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# ***Committee Meeting***

of

## JOINT COMMITTEE ON AUTOMOBILE INSURANCE REFORM

*Public testimony concerning automobile insurance reform, including the current system of private passenger automobile insurance in this State and the factors that contribute to its costs*

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**LOCATION:** Committee Room 4  
State House Annex  
Trenton, New Jersey

**DATE:** December 16, 1997  
10:00 a.m.

### **MEMBERS OF JOINT COMMITTEE PRESENT:**

Senate President Donald T. DiFrancesco, Co-Chairman  
Assembly Speaker Jack Collins, Co-Chairman  
Senator John O. Bennett  
Senator Gerald Cardinale  
Senator Joseph M. Kyrillos  
Senator Richard J. Codey  
Senator John H. Adler  
Assemblyman Paul DiGaetano  
Assemblyman E. Scott Garrett  
Assemblywoman Clare M. Farragher  
Assemblyman Joseph V. Doria Jr.  
Assemblyman Joseph Charles Jr.



### **ALSO PRESENT:**

Thomas K. Musick  
*Office of Legislative Services*  
*Committee Aide*

Laurine Purola  
Barbara S. Hutcheon  
*Majority Staff*

Tom Hastie  
Tim Clark  
*Democratic Staff*

*Meeting Recorded and Transcribed by*  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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*Committee Aides*

*Committee Aides*

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**ASSEMBLY SPEAKER JACK COLLINS (Co-Chairman):**

Ladies and gentlemen, if we could get started here today. Members of the Committee, if you would please take your seats.

First off, let me welcome everyone to today's Committee meeting of the Joint Committee on Automobile Insurance Reform, of course, members of the Committee and staff and, most importantly, those of you who have joined us to observe and listen. And, of course, particularly, we appreciate those individuals who have given of their time to come and comment as to their views, their positions, their suggestions on what we should be doing with automobile insurance reform. My colleague, fellow Co-Chair of this Committee, the Senate President, Donald DiFrancesco, will be here shortly, as will other members of the Committee who will be coming in as the day goes on.

Let me say, first off, that this Committee is starting with a basic premise to take what so many of us already know and feel and believe, and we are going to, through this procedure, put together what we hope will be major changes in the automobile insurance laws of the State of New Jersey. Much ado has already been made about this Committee, and I would be less than honest, as I drive along and listen to the comments or read some comments, when I didn't think, "Wow, I can't believe that people have such little faith." On the other hand, I am also quite aware that the 12 years that I have been in the Legislature and double that again for the whole period of time, that auto insurance has been an ongoing vex to the citizens of New Jersey and, very honestly, to government officials.

The purpose of this Committee is hopefully to be able to come together and put forth something that is better for New Jersey. That is absolutely the sole purpose. What we plan to do today as the first of our meetings is to deal and hopefully learn from the public once again, then, in upcoming meetings, to allow the public again to share their thoughts but particularly to hone in, in a concentrated fashion, various aspects that we believe, and we will be educated upon in other meetings -- what we believe are integral to changing auto insurance laws here in New Jersey. Somewhat, and excuse my collegian academic background, but a seminar type of situation whereby we ask, we probe, we listen, we ask for more, what if this happens, what if that happens. All of this will be transcribed, so if at a particular time, for whatever reason, a Committee member may not be here or have to step out or make a phone call or respond to something, it is all going to be on the official record.

I have a list of individuals who wish to testify. They are in the order that they were handed to me by staff. We had some people call in. We had other people, of course, sign up today. If, as this Committee meeting goes on, you -- the public -- have time constraints, feel free to share them with a staff member, and I will try and be as responsive as possible. I have no idea what the line up of speakers is. I will just start calling them, etc.

But this is something where we -- the Committee members -- want to hear from you. We want to be able to glean information as to what you think should be done and how it's affected you in what's happening right now.

I will say this, no one will be denied the opportunity to speak, but our purpose today is to listen to citizens of this State who are speaking as

citizens, not as representatives of groups, not as representatives of a particular way of thought, but individuals, whatever their profession, whatever their background, are welcome to suggest what they think should be done and their reactions to what has been going on in New Jersey.

We are asking, and I will use the flexibility of the Chair, as will the Senate President when he gets here-- We are asking that no one take more than five minutes with regard to their comment. On the other hand, the flexibility will be we will not just abruptly say you're finished. Please, keep that in mind, we have many people who wish to speak. We have many ideas that we want to see come forward, and we look forward to this experience.

The members of the Committee will speak at their pleasure, making comments, questions, or whatever. We are ready to begin, and I ask to come to the microphone Mr. Ed Hughes of Fort Lee, New Jersey.

Mr. Hughes.

**ED HUGHES:** Thank you. My Web site is the [friendlystranger.com](http://friendlystranger.com) and E-mail address [friendly@mc.com](mailto:friendly@mc.com).

Thank you for the opportunity to speak. I'm sure you all heard the saying, "Be careful what you wish for, you might get it." A fellow activist advised, when we can get them to ask what would you do, we better have the answers. Life, liberty, and the pursuit of happiness -- 200 years ago we had them. Now it seems like more and more actions are either mandatory or prohibited. Mandatory car insurance seems to insure only profits for the insurance corporations.

Insurance for a year -- basic insurance -- would cost more than a car is worth. There is something wrong. We are number one with the highest

insurance rates in the country, and we are number one in a lot of other bad things, also. We're not number one in everything about insurance. In Ohio, I understand that one-sixth of the motorists are outlaws, either no license, no registration, no insurance. In Philadelphia, they say there is about 400,000, so what do they suggest? In Philadelphia, they want the blue bludgeons to go chase the motorists and take their cars away.

We are going to have innocent pedestrians and motorists killed. It just happened up in Oradell, New Jersey. It's going to trial now. We have to break the chain: the insurance companies' hands in our pockets and the politicians' hands in the insurance company pockets. Twenty-four of our politicians have their hands in insurance companies' pockets. We have to vote them out, break the chain, put an end to insurance scams.

Well, what would you do? Has anybody heard of Open Range laws? That means in some states, some areas, if you want to keep your neighbor's animals off your property, you've got to put up a fence; he doesn't have to. Sometimes you can do it an easy way: if the neighbors got dairy cattle, you just grow some onions and garlic, and he'll put up a fence.

What if we could get by on half the amount of money we are spending on basic auto insurance, half or less? What if we only bought insurance when we really needed it? If we've got a car that's sitting in the garage most of the time, we shouldn't have to pay insurance on it. I found the answer in a book that's out of print now. It was the last question I had for a manifesto I did, called "Common Sense About Our Right to Travel." How to eliminate traffic jams and reduce automotive crashes, deaths, injuries,

operating expenses, time wasted in irritation, cut insurance costs, get 100 miles per gallon and make motoring fun again. Who could want anything more?

I sent a copy to each one of the politicians, 120. I heard from none of them, not even the four whose hands I stuck it into. Not the one who said, "We reply to all of our mail." So what do we do to reduce auto insurance? Well, you can't buy this book, it's out of print. You have to get it at a library or through a book dealer. It's by Andrew Tobias. He proposes pay at the pumps, an additional 40 cents a gallon, which would go into an insurance fund. Most motorists would wind up paying about half of what they are paying now. It would be better for the environment, it would be better for just about everybody except the insurance companies and the lawyers who live off of them.

There are two pages in here of enthusiastic comments about the book and ideas. Nothing in here about the biding insurance companies or the lawyers.

I didn't set my time.

SPEAKER COLLINS: It's okay, go ahead.

MR. HUGHES: So, basically, all I could say is some of us are mad as hell and aren't going to stand for it anymore. But unless the rest of the people get out there and get involved, it's just going to keep on getting worse.

Thank you.

SPEAKER COLLINS: Thank you, Mr. Hughes.

**SENATE PRESIDENT DONALD T. DiFRANCESCO (Co-Chairman):** Sorry, I was teaching a class.

SPEAKER COLLINS: Co-Chairman, the Senate President, has joined us as I had suggested.

PRESIDENT DiFRANCESCO: I just want to apologize for being late. I really was teaching a class in a high school this morning that I had agreed to do some time ago. So I thought it would be okay to get here a little late.

Mr. Speaker, I assume that you had a brief opening statement explaining the process, and I am here to listen.

Thank you.

SPEAKER COLLINS: The next speaker is Dr. Sidney Goldfarb of Princeton, New Jersey.

**SIDNEY GOLDFARB, M.D.:** Ladies and gentlemen of the car insurance Committee, I would like to thank you all very much for giving me the opportunity to speak to you this morning about my ideas on car insurance. This topic was obviously the big topic of last year, discussed extensively during the election, and was a major factor in my decision, personally, to run for the Legislature in the 15th Assembly District this past spring. Being a physician-- I am an urologist interested in health insurance reform as well. I came up with the idea of hybridizing medical savings accounts with car insurance and came up with the insurance savings account, or ISA.

An ISA would combine a policy with a high deductible, \$4500 to \$5000 -- again, the details should be worked out. Experts in the field could be called in to discuss these things with a savings account. The savings account will accumulate some of the premium savings that would be gained and stay in the account for future car insurance claims. Catastrophic claims would still

be covered by the umbrella nature of this type of policy, but your out-of-pocket expense is less than what it is currently.

I go back to my own change of health insurance from full coverage, fee for service insurance, to a medical savings account. I became fed up when my new premium was going to be \$9000 for my family for the year. I decided to look into medical savings accounts. The premium from Blue Cross Blue Shield was only \$6000. So I felt that I was really ahead of the game already by 33 percent.

However, half of the \$6000 stays in my medical savings account and builds up from year to year. If I'm healthy or even pay from my health expenses out of my own pocket, I get to keep the money in my own savings account instead of in the bank. It's in the Blue Cross Blue Shield bank account. If after 10 years I might have \$37,000 plus interest and I could use this to pay for health insurance, I could pay for a cardiac bypass after 10 years. If people started this when they were 20, you can see the savings.

Because of the Kennedy-Kassebaum bill, which was passed in Congress in 1996, this money is also tax deductible and accumulates tax deferred and is thus an auxiliary IRA. My real out-of-pocket expense, therefore, went from \$9000 to \$2250 for the year, and I'm covered fully. This is a 75 percent reduction in health insurance premiums.

My car insurance premium for last year was \$5500. I have three cars and two teenage boys, and my premiums are quite high. I feel that there are many similar stories like this in the Garden State. In New Jersey, we pay an average of \$1000 or more per car. I feel that an ISA would lower the premiums in the neighborhood of 33 percent to 50 percent, possibly more.

An MSA available through Blue Cross Blue Shield is not the most efficient medical savings account in the industry, so you may be able to get even more savings. Being self-insured, which is basically what this would be, would be giving people a financial stake in claims and would be the first step in reversing frivolous lawsuits.

My wife, last year, was involved in a very minor accident. Someone backed into her car; however, the other guy claimed she backed into him and so-and-so. We wound up going to traffic court where the lawyers were nice enough to charge us \$500 each, and we were told to plead the Fifth Amendment, and the cases were dismissed. It seemed to me to be the most ridiculous thing I'd ever seen.

Now, in order to give the people of New Jersey this 50 percent or greater savings in auto premiums, the ISA needs to be applicable to all of car insurance. I understand that a bill has been introduced that would allow medical savings accounts for the PIP part of car insurance, but this is only 10 percent to 20 percent of the premiums and will result in pittance being saved. We've got to go all the way.

The ISA, if applied to the liability and comprehensive parts as well, would give the largest reductions. The people of New Jersey will laud and extol the bravery of our politicians and the guts of the legislators if they can give a truly innovative new insurance product to the people. The Balanced Budget Act passed by Congress last year gave a tax credit of \$500 per child, and this would be much more.

I would like this type of policy to be transferrable to other states. You could save in other states when you move, and a variant of this ISA could

be a policy where car and home owners or renters insurance could be included; although, I think it should just be for cars, but it also could be included.

I feel these are times for great political actions. If this can't be passed, we are going to continue to bend and strain under tremendous financial strength of the highest insurance rates in the country. We need to try something outside the box; otherwise, we are just nibbling around the edges and we'll have the same old stuff.

ISAs will decrease false or inflated claims because the first few dollars come out of the person's pocket. It's just like the co-insurance or deductible when you go to the doctor's office. I think this will make people better drivers and more responsible for themselves.

In addition, as I was working on this, I came up with the idea of using ignition interlock devices. I found six companies in the country that make these devices, which are rather cheap. They would prevent 100 percent people's cars from being stolen and would, in addition, prevent drunk or impaired drivers from driving.

The recommended device would be a biometric, or performance-based device, where you would have to push a punch pad, like pushing your telephone pad, into a code within a certain period of time. If you were drunk, if you were on marijuana, if you were old and impaired, if you couldn't see, if you really shouldn't be driving, you wouldn't be able to start your car. A thief wouldn't know your code. You would not be able to start the car. You would have to flatbed the car away. I think insurance companies would give a commensurate decrease in the premiums for this kind of a product.

If drunk or impaired drivers could not start the car, you would be able to prevent 50 percent of fatal accidents and obviously many injuries. The insurance companies' expenses for these covered events would be much, much less. If I knew that my teenage sons and their friends could not drive drunk, I would buy this for my car; \$500, it's less than a Lo-Jack.

Now, there are also problems for the people being impaired for reasons other than alcohol. Again, they wouldn't be able to drive. If somebody was 90 years old and they really shouldn't be on the road -- what you read in the newspaper all the time -- that person's life would be saved.

