



QUARTERLY REPORT TO
THE NEW JERSEY DEPARTMENT
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration
4th Quarter, 2008*

Table of Contents

Executive Summary.....	2
Cases Initiated.....	3
Disposition of Cases in the PIP ADR Program.....	4
Disposition of Cases by Region Percentage	5
Cases in Abeyance	6
Cases Settled within 45 Days of Initiation.....	6
Dispute Resolution Professional Caseload	6
Disposition of Cases after DRP Assignment	7
Regional Awards’ Percentage	7
Awards as a Percentage of Claim Amount	7
PIP Benefits and Attorney’s Fees Comparison	8
Award Average, Median and Dollar Range.....	9
Appeals.....	9
Medical Review Organization Report	10
Online Case Management and Award Searching.....	10
Appendix A.....	12

Executive Summary

Personal Injury Protection (PIP) stakeholder usage of the National Arbitration Forum's cost-free online case management tools at www.nj-no-fault.com continues to grow. The website logged more than 830,000 page views during the 4th quarter of 2008. Practitioners report heavy reliance on the function that enables full text searching of prior arbitration decisions. During the quarter, practitioners conducted more than 42,000 searches.

The Panel of Dispute Resolution Professionals (DRPs) consisted of 46 members in the 4th quarter. Regional deployment was 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 4th quarter of 2008, 13,174 cases were initiated in the PIP ADR program. Of these cases, 8,974 (68%) originated in the Northern region, 2,218 (17%) in the Central region, and 1,982 (15%) in the Southern region.

Of the pending cases filed with the National Arbitration Forum (FORUM) in the PIP ADR program, 12,637 cases were concluded during the 4th quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement, or withdrawal. There were 150 cases placed in abeyance by consent of the parties or by order of the court. There were 10,175 cases assigned to DRPs.

During the 4th quarter, 3,272 cases settled during the conciliation period distributed regionally as follows: 2,236 in the North region, 553 in the Central region, and 483 in the South region.

System-wide, the average amount awarded in arbitration was \$5,469 comprised of \$4,290 for personal injury protection benefits and \$1,179 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 (20) appeals to panels of 3 DRPs were concluded during the reporting period. Thirteen (13) involved awards rendered in the North Region, four (4) involved awards rendered in the Central Region, and three (3) involved awards rendered in the South Region. Thirty-five (35%) percent of appeals resulted in some form of modification, vacation, or remand.

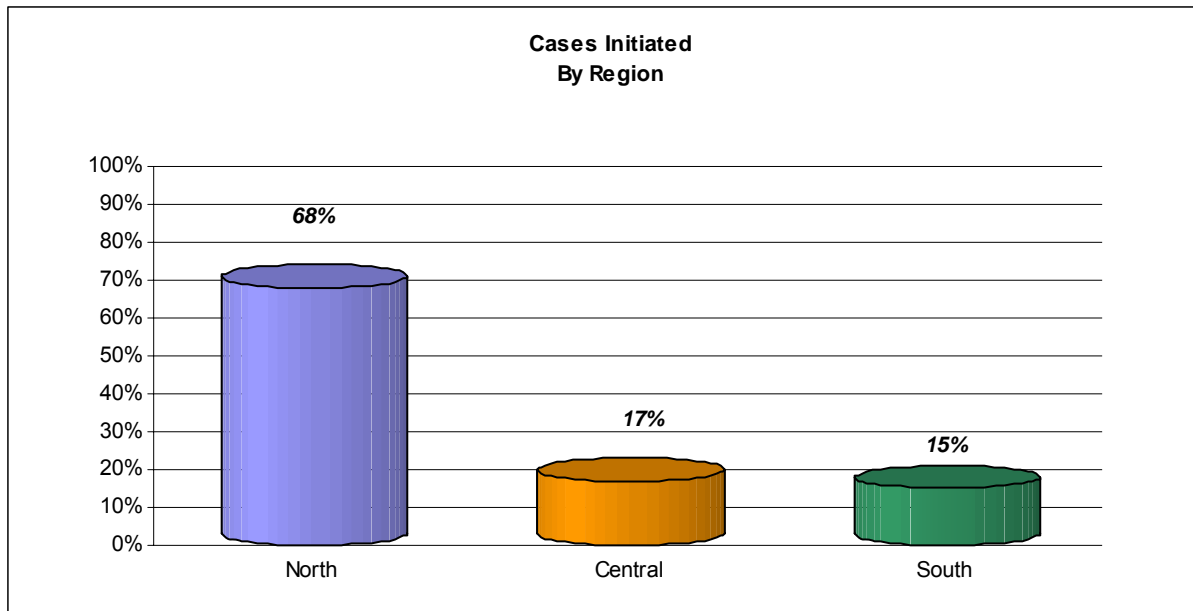
During the reporting period, parties requested 99 Medical Review Organization (MRO) reviews. DRPs requested 2 reviews. The requests were apportioned among the three current MROs on a random rotating basis.

