



QUARTERLY REPORT TO
THE NEW JERSEY DEPARTMENT
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration
1st Quarter, 2009*

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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 908,000 page views during the 1st quarter of 2009. Practitioners report heavy reliance on the function that enables full text searching of prior arbitration decisions. During the quarter, practitioners conducted almost 44,000 searches.

The Panel of Dispute Resolution Professionals (DRPs) consisted of 46 members in the 1st 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 1st quarter of 2009, 14,265 cases were initiated in the PIP ADR program. Of these cases, 9,730 (68%) originated in the Northern region, 2,324 (16%) in the Central region, and 2,211 (16%) in the Southern region.

Of the pending cases filed with the National Arbitration Forum (FORUM) in the PIP ADR program, 12,396 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 484 cases placed in abeyance by consent of the parties or by order of the court. There were 9,922 cases assigned to DRPs.

During the 1st quarter, 3,338 cases settled during the conciliation period distributed regionally as follows: 2,188 in the North region; 603 in the Central region, and 547 in the South region. This data is based upon user communications describing cases as settled or resolved. There are likely cases that the parties communicated as "withdrawn" which were actually settled and would qualify for this category.

System-wide, the average amount awarded in arbitration was \$5,528 comprised of \$4,356 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.

Sixteen (16) appeals to panels of 3 DRPs were concluded during the reporting period. Thirteen (13) involved awards rendered in the North Region, two (2) involved awards rendered in the Central Region, and one (1) involved an award rendered in the South Region. Nineteen (19%) percent of appeals resulted in some form of modification, vacation, or remand.

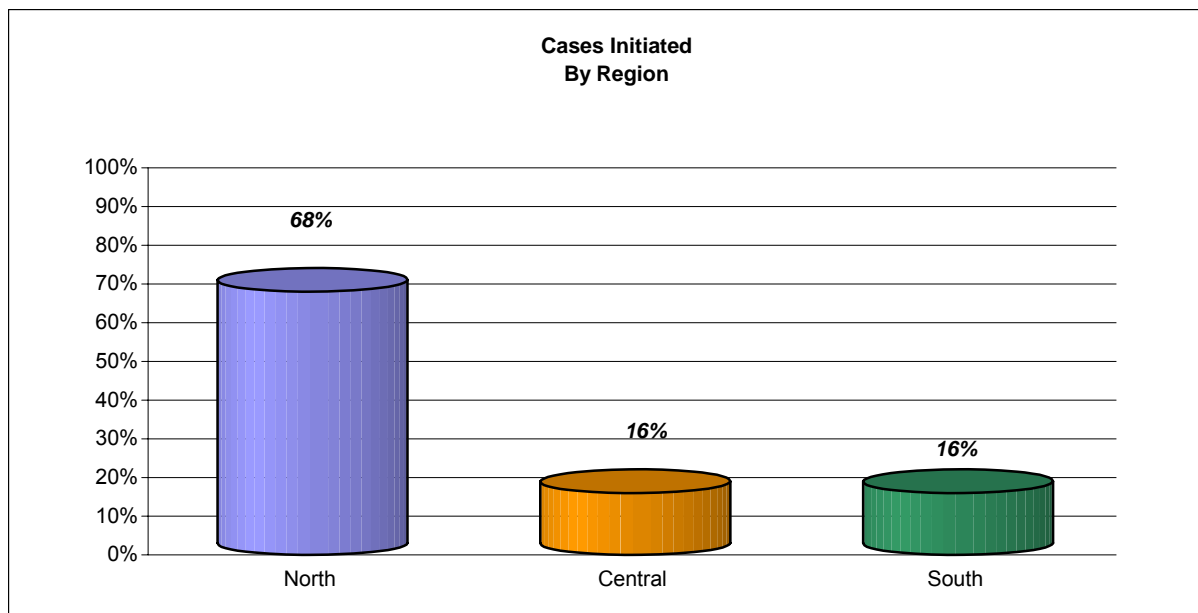
During the reporting period, parties requested 142 Medical Review Organization (MRO) reviews. DRPs did not request any reviews. The requests were apportioned among the three current MROs on a random rotating basis.