A convicted drunk driver could have the standard Breathalyzer put in, where they test for alcohol. Everyone else could have this biometric device. I've included two companies that make this device for under \$500. If this were offered in the State of New Jersey, people would use it.

So I go back now to my medical savings account. I think that the State should do this, as well, for their State employees, their municipal workers, and the teachers. I have read in the newspapers that all the HMOs, Oxford -- you name it -- are all going to be in financial trouble, and they are all going to raise their premiums. If they switch to medical savings accounts, which sort of go hand in hand, the State would save money and the taxpayers would save money.

I think, again, it's worth trying something completely different. Just nibbling around the edges -- we have seen what we have gotten for the last 12 years.

Thank you.

SPEAKER COLLINS: Thank you, Doctor.

Any questions?

PRESIDENT DiFRANCESCO: Just a quick question. I thought you said that you think that a savings of 10 percent to 20 percent is a pittance. Did you say that?

DR. GOLDFARB: Well, I think that next year the premiums will go up for something else 5 percent or 10 percent, and it will be wiped out.

PRESIDENT DiFRANCESCO: I only meant, did you say-- I'm just trying to recall what you said. Did you say that a savings of 10 percent to 20 percent on your -- I'm not trying to set you up for anything -- on your insurance premiums is not a lot of money?

DR. GOLDFARB: Well, I don't think-- Twenty percent is a fair amount. Five percent would not be much.

PRESIDENT DiFRANCESCO: When I hit the green button, the yellow light cuts all of you off. (referring to PA microphone) That's what I want to do. (laughter) I pushed the wrong button.

Just so I understand you as a consumer and how you feel. You mean 5 percent of your premium -- and I don't recall what you said, but it was a lot of money.

DR. GOLDFARB: Right, \$5500.

PRESIDENT DiFRANCESCO: Fifty-five hundred dollars. Five percent is not very much. Twenty percent is, perhaps, something.

DR. GOLDFARB: Twenty percent is a significant savings.

PRESIDENT DiFRANCESCO: That's significant.

DR. GOLDFARB: Right. Now, you compare it to 50 percent or 75 percent, which is what I saved for my health insurance premiums, I'm very

happy. I think everybody else in the whole world should do this. I'm excited as a clam about doing this.

PRESIDENT DiFRANCESCO: You're excited as a clam?

DR. GOLDFARB: Whatever. I'm excited.

PRESIDENT DiFRANCESCO: You're not even from South Jersey, are you? (laughter)

Thank you.

DR. GOLDFARB: Sure.

SPEAKER COLLINS: Doctor, before you go, with regard to your MSAs, and so on, as far as you know, do any states do anything with that with regard to automobile insurance?

DR. GOLDFARB: I spoke to one of the Congressmen from Indiana, and he mentioned that he had heard of this. I have never heard about it or read about it from other states. I think we would be taking the lead. Again, it's not going to be tax deductible, but I would do it for my health insurance even if it weren't tax deductible. I saved \$6700. What more do you want?

SPEAKER COLLINS: My question, not that you have to be the expert -- ideas and something that we can follow up on. But as you envision this for automobile insurance, and with your own personal success in health insurance, is this something that you could see could happen immediately or something that we would put into effect over a number of years?

DR. GOLDFARB: Well, you have to first get an insurance company to offer the product. Now, for health insurance, Golden Rule was the leader in the country, and they offered medical savings account. And it's sort

of like a partisan issue, democrats don't like it, republican like it, and it goes on and on.

If you look at being self-insured and paying for the doctor yourself, I think it's much, much better. Blue Cross Blue Shield doesn't offer it in New Jersey. We would have to find a company who would offer it.

SPEAKER COLLINS: Assemblyman Charles.

ASSEMBLYMAN CHARLES: You recommend that this idea be extended across all of the types of coverages that are involved in automobile insurance policy. They include the PIP, which is medical, the comprehensive, and the liability. The medical savings plans, that applies just to medical bills and medical expenses. In the automobile insurance policy, the PIP applies to medical bills and medical expenses. The other categories of coverage apply to other things, accidents, liability, lawsuits, etc. This idea that you have, does it lend itself to application on the coverages other than PIP?

DR. GOLDFARB: Yes, I think, you know, you look at the bigger picture of insurance and you look at the picture of cost, and it's the same thing. You are insuring yourself against loss of money, whether it's for health care or whether it's for car insurance, whether you are paying a lawyer to represent you in traffic court or you are paying for a minor fender bender. If you got into a major accident, you have this overall coverage.

If I need a heart transplant, my medical savings account would be used up and exhausted, but I'm covered up for over that.

ASSEMBLYMAN CHARLES: So that I'm clear: You think that this idea, this concept, can cover the features of coverage other than just the PIP?

DR. GOLDFARB: Absolutely.

ASSEMBLYMAN CHARLES: Thank you.

SPEAKER COLLINS: Any other members? (negative responses)

Doctor, thank you very much. I appreciate it.

DR. GOLDFARB: Thank you.

SPEAKER COLLINS: Next on the list is Dr. Stanley Brois and Tom Brois to both come forward in joint testimony.

Gentlemen, thank you for coming before us.

**THOMAS E. BROIS:** Thank you for the opportunity.

**STANLEY J. BROIS, Ph.D.:** It's a pleasure to be here this morning with you. It's a privilege, in fact, to express some of the concerns that we have with the insurance companies and what kind of treatment you might expect from the insurance companies.

MR. T. BROIS: All of a sudden I don't feel so hopeless. It's an incredible audience here. I don't have as great innovative solutions as Dr. Goldfarb. I basically have -- I hope it's more than anecdote. It's a personal experience I had with an out-of-state auto insurer from San Antonio. I won't go into names, I guess you don't want to hear their name.

DR. S. BROIS: Would it be permissible to give the insurance company name?

PRESIDENT DiFRANCESCO: Sure. Say whatever you want to say.

MR. T. BROIS: Okay. Well, it's USAA, San Antonio, Texas. It's an out-of-state insurer.

DR. S. BROIS: This is United Services Automobile Association from San Antonio, Texas.

MR. T. BROIS: My 19 years of driving and I have never had a claim on my policy, and just as of November 1996 my car was stolen. I parked it in a place I've always parked in, and it was stolen. What ensued was a saga of treatment that I never thought I would get from a company.

I have been dealing with a lot of companies, and I've never dealt with such an -- I would say -- insensitive and just assumingly above the law feeling that I got from dealing with them. I've had that from different companies -- I'm sure everyone here has, too.

What happened was, basically, this company honored the claim and all of a sudden pulled out the rug from underneath me once the claim was put in. They had actually issued me a rental car, and all of a sudden the rental car company called me and said, "We are not going to let you keep your car anymore. The auto insurance said that they are denying the claim." I thought to myself, "Gee, it's funny they couldn't call me first and tell me this," and everything.

DR. S. BROIS: To just interrupt here. In fact, I was participating in this back and forth telephone interaction, and in my discussions with Ms. Kmez--

MR. T. BROIS: Of USAA.

DR. S. BROIS: --of USAA in San Antonio, she, at first, was very helpful and then all of a sudden to get a call from the car rental telling us that USAA was not picking up the tab for the auto rental--

MR. T. BROIS: That's after we found out through the rental car company, which I thought was really a lack of respect and everything. Basically the issue here was that three weeks elapsed, and there was this noncooperative conduct on their part, which I think-- They always expect cooperative conduct from the insured, and I didn't feel that we were getting that.

It basically boiled down to that they finally paid the claim, but that wasn't until a legal action was brought into the picture. I'm a laboratory technologist, so I don't have any legal background. I had to go see a lawyer and pay him to help me set up a pro se case, and it was only then -- actually, it was them calling my lawyer without my permission. I didn't tell them that I was retaining a lawyer. They just made me spend another \$100 to call my lawyer and find out that I was serious about initiating a suit, and that's when they changed their tune and they decided to settle.

DR. S. BROIS: I should point out here that -- again, I was participating in this back and forth issue between New Jersey and San Antonio, and my discussions with Mr. Beasley of the USAA company were such that he promised me that he would get back to me on a Friday regarding the decision about whether they are going to reverse their position and insure us as the insurance policy should have.

I never got a call, I've never heard from him since.

MR. T. BROIS: We're continued to be mystified and dumbfounded by their behavior. They actually had vacillated three times. Like I said, I just want to sum up with the idea that there is just a sense of impunity there. They seem to act with a-- Someone had suggested that I put

a claim in with the Department of Insurance, and then a couple of my other friends said there seems to be a rumor, that I wasn't aware of, that it is slanted in the favor of the insurance company. I was really put back by that, and maybe I should have pursued a complaint. I don't know what would have happened with that if I went through your Department of Banking and Insurance.

I said before that the company that they did really seem to feel that they were above the law, and this combination of arrogance and a sense of impunity -- I don't have any idea of what's been going on in these previous hearings. This is the first hearing that I have ever been to. I don't know if other people have had the same complaint, but I did feel compelled to come before you today and tell you this.

I work in a factory and I had to go back and forth between dangerous equipment making phone calls trying to get some justice, and it really caused a great interruption in my life that I felt compelled and I appreciate the privilege to share this with you.

DR. S. BROIS: I think both of us suffered through an ordeal. I must say that next year will be 40 years that I have been associated with this company. I have paid my dues every year faithfully, and I have two minor incidents where they did pay. But after 40 years you would expect a little more gracious attitude in part of an insurance company, namely that these are fellow officers-- When I was in the Air Force, these were fellow officers that ran this insurance company, and I got no hospitality considering that I had spent so much in money on the insurance for a span of 40 years.

I think, what I like here this morning is, if this Committee could realize the impunity and contempt that the insurance companies have for a policyholder and I would like to focus on that in terms of-- Hopefully the Committee here would bear in mind that when you're heavily insured and you are paying high rates, companies will still treat you with impunity until you go for the legal help. Once you get a legal involvement, their attitude changes considerably.

What really is devastating is that the faithfulness and trust that you build with an insurance company is not always there when the time comes for you to collect on an insurance policy.

MR. T. BROIS: I just wondered how many people would have maybe given into-- I don't know if this would be considered a stronger tactic. I just sense the bias in the favor of-- They felt like they had the upper hand of the situation, and it's just a feeling of helplessness and frustration is my main point. Maybe, perhaps, there wouldn't be someone else that would have been persevering as us or had just a little bit of extra funds to go see an attorney and get some help to set up a pro se action.

I really appreciate your time to listen to us.

DR. S. BROIS: Thank you very much.

PRESIDENT DiFRANCESCO: Thank you.

MR. T. BROIS: I have a question for Senator DiFrancesco.

PRESIDENT DiFRANCESCO: That's what I was afraid of.

(laughter)

MR. T. BROIS: I was just curious, it really behooves me to come more often and to really gotten more brought up to speed on what's going on.

I think it would have been more respectful of you to have brought myself up to speed on this issue of auto insurance and everything.

Do you sense some sort of bias against the Joe policyholder from the big companies?

PRESIDENT DiFRANCESCO: Well, doing this for 23 years, yes I've gotten my share of mail with regard to insurance companies. It's a difficult area for people when something happens to your car. It's a nightmare, it seems, to the average citizen.

Let me just say this to you, because I guess I represent you.

MR. T. BROIS: Yes, in Westfield, New Jersey.

PRESIDENT DiFRANCESCO: If you could provide -- if you don't mind -- provide to me so that I can share with the members of the Committee, as you have now testified and there is a transcript, some of the backup material, or the letter of the testimony that you have given, and any letters from the company.

See, as a layman-- Of course, I've always heard that USAA -- and you made reference to what kind of company it is -- has terrific rates compared to other companies. You hear good things about it. It's very restrictive, I guess, in who can obtain insurance from them. So I would like, if you have, letters from them--

MR. T. BROIS: Right.

PRESIDENT DiFRANCESCO: --denying claim--

MR. T. BROIS: Sure.

PRESIDENT DiFRANCESCO: --and then reversing themselves. I think you indicate here they contradicted themselves. If you have any

backup, I would like to be able to share this problem with the Committee so that we have your letters and their letters, and that would be helpful, if you don't mind. You can black out any information that you wouldn't want us to see.

MR. T. BROIS: Sure.

PRESIDENT DiFRANCESCO: My office is in Scotch Plains. Do you live in Scotch Plains or Westfield?

DR. S. BROIS: Lamberts Mill Road.

PRESIDENT DiFRANCESCO: Which one? Westfield or Scotch Plains?

MR. T. BROIS: Westfield.

PRESIDENT DiFRANCESCO: Westfield side. My office is in Scotch Plains. You can even drop it off right there.

MR. T. BROIS: Sure. I really appreciate that.

DR. S. BROIS: Thank you very much.

MR. T. BROIS: I don't know if that's how they offer low claims.

PRESIDENT DiFRANCESCO: And I live around the corner, so--  
(laughter)

MR. T. BROIS: Next-door neighbors.

PRESIDENT DiFRANCESCO: Thanks for being here.

SPEAKER COLLINS: Thank you very much.

DR. S. BROIS: Thank you.

SPEAKER COLLINS: I think we have a question, gentlemen. Please, you don't have to go. Your neighbor wants you to stay, the Senate President. He'll probably stop over later for coffee.

PRESIDENT DiFRANCESCO: We have buns and coffee and everything else.

SPEAKER COLLINS: Senator Cardinale.

