



QUARTERLY REPORT TO
THE NEW JERSEY DEPARTMENT
OF BANKING & INSURANCE

*No Fault Insurance PIP Arbitration
2nd 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 930,000 page views during the 2nd 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 44,600 searches.

The Panel of Dispute Resolution Professionals (DRPs) consisted of 46 members. The DRPs were regionally deployed as follows: 31 in the North; 8 in the Central with full caseloads and 1 with a reduced caseload; 6 in the South.

In the 2nd quarter of 2009, 15,294 cases were initiated in the PIP ADR program. Of these cases, 10,796 (70%) originated in the Northern region, 2,251 (15%) in the Central region, and 2,247 (15%) in the Southern region.

Of the pending cases filed with the FORUM in the PIP ADR program, 12,859 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 243 cases placed in abeyance by consent of the parties or by order of the court. There were 11,379 cases assigned to DRPs.

During the 2nd quarter, 3,562 cases settled during the conciliation period distributed regionally as follows: 2,422 in the North region; 544 in the Central region; 596 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 There are likely cases that the parties communicated as "withdrawn" which were actually settled and would qualify for this category.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 \$5,979 comprised of \$4,833 for personal injury protection benefits and \$1,146 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.

Fourteen (14) appeals to panels of 3 DRPs were concluded during the reporting period. Nine (9) involved awards rendered in the North Region and five (5) involved an award rendered in the South Region. No appellate awards were issued for the Central Region. Twenty-nine (29%) percent of appeals resulted in some form of modification, vacation, or remand.

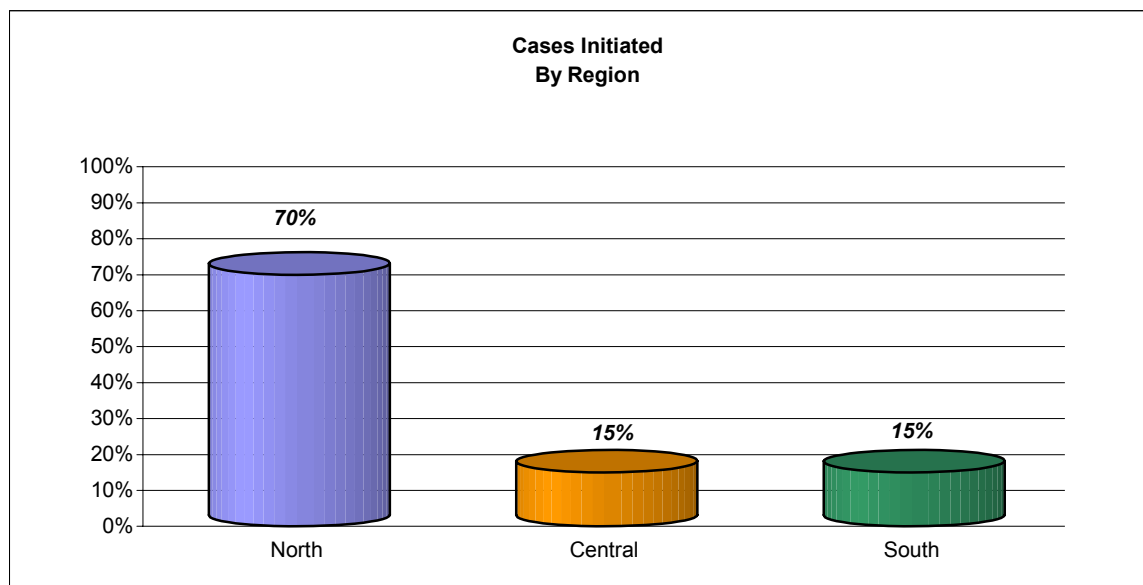
During the reporting period, parties requested 139 Medical Review Organization (MRO) reviews. DRPs did not request any reviews. The requests were apportioned among the three current MROs on a random rotating basis.

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 2nd quarter of 2009, 15,294 cases were initiated in the PIP ADR program. Of these cases, 10,796 (70%) originated in the Northern region, 2,251 (15%) in the Central region, and 2,247 (15%) in the Southern region. See the table below for the monthly distribution.

