	34%
Dismissed Pre-hearing	< 1%	< 1%	<1%

Settled	57%	61%	62%
Withdrawn	7%	4%	3%
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	330	40	7	377
Region Percent	87%	11%	2%	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 2nd quarter, 1,926 cases settled during the conciliation period distributed regionally as follows: 1,178 in the North region, 455 in the Central region and 293 in the South region.

The following table illustrates that 8% to 10% of cases settled during the reconciliation period.

Geographic Regions	North	Central	South	System-wide
Region Settlements	1,178	455	293	1,926*
Region Percent	8%	10%	8%	8%

*Note: This data is based upon user communications describing cases as settled or resolved. There may be cases communicated as “withdrawn” which were settled and would qualify for this category.

Dispute Resolution Professional Caseload

For the quarter, the DRP panel consisted of 42 individuals regionally deployed as follows: North – 28; Central – 8; South – 6. During the reporting period, 8,195 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 7,138 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 2nd quarter of 2007 after the cases were assigned to the DRP for hearing:

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	2,085	679	469	3,233	45%
Consent Award	2	1	0	3	<1%
Dismissed by DRP	10	1	2	13	< 1%
Settled	2,157	746	575	3,478	48%
Withdrawn	301	76	34	411	5%
Total	4,555	1,503	1,080	7,138	100%

Regional Awards' Percentage

As shown above, a total of 3,236 awards and consent awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes and appeals. 65% of the awards issued in the North region, 21% in the Central region and 14% in the South.

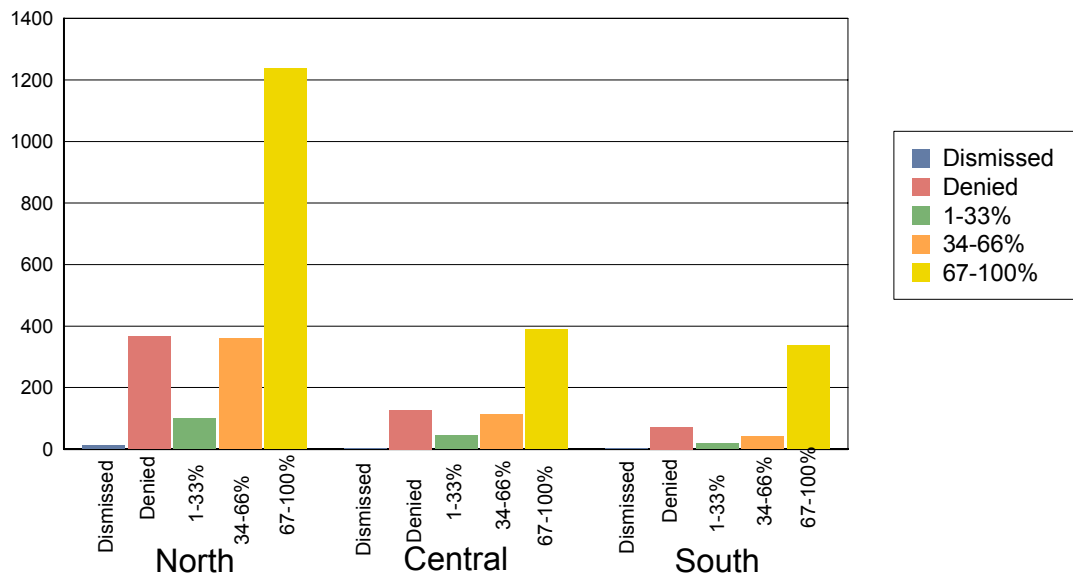
An online database of these awards is located at www.nj-no-fault.com.

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 2nd quarter of 2007, the graph below indicates the distribution of DRP awarded amounts, from 0% (denied/dismissed) to 100% of claimed amounts.

The data presentation for 2006 and thereafter was 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 below, amended amounts are captured within a total amount claimed and then compared to the total amount awarded.

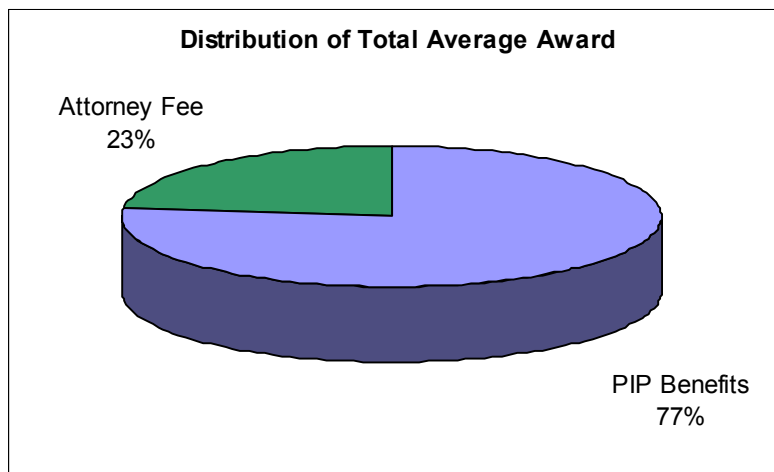
Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	10	366	99	360	1,237	2,072
Central	1	127	44	111	389	672
South	2	72	18	41	337	470
Total	13	565	161	512	1963	3,214