SENATOR CARDINALE: I'd just like to, one, tell you I get lots of mail just like that, and there is probably no company that is universally wonderful in how they deal with their people. But one of the things that can help immensely -- you got a piece of bad advice in your story -- is to not go to the Department of Insurance. My sense is that the Department tends to favor the insurance company, but that doesn't mean you shouldn't go.

They have a policy that if they get three complaints that are justified in the sense that the Senate President was just talking to you about, where they have reversed themselves, where they have denied a claim and then subsequently paid the claim, they will take action, the Department. That is their internal policy, to make sure that that company acts in a better way. They will go to the extent of reprimanding or taking some sort of sanction against the company, but they will not do it until they get three, sort of, certified and documented complaints with respect to the same company.

MR. T. BROIS: Yes.

SENATOR CARDINALE: All too often people do what you did and just don't pursue it because you feel kind of frustrated and up against a big--

Now, we also -- and I'm going to take a chance while I have members of the Assembly here to inform some of you who may not be aware. We passed a bill in the Senate to provide an embossment for people who are having difficulty dealing with their insurance company. I would hope that

before the session ends -- and I know it's late, maybe early in the next session -- we could have that bill pass the Assembly. It has passed the Senate, and I think it would help people like you. We're not unconcerned about people like you. We are very concerned about trying to remedy what goes on in the dealings of the little guy against the big company who sometimes just doesn't act-- And you shouldn't have to go and get a lawyer when you have insurance to make the company do what it's supposed to do.

MR. T. BROIS: I appreciate that. Maybe we don't have to wait until we get to heaven to find out why they vacillated like that and finally reversed themselves. So me with the help of Senator DiFrancesco--

DR. S. BROIS: Thank you very much.

MR. T. BROIS: Thank you very much.

SPEAKER COLLINS: Thank you, gentlemen.

Kathy Phillips. (negative response)

UNIDENTIFIED SPEAKER FROM AUDIENCE: I'm actually speaking for her. She is not able to come today.

SPEAKER COLLINS: Okay. Do you want to come up and speak for her?

UNIDENTIFIED SPEAKER FROM AUDIENCE: No, she'll send something to all of you.

SPEAKER COLLINS: Okay, thank you very much.

UNIDENTIFIED SPEAKER FROM AUDIENCE: You're welcome.

SPEAKER COLLINS: David Lipsky.

**DAVID J. LIPSKY:** I am David Lipsky, a resident of East Brunswick and a survivor of severe injuries from an auto crash. Senate President DiFrancesco, Speaker Collins, and members of the Joint Committee on Auto Insurance Reform, thank you for the opportunity to discuss my experiences under no-fault and introduce ways to lower premiums while maintaining quality health care services.

Date: February 8, 1985. Temperature: 8 degrees. My local roads were a sheet of ice. A young, accident-prone driver crossed the grass median and struck me head-on. It was a split second I will never remember and never forget. For the next few minutes look at me, listen to me for style and content. I don't think you will see anything abnormal, and that's my point.

Thirteen years ago I spent a month in a coma, five months in the hospital, and two and a half years out of work. When I woke up, I couldn't tell you the color of my house, and I didn't remember the birth of my 10-week-old son. I couldn't walk and lost all language skills. I vaguely remember crawling around the treatment room on all fours at JFK Hospital's Brain Trauma Unit before I relearned how to walk. It took comprehensive and costly rehabilitation to bring me back, and I am grateful.

No one is paying me to be here. I fear the push for lower premiums will devastate the specialized brain injury health care providers and deprive future victims of the specialized care I received. This rehab network is at the end of the feeding chain, and we can't afford to lose them.

Transferring medical coverage to health insurers should not be considered. Prolonged unemployment often results in the loss of employer-provided health plans. When I was dropped from my group coverage, my

family was offered an individual policy because of a preexisting condition, my brain injury. I was offered and forced to take a costly policy with a \$100,000 lifetime maximum for my entire family. It did not cover the kinds of physical, cognitive, speech, and vocational therapies I needed. Neither did my employer's group coverage. No-fault does.

I will recommend several innovative reforms to lower premiums, stabilize benefits, and protect victims. First: Liability deductibles. I have deductibles on comprehensive coverage, fire, and theft. The more risk I assume the lower my premiums. Suppose I agree to pay the first \$250 or \$500 when I cause an accident. Costs to my insurer will drop and so should my premiums. If I cause no accidents, I will come out way ahead. The more I do cause the more I pay. Eventually, I will get the message. Liability deductibles will lower premiums and can be an effective tool for reducing insurance costs.

Second: Reckless driver co-payments. A driver at fault for especially egregious violations should pay part of his own medical costs. Today, if I drive 85 miles per hour or under the influence of drugs or alcohol, I am fully covered by no-fault. Why? My proposal is not for real errors, but for those injuries destined to occur because of a driver's outrageous conduct. A reckless drive co-payment will influence the way people drive and lower my premiums by targeting the root cause of many collisions.

Third: Let's explore the option of permitting insurance companies to recover medical costs from third parties. In 1979, the National Highway Traffic Safety Commission crash tested the 1980 Mazda 626. Its seat belts stretched and crash dummies' heads pounded the steering wheel. In 1985, my 1980 Mazda 626 was hit. The seat belt stretched and my head slammed the

steering wheel. Instead of having a few broken bones and generating medical costs well into \$10,000, I was the crash dummy with medical bills costing you \$1,250,000 and still counting. Should Mazda have been required to reimburse Prudential for my medical expenses? Absolutely. Insurers should be encouraged to recover a share of medical costs from others beyond the drivers and car owners when appropriate and warranted.

Fourth: Post vehicle safety ratings. I never suspected I was at risk when I bought my car. If the State required the posting of crash test results and an insurance risk assessment in each dealership, it would have heavily influenced my buying decision. I urge you to mandate that requirement now. It will encourage shoppers to buy safer cars, reward manufacturers for exceeding basic safety standards, reduce injuries, and lower insurance costs. Let's motivate manufacturers to compete on safety or insurance cost projections, not paint colors or leather trim.

Fifth: Medical fraud is an obstacle to reduce the insurance costs because it is an open piggy bank. Following my injury, Prudential staff rehab nurse was watching out for me and my recovery while protecting their budget. I understand her job was abolished, penny-wise and pound-foolish. In routine cases, patients can influence their own care. If they contribute a small co-payment, the victims will have a direct interest in monitoring their own health costs. Today, they don't care.

I'll close with two points. One: No-fault coverage was the key to my recovery and must be protected. Reducing benefits will add insult to injury, real, serious, life-threatening injury. Two: We will see lower premiums when people drive more carefully, have safer cars, and generate fewer claims.

When premiums are reduced, and they will be, it is in the State's interest to protect the victims. You want us to return to work and pay taxes, not become taxpayer liabilities.

I am available to discuss my recommendations in detail and offer whatever assistance I can to craft legislation that works for the policyholder, the insurance industry, health care providers, and future claimants. Was it worth the investment in my care? Absolutely. Remember what I said at the beginning of this talk, "Listen to me for style and content. I don't think you will see anything abnormal."

I thank the State of New Jersey for having the foresight to mandate unlimited no-fault coverage and extend a genuine sincere thank you for being there for me.

SPEAKER COLLINS: Thank you, Mr. Lipsky. Any comments or questions? (negative responses)

Thank you very much for your testimony. Your detailed plan, of course, was transcribed, and we have your address, etc. We appreciate not just your testimony, but your offer to expand on your thoughts if so needed.

Thank you very much for coming in.

MR. LIPSKY: You're welcome.

SPEAKER COLLINS: Jodi Stroker.

**JODI STROKER:** Good morning.

SPEAKER COLLINS: Good morning.

MS. STROKER: I'm Jodi Stroker. I live in Ridgewood, New Jersey. This summer I had tremendous concerns about the discussion about eliminating catastrophic medical insurance on your auto insurance policy.

On October 30, 1989, my older two children and I were involved in a serious auto accident in Ridgewood. My son, at the time, was four years old; he is now twelve. My daughter was two; she is now ten years old. My son sustained a perforated small bow and a traumatic head injury and my daughter, a spinal stroke leaving her a quadriplegic.

Both today are mainstreamed in the Ridgewood Public School System and have received extensive therapy through our insurance. They continue to need this medical and therapeutic care through their growing years. Our insurance company has continued to review our children's care throughout this past spring. I have a handout.

My son went to an insurance company physiologist, who's a doctor of rehabilitative medicine. In the letter, after she examined him, she reduced his therapies extensively. We have letters from all of our physicians, neurologists, orthopedists, pediatricians, and two therapists, both a physical therapist and an occupational therapist, advising the insurance company that Jake continue to need the therapies that he was receiving.

The way this was handled is a perfect example of how I have tremendous concerns about peer review. Our insurance company has harassed us fairly regularly, on at least an annual basis, in an effort to reduce the care that my children continue to need, especially through their growing preteen and teen years.

The costs for their care -- if they become -- that my husband, who teaches in the Ridgewood Public School System, and I would have to undertake, or take on, are prohibitive. My family and I are a living example of the need for catastrophic insurance coverage, as well as my tremendous

concerns about managed care and peer review. I would never want to see my children involved in managed care. Their needs are very specialized, both having a spinal cord injury and a traumatic head injury. They need to see the best people that we can find. I continue to have concerns about the way you would change your laws that that, perhaps, would affect them and my family. I could not, as a mother, not want them to receive the best care that they can possibly ever have.

This handout is a letter from their pediatrician advising the insurance company of Jake's, my 12-year-old son, need for care despite the fact that the physiologist that they brought into the situation was going to reduce his therapies extensively. Jake, with a head injury-- Every head injury is different. In his situation, he is a left-hemi, where he sustained -- I guess, the right side of the brain sustained injuries, and it is causing left-sided problems for his body. Jake has minimal use of his left hand -- only as an aid. He also walks with a different gape than most of you here.

I'd be glad to answer any of your questions.

SPEAKER COLLINS: Yes, I have some questions, if I may. First off, over this eight years, do you have any idea of how much the costs have been with regard to your two children and their medication?

MS. STROKER: I do not know.

SPEAKER COLLINS: You mentioned that you were not supportive of peer review--

MS. STROKER: Right.

SPEAKER COLLINS: --which is something that has been discussed in the two insurance committees in the past, and I'm sure will be

again. What, in your experiences and your understanding of peer review, what is your problem with that?

MS. STROKER: Well, in this situation, we were sent to a physiologist for the second time on an annual-- This was the spring and the spring before. Before that we saw another physiologist that the State sent us to. That physician, the entire six years, was supportive of the care that Jake was receiving in terms of his physical therapy, occupational therapy, speech, hydrotherapy, etc., but this physician eliminated--

And Jake is in the middle of all his growth. He's just about to be 13. I would think that he has put on at least four inches, recently. This is very, very hard for his body, and if you eliminate all of his occupational therapy -- I did not give you the handout from that physician -- but if you begin to eliminate his physical therapy, it would also cause him tremendous problems with the spasticity and tone that he has in his body. He needs to have that--

She alleged that he wasn't making improvements, but our position was that he needed the therapies just to maintain what he had, especially right now as he is growing.

SPEAKER COLLINS: Assemblyman Garrett, Chairman of the Insurance Committee in the Assembly.

Assemblyman.

ASSEMBLYMAN GARRETT: Good morning.

MS. STROKER: Good morning.

ASSEMBLYMAN GARRETT: Just a couple of questions, if I may. Firstly, what was the resolution on the dispute with your carrier on that issue, and how did it come about?

MS. STROKER: We were advised by the insurance company's lawyer that they were not going to change their position. However, they have given Jake his therapies back, but we have nothing in writing from them to tell us that this is fact -- and I have asked for something in writing.

It's not clear. He has been given them back, but this is the kind of thing we go through. They tell us for awhile they aren't going to pay for something, and then they make a decision that they might, it's not clear. We don't know. At any time they still might rescind his therapies because we have not received anything in writing.

ASSEMBLYMAN GARRETT: How long has that been going on that you have not received it, but you're still being treated?

MS. STROKER: Since September. They did take his occupational therapy away and one of his physical therapies this summer. So it was reinstated in the fall, but we were never told in writing. It was all done on a verbal basis between the therapist and the insurance company.

ASSEMBLYMAN GARRETT: Right now there are a number of bills on that topic of peer review, and there are more proposals out there, and before we are done, we'll probably have more proposals still. It's hard to keep up with all of them.

What you're going through right now, of course, is similar to the peer review proposals that are on the table. You understand that. In other words, what you're going through right now is the current system where the

carrier makes their findings as to whether legitimacy of a treatment exists and makes that determination. You understand that under the current system that there is a system in place if they make a determination that they are going to terminate your benefits, cease your benefits, for this certain type of treatment that you, under the current system, have a legal recourse.

MS. STROKER: Right.

ASSEMBLYMAN GARRETT: The peer review proposals that are out there would simply change that legal recourse. Do you understand that?

MS. STROKER: Yes.

ASSEMBLYMAN GARRETT: The difference is who is making the determination. The current proposal, the determination is made by a panel of attorneys in arbitration, and then the proposals that are out there right now, the changes would be made or the determination would be made by a panel of doctors instead. Do you favor one of those over the other?

MS. STROKER: I favor having a legal support.

ASSEMBLYMAN GARRETT: I'm sorry?

MS. STROKER: I favor the way it is currently verses having them have set doctors.

ASSEMBLYMAN GARRETT: Well, what you're telling me is that under the current system that you are still having problems with the carrier saying that they want to terminate your benefits. You don't support that, do you?