	North	Central	South	Total
April	3,402	826	773	5,001
May	3,557	643	730	4,930
June	3,837	782	744	5,363
Region Total	10,796	2,251	2,247	15,294
Region Percent	70%	15%	15%	100%



The table below provides a view of initiations for the first half of 2009 by quarterly and regional distribution.

	North	Central	South	Total
1st Quarter 2009	9,730	2,324	2,211	14,265
2 nd Quarter 2009	10,796	2,251	2,247	15,294
Totals	20,526	4,575	4,458	29,559

Disposition of Cases in the PIP ADR Program

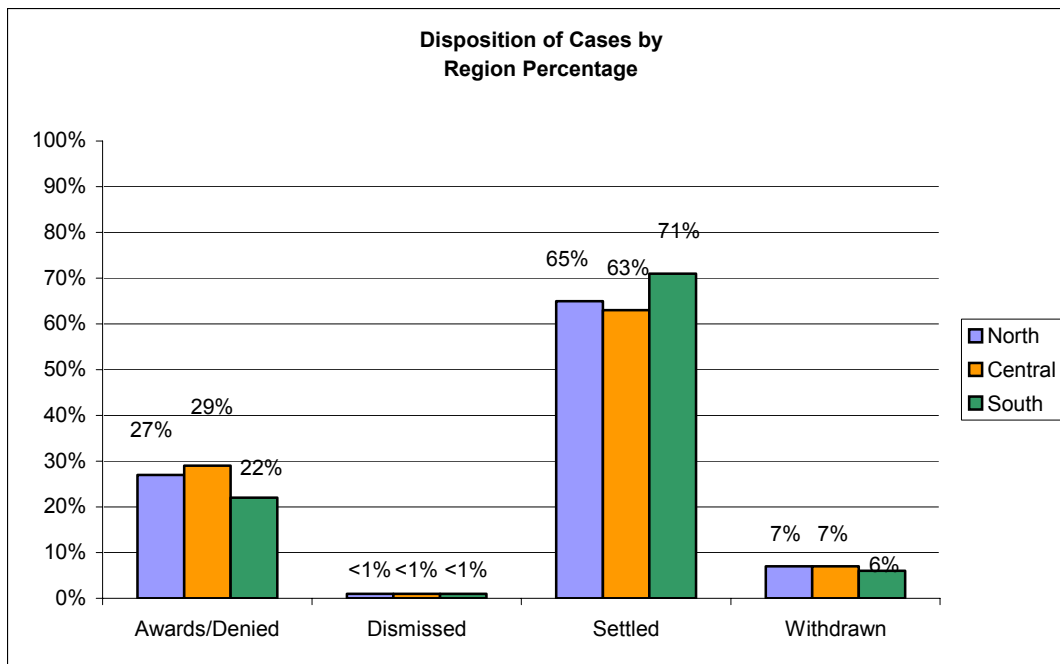
Of the pending cases filed with the FORUM in the PIP ADR program, 12,859 cases were concluded during the 2nd quarter by means of an award or denial of award (including appeals), pre-hearing dismissal of the case, settlement or withdrawal. The table below illustrates the manner in which cases were administered and concluded in the various geographic regions.

Disposition Type	North	Central	South	Total
Awarded/Denied	2,332	655	429	3,416
Dismissed Pre-Hearing	5	0	4	9
Settled	5,661	1,420	1,394	8,474
Withdrawn	674	164	120	958
Total	8,672	2,239	1,947	12,859

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	27%	29%	22%
Dismissed Pre-Hearing	<1%	<1%	<1%
Settled	65%	63%	71%
Withdrawn	7%	7%	6%
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	153	56	34	243
Region Percent	63%	23%	14%	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 2nd quarter, 3,562 cases settled during the conciliation period distributed regionally as follows: 2,422 in the North region; 544 in the Central region; 596 in the South region.

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

Geographic Regions	North	Central	South	System-Wide
Region Settlements	2,422	544	596	3,562
Region Percent	12%	12%	15%	13%

*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: 31 in the North; 8 in the Central with full caseloads and 1 with a reduced caseload; 6 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 8,948 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 2009 after the cases were assigned to the DRP for hearing.