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 1st quarter of 2009, 14,265 cases were initiated in the PIP ADR program. Of these cases, 9,730 (68%) originated in the Northern region, 2,324 (16%) in the Central region, and 2,211 (16%) in the Southern region. See the table below for the monthly distribution.

| | North | Central | South | Total |
|----------------|-------|---------|-------|--------|
| January | 3,336 | 922 | 719 | 4,977 |
| February | 3,071 | 639 | 690 | 4,400 |
| March | 3,323 | 763 | 802 | 4,888 |
| Region Total | 9,730 | 2,324 | 2,211 | 14,265 |
| Region Percent | 68% | 16% | 16% | 100% |



Disposition of Cases in the PIP ADR Program

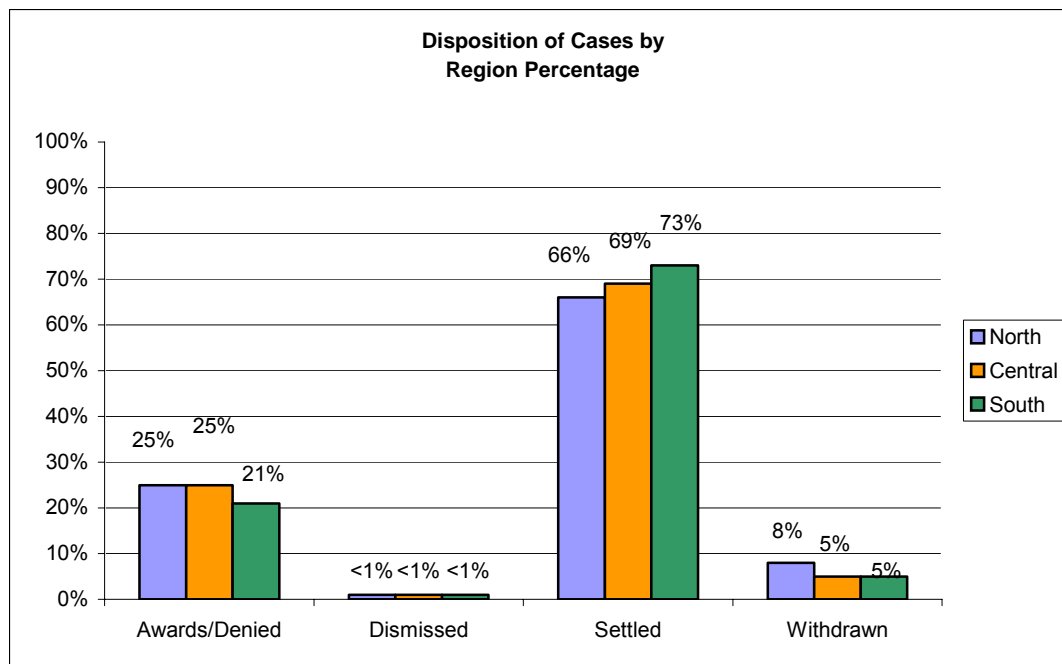
Of the pending cases filed with the FORUM in the PIP ADR program, 12,396 cases were concluded during the 4th quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement or withdrawal. The table below illustrates the manner in which cases were administered and concluded in the various geographic regions.

| Disposition Type | North | Central | South | Total |
|-------------------------|--------------|----------------|--------------|---------------|
| Awarded/Denied | 2,040 | 566 | 413 | 3,019 |
| Dismissed Pre-Hearing | 18 | 9 | 3 | 30 |
| Settled | 5,477 | 1,555 | 1,392 | 8,424 |
| Withdrawn | 698 | 130 | 95 | 923 |
| Total | 8,233 | 2,260 | 1,903 | 12,396 |

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% | 25% | 21% |
| Dismissed Pre-Hearing | <1% | <1% | <1% |
| Settled | 66% | 69% | 73% |
| Withdrawn | 8% | 5% | 5% |
| 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 | 365 | 62 | 57 | 484 |
| Region Percent | 75% | 13% | 12% | 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 1st quarter, 3,338 cases settled during the conciliation period distributed regionally as follows: 2,188 in the North region; 603 in the Central region; 547 in the South region.