MS. STROKER: No, but I still think that gives me a little bit more freedom than if-- It gives me more recourse, I believe.

ASSEMBLYMAN GARRETT: How so?

MS. STROKER: I was-- We were able with the support of our attorney to discuss, in writing, that we were appealing it.

ASSEMBLYMAN GARRETT: And under the proposals for peer review you would still be able to do that, do you understand that?

MS. STROKER: I'm not that familiar with what the new proposals are.

ASSEMBLYMAN GARRETT: Okay. I would be glad, either through the Chair, to share--

MS. STROKER: I want as much freedom to make the decisions. That's really the reason I'm here, to make it clear that I have concerns. If we have managed care and people are telling us that we need to use a certain physician for Allie should spinal cord regeneration eventually take place, I want to be able to pick the physician who I think is appropriate. If they have only a set person and set hospital to go to and I think there is something better for her, I want that freedom to do that.

ASSEMBLYMAN GARRETT: Okay, let me just ask one last question. One of the options out there is to allow the consumer -- you, the consumer purchasing insurance -- on day one -- to allow you, the consumer, to make the choice between two options. That is (a) buy a policy like you're buying today, or (b) buy a policy that is slightly cheaper with the lower price that would have some restrictions on it.

Maybe, like you heard today, a medical savings account type of arrangement might be one proposal or a managed care type of arrangement. But it would be left in your hands, as a consumer, whether you want to buy what you have now and pay  $X$  or do you want to buy one of these new

proposals and realizing that you are going to have your rights limited somewhat.

MS. STROKER: Managed.

ASSEMBLYMAN GARRETT: Right, managed. But your cost upon your auto insurance goes down somewhat. Do you support that idea of allowing the consumer to make that choice?

MS. STROKER: I couldn't answer that. I would certainly-- Not ever imagining what was going to happen in my life or my children, husband, or my family I would want to have as much freedom. I am really concerned about someone who is trying to save their money and not ever imagining that this could happen to them.

I feel sorry for the blue-collar person who is trying very desperately to keep their car insurance down so that they can pay for food, and so forth, and they say this will be cheaper. I don't think that that person is going to be well represented by a bill that would eliminate catastrophic, for example, coverage.

PRESIDENT DiFRANCESCO: Can I ask a couple of quick questions? I assume the purpose for you being here today is to talk about the catastrophic accident that you have experienced -- this nightmare -- and the unlimited medical benefits that are available to you.

MS. STROKER: Yes.

PRESIDENT DiFRANCESCO: Is that the thrust of what you're saying? That you like the fact that it was unlimited, that even though it was an accident that occurred in 1989, you continue to receive the benefits that you know that you have to have. Is that really the thrust of what--

MS. STROKER: In part, and also my concern is about what happened this spring and summer with regard to reducing and eliminating Jake's care.

PRESIDENT DiFRANCESCO: That's personal to your own case.

MS. STROKER: Right, but my concern for the general public-- If they were trying to reduce costs and they never imagine that they are going to have this-- This isn't something that when they were two and four that I could ever imagine would still be going on as extensively as it is.

PRESIDENT DiFRANCESCO: Well, no one could ever imagine these things happening to them, whether it be an automobile accident or in a household accident.

MS. STROKER: Right.

PRESIDENT DiFRANCESCO: Or whether it be an auto insurance policy or some other policy that you have chosen for your health care coverage that may, in fact, not have the kind of coverage that you are talking about, but have very limited occupational therapy or physical therapy coverage. No one could ever imagine that they are going to be involved in an accident. It's just not human nature.

MS. STROKER: I just know that before the accident we had looked into reducing our costs, and should a clause have been available to check "you can save 25 percent of your auto insurance by eliminating your catastrophic coverage"-- I worry about those people.

PRESIDENT DiFRANCESCO: Well, you're just supporting the unlimited nature of the mandated benefits by the State of New Jersey. Isn't that really what you're here for?

MS. STROKER: I am.

ASSEMBLYMAN CHARLES: Excuse me, Mr. Chairman. I think she has some other points, too, about the managed care and the other kind of network features that are discussed or proposed in various sort of legislation. I think her point is multiple. Number one: The unlimited feature. Number

two-- PRESIDENT DiFRANCESCO: I'm sorry, Joe, I can't hear you.

ASSEMBLYMAN CHARLES: I think her point is more than just one. Obviously, I think she is talking about the unlimited benefits or without capping for catastrophic injuries. She is also talking about a system where she would like to be able to pick the doctors that she thinks best helps her children. That goes at the issue of a managed care arrangement as opposed to a point of service.

PRESIDENT DiFRANCESCO: That's different than what we have today. That's different than what she enjoys today, is that what you mean?

ASSEMBLYMAN CHARLES: No, that's what we have today and that's what she likes. Some of the proposals that are being discussed, yes--

PRESIDENT DiFRANCESCO: In all phases of insurance, Joe, it's not just auto insurance. Managed care being discussed everywhere with the State employees, with our own personal health coverage. I understand that. I believe she was here just to say that this happened to her family.

MS. STROKER: It can happen to yours.

PRESIDENT DiFRANCESCO: Fortunately, she has unlimited medical benefits that continue, even though she has to fight, in some instances, to continue that care. I think that's basically it.

We have no bills before us today with respect to peer review or managed care or anything like that. We are not really dealing with that on a--

ASSEMBLYMAN CHARLES: I understand that. I'm just saying that I think she is saying this current system, what we have -- forget about a particular bill -- she likes that and some of the changes-- What she likes are a number of things about it; number one, the catastrophic protection. Also the fact that she can go to whatever doctor she wants to. Within that system there are some problems, but she will deal with them the way they are.

SPEAKER COLLINS: Assemblyman Doria.

ASSEMBLYMAN DORIA: I would just like to ask the question because I think Assemblyman Garrett brought it up before. You have, obviously, at that time, no choice on a policy. You took the policy that was there. Do you think, not knowing what you know now, and somebody offered you a lower price policy, maybe saving \$300 or \$400, do you think you might have chose that policy?

MS. STROKER: I wouldn't have, but I know people close to me who would have.

ASSEMBLYMAN DORIA: And what--

MS. STROKER: My husband would have. He never would have dreamt that this would have ever happened to us, ever.

ASSEMBLYMAN DORIA: So--

MS. STROKER: So if he were making that decision, he would have checked not having catastrophic coverage, I would have. You have two different philosophies.

ASSEMBLYMAN DORIA: Thank you.

SPEAKER COLLINS: Senator Cardinale.

SENATOR CARDINALE: Was there a liability aspect to your case, as well as a medical aspect? Would you comment on that?

MS. STROKER: I'm not clear.

SPEAKER COLLINS: Maybe you could explain liability.

SENATOR CARDINALE: Yes. Did you or on behalf of your children or yourself sue for damages that were subsequently paid to the insurance company or someone make a payment to you that was outside of the area of medical care? Was there a separate pain and suffering?

MS. STROKER: I don't know if I am free to discuss that.

SENATOR CARDINALE: Okay. Because I wanted to ask you a follow-up question if you had had that experience of whether there were suits involved.

MS. STROKER: I can't answer that question.

SENATOR CARDINALE: You can't answer.

MS. STROKER: I'm sorry.

SPEAKER COLLINS: You don't have to be sorry at all. We thank you for coming in.

PRESIDENT DiFRANCESCO: I have one other question.

SPEAKER COLLINS: Question.

PRESIDENT DiFRANCESCO: Did you have substantial out-of-pocket expenses?

MS. STROKER: Have we? No, not for medical care, but for other care, yes. For tutoring, educational things that are not considered a part of the

auto insurance medical coverage, yes. My son has a head injury, he has learning disabilities.

SPEAKER COLLINS: Thank you very much for sharing your experiences with us. Thank you very much.

MS. STROKER: You're welcome.

SPEAKER COLLINS: Theresa Land-Fitzpatrick.

**THERESA LAND - FITZPATRICK:** Good morning.

SPEAKER COLLINS: Good morning.

MS. LAND-FITZPATRICK: My name is Theresa Land-Fitzpatrick; I live in Gloucester Township, New Jersey. On September 5 of this year, I had to undergo a constructive back surgery due to an automobile accident. The surgery consisted of removing two discs, replacing them with four metal cages, and having them fused with my own bone. It also included creating a ridge on one of my vertebra that had been destroyed, taking a bone spur off another, and decompressing four to five nerves. As my doctor had put it, my back looked like that of a 70-year-old even though I was only 35.

When I woke up from my six-hour to eight-hour surgery, I was left paralyzed from my knees down in both legs. Although I have regained most of my right leg, my left leg has not come back all the way, and there is some question as to whether or not it ever will. I've been out of work since that time, and I am still not able to give my boss a definite date as to when I am able to go back.

The cost of this surgery was over \$75,000, not counting the epidural shots that I had prior to that to try to avoid the surgery. Before that surgery, I also had to have surgery to my right hand in order to release a nerve

that had caused my thumb to remain stuck in a straight position like this (indicating) and causing tremors in two of my fingers.

Because of my insurance carrier, I am now paying the bills within the 60 days like the statute says. I've had numerous bills sent into collections. Even if these bills do get paid, it will still show up on my credit history when I go to buy my house. When I moved into my town house that I am renting presently, I had to get a letter from my lawyer stating that these medical bills were due to a motor vehicle accident and they were the responsibility of my PIP carrier and that they were representing me in this matter.

Additionally, the hospitals and doctors made me get referrals from my private health before they would even consider the surgery. I've had independent medical exams which said that there was nothing wrong with me, even though I have had positive MRIs, EMGs, milograms, discograms -- all showing that there was serious defects with my back.

They would state that I had no pain doing certain things, even though I told them that I did. They said that I had a full range of motion and walked normally, even though anyone who knew me knew that I could not walk right because of the pain that would shoot down my legs.

I am also a PIP specialist for a law firm. I have seen firsthand how insurance companies routinely cut off patients that have serious injuries, such as mine or worse. One particular client had been cleared for surgery from her carrier, and then three days before the surgery they decided to cut her off. Fortunately for her, her private health was able to get the referral in time, otherwise all the preadmission testing that she had gone through would have had to be done again. Although, we had to file a PIP suit to get the bills paid

and our private healths reimbursed so that they did not apply a lien against her case.

I have had clients call crying because the doctor they want to see will not accept a patient who is involved in a motor vehicle accident and they don't have private health. In fact, most of your top specialists will not see you unless you are able to go through your private health insurance. Almost all doctors now are requiring letters of protection from the attorneys before they even agree to treat someone. That should not be. It should be like any other insurance where it's otherwise accepted anywhere else.

I have also seen countless suits filed because the insurance companies do not pay their bills, many of which of them are before any cutoff. I always send three letters regarding each outstanding medical bill. The third one is sent certified, and I always allow 60 days before I check to see if it has been paid. If you try to call them to ask what the delay is, you initially won't get an answer, or they tell you that they will pull the file and get back to you, but they never do.

Sometimes I have to say, "Look, there are a few open bills and there is a statute pending. Can I fax these over to you, or can you pay them?" They will say, "Forget it. File the suit, I don't have time to work on it," or "I can't receive a fax." It seems to me that a significant amount of money could be saved if they were better at handling these bills and avoiding unnecessary PIP suits.

I would also like to say one thing, though. Prudential has recently set up a centralized PIP location, and that seems to be helping, although we

still have problems getting them paid on time and we still have the problems with the routine cutoffs.

I realize that there are many problems with the no-fault system, but to reduce the amount of medical coverage is not the answer. Most serious injuries have medical bills exceeding \$50,000. If private health was to become primary, the victim would have a third-party lien applied against any pain and suffering case brought upon them due to Federal regulations.

This would mean that the doctors and the lawyers and the insurance companies would all get their money leaving little or nothing for the victim. This will save money for the auto insurance carriers. But think about what impact this might have on the health insurance industry, private carriers, or expenses, which would soar, making it harder for many of us to afford health insurance. I think that you will find even more people without health insurance and less employers offering it because the cost would be too high.

There are so many of us that do not have health insurance in this State. The cost will now be passed on to the State. If you think that charity care and Medicare costs are expensive now, wait and see what it's going to be like when all of those uninsured people get hurt.

I am sure that the auto carriers are not thinking about the State or anyone else but themselves. The auto carriers will save, the lawyers will continue to make their one-third, and the doctors will continue to charge outrageous amounts, but the victims are the ones that will be hurt if no-fault is eliminated without medical coverage.

As a victim and a PIP specialist, I have seen the bills that come in. A couple of ideas that I have that I think will help will be this. First, adjust the

New Jersey fee schedule. With the exception of changing doctor codes to Medicare coding in 1993 and adding hospitals in 1995, there has been no changes to the fee schedules since its inception during the Florio administration.

The only reason they changed it in 1995 was because the victims were being sued by the hospitals for bills that had been fee scheduled when the fee schedule was not correct about whether or not they should be.

In Pennsylvania, they only allow a certain percentage above Medicare rate, which, believe me, is a lot less than our present system. This may help stop doctors from overtreating and using testing that is inconclusive. Under the current system, many of the doctors have found numerous loopholes in order to get the most they can out of the fee schedule.

Under the present system, a patient could theoretically walk into a doctor's office and receive an unlimited number of modalities. I know doctors who have charged for office visits of \$47, in addition to the charge of \$55 for the first 15 minutes of exercise, \$22.50 for manipulation, \$7.75 for an ice pack that will be used hundreds of times during that day, along with \$6.75 for luxury stimulation, \$8 for a massage, and so-on, and so-on.

