



QUARTERLY REPORT TO
THE NEW JERSEY DEPARTMENT
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration
2nd Quarter, 2008*

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Executive Summary

The National Arbitration Forum (FORUM) contracts with Forthright to provide all back office administration and transaction processing for its domestic and international dispute resolution programs. This relationship allows the professionals at the FORUM to be focused exclusively on ensuring the highest quality independent neutral arbitrators and mediators are recruited, selected and trained to sit on the FORUM panel. In the state of New Jersey, the FORUM provides management, training and oversight of all dispute resolution professional (DRPs), while Forthright handles all technology infrastructure, claims processing and administration, reporting, administrative oversight, billing and reporting. Most of the same professionals that previously provided these very services under the FORUM banner are providing them today, simply as either Forthright or the FORUM depending on the task. With the ability to specialize and focus, both organizations continue to deliver the highest quality dispute resolution and claims administration services available.

For the quarter, the DRP panel was increased from 44 to 46. The DRPs were regionally deployed as follows: 30 in the North; 8 in the Central with full caseloads and 1 with a reduced caseload; 7 in the South.

In the 2nd quarter of 2008, 13,939 cases were initiated in the PIP ADR program. Of these cases, 9,615 (69%) originated in the Northern region, 2,318 (17%) in the Central region, and 2,006 (14%) in the Southern region. See the table below for the monthly distribution.

Of the pending cases filed with the FORUM in the PIP ADR program, 11,450 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. There were 154 cases placed in abeyance by consent of the parties or by order of the court. 9,866 cases were assigned to DRPs.

During the 2nd quarter, 3,078 cases settled during the conciliation period distributed regionally as follows: 2,086 in the North region, 533 in the Central region and 459 in the South region.

System-wide, the average total amount awarded in arbitration was \$5,466 comprised of \$4,294 for personal injury protection benefits and \$1,172 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 (25) appeals to panels of 3 DRPs were concluded during the reporting period. Seventeen (17) involved awards rendered in the North Region, four (4) involved awards rendered in the Central Region, and four (4) involved awards rendered in the South Region. Twelve (12%) percent of appeals resulted in some form of modification, vacation, or remand.

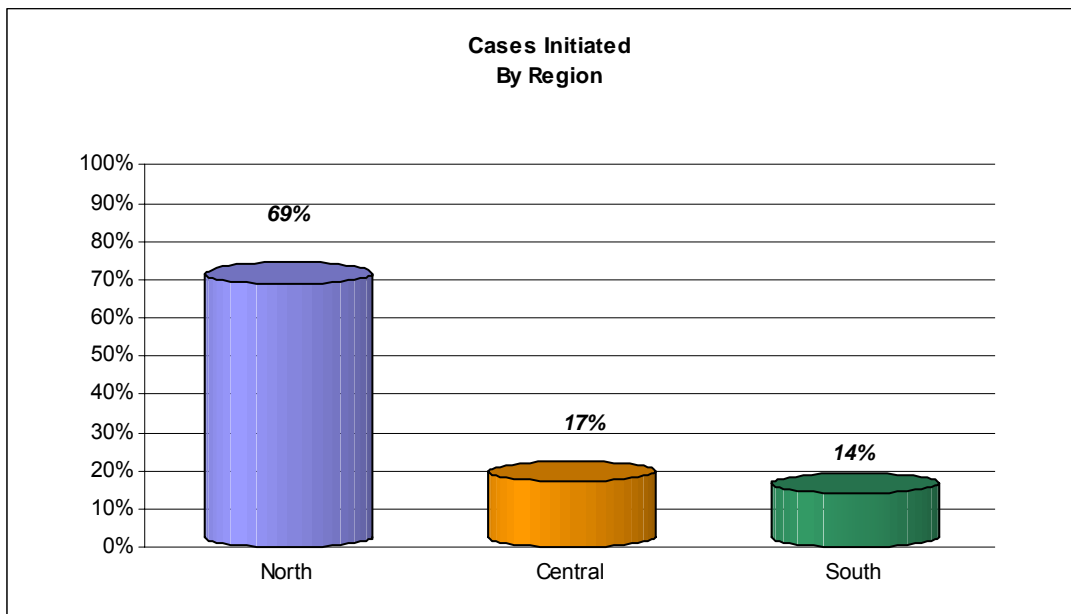
During the reporting period, parties requested 97 Medical Review Organization (MRO) reviews. The requests were apportioned among the three current MROs on a random rotating basis. No DRP requests were made.