The following table expresses the regional distribution in numbers and percentages.

| Geographic Regions | North | Central | South | System-Wide |
|--------------------|-------|---------|-------|-------------|
| Region Settlements | 2,188 | 603 | 547 | 3,338 |

| | | | | |
|----------------|-----|-----|-----|-----|
| Region Percent | 11% | 12% | 13% | 12% |
|----------------|-----|-----|-----|-----|

*Note: This data is based upon user communications describing cases as settled or resolved. There are likely cases that the parties communicated as “withdrawn” which were actually 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 8,721 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 1st quarter of 2009 after the cases were assigned to the DRP for hearing.

| Disposition | North | Central | South | Total | System-Wide Percentage |
|------------------|-------|---------|-------|-------|------------------------|
| Awarded/Denied | 2,040 | 566 | 413 | 3,019 | 34% |
| Consent Award | 0 | 0 | 0 | 0 | 0% |
| Dismissed by DRP | 18 | 9 | 3 | 30 | <1% |
| Settled | 3,246 | 932 | 842 | 5,020 | 58% |
| Withdrawn | 482 | 102 | 68 | 652 | 7% |
| Total | 5,786 | 1,609 | 1,326 | 8,721 | 100% |

Regional Awards' Percentage

As shown above, a total of 3,019 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes, and appeals. Of the awards issued, 67% were in the North region, 19% in the Central region, and 14% in the South.

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

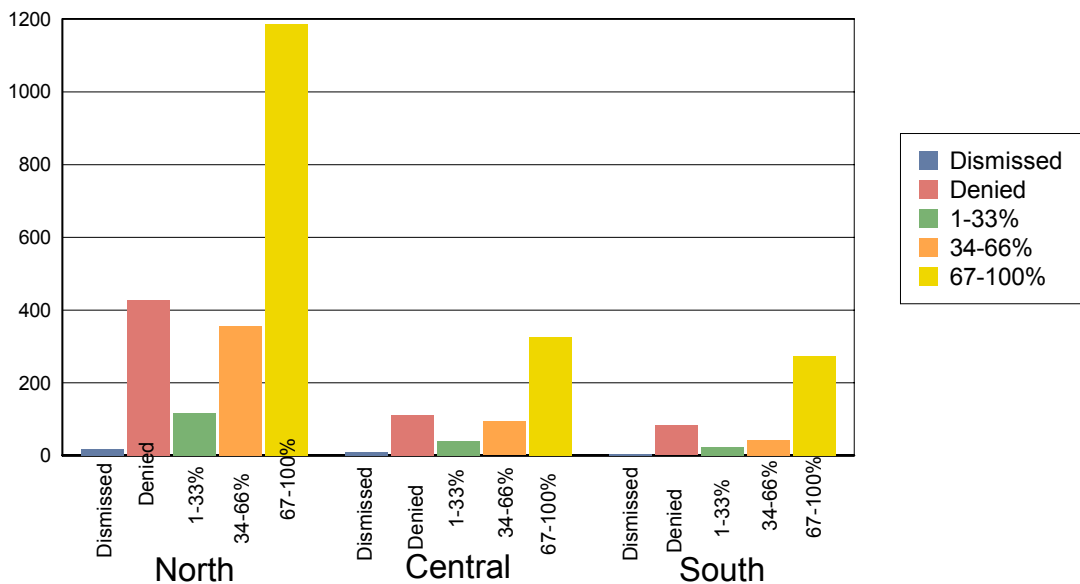
Awards as a Percentage of Claim Amount

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 1st quarter of 2009, 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.