Personally speaking, \$55 for 15 minutes of exercise is a bit excessive to such a small amount of time. I have seen bills where the only charges were for an office visit and an ice pack. Obviously, one could apply a cold or hot pack at home, and I can't see the reason to having three office visits in one week when the only treatment is for a hot or a cold pack. To me this is wrong and I tell our clients this. I tell them to stay away from doctors like this.

I know that everyone wants to lower auto insurance rates, but it should not be at the expense of the victim. My husband is disabled with muscular dystrophy, and I only make \$17,000 a year. I have taken out the lowest policy I could. It does not cover collision, it has the verbal threshold, and its policy limits are \$15,000, and yet, it still cost me over \$1600 a year, even after the deductions for safety bags, side impact bars, and no points.

The one thing I have never done, though, is to reduce my medical insurance. In 1991 I was a passenger in my sister-in-law's car when we were run off the road into a tree in West Virginia. I had no private health insurance coverage at the time. It did not take effect until the day after my accident. I was responsible for the \$1200 deductible and co-pay. My sister-in-law only had the minimal coverage, but at least I had medical coverage. Even if I did have to ensue my insurance carrier to get my bills paid. If I did not have this medical coverage, it would not have been enough to cover all of my medical bills.

Please, while you endeavor to take on this most difficult task of auto insurance reform, always keep in mind the victims like me or the mother of five young children that I know who lost everything to a drunk driver. She was left a quadriplegic. That woman or family are now on welfare so that the husband can take care of her and their children. Her benefits are exhausted and the amount of the policy didn't even cover her medical bills. All of the money of the settlement went to Medicare, which still did not come close to the amount that the State paid out.

If you do not want the State to pay even more in Medicare and charity care, you will first look at the insurance companies who do not pay

their bills or cut someone off when they still need treatment and cause unnecessary lawsuits, which still do not help the victim recover their credit that has been ruined.

Why not look at setting fines for insurance companies who do not follow the law or, like I said, revamp the fee schedule -- it was set up wrong and it is surely outdated -- before you start looking at cutting our medical coverage. One possibility would be to create a two-tiered system, whereas whenever treatment exceeded that certain set amount, there would have to be conclusive testing to warrant it.

Again, I thank you for allowing me to speak to this very esteemed Committee, who I realize has a very difficult task to accomplish. My last words to you are this. Always keep the victim in your mind because you never know if it will happen to you or someone in your family, and it will change your life forever.

Thank you.

SPEAKER COLLINS: Thank you very much.

Assemblyman DiGaetano, the Majority Leader.

ASSEMBLYMAN DiGAETANO: Thank you, Mr. Chairman.

Ms. Land, you mention a couple of times in your testimony -- and I'm not sure how many instances were involved -- but you mention that you retained counsel to get your just claims paid by the insurance companies.

MS. LAND-FITZPATRICK: That's correct.

ASSEMBLYMAN DiGAETANO: When they, these insurance companies, denied or failed to pay on time these claims, did you ever get a

notification as to what their reasoning was for failure to pay them on time or to deny the claims?

MS. LAND-FITZPATRICK: Like I had stated, I had gone to their independent medical exams, and they told me that there was nothing wrong with me. If you saw my MRI or even just a plain X ray you could tell. Even the layperson could tell my back was not there, it was not right.

ASSEMBLYMAN DiGAETANO: So you visited the center or individuals that they directed you to?

MS. LAND-FITZPATRICK: Yes, I did. I followed all of their rules.

ASSEMBLYMAN DiGAETANO: And when you retained counsel to bring these actions -- I believe in at least one case you mentioned that there was a suit filed?

MS. LAND-FITZPATRICK: Yes, there was.

ASSEMBLYMAN DiGAETANO: It was then that the companies payed these claims?

MS. LAND-FITZPATRICK: Yes, they settled out of court and decided to pay all of the claims and any future ones after that. Again, I had to go through it again later on, prior to that, yes. But, I mean, it's something like the woman said, "You keep going through." You get passed one independent medical exam, you go and you sue them; back a year later, you're back at another one.

ASSEMBLYMAN DiGAETANO: In these instances, were you responsible for your legal fees, or did the insurance companies pay or reimburse you for your legal fees to bring these actions?

MS. LAND-FITZPATRICK: The insurance company, as far as I know, pay my attorney. I don't know. I didn't have to pay. My attorney did this for me.

ASSEMBLYMAN DiGAETANO: Did your attorney's fees come out of your settlement?

MS. LAND-FITZPATRICK: No, thank God. I didn't have that much settlement, trust me.

ASSEMBLYMAN DiGAETANO: The companies paid them directly?

MS. LAND-FITZPATRICK: That's correct.

ASSEMBLYMAN DiGAETANO: Okay, thank you.

SPEAKER COLLINS: Senator Cardinale, Chairman of the Insurance Committee.

SENATOR CARDINALE: You mentioned a couple of times that you're a PIP specialist and I believe you said in a law firm. I don't know what that is. Would you tell me what does a PIP specialist in a law firm do?

MS. LAND-FITZPATRICK: Okay. In my law firm, what I do is that-- We have a lot of discrepancies between doctors and insurance companies as to what they should have been paid, and a lot of times they will continue to bill our clients. So I will check the bill over to make sure that it has been fee scheduled properly. I will also submit the medical bills in. I work with, a lot of times, with the attorneys to try to settle these cases with the insurance adjustors, to also try to prevent them-- Like I said, I call up before we even send it to the attorney to have that suit filed. I will call the adjustor and say, "Look, I don't want to do this. We are talking about \$400 or \$500,

or we are talking about a woman who can't walk." You get nowhere. But that's a lot of what I do, is to deal with the medical portion of automobile accidents.

SENATOR CARDINALE: So that, if I understand correctly, when a client comes to the law firm that you work for, that client will not file their own PIP claims. You will take over filing those PIP claims.

MS. LAND-FITZPATRICK: We do that as a courtesy. I don't know if all law firms do. I know ours does. We do that as a courtesy to our clients.

SENATOR CARDINALE: And you make no charge for that service. That's sort of a throw in on the rest of what you do.

MS. LAND-FITZPATRICK: At least with our law firm it is, yes.

SENATOR CARDINALE: And your firm is compensated out of the pain and suffering aspect of what goes on in those cases.

MS. LAND-FITZPATRICK: Yes, like I said, everybody gets their share.

SENATOR CARDINALE: Is that-- Do you do that on every case? In other words, do you not get people who come in to you and say, "Well, I've had a certain amount of medical care, but I don't have any more of that going on, but I'm just here, as a client, to handle the other aspects of my case"? Do you, in every case, have PIP claims that you process?

MS. LAND-FITZPATRICK: If it's an automobile accident, we always handle their PIP claims for them. I mean, that's just something that we do.

SENATOR CARDINALE: Now, where you have insurance companies that make a determination initially that they are not going to pay a client and then subsequently do pay a claim, has it been a routine of yours to report that to the Department of Insurance?

MS. LAND-FITZPATRICK: What I do is -- I felt that it would be better if the patient or client -- whatever the case might be -- does that himself. I have a stack of those complaints that I give to the people and I tell them, "Please send it in. If we send it in from you from a lawyer, it's probably going to get shoved off in a desk. If it comes from the person stating what the problem is, it would get further." But, yes, I do have a whole stack of your complaints.

SENATOR CARDINALE: And have you noticed, as a result of those filings of complaints with the Insurance Department, any changes in the process, subsequently, after the company-- Have you become aware that the company has been told by the Insurance Department, after a number of complaints had come in, that they have to change their practices or that their practices were unfair, or had there been sanctions against companies as a result of the cases you personally had contacted?

MS. LAND-FITZPATRICK: None that I am aware of, no.

SENATOR CARDINALE: So you don't think that the Department does it, or do you think that there is something else happening?

MS. LAND-FITZPATRICK: Well, first of all, like I said, I give that to the client, so I cannot honestly know whether or not they honestly fill it out. I have seen no changes. I've seen problems getting worse. I mean, we

are filing more and more PIP suits now than we used to because this problem is getting that much worse.

SENATOR CARDINALE: From what you do on a day-to-day basis, do you think it would be useful if there was an aspect of State government that acted as an ombudsman for the injured parties who are seeking to have the insurance company do what they are supposed to do?

MS. LAND-FITZPATRICK: Well, that would depend who would pick the ombudsman.

SENATOR CARDINALE: I'm talking about-- You're obviously being an ombudsman, in a sense. You're doing it in a private company, but there are probably lots of people who don't come to your law firm who don't have that service. Do you think that those services are useful more and should be instituted to try to get insurance companies to work properly?

MS. LAND-FITZPATRICK: Yes, if he was given the power and the ability to follow through on it the way a lawyer or somebody else could, yes.

SENATOR CARDINALE: Thank you.

SPEAKER COLLINS: Minority Leader of the Assembly, Joe Doria.

ASSEMBLYMAN DORIA: Just to follow up on Senator Cardinale, you yourself were in a situation where claims were not being paid. Did you file any claims -- any complaints with the Department of Insurance individually, yourself?

MS. LAND-FITZPATRICK: No, honestly, I did not.

ASSEMBLYMAN DORIA: Okay, so you don't have any personal experience on what the result was with the Department of Insurance.

MS. LAND-FITZPATRICK: No. Like I said, my attorney handled it out of court, and I was just glad to get my bills paid.

ASSEMBLYMAN DORIA: What was the name of the insurance company that took so long to pay?

MS. LAND-FITZPATRICK: Material Damage Adjustment.

ASSEMBLYMAN DORIA: Okay, it's out of the JUA.

MS. LAND-FITZPATRICK: I can tell you from being there that it's not just them -- it's all of them. I mean, with a few exceptions. I would have to say New Jersey Manufacturers is probably one of the best, but other than that I have found the same problems. State Farm is probably just as guilty as the MDA as far as not paying their bills.

We just recently, over the summer, actually sat down and had a conference with a former judge, because they literally said they had so many claims that they couldn't handle. They actually had a settlement conference for PIP suits, which is, if anybody is a lawyer knows, very rare. You usually have them on liability cases, but never on a PIP suit basis.

ASSEMBLYMAN DORIA: I'm asking for opinion now, based upon your experience, this is opinion -- I want to be clear -- in your opinion, do you think insurance companies purposely hold up claims?

MS. LAND-FITZPATRICK: Absolutely.

ASSEMBLYMAN DORIA: Why would they want to do that, in your opinion?

MS. LAND-FITZPATRICK: Well, first of all, they are saving money. You know what happens a lot of times, these bills get lost, or you have people that aren't so good with keeping track of them and not bringing them into the lawyers. They go off into collections. If they wait two years and nobody really bothers -- guess what -- the statute is gone. You can go seven years for anything else, but it's just two years. If you miss an X-ray bill from a hospital -- when you were rushed there and there is an ambulance bill, and didn't even know -- they will sit on it. They routinely sit on it. I don't know if it's incompetency, I don't know if it's overworked. I'm not sure what it is.

Like I said, I've seen other companies that can manage it and manage it well, and then a majority of them don't. I don't honestly know why they would do it other than, I guess, you can make more money on the interest when you don't pay it. Because they don't pay the interest that they were supposed to pay by statute either. The only one that does is New Jersey Manufacturers. It's the only one I know that actually pays interest on late bills. Most of the times you don't even get a delay letter.

ASSEMBLYMAN DORIA: Thank you.

MS. LAND-FITZPATRICK: Thank you.

SPEAKER COLLINS: Anyone else? (negative responses)

Thank you very much for coming in.

MS. LAND-FITZPATRICK: Thank you.

SPEAKER COLLINS: Thank you, Theresa.

Jodi Nachman.

**J O D I N A C H M A N:** How is everybody doing today?

SPEAKER COLLINS: Good morning.

MS. NACHMAN: Like everybody else I would like thank you guys for taking the time to listen to us, listening to a lot of people in here talking about ways to make the insurance rates go down. I'll be perfectly honest with you: I am not as concerned about how much I pay for car insurance as I am about the things I have read in the newspaper -- potential ideas of ways to get the insurance to go down.

I also was involved in an automobile accident and had firsthand experience at how the insurance companies operate in the State of New Jersey. Unlike their television commercials, they are not here to take care of me. They are here to make money.

It didn't take long after my automobile accident to find out that I needed an attorney just to find out how to play the game. From the get go, I was a liar. I was a thief. Somebody other than my husband was driving my car. Is it possible that maybe the lady who got the ticket didn't run the stop sign, that maybe we did something wrong. Whatever the case may be, they were going to make it very difficult for us.

I went to see a doctor for injuries I sustained in the automobile accident. We went through the normal process of rest, a period of time for the muscle spasms or the swelling to go down so they could determine exactly what my injuries were. I went through physical therapy, missed six months of work, had X rays and MRIs. I got the letter from my insurance company to go see their independent examiner. These guys are not independent examiners; they are doctors paid by insurance companies.

I went and saw a doctor. He called me into his office and asked me some questions. I described my symptoms. He looked at my X rays, told

me to go in the examining room and put on the gown. He comes in: "Walk on your heels." "Walk on your toes," then, "forward," then "backward." "Turn your neck this way." "Turn your neck that way." "Put your hand up, press your palms against mine, push as hard as you can." The examination is over, I go back in his office, and he asks me what is the name of the book I was reading in the waiting room. It's my book. I sat there and read it for a half an hour. I knew what the name was on the book. He told me that my injuries could not possibly be as I explained, the result of my automobile accident, because if they were, I would not be able to remember the name of the book I read.