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 2008, 13,939 cases were initiated in the PIP ADR program. Of these cases, 9,615 (69%) originated in the Northern region, 2,318 (17%) in the Central region, and 2,006 (14%) in the Southern region. See the table below for the monthly distribution.

	North	Central	South	Total
April	3,233	714	577	4,524
May	2,958	727	610	4,295
June	3,424	877	819	5,120
Region Total	9,615	2,318	2,006	13,939
Region Percent	69%	17%	14%	100%



The table below provides a view of initiations for the first half of 2008 by quarterly and regional distribution.

	North	Central	South	Total
1st Quarter 2008	8,253	2,448	1,418	12,119
2nd Quarter 2008	9,615	2,318	2,006	13,939
Totals	17,868	4,766	3,424	26,058

Disposition of Cases in the PIP ADR Program

Of the pending cases filed with the FORUM in the PIP ADR program, 11,450 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.

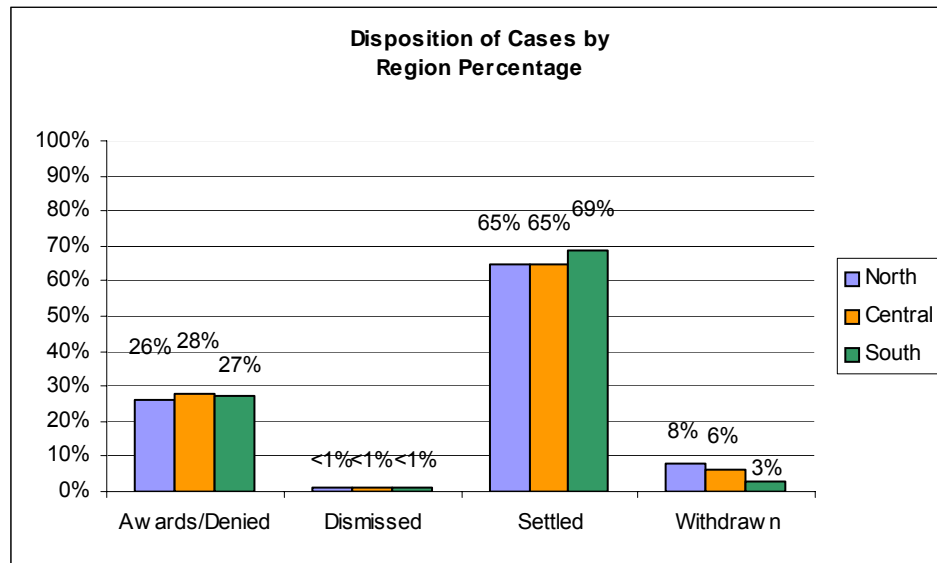
Disposition Type	North	Central	South	Total
Awarded/Denied	2,038	608	446	3,092
Dismissed Pre-hearing	15	3	2	20
Settled	4,967	1,413	1,154	7,535
Withdrawn	614	137	52	803
Total	7,634	2,161	1,654	11,450

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	26%	28%	27%
Dismissed Pre-hearing	<1%	<1%	<1%
Settled	65%	65%	69%

Withdrawn	8%	6%	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	113	31	10	154
Region Percent	73%	20%	7%	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, 3,078 cases settled during the conciliation period distributed regionally as follows: 2,086 in the North region, 533 in the Central region and 459 in the South region.

The following table illustrates that 11% to 12% of cases settled during the reconciliation period.

Geographic Regions	North	Central	South	System-wide
Region Settlements	2,086	533	459	3,078
Region Percent	11%	10%	12%	11%

*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 was increased from 44 to 46. The DRPs were regionally deployed as follows: 30 in the North; 8 in the Central with full caseloads and 1 with a reduced caseload; 7 in the South.

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 7,992 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 2008 after the cases were assigned to the DRP for hearing.