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

PIP Benefits and Attorneys' Fees Comparison

System-wide, the average total amount awarded in arbitration was \$5,047 comprised of \$3,890 for personal injury protection benefits and \$1,157 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 \$3,890.* per case. Awarded amounts ranged from \$0 to \$244,319. The median award during the reporting period was \$1,295.

The average amount awarded for attorneys' fees was \$1,157 per case. Awarded attorneys' fees ranged from \$0 to \$17,500. The median attorney's fee award during the reporting period was \$1,185.

	Average	Dollar Range	Median
PIP Benefits' Award	\$3,890*	\$0 to \$244,319	\$1,295
Attorneys' Fee Award	\$1,157	\$0 to \$17,500	\$1,185

*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 is less than the awarded amount.

Appeals

Twenty-one (21) appeals to panels of 3 DRPs were concluded during the reporting period. Fifteen (14) involved awards rendered in the North Region, six (6) involved awards rendered in the Central Region, and 1 involved a South award. 29% of appeals resulted in some form of modification, vacation or remand. The following table reports the results.

	North	Central	South	Total
Affirmed	9	5	1	15
Affirmed with dissent	0	0	0	0
Modified	0	0	0	0
Modified and Remanded	1	0	0	1
Vacated	1	1	0	2
Vacated & Remanded	2	0	0	2
Vacated & Remanded for New Hearing	1	0	0	1

TOTALS	14	6	1	21
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Medical Review Organization Report

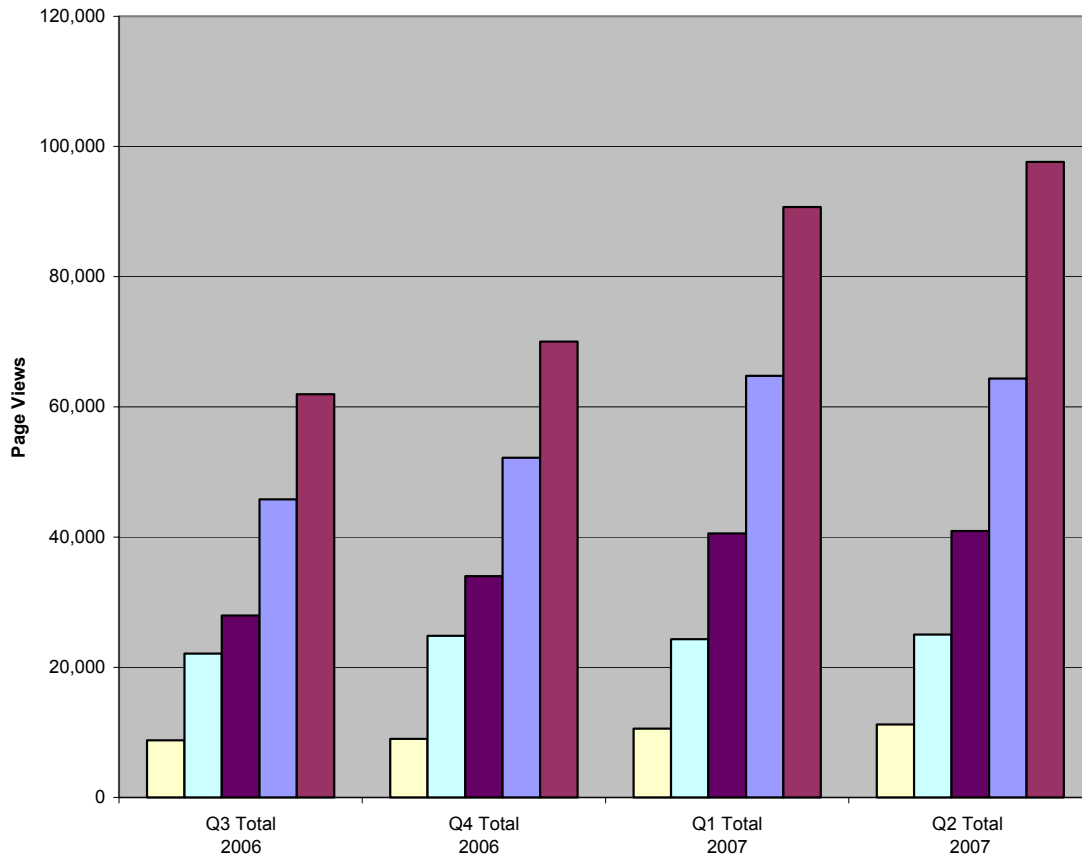
There are currently three Medical Review Organizations certified by the Department of Banking and Insurance. They are First Managed Care Option ("FMCO"), CFO Medical Services ("CFO") and Support Claim Services ("SCS"). Information relevant to MRO usage is outlined in the table.