My insurance company sent me a letter telling me that I no longer needed to seek treatment, and they were not going to pay my bills anymore. So I went and saw a surgeon -- several surgeons. I let one take parts out of my neck that, obviously, according to my insurance company, were perfectly fine. There was nothing wrong with me, but I let him take them out anyway, because I wanted money.

I had to sue my insurance company to pay my medical bills. I went to three independent examinations. Peer review is just a bunch of independent examiners. I don't care what any of you say. They're getting paid.

There isn't anything perfect about what we've got right now, but right now arbitration protects me. It gives me the right to state my side of an argument and to protect myself.

I chose my doctor. If my insurance company didn't like it, I'm sorry. My husband paid car insurance for 30 years. I should have the right to

see the doctor that I want to see, and if he says there is something wrong with me, and my insurance company says there isn't, I should be able to take legal action to see to it that I get the treatment that I need and that my bills get paid.

I lost a ton of money in the value of my car, the amount of time I missed from work. Just the embarrassment of sitting through how many question and answer periods with my insurance company's lawyers. I've been called a liar.

You know, I just don't think-- I think, if you guys want to look at ways to save money, let's talk about not sending every single automobile accident to arbitration. If the obvious cases -- if we just paid the bills and took care of the people the way they said they were going to take care of the people, we wouldn't have all these legal fees. There are a lot of people who came up here to talk today who really had no business going to arbitration. They were legitimately hurt. There is a lot of fraud out there. I'll admit that. I know some people that will jump at the chance of calling a lawyer. That's what arbitration was designed for, to protect the insurance companies from people like that. They're sending every case to arbitration. The legal fees are phenomenal. If they want to save money, save it there. Let's not pay doctors \$700 an hour to--

PRESIDENT DiFRANCESCO: How do you know every case is going to arbitration? I'm not sure, what is it that you do that causes you to say that?

MS. NACHMAN: Because I've been through a couple of hearings like this. I've been to some town meetings, and there are some pretty ridiculous people that had to go to arbitration.

PRESIDENT DiFRANCESCO: But I mean, you said, "They send every case to arbitration." How do you know that? I don't know that. I mean, how do you know that?

MS. NACHMAN: Okay. Exaggerating the terminology a little bit.

PRESIDENT DiFRANCESCO: I mean, I don't know. Maybe you work for an insurance company. Maybe you work for a doctor. Maybe you're a lawyer. I don't know. I'm just asking, believe me.

MS. NACHMAN: I work for a convenience store.

PRESIDENT DiFRANCESCO: Okay.

MS. NACHMAN: I sat in a lot of doctors' offices. I sat in some town meetings, hung around and talked to some neighbors.

PRESIDENT DiFRANCESCO: What do you mean by "town meetings"? I'm not sure--

MS. NACHMAN: Prior to the election, there were some town meetings about insurance reform.

PRESIDENT DiFRANCESCO: Okay.

MS. NACHMAN: I visited a couple of them. Aside from that, I followed in the newspaper. I put a lot of thought into this past election year, and insurance was a pretty hot topic, so you couldn't help but pick up a newspaper and read about it.

Like I said, I'm not saying the system we have right now is perfect, but if you give up your right to sue, what recourse do you have when you go

to one of these independent examiners and they tell you that there is nothing wrong with you? It looks like you're going to save money, but what percentage of people out there have never been in an automobile accident and give up their right to sue to save money, and then something does happen to them? Who is going to foot the bill? What happens to people that don't have private insurance? Who is going to pay their medical bills or when the insurance company says, "There is nothing wrong with you, we're not going to fix you"?

PRESIDENT DiFRANCESCO: Well, you don't have to sue to recover medical costs. That's not-- I don't think that's--

MS. NACHMAN: I did.

PRESIDENT DiFRANCESCO: I thought that you first started talking about the unlimited medical benefit aspect of the insurance policy, not about the ability to sue.

MS. NACHMAN: One goes hand in hand with the other. You can't help but lose with-- Between your deductibles and the bills that get caught floating around out there, you get stuck with a lot of it. It doesn't all get covered by your insurance company.

What I'm trying to say is, if you give up your total right to sue, you go to an independent examiner, he says there is nothing wrong with you, your insurance company stops paying your bills, what are you going to do? Who is going to fix you?

ASSEMBLYMAN GARRETT: Mr. Chairman, can I address that?

PRESIDENT DiFRANCESCO: Surely.

ASSEMBLYMAN GARRETT: Perhaps so I can be clear in my mind of your comments following the Senate President's comments. There has

been some talk in some of the polls, especially during the campaign, and some of the proposals for legislation of a proposal where you would give up your right to sue and get a lower premium. And under that proposal what they are talking about is giving up your right to sue for what is called pain and suffering expenses, but not for your medical bills.

When you talk about giving up your right to sue -- correct me if I'm wrong, okay -- what you're concerned about is when an insurance company says, "You're not sick anymore; we're not going to let you be treated anymore. We don't think you need any more treatment." Your concern that I'm hearing is that you still want to be able to say, "Yes, my doctor says that I am still sick. I still need treatment, and if I have a dispute with that insurance company, I want to be able to sue that insurance company so that they pay my medical bills." Am I right?

MS. NACHMAN: Yes. And I have to apologize. I'm a little nervous here, and I got my two subjects mixed together.

ASSEMBLYMAN GARRETT: No, no. Okay. So now that I'm clear, when you say you're talking about being able to sue, the current system allows you, as far as your medical bills, when that happens, when the carrier tells you, "No more treatment, you're okay if you can remember the name of that book" -- the current system basically gives you two options. It gives you the option of either going through an arbitration system with lawyers or to sue the insurance company.

Have you done either one of those?

MS. NACHMAN: I went to arbitration.

ASSEMBLYMAN GARRETT: You went to arbitration. Would you mind telling me, were you successful or not successful?

MS. NACHMAN: I was successful at arbitration, yes.

ASSEMBLYMAN GARRETT: Okay. Did you ever have to, in either this or any other case, have to go through the other alternative, which is to hire a lawyer-- You probably hired a lawyer anyway to go through arbitration, right?

MS. NACHMAN: Yes, I did.

ASSEMBLYMAN GARRETT: But have you ever gone through the other alternative under the current law, which is you hire a lawyer and actually sue the insurance company?

MS. NACHMAN: No, I went to arbitration twice. We had a court date, and we ended up not having to go all the way, as far as the lawsuit was concerned.

ASSEMBLYMAN GARRETT: Okay, so the carrier rolled over, so to speak, and agreed to pay.

PRESIDENT DiFRANCESCO: Well, Scott--

SPEAKER COLLINS: Rolled over?

Assemblyman DiGaetano.

ASSEMBLYMAN DiGAETANO: Ma'am, in cases you retained counsel to proceed in the matters that you have addressed, were you responsible for your counsel fees, or did your insurance company pay those counsel fees?

MS. NACHMAN: No, my attorney's fees were paid. It was part of the arbitration. We asked for attorney's fees.

ASSEMBLYMAN DiGAETANO: Was that awarded?

MS. NACHMAN: Yes.

ASSEMBLYMAN DiGAETANO: So the attorney's fees were paid as part of the settlement.

MS. NACHMAN: Yes.

ASSEMBLYMAN DiGAETANO: Thank you.

SPEAKER COLLINS: Senator Cardinale.

SENATOR CARDINALE: Yes. I've been a little confused by you and some of the other witnesses. I'm not clear whether you're happy with the present system -- you've had a number of specific complaints about the present system -- but whether you're happy with the present system. I did hear you say at the beginning that you were concerned about some of the potential changes that you had read about or heard about.

But could you tell me first, do you think automobile insurance premiums are too high in New Jersey?

MS. NACHMAN: Yes.

SENATOR CARDINALE: Okay. What would you -- if you don't like what we've been talking about as changes -- what would you do to change the system to bring premiums down?

MS. NACHMAN: Well, to be perfectly honest with you, I don't think we need to trade anything off. I think the insurance companies are making money. If they weren't they wouldn't be-- Was it last week in the newspaper, we have more insurance companies coming to New Jersey. They're making money.

We just need to fix a couple of things that are shaky with the system that we've got right now. If the insurance companies say they're losing too much money in New Jersey, let them look at themselves first. They're wasting a lot of money themselves.

SENATOR CARDINALE: On what do you base that?

MS. NACHMAN: On the--

SENATOR CARDINALE: I know that the law in New Jersey is that the insurance company makes 6 percent over a three-year period. They have to give that money back. Now, do you think making 6 percent is making too much money?

MS. NACHMAN: No. I'm saying, in my case, with my accident, had they just paid my medical bills, saw to it that I was taken care of, I would not have had to sue. They would not have had to pay their legal expenses or my legal expenses. They would not have had to pay the three independent medical examiners that they sent me to. They could have saved themselves a ton of money on me alone, not to mention my husband.

SENATOR CARDINALE: Okay. Now, I think I get from that answer the fact that you think there are too many lawsuits.

MS. NACHMAN: I think that there are too many lawsuits that happen because the insurance companies do not hold up their end of the deal and take care of us -- to do the things that we pay them to do.

SENATOR CARDINALE: So you think that the insurance companies generate the lawsuits? That's your opinion?

MS. NACHMAN: I believe that there are some cases--

SENATOR CARDINALE: That they are promoting lawsuits.

MS. NACHMAN: I believe there are-- I'm sure there are plenty of cases out there where people are filing lawsuits just to make money. But in my case and in a lot of the cases I heard here today and in other places, a lot of these lawsuits are generated because of unfair acts on the part of the insurance companies.

SENATOR CARDINALE: So you think that the insurance companies are the total problem in the State of New Jersey, and that we don't need to look anywhere else, just make the insurance companies pay everything automatically?

MS. NACHMAN: No, that's not what I said.

SENATOR CARDINALE: Well, that's what I'm getting from what you said.

MS. NACHMAN: No, that's not what I said. What I said was, I am sure that there are cases of fraud out there. There are people out there that do sue just to try and make some money. But arbitration was not created for the obvious cases, for them to try and get out from under paying in the obvious cases. It was supposed to help us sort through the people that just get a little bump and they want \$5000.

What I'm saying is, is that there are cases out there that it is obvious a person is injured in an automobile accident. They need to seek medical treatment, and the insurance company, in my case and in my husband's case, could have saved themselves a lot of money if they had just paid our bills.

SENATOR CARDINALE: How would the insurance company, if they didn't send you to some expert, how would they know whether you were

one of those people you talked about who are defrauding the system, or you're one of these people who you say was honestly injured? How would they make that determination if they didn't have some process?

MS. NACHMAN: They could start by sending me to a doctor who was going to give them an honest answer and not just what they wanted to hear.

SENATOR CARDINALE: So you object to insurance company doctors, but you-- I thought I heard you say you objected to peer review.

MS. NACHMAN: I do, because I think peer review is going to be nothing more than a group of doctors being paid to tell insurance companies what they want to hear.

SENATOR CARDINALE: But you like arbitration.

MS. NACHMAN: I'm happy with arbitration.

SENATOR CARDINALE: And arbitration is lawyers making medical decisions.

MS. NACHMAN: No, arbitration is taking my medical file that was created by my personal physician to another attorney and reviewing my medical file and making their decisions based on my doctor's opinion.

SENATOR CARDINALE: That's an attorney reviewing a medical file, is it not? I mean, I think that's what you're talking about.

MS. NACHMAN: It's an attorney reviewing my doctor's medical files.

SENATOR CARDINALE: What about the system that we have discussed with respect to peer review? It's come a long way since the initial discussion, and it's a system which would have an independent -- independent

of the insurance company and independent of the lawyers -- an independent group of doctors would review the medical file and make determinations, and those doctors would be chosen -- those peer review doctors -- would be chosen by the Department of Insurance -- not by the insurers, not by the attorneys.

MS. NACHMAN: No disrespect intended, sir, but I saw an independent doctor.

SENATOR CARDINALE: We don't have this system in place.

MS. NACHMAN: No. But what I'm saying is, you're saying "independent doctor." I've seen them. I think that a doctor, a real doctor, a good doctor, would be practicing medicine and not working for the insurance boards.

SENATOR CARDINALE: Thank you.

SPEAKER COLLINS: Quite a statement, Gerry.

May I ask, your accident, where did it take place, just for my own interest, seeing that you're from Williamstown?

MS. NACHMAN: Gloucester County, I believe.

SPEAKER COLLINS: In Gloucester County, okay.

PRESIDENT DiFRANCESCO: I want to thank you. You did very well. Let me just say that. You did very well. And from my standpoint, for you and the other people who are about to testify, I'm interested in the facts of your situation, your personal knowledge of things, and it's as simple as that. This is a public hearing. I'm not looking for expert testimony at this moment. I'm looking for individual's experiences with the system the way it is today, and it's as simple as that.

So you did very well. I just wanted to say that.

MS. NACHMAN: Well, thank you. And I'll be honest with you, I ran into some doctors in my experience that I really thought -- I felt that maybe they were just going through the motions and maybe they were just trying to accumulate medical bills, because maybe they thought that was all I wanted. It's out there, and it's on everybody's part, but the system that we have right now, I'd rather fix it than look for something else. I really would, because I would not want to give any more power to the insurance companies than they've already got. I believe they're making money. I don't--

PRESIDENT DiFRANCESCO: You're getting into areas that I just said that shouldn't be talked about.