Disposition	North	Central	South	Total	System-Wide Percentage
Awarded/Denied	2,332	656	429	3,417	38%
Dismissed by DRP	5	0	4	9	<1%
Settled	3,191	848	784	4,823	54%
Withdrawn	497	111	91	699	7%
Total	6,025	1,615	1,308	8,948	100%

Regional Awards' Percentage

As shown above, a total of 3,417 awards were issued by DRPs concerning requests for expedited relief, standard relief, fee disputes, and appeals. Of the awards issued, 68% were in the North region, 19% in the Central region, and 13% in the South.

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

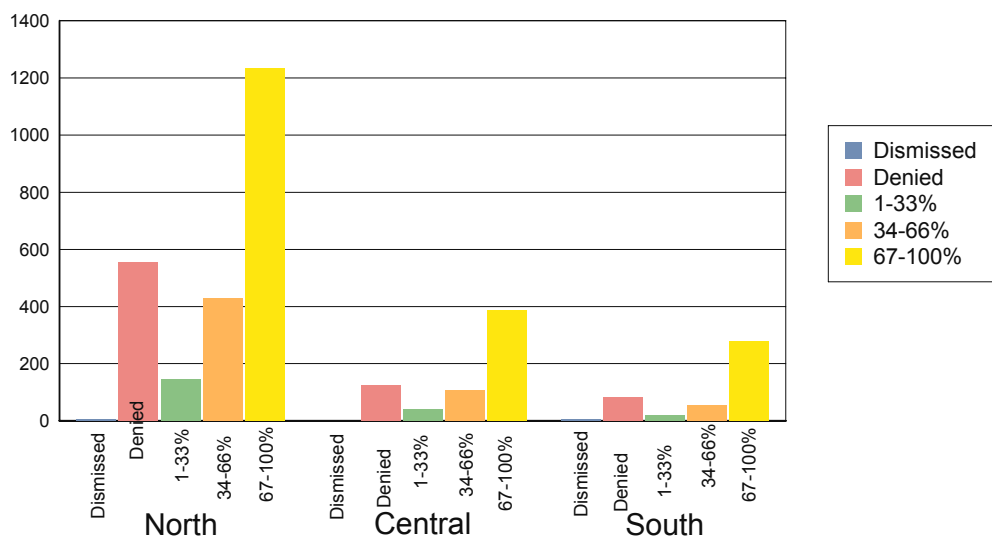
Awards as a Percentage of Claim Amount

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 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.

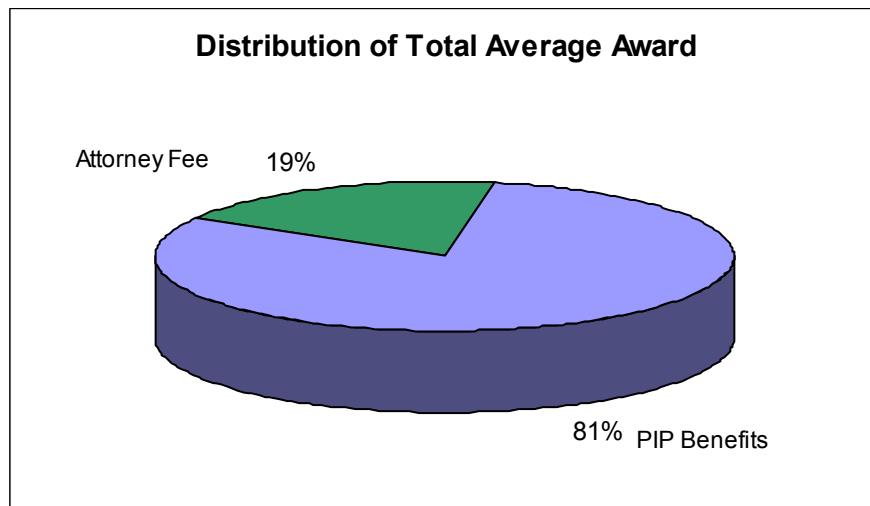
Region	Dismissed	Denied	1-33%	34-66%	67-100%	Total
North	5	553	145	425	1,234	2,362
Central	0	125	42	106	386	659
South	4	83	20	56	277	440
Total	9	761	207	587	1,897	3,461



*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 \$5,979 comprised of \$4,833 for personal injury protection benefits and \$1,146 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 \$4,833* per case. Awarded amounts ranged from \$0 to \$319,363. The median award during the reporting period was \$1,160.