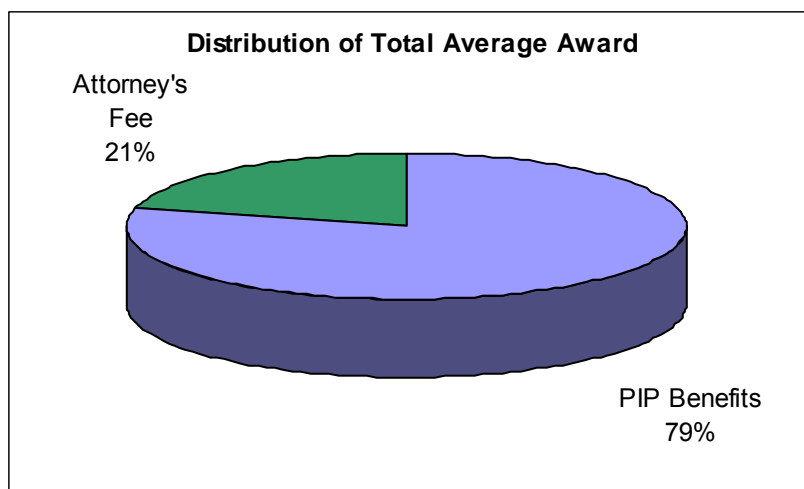
| Region | Dismissed | Denied | 1-33% | 34-66% | 67-100% | Total |
|---------|-----------|--------|-------|--------|---------|-------|
| North | 18 | 428 | 115 | 356 | 1,188 | 2,105 |
| Central | 9 | 113 | 40 | 94 | 326 | 582 |
| South | 3 | 83 | 23 | 43 | 274 | 426 |
| Total | 30 | 624 | 178 | 493 | 1,788 | 3,113 |



*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 \$5,528 comprised of \$4,356 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 \$4,356* per case. Awarded amounts ranged from \$0 to \$197,282. The median award during the reporting period was \$1,150.

The average amount awarded for attorney's fees was \$1,172 per case. Awarded attorney's fees ranged from \$0 to \$16,350. The median attorney's fee award during the reporting period was \$1,200.

| | Average | Dollar Range | Median |
|----------------------|----------------|---------------------|---------------|
| PIP Benefits' Award | \$4,356* | \$0 to \$197,282 | \$1,150 |
| Attorney's Fee Award | \$1,172 | \$0 to \$16,320 | \$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

Sixteen (16) appeals to panels of 3 DRPs were concluded during the reporting period. Thirteen (13) involved awards rendered in the North Region, two (2) involved awards rendered in the Central Region, and one (1) involved an award rendered in the South Region. Nineteen (19%) percent of appeals resulted in some form of modification, vacation, or remand. The following table reports the results.

| | North | Central | South | Total |
|--------------------------------|-------|---------|-------|-------|
| Affirmed | 10 | 2 | 1 | 13 |
| Modified | 0 | 0 | 0 | 0 |
| Vacated | 0 | 0 | 0 | 0 |
| Vacated/Modified & Remanded | 3 | 0 | 0 | 3 |
| TOTALS | 13 | 2 | 1 | 16 |