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	2,037	607	446	3,090	38%
Consent Award	1	0	0	1	0%
Dismissed by DRP	15	3	2	20	<1%
Settled	2,835	855	692	4,382	54%
Withdrawn	359	104	36	499	6%
Total	5,247	1,569	1,176	7,992	100%

Regional Awards' Percentage

As shown above, a total of 3,090 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.

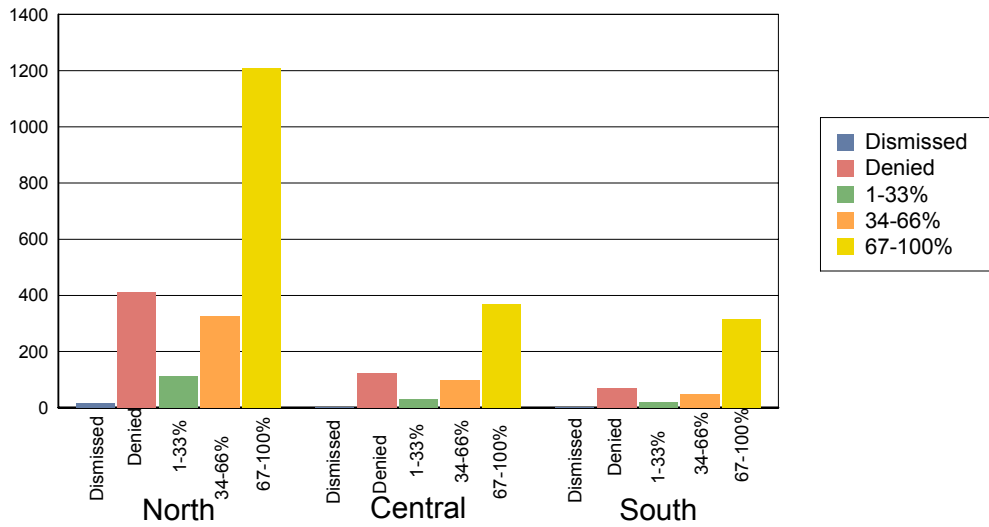
An online database of these awards is located at www.nj-no-fault.com.

Awards as a Percentage of Claim Amount

DRPs 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 2008, 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.

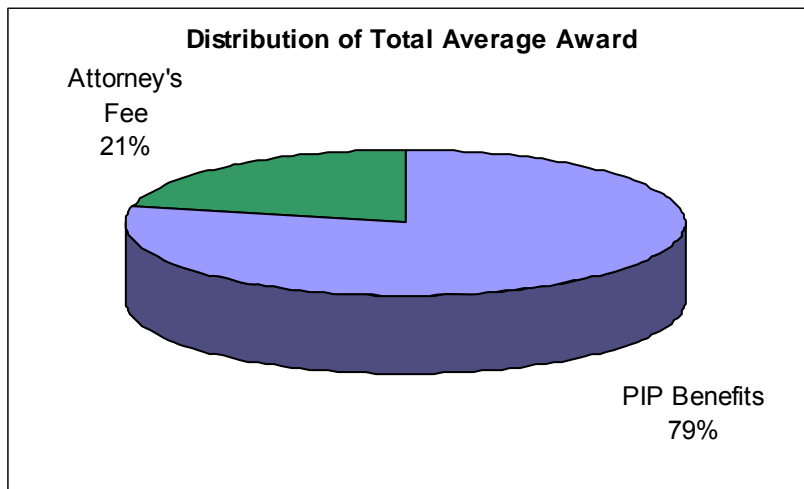
Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	15	411	111	328	1,208	2,073
Central	3	123	30	99	370	625
South	2	68	19	50	317	456
Total	20	602	160	477	1,895	3,154



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

PIP Benefits and Attorney’s Fees Comparison

System-wide, the average total amount awarded in arbitration was \$5,466 comprised of \$4,294 for personal injury protection benefits and \$1,172 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 was \$4,294* per case. Awarded amounts ranged from \$0 to \$314,926. The median award during the reporting period was \$1,236.

The average amount awarded for attorney's fees was \$1,172 per case. Awarded attorney's fees ranged from \$0 to \$8,500. The median attorney's fee award during the reporting period was \$1,200.