The average amount awarded for attorney's fees was \$1,146 per case. Awarded attorney's fees ranged from \$0 to \$7,500. The median attorney's fee award during the reporting period was \$1,200.

	Average	Dollar Range	Median
PIP Benefits' Award	\$4,833*	\$0 to \$319,363	\$1,160
Attorney's Fee Award	\$1,146	\$0 to \$7,500	\$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

Fourteen (14) appeals to panels of 3 DRPs were concluded during the reporting period. Nine (9) involved awards rendered in the North Region and five (5) involved an award rendered in the South Region. No appellate awards were issued for the Central Region. Twenty-nine (29%) percent of appeals resulted in some form of modification, vacation, or remand. The following table reports the results.

	North	Central	South	Total
Affirmed	7	0	3	10
Modified	1	0	0	1
Vacated	0	0	0	0
Vacated/Modified & Remanded	1	0	2	3
TOTALS	9	0	5	14

Medical Review Organization Report

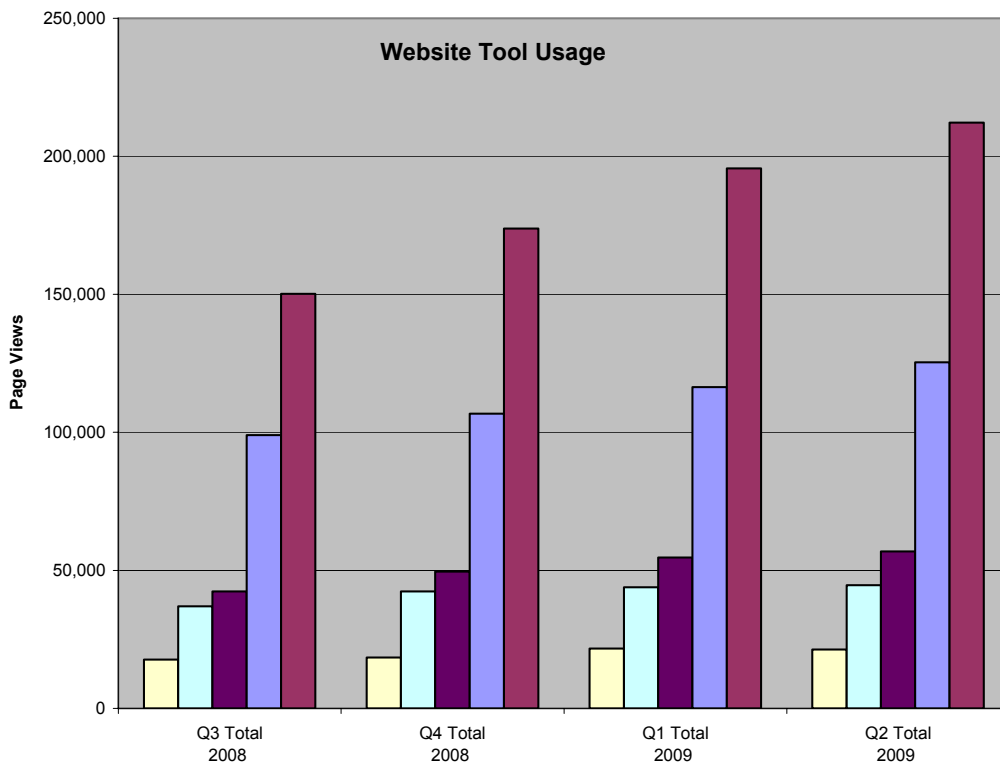
There are currently three Medical Review Organizations certified by the Department of Banking and Insurance. They are CFO Medical Services (“CFO”), First Managed Care Option (“FMCO”), and Support Claim Services (“SCS”). Information relevant to MRO usage is outlined in the table.