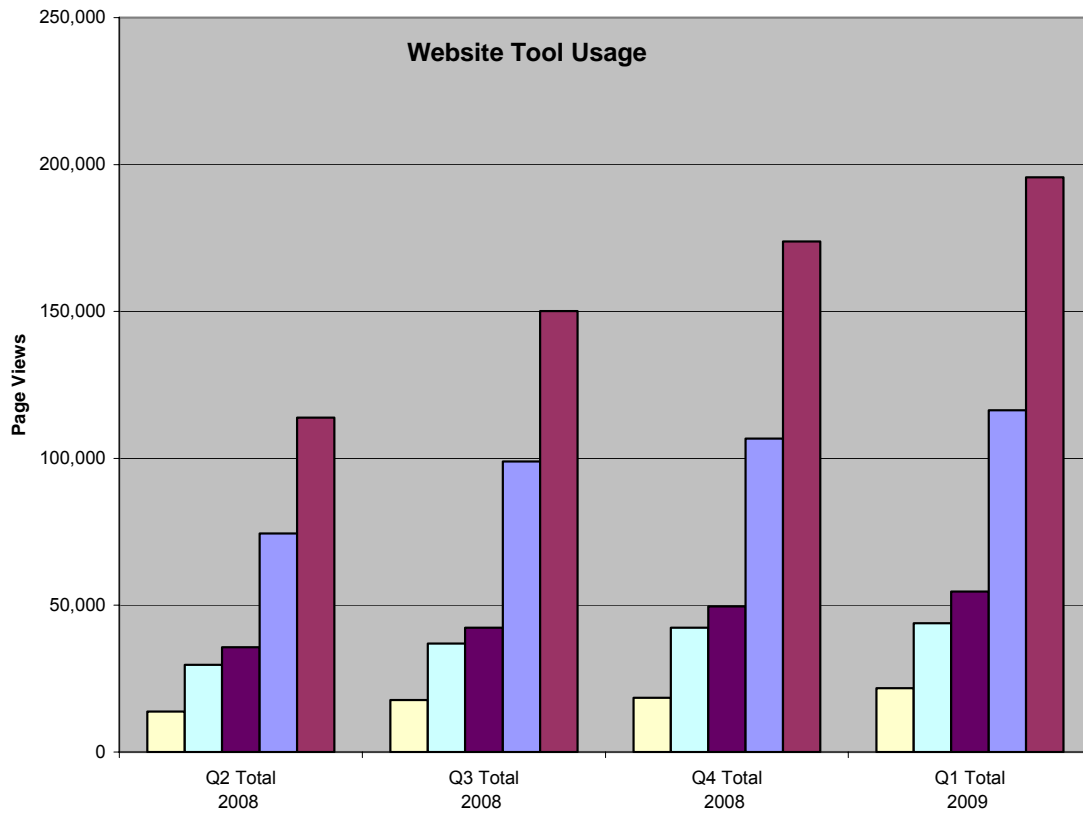
Medical Review Organization Report

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 | 52 | 0 | 52 | 0 | 22 | 0 |
| FMCO | 46 | 0 | 46 | 0 | 14 | 2 |
| SCS | 44 | 0 | 44 | 0 | 8 | 6 |
| TOTALS | 142 | 0 | 142 | 0 | 44 | 8 |

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.