	Average	Dollar Range	Median
PIP Benefits' Award	\$4,294*	\$0 to \$314,926	\$1,236
Attorney's Fee Award	\$1,172	\$0 to \$8,500	\$1,200

*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-five (25) appeals to panels of 3 DRPs were concluded during the reporting period. Seventeen (17) involved awards rendered in the North Region, four (4) involved awards rendered in the Central Region, and four (4) involved awards rendered in the South Region. Twelve (12%) percent of appeals resulted in some form of modification, vacation, or remand. The following table reports the results.

	North	Central	South	Total
Affirmed	14	4	4	22
Modified	2	0	0	2
Vacated	1	0	0	1
Vacated & Remanded	0	0	0	0
Settled Pending Appeal	0	0	0	0
TOTALS	17	4	4	25

Medical Review Organization Report

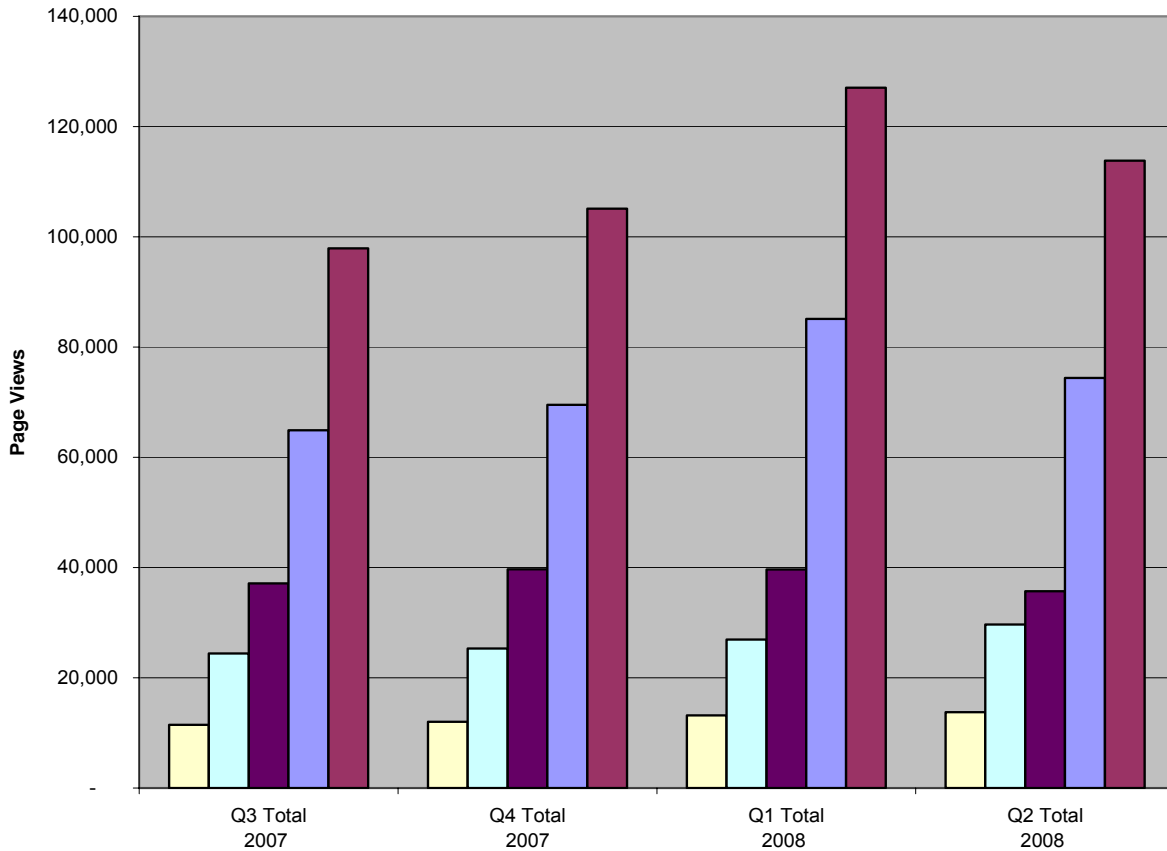
There are currently three Medical Review Organizations certified by the Department of Banking and Insurance. They are CFO Medical Services (“CFO”), First Managed Care Option (“FMCO”), and Support Claim Services (“SCS”). Information relevant to MRO usage is outlined in the table.