MRO	Request By Party	Request By DRP	Total Requests	Request for Information	Report in 20 Business Days	Report After 20 Business Days
CFO	45	0	45	0	14	1
FMCO	49	0	49	0	16	1
SCS	45	0	45	0	9	4
TOTALS	139	0	139	0	39	6

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 Q2 Highlights

- Total page views(PV's) across all displayed applications and quarters has continually increased on average. A total of 930,339 PV's in Q2 '09, has increased 2.4% from Q1 '09, and has a 10.2% increase from Q4 '08.
- Filer case management application had 212,230 PVs in Q2 '09, which is up 7.8% from Q1 '09.
- Filer document upload application has gone up 15% since Q4 '08.
- Award search application had 44,657 PVs in Q2 '09, with an increase of 1.8% from Q1 '09.
- In Q2 '09 56,841 PDFs were accessed; with an increase of 3.9% from Q1 '09.

- 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	194	173	67	83
Alterman, Herbert S.	NORTH	243	207	88	127
Amendola, Esq., Francesca	NORTH	249	204	88	122
Andolino, Michael D.	CENTRAL	203	208	90	92
Annunziata, Maria	CENTRAL	202	199	82	122
Brodow, Nora J.	NORTH	250	199	69	111
Carro, Sergio G.	NORTH	247	214	81	116
Cassella, Deborah M.	NORTH	246	194	70	77
Celentano, Cynthia J.	NORTH	247	196	77	84
Damiano, Robert S.	NORTH	254	172	64	116
Daniskas, Maria I.	NORTH	247	191	69	106
de Cordova, Donald W.	NORTH	245	193	84	118
DeMarco, Joseph	NORTH	227	222	82	128
DeMichele, Richard A	SOUTH	283	235	81	120
Eisele-Grabowski, Karen	SOUTH	280	222	72	106
Fabiano, Edward	NORTH	236	214	96	115
Fannan, John J.	CENTRAL	196	187	78	112
Fazio, Cataldo F.	NORTH	607	149	5	29
Foley, Patrick W.	CENTRAL	192	201	84	118
Ganzhorn, Lisa A.	NORTH	245	201	87	126
Garrabrandt, James H.	NORTH	257	220	74	107
Grabowski (ML), David A.	SOUTH	279	211	56	77
Granato, S. Caroline	SOUTH	272	221	72	109
Hackett, Michael	NORTH	254	202	77	113
Johnston, Maureen M.	NORTH	241	199	82	118
Kaczka, Thomas M.	NORTH	244	184	71	97
Kincade, Kathleen D.	CENTRAL	190	174	62	86
Knuetter, Margaret	NORTH	241	218	83	102
La Salle (North), Robert C.	NORTH	252	216	87	133
LaPorta, David M.	NORTH	246	205	80	126
LaPorta, Phillip A.	NORTH	254	177	64	101
Lardiere, Andrea L	CENTRAL	201	172	68	102
Lesser, Gary T.	NORTH	242	171	59	94
Lynch, Charles H.	NORTH	258	201	78	114
McFadden (CH), Michael K.	SOUTH	265	195	60	83
McFadden (NO), Michael K.	SOUTH	11	14	7	19
Miller, Matthew G.	NORTH	246	162	63	85
Noonan, Scott M.	NORTH	263	193	88	116
Odell, Barry K.	CENTRAL	101	108	46	63
Patriaco, Andrew A.	NORTH	248	212	84	114
Remington-Knodel, Jennifer	NORTH	223	225	109	138
Sacco, Russ	CENTRAL	201	211	90	111
Sproviero, Scott G.	NORTH	251	209	103	149
Stokes, Nanci G.	NORTH	268	204	73	88
Tamburino, Joseph A.	NORTH	252	227	95	127
Wallen (AC), Kate R.	SOUTH	23	14	6	9
Wallen (CH), Kate R.	SOUTH	262	199	69	71
Zimmerman, Richard T.	NORTH	241	207	60	105
Total		11379	9132	3480	4885



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