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 2008, 13,174 cases were initiated in the PIP ADR program. Of these cases, 8,974 (68%) originated in the Northern region, 2,218 (17%) in the Central region, and 1,982 (15%) in the Southern region. See the table below for the monthly distribution.

	North	Central	South	Total
October	3,294	864	790	4,948
November	2,726	650	529	3,905
December	2,954	704	663	4,321
Region Total	8,974	2,218	1,982	13,174
Region Percent	68%	17%	15%	100%



The table below provides a view of initiations for 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
3rd Quarter 2008	9,109	2,323	1,965	13,397*
4th Quarter 2008	8,974	2,218	1,982	13,174
Totals	35,951	9,307	7,371	52,629

*Note: This corrects a typographical error in the 3rd Quarter 2008 report.

Disposition of Cases in the PIP ADR Program

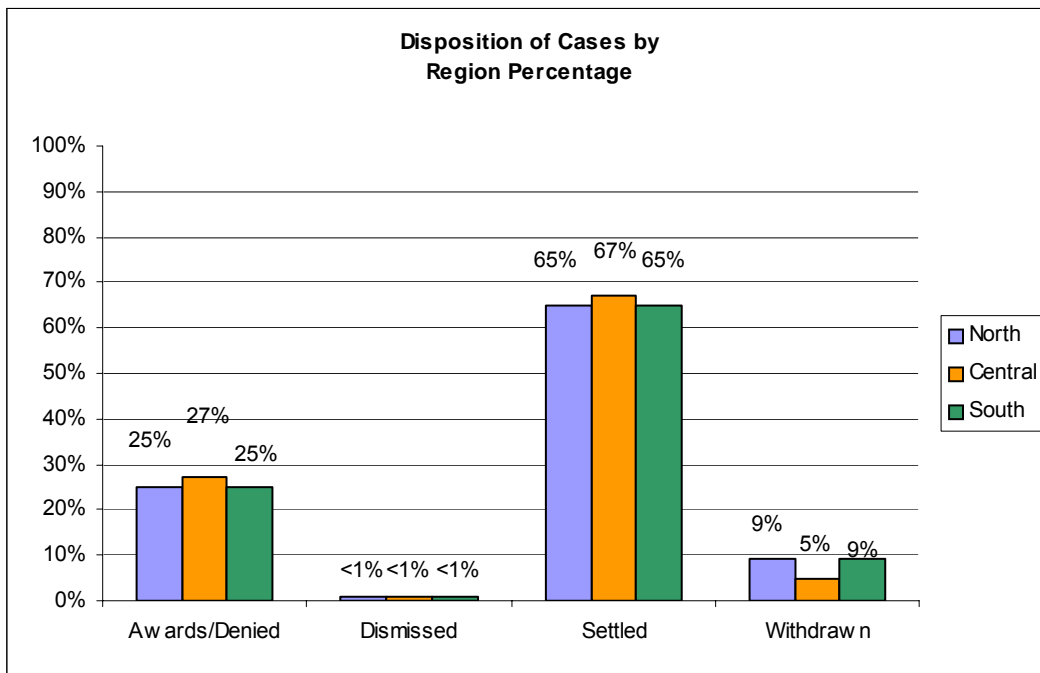
Of the pending cases filed with the FORUM in the PIP ADR program, 12,637 cases were concluded during the 4th quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement or withdrawal. The table below illustrates the manner in which cases were administered and concluded in the various geographic regions.

Disposition Type	North	Central	South	Total
Awarded/Denied	2,150	613	512	3,275
Dismissed Pre-Hearing	13	6	0	19
Settled	5,440	1,500	1,327	8,270
Withdrawn	754	123	196	1,073
Total	8,357	2,242	2,035	12,637

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	25%	27%	25%
Dismissed Pre-Hearing	<1%	<1%	<1%
Settled	65%	67%	65%
Withdrawn	9%	5%	9%
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	85	40	25	150
Region Percent	56%	27%	17%	100%

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. During the 4th quarter, 3,272 cases settled during the conciliation period distributed regionally as follows: 2,236 in the North region, 553 in the Central region, and 483 in the South region.