MRO	Request By Party	Request By DRP	Total Requests	Request for Information	Report in 20 Business Days	Report After 20 Business Days
CFO	30	0	30	0	10	0
FMCO	36	0	36	0	15	0
SCS	31	0	31	0	4	9
TOTALS	97	0	97	0	29	9

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, the FORUM launched a website 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



2008 Q2 Highlights

- NJ PIP website had 609,314 total page views (PVs) in Q2 '08, a decrease from Q1 '08.
- Filer case management application had 113,827 PVs in Q2 '08, a decrease from Q1 '08.
- Filer document upload application has increased 4.4% since Q1 '08.
- Award search application had 29,669 PVs in Q2 '08, an increase of 9.3% from Q1 '08.
- 35,698 PDFs were accessed in Q1 '08.

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

Appendix A

DRP	Region	Assigned	Closed	Awarded/Denied	Hearings
Aloi, Anthony M.	CENTRAL	214	202	62	77
Alterman, Herbert S.	NORTH	230	200	92	122
Amendola, Esq., Francesca	NORTH	203	212	75	96
Andolino, Michael D.	CENTRAL	213	184	71	73
Annunziata, Maria	CENTRAL	212	170	67	92
Brodow, Nora J.	NORTH	242	194	64	78
Carr, Michael W.	NORTH	196	182	66	90
Carro, Sergio G.	NORTH	208	213	82	102
Celentano, Cynthia J.	NORTH	245	217	75	87
Damiano, Robert S.	NORTH	350	46	0	4
Daniskas, Maria I.	NORTH	221	167	54	64
de Cordova, Donald W.	NORTH	211	210	73	96
DeMarco, Joseph	NORTH	227	170	66	82
DeMichele, Richard A	SOUTH	178	183	71	94
Eisele-Grabowski, Karen	SOUTH	177	161	72	77
Fabiano, Edward	NORTH	188	169	69	78
Fannan, John J.	CENTRAL	192	165	71	88
Foley, Patrick W.	CENTRAL	221	194	74	90
Ganzhorn, Lisa A.	NORTH	224	183	74	86
Garrabrandt, James H.	NORTH	252	177	69	82
Grabowski (ML), David A.	SOUTH	179	186	66	72
Granato, S. Caroline	SOUTH	187	177	79	104
Hackett, Michael	NORTH	234	193	79	97
Johnston, Maureen M.	NORTH	213	203	100	130
Kaczka, Thomas M.	NORTH	246	193	77	98
Kincade, Kathleen D.	CENTRAL	227	187	79	91
Knuetter, Margaret	NORTH	222	174	62	75
La Salle (North), Robert C.	NORTH	220	156	58	82
LaPorta, David M.	NORTH	220	183	70	85
LaPorta, Phillip A.	NORTH	172	16	0	0
Lardiere, Andrea L	CENTRAL	185	193	94	105
Lesser, Gary T.	NORTH	210	216	96	105
Lynch, Charles H.	NORTH	224	192	86	108
McFadden (CH), Michael K.	SOUTH	158	148	55	60
McFadden (NO), Michael K.	SOUTH	20	16	6	11
Miller, Matthew G.	NORTH	227	166	59	68
Noonan, Scott M.	NORTH	228	172	78	109
Odell, Barry K.	CENTRAL	111	85	26	42
Patriaco, Andrew A.	NORTH	200	180	68	83
Perillo, Christopher J	SOUTH	224	154	31	37
Remington-Knodel, Jennifer	NORTH	227	190	76	105
Sacco, Russ	CENTRAL	208	203	69	81
Sproviero, Scott G.	NORTH	273	194	79	110

Stokes, Nanci G.	NORTH	208	187	70	80
Tamburino, Joseph A.	NORTH	215	211	90	125
Wallen (AC), Kate R.	SOUTH	20	16	9	14
Wallen (CH), Kate R.	SOUTH	164	157	65	70
Zimmerman, Richard T.	NORTH	240	192	59	74
Totals		9866	8139	3133	3879



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