MS. NACHMAN: I just-- I know, I know. But they're making money. If they weren't, they wouldn't be here.

SPEAKER COLLINS: Thank you very much for your testimony. I very much appreciate your coming up.

Magdi Griess.

Good morning and welcome. Thank you for coming.

**M A G D I A. G R I E S S:** Thank you. Good morning, ladies and gentlemen. I'm going to make this very short and sweet.

The only reason I am here today is because I do have problems with an insurance company. I had an accident last Christmas, around this time, and till this minute, they have a problem paying my medical expenses.

I believe I made copies, in front of you, from the insurance company and a copy from the doctor from the insurance company that examined me and a copy of all the MRIs that were done to me.

There is a copy that says “Parkway Insurance” on it, on the top. This is a finding that was found by the insurance doctor that examined me right after I had the accident.

PRESIDENT DiFRANCESCO: Can you sum up what these reports say that you want us to know about? We have the information. We got it today.

MR. GRIESS: I’m sorry, Senator. I just meant--

PRESIDENT DiFRANCESCO: What’s the gist of what you’d like to say? Forget about me reading these four things right now. Let’s discuss them, and I’m going to read them later.

MR. GRIESS: Oh, okay. I’m sorry. What I’m saying is this. I do have insurance, and I’m having a problem getting the insurance to pay my medical bills. I had this accident since last Christmas, and until this minute, they are giving me a hard time of paying the bills that I have existing.

I also was examined by a doctor from the insurance company. His name is Dr. Zafer (*sic*), and his report in front of you indicates what kind of injury I have in there.

Now also, I got a letter from the insurance not long ago that they claim that I don’t have this injury, that their own doctor, which is an insurance doctor, claimed that I do have this injury.

Also, I signed a complaint to the Insurance and Banking Department a month ago, but I did not hear from them yet.

PRESIDENT DiFRANCESCO: So your complaint is with the insurance company?

MR. GRIESS: Yes.

PRESIDENT DiFRANCESCO: You're not discussing here today anything about coverage other than you like what you have, you just feel the insurance company is not cooperating with you in your medical situation.

MR. GRIESS: I didn't say I like what I have. I'm just saying I'm here to address the problem, because when I read about this--

PRESIDENT DiFRANCESCO: What's the problem that you are trying to address?

MR. GRIESS: My problem that I'm trying to address is that I'm having a hard time getting the insurance to pay for my medical bills.

PRESIDENT DiFRANCESCO: That you feel you're entitled to, under your policy.

MR. GRIESS: At 100 percent.

PRESIDENT DiFRANCESCO: Right, okay. And you've contacted the Insurance Department--

MR. GRIESS: Yes.

PRESIDENT DiFRANCESCO: --and you're trying to solve it that way?

MR. GRIESS: Yes.

PRESIDENT DiFRANCESCO: Okay, and you've given us supporting documents with respect to your complaint?

MR. GRIESS: Exactly.

PRESIDENT DiFRANCESCO: Is there anything else you want to say about our automobile insurance system?

MR. GRIESS: Yes. What I want to say is, because most insurance companies -- that's what we hear about the last election and the election before.

PRESIDENT DiFRANCESCO: Forget the election.

MR. GRIESS: I understand. I understand. That's what makes it very important for everybody that they're getting auto insurance. Most of the insurance companies are making humongous profits, and when they release any financial statement at the end of the year or so, they don't claim exactly what they make, profitwise, because they hide most of this money in reserves.

PRESIDENT DiFRANCESCO: Okay. Now, let me ask you this question. How did you hear about this hearing today?

MR. GRIESS: I read a lot about it.

PRESIDENT DiFRANCESCO: Where did you hear about this hearing today?

MR. GRIESS: I read it from the newspaper.

PRESIDENT DiFRANCESCO: Did anybody ask you to come here?

MR. GRIESS: No.

PRESIDENT DiFRANCESCO: Okay.

MR. GRIESS: I came on my own. I took a few hours off from work. As a matter of fact, I'm supposed to be there at 1:30. We have a party at the place where I manage.

PRESIDENT DiFRANCESCO: A Christmas party, you mean?

MR. GRIESS: A Christmas party.

PRESIDENT DiFRANCESCO: Yes. Anything else about the auto insurance system, other than the insurance companies make too much money--

MR. GRIESS: Well, the insurance system--

PRESIDENT DiFRANCESCO: --and they're not handling your claim properly?

MR. GRIESS: Yes.

PRESIDENT DiFRANCESCO: Anything else about the benefits, the right-- You know, anything else you want to add?

MR. GRIESS: Well, I have here examples of people who work with me at the place that I manage that, for example -- State Farm Insurance, a guy has damage on his car. He went to three different places--

PRESIDENT DiFRANCESCO: Whoa, whoa. This is not you. This is somebody else you're talking about?

MR. GRIESS: No, I'm just giving you an example about the insurance company, very short. Ten different places give him an estimate on his Corvette, to fix the car. We're not talking about a big problem now; we're talking about damage, over \$3000. The insurance company sent him \$900, and they told him, "This is what we're giving you, whether you take it or you leave it."

PRESIDENT DiFRANCESCO: Okay.

MR. GRIESS: So I don't understand why people pay premium and they are supposed to be covered, and the insurance company is not paying what they are supposed to be paying to them.

SPEAKER COLLINS: A question, Mr. Griess. You mentioned that you contacted the Department of Banking and Insurance. How long ago did you do that?

MR. GRIESS: I did this in November -- I believe November 15, and you have a copy in front of you. I submitted a copy of that.

SPEAKER COLLINS: Okay.

MR. GRIESS: I didn't hear from them.

SPEAKER COLLINS: Have you given a follow-up letter or call yet?

MR. GRIESS: I called them last week, and they claimed that they didn't get to a decision yet, but they would get back to me as soon as a decision--

SPEAKER COLLINS: Very good.

Senator Cardinale.

SENATOR CARDINALE: You were pretty firm in saying you think the insurance companies are making too much money. How much do you think they should make?

MR. GRIESS: It's not really for me to decide how much they make, Senator. What I'm saying is, they're making a humongous kind of profit, and when it comes to pay what they are supposed to pay to the consumer, they play games with them. I don't understand why.

SENATOR CARDINALE: I need better information than that if I'm going to act in a responsible way.

MR. GRIESS: Right.

SENATOR CARDINALE: We have a system in New Jersey where, when a company has a rate filing, they have a rate filing that is predicated on making 3.5 percent. That's what they're supposed to make. If they make more, they can keep a little bit, when they make more, up to 6 percent. Do you think that's a wrong law? Should it be a different law?

MR. GRIESS: Is it a wrong law?

SENATOR CARDINALE: Should we reduce them to 2 percent or 1 percent? What is the amount that we should make the law to be?

MR. GRIESS: Honestly, Senator, I don't know. But what I'm saying is that they do not show the exact profit that they have.

PRESIDENT DiFRANCESCO: Can I exercise a little bit of this Co-Chair thing?

First of all, I don't want your opinions, necessarily, about what somebody else's experience is.

MR. GRIESS: Right.

PRESIDENT DiFRANCESCO: As I said before, I'd like your personal experiences, and you gave us that.

MR. GRIESS: Okay.

PRESIDENT DiFRANCESCO: Now, you also said the insurance companies are making money and they're doing this and they're doing that, and that's fine.

On the other hand, there is no reason to ask him about the excess profits law and anything like that. He's here as a member of the public to testify.

You're finished, right?

MR. GRIESS: Yes, sir.

PRESIDENT DiFRANCESCO: Okay. Thank you very much.

MR. GRIESS: Thank you.

SPEAKER COLLINS: Thank you, Mr. Griess, for coming in.

MR. GRIESS: Thank you, sir.

SPEAKER COLLINS: Ken Ermann. Ken Ermann.

**K E N N E T H M. E R M A N N, D.C.:** Good morning. My name is Ken Ermann. I'm a chiropractor. I practice in Teaneck, and I welcome the opportunity to discuss this with all of you here today.

I have a couple of points I'd like to make about the insurance--

PRESIDENT DiFRANCESCO: Let me ask you this question: Did anybody ask you to be here today?

DR. ERMANN: No, actually I read about it, and I asked to be here.

PRESIDENT DiFRANCESCO: I tell you, a lot of people are reading the newspapers these days. That's good. I'm glad that you read about it.

DR. ERMANN: Thank you.

SPEAKER COLLINS: The newspaper group is very excited.

SENATOR KYRILLOS: Mr. Chairman, I think that's a very appropriate question to ask, and I wish we had asked it of all the witnesses up until now. But from here on out, I think it's good.

PRESIDENT DiFRANCESCO: I just -- you know, for our purposes--

SPEAKER COLLINS: We only have another witness or two.

DR. ERMANN: It's an issue that's very close to my heart, because I have many examples, one of which I brought here today, because I figured that there is no way to see as many examples as I have in my office of how the insurance companies treat people when they are injured.

The insurance companies are there because someone paid to have that insurance, whether required by State laws or whether by voluntary mechanisms. It would make no difference. They still paid to have that insurance, and when they're injured, they come in and seek treatment for those injuries. And the insurance company dictates, even at this level, what they can get and how.

They dictate that by sending the people for, in the past, peer review or, in the present, IME reviews. And there have been some people here before who have testified about the IME reviews, which are basically-- IME is an independent medical exam, but it's an insurance exam.

PRESIDENT DiFRANCESCO: I was going to ask you.

DR. ERMANN: It's requested by the insurance carrier, and it's on the behalf of the insurance carrier. And almost invariably -- I can't say invariably, but almost invariably -- every insurance exam comes out with the same exact outcome; the patient is fine.

PRESIDENT DiFRANCESCO: Are you telling me today that every time--

DR. ERMANN: No, I said almost invariably.

PRESIDENT DiFRANCESCO: Ninety-nine percent of the time?

DR. ERMANN: Ninety percent of the time, in my experience.

PRESIDENT DiFRANCESCO: Ninety percent of the time the insurance carrier's doctor or what have you says the person is fine?

DR. ERMANN: In my experience that's correct. And I would invite a follow-up questionnaire by you folks--

PRESIDENT DiFRANCESCO: I'm just asking, is that what you're saying?

DR. ERMANN: I do, and I'm impassioned about it, because I see it every day, and these people don't know what to expect. When I went into practice, I expected that I was going to go out and I was going to help people, and that's what I really anticipated doing. It's why I went to school. It's why I went out into the world of practice.

PRESIDENT DiFRANCESCO: And you make money. By the way, we're in business to make money, too. Let's not--

DR. ERMANN: I already had businesses. I chose to do this as an alternative way to make money, but I chose to do it because I wanted to go out and help people.

PRESIDENT DiFRANCESCO: Okay.

DR. ERMANN: And when I came into practice, my first few peer reviews or IMEs-- I got back those IME reports or peer review reports, and I started questioning myself as to whether or not I was wrong. I started looking back in the books to see what we're supposed to treat people for; why are we supposed to help somebody; what cause of action are we supposed to take when someone comes in with a system of complaints, we do the diagnostic tests, we get specialty evaluations, and then we begin to treat this patient. The patient is making progress. Everything is just the way it's supposed to be,

except there is a peer review person or there is an IME -- these insurance doctors -- who decide, "You know what, I looked at them and they're fine."

Some of the IME doctors write the exact same report on every patient. I have a few doctors -- who I'd be more than happy to show any of the things that I'm talking about with anybody on the panel. I brought some examples, and we'll talk about those in a minute.

PRESIDENT DiFRANCESCO: You provide us with any information along those lines that you would like to, and we'll look at it.

DR. ERMANN: Okay. A few of the doctors write out one report, and all they do is switch the name. They go through what their examination includes, meaning, "I look at the person's arms. I look at the person's legs. I look at the person's skin," and then they tell that the person is fine. But they never actually say what the findings were. They never actually say that their range of motion was thus or their orthopedic tests came out with positive this or a negative that. There are some doctors who will do that. Other doctors find that every patient ever sent in to them is textbook. If you look at the range of motion, and 45 degrees is the range of motion for rotation of the neck, they would find 45 degrees on every patient who comes in.

I have here examples of a doctor who went through an exam, and they found that this person was just fine. But, coincidentally, attached to this, which we didn't find out for a year after the patient had been there -- when I requested information from the insurance company, it just sort of appeared there -- there is a little confidential memo that says, "I recommend orthopedic consultation." There is another exam that this person went to -- another independent exam -- and they also recommended that this person doesn't need

care. And also, coincidentally, there is a confidential memo, never given to the patient, never given to the doctor.

PRESIDENT DiFRANCESCO: And what does all this, and for our purposes, should lead us to what conclusion?

DR. ERMANN: The system of which we're evaluating patients, whether it's peer review--

PRESIDENT DiFRANCESCO: Present system?

DR. ERMANN: Present system, whether it's peer review or whether it's insurance or an independent medical examination, is a system that's filled with bias and a system that's filled with physicians who are making decisions that they are expected to make.

PRESIDENT DiFRANCESCO: And what do you suggest that we do?

DR. ERMANN: And in this particular case, it's physicians who are disagreeing with their own opinion by sending confidential memos that the patient is never privy to, that the information which says they believe this patient should be seen by another doctor and should have a consultation because there are real injuries there never shows up, and the patient is never made aware of that.

PRESIDENT DiFRANCESCO: You can give us the backup on these individual cases, but what do you think we should do about this problem that you've outlined?