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

Geographic Regions	North	Central	South	System-Wide
Region Settlements	2,236	553	483	3,272
Region Percent	11%	11%	11%	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 consisted of 46 members. 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 9,008 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 4th quarter of 2008 after the cases were assigned to the DRP for hearing.

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	2,150	613	512	3,275	36%
Consent Award	0	0	0	0	0%
Dismissed by DRP	13	6	0	19	<1%
Settled	3,162	921	834	4,917	54%
Withdrawn	533	90	174	797	9%
Total	5,858	1,630	1,520	9,008	100%

Regional Awards' Percentage

As shown above, a total of 3,275 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes, and appeals. Of the awards issued, 66% were in the North region, 19% in the Central region, and 16% in the South.

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

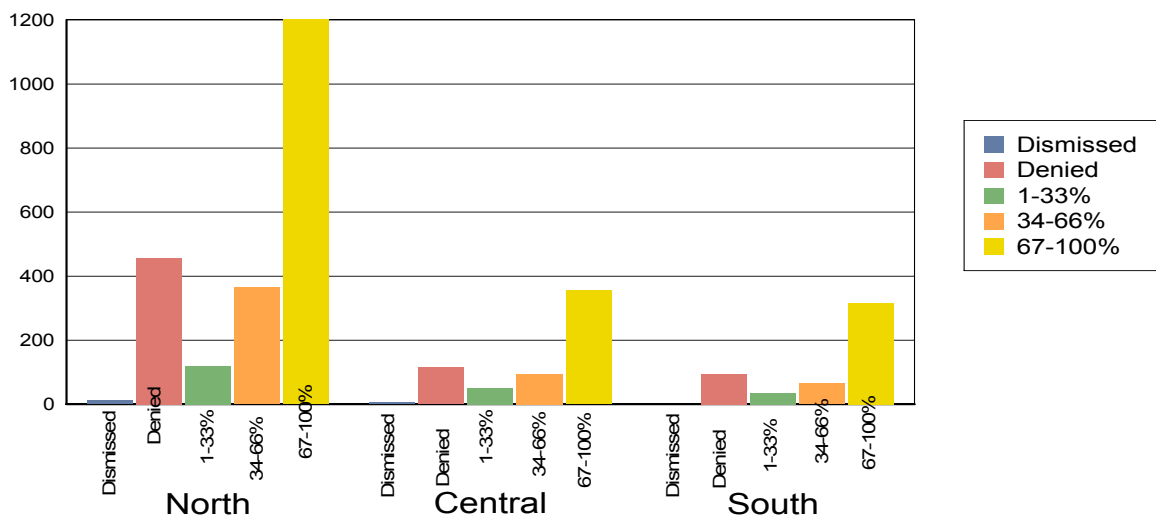
Awards as a Percentage of Claim Amount

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 4th quarter of 2008, the graph below indicates the distribution of DRP awarded amounts, from 0% (denied/dismissed) to 100% of claimed amounts.

[Note: 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.

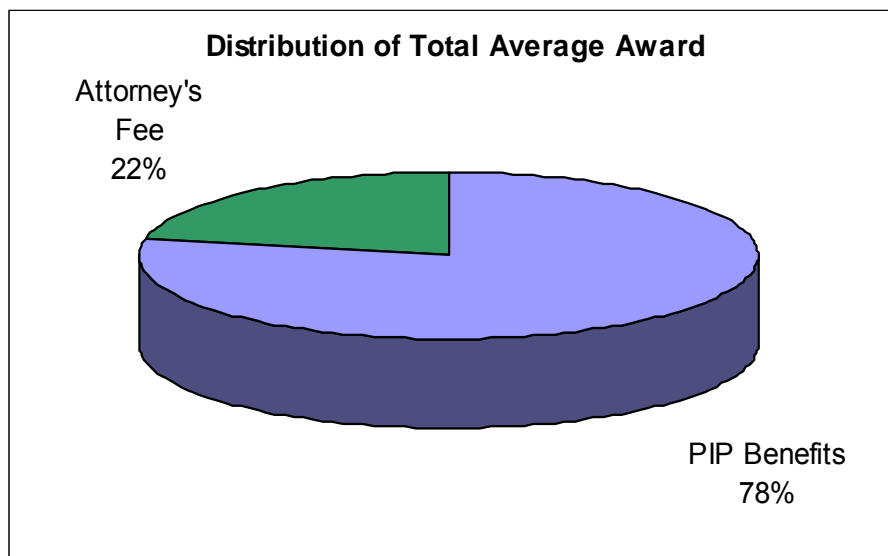
Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	13	457	120	364	1,200	2,154
Central	6	115	51	95	355	622
South	0	95	35	64	316	510
Total	19	667	206	523	1,871	3,286



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

PIP Benefits and Attorney’s Fees Comparison

System-wide, the average amount awarded in arbitration was \$5,469 comprised of \$4,290 for personal injury protection benefits and \$1,179 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 \$4,290* per case. Awarded amounts ranged from \$0 to \$306,933. The median award during the reporting period was \$1,199.