2009 Q1 Highlights

- Total page views(PV's) across all displayed applications and quarters has continually increased on average. A total of 907,916 PV's in Q1 '09, has increased 8% from Q4 '08, and has a 13% increase from Q3 '08.
- Filer case management application had 195,635 PVs in Q1 '09, which is up 11% from Q4 '08.
- Filer document upload application has gone up 15% since Q4 '08.
- Award search application had 43,848 PVs in Q1 '09, with an increase of 3.3% from Q4 '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 | 196 | 199 | 68 | 85 |
| Andolino, Michael D. | CENTRAL | 198 | 200 | 73 | 92 |
| Annunziata, Maria | CENTRAL | 195 | 190 | 65 | 109 |
| Fannan, John J. | CENTRAL | 201 | 180 | 54 | 90 |
| Foley, Patrick W. | CENTRAL | 205 | 193 | 74 | 118 |
| Kincade, Kathleen D. | CENTRAL | 201 | 201 | 71 | 106 |
| Lardiere, Andrea L. | CENTRAL | 197 | 179 | 63 | 95 |
| Sacco, Russ | CENTRAL | 197 | 189 | 72 | 102 |
| Odell, Barry K. | CENTRAL | 123 | 112 | 40 | 66 |
| Alterman, Herbert S. | NORTH | 220 | 226 | 82 | 121 |
| Amendola, Esq., Francesca | NORTH | 223 | 192 | 78 | 128 |
| Brodow, Nora J. | NORTH | 222 | 205 | 76 | 128 |
| Carro, Sergio G. | NORTH | 224 | 224 | 92 | 133 |
| Cassella, Deborah M. | NORTH | 218 | 191 | 71 | 71 |
| Celentano, Cynthia J. | NORTH | 223 | 234 | 90 | 99 |
| Damiano, Robert S. | NORTH | 219 | 192 | 60 | 89 |
| Daniskas, Maria I. | NORTH | 224 | 219 | 70 | 110 |
| de Cordova, Donald W. | NORTH | 222 | 208 | 63 | 116 |
| DeMarco, Joseph | NORTH | 223 | 177 | 72 | 123 |
| Fabiano, Edward | NORTH | 227 | 196 | 76 | 109 |
| Fazio, Cataldo F. | NORTH | 116 | 5 | 0 | 0 |
| Ganzhorn, Lisa A. | NORTH | 223 | 206 | 72 | 122 |
| Garrabrandt, James H. | NORTH | 215 | 212 | 72 | 111 |
| Hackett, Michael | NORTH | 215 | 163 | 60 | 104 |
| Johnston, Maureen M. | NORTH | 227 | 220 | 73 | 124 |
| Kaczka, Thomas M. | NORTH | 228 | 195 | 71 | 116 |
| Knuetter, Margaret | NORTH | 227 | 192 | 69 | 87 |
| La Salle (North), Robert C. | NORTH | 224 | 205 | 77 | 123 |
| LaPorta, David M. | NORTH | 220 | 162 | 53 | 99 |
| LaPorta, Phillip A. | NORTH | 218 | 185 | 52 | 89 |
| Lesser, Gary T. | NORTH | 222 | 175 | 71 | 106 |
| Lynch, Charles H. | NORTH | 223 | 169 | 54 | 107 |
| Miller, Matthew G. | NORTH | 221 | 187 | 61 | 88 |
| Noonan, Scott M. | NORTH | 214 | 209 | 75 | 124 |
| Patriaco, Andrew A. | NORTH | 224 | 217 | 72 | 105 |
| Remington-Knodel, Jennifer | NORTH | 231 | 171 | 52 | 98 |
| Sproviero, Scott G. | NORTH | 219 | 202 | 77 | 141 |
| Stokes, Nanci G. | NORTH | 218 | 209 | 76 | 107 |
| Tamburino, Joseph A. | NORTH | 222 | 184 | 59 | 106 |
| Zimmerman, Richard T. | NORTH | 235 | 208 | 69 | 103 |
| DeMichele, Richard A | SOUTH | 234 | 243 | 73 | 121 |
| Eisele-Grabowski, Karen | SOUTH | 244 | 233 | 83 | 120 |
| Grabowski (ML), David A. | SOUTH | 227 | 217 | 52 | 76 |
| Granato, S. Caroline | SOUTH | 240 | 202 | 63 | 87 |
| Perillo, Christopher | SOUTH | 0 | | 21 | 11 |
| McFadden (CH), Michael K. | SOUTH | 225 | 196 | 56 | 86 |

| | | | | | |
|---------------------------|-------|-------------|-------------|-------------|-------------|
| Wallen (CH), Kate R. | SOUTH | 224 | 190 | 64 | 73 |
| McFadden (NO), Michael K. | SOUTH | 14 | 16 | 4 | 12 |
| Wallen (AC), Kate R. | SOUTH | 14 | 18 | 8 | 10 |
| Total | | 9922 | 8898 | 3099 | 4746 |



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