MRO	Request By Party	Request By DRP	Total Requests	Request for Information	Report in 20 Business Days	Report After 20 Business Days
CFO	37	0	37	1	11	0
FMCO	36	0	36	1	2	8
SCS	33	0	33	1	8	2
TOTALS	106	0	106	3	21	10

Online Case Management and Award Searching

This section of the report provides 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 past four calendar quarters.

Website Tool Usage



2007 Q2 Highlights

- NJ PIP website had 590,887 total page views (PVs) in Q2 '07.
- Filer case management application had 97,614 PVs; usage increased 8% from Q1 '07 to Q2 '07.
- Filer document upload application had 11,226 PVs; usage increased 6% from Q1 '07 to Q2 '07.
- Award search application had 25,046 PVs; usage increased 3% from Q1 '07 to Q2 '07.
- 40,921 PDFs (mostly awards) were accessed in Q2 '07.

- Filer Doc Upload Application
- Award Search Application
- PDF Downloads
- Filer Sign-In Portal
- Filer Case Mgmt Application

Appendix A

Dispute Resolution Caseload

DRP	Region	Assigned	Closed	Awarded/Denied	Hearings
Aloi, Anthony M.	CENTRAL	210	199	79	114
Alterman, Herbert S.	NORTH	176	170	69	106
Amendola, Esq., Francesca	NORTH	181	150	80	123
Andolino, Michael D.	CENTRAL	206	180	86	121
Annunziata, Maria	CENTRAL	223	204	109	151
Brodow, Nora J.	NORTH	183	177	74	101
Carr, Michael W.	NORTH	194	178	88	111
Carro, Sergio G.	NORTH	186	177	82	134
Celentano, Cynthia J.	NORTH	201	154	68	84
Daniskas, Maria I.	NORTH	174	158	73	91
de Cordova, Donald W.	NORTH	192	193	96	137
DeMarco, Joseph	NORTH	202	149	40	62
DeMichele, Richard A	SOUTH	219	198	83	126
Eisele-Grabowski, Karen	SOUTH	228	171	72	98
Fabiano, Edward	NORTH	193	170	68	80
Fannan, John J.	CENTRAL	205	212	111	136
Foley, Patrick W.	CENTRAL	182	180	72	108
Ganzhorn, Lisa A.	NORTH	183	166	95	130
Garrabrandt, James H.	NORTH	186	175	81	111
Grabowski (ML), David A.	SOUTH	241	190	77	97
Granato, S. Caroline	SOUTH	199	183	88	119
Johnston, Maureen M.	NORTH	193	173	95	139
Kaczka, Thomas M.	NORTH	190	172	79	126
Kincade, Kathleen D.	CENTRAL	211	193	76	101
Knuetter, Margaret	NORTH	192	181	66	92
La Salle (North), Robert C.	NORTH	166	153	72	115
LaPorta, David M.	NORTH	188	174	94	131
Lardiere, Andrea L	CENTRAL	207	172	74	129
Lesser, Gary T.	NORTH	203	184	80	116
Lynch, Charles H.	NORTH	174	149	69	126
McFadden (CH), Michael K.	SOUTH	192	158	59	74
McFadden (NO), Michael K.	SOUTH	21	15	7	8
Miller, Matthew G.	NORTH	191	137	31	57
Noonan, Scott M.	NORTH	192	170	67	115
Parker, Ronald I.	NORTH	158	133	48	101
Patriaco, Andrew A.	NORTH	177	172	85	125
Remington-Knodel, Jennifer	NORTH	184	155	68	105
Sacco, Russ	CENTRAL	197	181	80	109
Sproviero, Scott G.	NORTH	202	166	85	138
Stokes, Nanci G.	NORTH	187	178	91	115
Tamburino, Joseph A.	NORTH	175	178	82	116
Wallen (AC), Kate R.	SOUTH	28	16	7	17
Wallen (CH), Kate R.	SOUTH	184	166	77	101
Zimmerman, Richard T.	NORTH	219	144	61	92
Totals		8195	7254	3244	4688



A FORUM Dispute Management Organization

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