The average amount awarded for attorney's fees was \$1,179 per case. Awarded attorney's fees ranged from \$0 to \$5,750. The median attorney's fee award during the reporting period was \$1,200.

	Average	Dollar Range	Median
PIP Benefits' Award	\$4,290*	\$0 to \$306,933	\$1,199
Attorney's Fee Award	\$1,179	\$0 to \$5,750	\$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 (20) appeals to panels of 3 DRPs were concluded during the reporting period. Thirteen (13) involved awards rendered in the North Region, four (4) involved awards rendered in the Central Region, and three (3) involved awards rendered in the South Region. Thirty-five (35%) percent of

appeals resulted in some form of modification, vacation, or remand. The following table reports the results.

	North	Central	South	Total
Affirmed	8	4	1	13
Modified	1	0	1	2
Vacated	1	0	0	1
Vacated/Modified & Remanded	3	0	1	4
TOTALS	13	4	3	20

Medical Review Organization Report

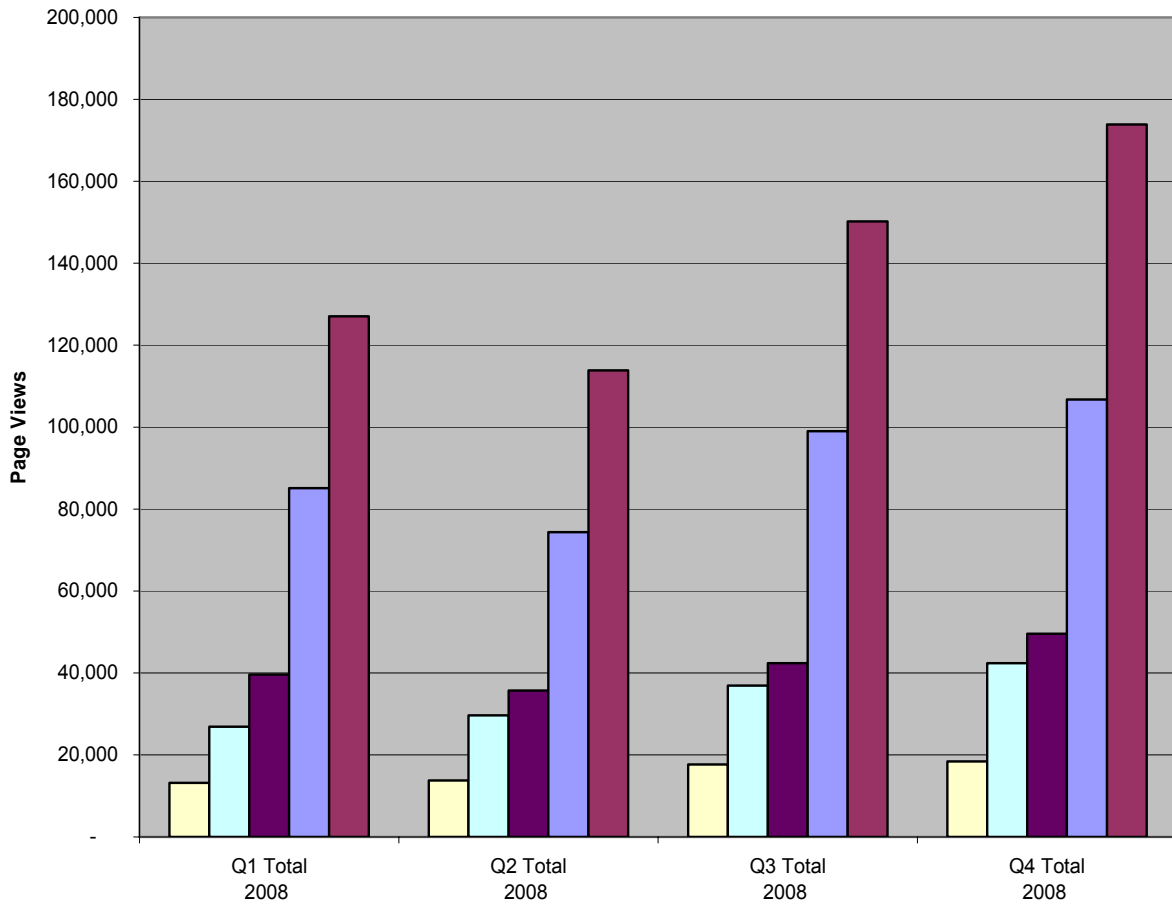
There are currently three Medical Review Organizations certified by the Department of Banking and Insurance. They are CFO Medical Services (“CFO”), First Managed Care Option (“FMCO”), and Support Claim Services (“SCS”). Information relevant to MRO usage is outlined in the table.

MRO	Request By Party	Request By DRP	Total Requests	Request for Information	Report in 20 Business Days	Report After 20 Business Days
CFO	36	1	37	1	14	0
FMCO	32	1	33	0	10	1
SCS	31	0	31	0	11	2
TOTALS	99	2	101	1	35	3

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 Q4 Highlights

- NJ PIP website had 835,679 total page views (PVs) in Q4 '08, an increase of 5% from Q3 '08.
- Filer case management application had 173,845 PVs in Q4 '08, which is up 13.6% from Q3 '08.
- Filer document upload application has gone up 8.4% since Q3 '08.
- Award search application had 42,392 PVs in Q4 '08, with an increase of 12.9% from Q3 '08.
- In Q4 '08 49,602 PDFs were accessed; with an increase of 14.6% from Q3 '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	206	190	63	78
Alterman, Herbert S.	NORTH	220	204	67	119
Amendola, Esq., Francesca	NORTH	224	207	96	136
Andolino, Michael D.	CENTRAL	200	171	60	82
Annunziata, Maria	CENTRAL	208	188	78	118
Brodow, Nora J.	NORTH	224	268	58	100
Carro, Sergio G.	NORTH	240	210	81	126
Cassella, Deborah M.	NORTH	300	190	51	53
Celentano, Cynthia J.	NORTH	218	201	79	89
Damiano, Robert S.	NORTH	207	166	59	91
Daniskas, Maria I.	NORTH	221	181	64	111
de Cordova, Donald W.	NORTH	213	176	71	109
DeMarco, Joseph	NORTH	226	177	67	93
DeMichele, Richard A.	SOUTH	253	234	80	118
Eisele-Grabowski, Karen	SOUTH	250	277	96	131
Fabiano, Edward	NORTH	224	200	69	86
Fannan, John J.	CENTRAL	205	214	77	107
Foley, Patrick W.	CENTRAL	204	200	77	98
Ganzhorn, Lisa A.	NORTH	220	203	81	119
Garrabrandt, James H.	NORTH	219	177	52	86
Grabowski (ML), David A.	SOUTH	258	230	65	87
Granato, S. Caroline	SOUTH	260	238	80	108
Hackett, Michael	NORTH	212	208	78	113
Johnston, Maureen M.	NORTH	224	186	64	102
Kaczka, Thomas M.	NORTH	221	216	90	134
Kincade, Kathleen D.	CENTRAL	203	170	70	98
Knuetter, Margaret	NORTH	215	192	71	95
La Salle (North), Robert C.	NORTH	220	178	61	104
LaPorta, David M.	NORTH	228	189	65	94
LaPorta, Phillip A.	NORTH	348	189	58	84
Lardiere, Andrea L.	CENTRAL	198	208	74	106
Lesser, Gary T.	NORTH	228	214	80	119
Lynch, Charles H.	NORTH	236	192	73	103
McFadden (CH), Michael K.	SOUTH	236	210	62	86
McFadden (NO), Michael K.	SOUTH	10	20	10	13
Miller, Matthew G.	NORTH	237	194	61	85
Noonan, Scott M.	NORTH	224	214	88	115
Odell, Barry K.	CENTRAL	107	103	39	58
Patriaco, Andrew A.	NORTH	219	205	74	102
Perillo, Christopher J.	SOUTH	2	111	38	57
Remington-Knodel, Jennifer	NORTH	233	196	84	117
Sacco, Russ	CENTRAL	189	201	82	104
Sproviero, Scott G.	NORTH	222	198	81	135
Stokes, Nanci G.	NORTH	235	221	93	130
Tamburino, Joseph A.	NORTH	230	211	78	96

Wallen (AC), Kate R.	SOUTH	16	22	7	9
Wallen (CH), Kate R.	SOUTH	252	202	78	84
Zimmerman, Richard T.	NORTH	230	176	67	102
Total		10175	9128	3297	4690



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