DR. ERMANN: Well, the system goes like this. When we were in school, there were textbooks, and the textbooks said, "The following are the reasons why we treat somebody: They have positive test results in our

orthopedic and neurologic testing in the office. They have positive diagnostic tests that support that evidence. They have positive subjective complaints. They have all of the necessary things to go treat that person.” So if we have all of that backup and we have all of that criteria, then what is the second-guessing about?

If all of that information is going through and we can provide all of the documentation, why should there be somebody who has a different set of standards and rules changing the game?

PRESIDENT DiFRANCESCO: What are you suggesting? What are you suggesting that we change in the system?

DR. ERMANN: I think that physicians who have the opportunity to provide the information as to why they are treating a patient should continue to treat that patient. If there was--

PRESIDENT DiFRANCESCO: How would you change the system that you have outlined?

DR. ERMANN: Well, the system that we have right--

PRESIDENT DiFRANCESCO: Just make it simple with me. Really, I’m not sure what you’re saying to me.

DR. ERMANN: Disagree with the physician when the information that the physician is providing is not information that supports the need to continue care and treatment. Don’t disagree with the -- every physician for every patient.

PRESIDENT DiFRANCESCO: Maybe this is a dumb question. Are you suggesting eliminating this arbitration or this peer review, anything of

that nature -- the insurance company asking for a doctor's examination? Do you mean to just eliminate that?

DR. ERMANN: Well, why not have--

PRESIDENT DiFRANCESCO: And based upon your opinion as to what course of treatment there should be--

DR. ERMANN: Why not have-- If you're going to have an independent medical examination, why is it an independent medical examination that is specifically chosen for a specific doctor that the insurance company gets to choose?

PRESIDENT DiFRANCESCO: What would you have us do?

DR. ERMANN: Why wouldn't you have the patient choose a doctor out of a phone book?

PRESIDENT DiFRANCESCO: What would you have us do? Choose somebody out of-- What system should we put in place to fix this problem that you've outlined?

DR. ERMANN: I'm not sure I have the answer. Again, I'm stating that if a doctor has all of the credible evidence as to why they're treating a patient and that credible evidence meets the standards of care normally associated with treating a patient under those circumstances, why are we second-guessing the need for that patient to get care?

PRESIDENT DiFRANCESCO: In other words, I'm the injured person. You're my doctor. The insurance company should rely upon what you tell them as to the treatment and the extent of treatment and duration of treatment? Is that what you mean?

DR. ERMANN: If I have all of the supportive evidence. If I have specialty consultations--

PRESIDENT DiFRANCESCO: Is that what you mean? You don't have to-- We're not in a courtroom. Relax, we're not in a courtroom. Just tell me what you mean.

DR. ERMANN: There is a standard of care. There is a necessary grouping of tests that I, as a physician, go through to determine if you, as a patient, need care.

PRESIDENT DiFRANCESCO: Right.

DR. ERMANN: If I provide that information to the insurance company and the insurance company wants to review it within their own system, but it meets the standards of care, why would it be necessary to send then to an insurance doctor who is going to make a different set of standards that don't exist anywhere else?

PRESIDENT DiFRANCESCO: What would you do if the insurance company, instead of the independent evaluation or arbitration or peer review, just denied the claim at that point, saying, "We think that -- our in-house review says that you have received enough treatment," the end. What would you do?

DR. ERMANN: Well, at the current time, it goes through an arbitration system, and the arbitration system allows me to provide my information as to why I did treat them and what benefit the patient got from treatment.

PRESIDENT DiFRANCESCO: But that system -- you don't like that system, you said.

DR. ERMANN: No, that system is fine. The arbitration system is fine. Senator Cardinale, before, said that allows lawyers to make medical decisions, and I disagree. It allows me to provide my medical documentation.

PRESIDENT DiFRANCESCO: So you like the present system?

DR. ERMANN: I think the present system is adequate at this time.

PRESIDENT DiFRANCESCO: Okay. Is that the gist of what you'd like to -- what you came here to tell us, other than the fact that you're providing individual cases about insurance company abuse and their doctors and all that stuff.

DR. ERMANN: That's pretty much the gist of what I came for.

PRESIDENT DiFRANCESCO: Okay.

SENATOR ADLER: Well, Mr. President, I don't think that was a fair characterization of his testimony.

PRESIDENT DiFRANCESCO: Well, he thought it was.

SENATOR ADLER: What I heard him say--

PRESIDENT DiFRANCESCO: It's not testimony.

SENATOR ADLER: What I think I heard him say was that there are problems out there where doctors, hired by insurance companies, are denying claims or are denying the need for treatment, and that that is a problem that he's identified with the documentation.

PRESIDENT DiFRANCESCO: You're also complaining about the present system--

DR. ERMANN: Well, no, complaining--

PRESIDENT DiFRANCESCO: --on the insurance end.

DR. ERMANN: I'm complaining about the fact that there seems to be a different set of standards for these insurance exams or these insurance peer reviews.

PRESIDENT DiFRANCESCO: No, I know what you mean. I think Senator Adler is saying you're also pointing out some problems on the insurance end with respect to the doctors that they hire to evaluate the patients that you have.

DR. ERMANN: I agree that the arbitration is a fair system to assess whether or not--

PRESIDENT DiFRANCESCO: But you like the present system if we would fix that part?

DR. ERMANN: If you fixed the physician's examining-- Right.

PRESIDENT DiFRANCESCO: If we could fix that part, I should say.

DR. ERMANN: Right.

PRESIDENT DiFRANCESCO: Okay.

SPEAKER COLLINS: Senator Adler, and then Senator Cardinale.

SENATOR ADLER: Respectfully, Mr. President, I guess I had a different understanding of what today was about, and I don't mean to be critical of the other people here. I thought our role was to listen to hear their concerns.

PRESIDENT DiFRANCESCO: I'm listening, but, Senator Adler, let me say this to you.

SENATOR ADLER: Let me just finish this thought, and I'll let you respond at great length.

PRESIDENT DiFRANCESCO: You know, you're criticizing me, and I'm going to cut you off on that, because I have listened to all these people. And every member has. And I have sat and listened, and I understand what you say to me. And I've listened to him, and I understand it, too, and I think so does every other member of the panel. I don't think he's insulted by anything I said to him, if that's what you think.

SENATOR ADLER: I guess-- You really are cutting me off. I can't even get my microphone on. (referring to PA microphone)

PRESIDENT DiFRANCESCO: I'm sorry. Go ahead.

SENATOR ADLER: Thank you.

I guess for those witnesses who are identifying the problem but don't have a solution, we should be grateful they came and helped identify the problem for us to work on.

PRESIDENT DiFRANCESCO: But he's a chiropractor. It's different than the previous people who came here as public citizens. He's in the system. He could maybe have solutions that we could ask him about. That's the only reason why I asked him that question.

You know, we had people here from -- that we heard before you got here that we listened to as private citizens who had complaints -- individual complaints -- about different parts of the system. I'm not trying to cut you off. If you want another half hour, it's fine with me.

SPEAKER COLLINS: Well, we do have a five minute--  
Senator Cardinale.

SENATOR CARDINALE: You know, I see patients, too. And I also deal with insurance companies. I think I'm probably the only one on the

panel who deals with insurance companies in a similar fashion to the way you do. And for your benefit and for the benefit of everyone here, a lot of what you say is true, even though it is not something that we all want to hear.

Insurance company doctors almost universally tell the insurance company, in my experience, what the insurance company wants to hear, and that is that treatment is not necessary. I think you said that, and I think you're correct when you say that. That's my experience. At least we share that experience.

But then you go on to say you don't like peer review. Now, I don't know what kind of peer review you have experienced that you're commenting on, because we haven't got that in New Jersey, and that's different than an insurance company hiring its doctor to look at a case.

The peer review that has been suggested is as close to an independent peer review-- I don't know if the Chiropractic Board has a peer review mechanism to review complaints against chiropractors. I know the Dental Board does, the Medical Board does, and that's an independent group who sometimes decide against the doctor and sometimes decide for the doctor. They look at the facts. And when we've discussed peer review in a serious way in any of our committees, we've been talking about that sort of system, and we've labeled that peer review.

So that if your treatment were under question, it would not be the insurance company's doctor, but it would be a group of independent chiropractors, in your case, who would look at the treatment you've rendered and say, "Was it excessive; was it not excessive."

I'm troubled by where you seem to want the Committee to go, because where you seem to want the Committee to go would mean that *V and K* cases would never be discovered, that the insurance company would just have to pay V and K their \$50 million, and never -- because *V and K* said that all of this treatment was necessary. Now that's a case in the past, and it was a big one, and we all know about it, and it's generally accepted to have been fraudulent.

But if we want to get out fraud, we have to have some mechanism to get out fraud. And you're a practitioner, and you see, I'm sure, a lot of cases, and some of the cases that you see or some of the things that you hear about or some of the professional discussions that you have to deal in this area-- And you can do this Committee a real service if you talk to this Committee about how you see -- we might adopt it, we might not, but it would at least enlighten us -- how you see the opportunity to get at fraudulent treatment, which we all know occurs. There is overtreatment in every area. It's not that every doctor overtreats, but we know there is a great deal of overtreatment in the system. We know that there is treatment rendered for nonexistent injuries. We know that there is nonexistent treatment.

How would you have us change the law so that we could get at that, especially if you don't like peer review, because that's what I see as a way of getting at it.

DR. ERMANN: Chiropractic, prior to the ICE law, which is a law that changed our mechanism of policing ourselves, I guess, or the insurance companies method of policing us, had a peer review system which was very

much like the peer review system that I'm guessing you're suggesting, although I'm not 100 percent sure of that.

The peer review system was a panel of chiropractors who would review the bills, and just like in the physicians or IMEs, the panel was tainted. The panel became physicians-- I don't know that it started out, but it became physicians with an agenda and a goal and a bias, and the bias was against the treating chiropractor.

Now, I don't know that I can start out by saying your peer review system will become that, but certainly I can't. I don't know that that's the history of all peer review systems. I don't know that that will be the eventuality of your peer review system. But any system by which you have physicians looking over other physicians for any purpose, where somebody can get to them and make them believe, even if it's not true, that they should be doing this, that, or the other thing, eventually they may end up doing this, that, or the other thing.

I don't disagree that there is a lot of fraud. In fact, I agree with you that there is a lot of fraud. I don't disagree that there are plenty of physicians whose decisions as to whether or not somebody needs treatment go far beyond that of which the person actually needs. And I'm not sure that I know the answer of what you can do to stop that fraud.

I think that money would be better spent by sending in investigators into the offices that you suspect. Certainly, in a large practice, a practice that is focused in on injury cases, sending in an investigator might be a good thing. The investigator might come out with a lot of information other than just the fact that they are overtreating somebody. But I don't know

that peer review is going to change. Any time you have doctors investigating other doctors, for whatever reason -- and I don't know why this has been the historical background of this -- it's always come out that we end up with the same thing as we have with these medical exams.

And in these medical exams -- again, this is one example. Now, if I were a patient and I went in for an exam, and in that exam the physician tells me one thing and that is what the insurance company relies on, and he sends a confidential memo to that insurance company stating, "I told you this, but I didn't really mean that. I meant something else, but I know you wanted to hear this," that's a strong indication that the system is broken. It's a strong indication that this particular person has been defrauded, and if you call the insurance fraud hot line and you want to say to--

SENATOR CARDINALE: I don't mean to cut you off, but, you know, you've said all of that before.

DR. ERMANN: Let me just finish this one thought, okay.

SENATOR CARDINALE: You said it all before. And really, you don't need to say it again and again. We're not that dense up here.

DR. ERMANN: Okay. Let me just go through this one thought, though.

SPEAKER COLLINS: Senator.

Just finish, Mr. Ermann, and then the thought.

DR. ERMANN: Okay, just let me finish this one thought. If you call the insurance fraud hot line and you want to complain about this, like this patient did, you are told that they only investigate-- Now, I don't know if this is true or not. This is hearsay. I may be wrong about this. But they indicated

to me that if you call the insurance fraud hot line about this, the insurance fraud hot line in the State of New Jersey only will investigate cases where you know of somebody who is defrauding an insurance company. They do not investigate cases where an insurance company is defrauding someone.

That may be wrong, and it may not be accurate information.

SPEAKER COLLINS: Well, let me just say this, Mr. Ermann: What we are here today for is to hear from the public, from whatever sector. The fact that your profession brings you into this auto insurance situation more than many other citizens is why we also want to hear from you and everyone else.

What we do plan to do, as I said when the session began -- and we have another couple of witnesses to testify, feel free to share any of your thoughts with us when you come forward -- but we will, from this meeting and other discussions and research that's been done and input from staff -- we will then be moving to particular discussions, and I assure you and the members of the Committee, there is no doubt that peer review, the pluses and minuses, will be part of it.

If you wish to come back at that time and respond to even the question of what would you do differently, feel free to do so or to once again listen and be involved in the discussion of that particular aspect of what we are going to be dealing with.

Are there any other questions for Mr. Ermann? (no response)

Thank you very much for coming before us. Thank you very much.

Mr. George Robison.

Thank you for coming, Mr. Robison.

Also, Mr. Martin, feel free to sit with him if that's something Mr. Robison would want.

**PHIL MARTIN:** Yes, good afternoon. My name is Phil Martin. I just want to take this opportunity to, again, introduce to the panel George Robison.

I'm not quite sure if we're going to be able to resolve all the issues today. Obviously, not. The purpose for having George here is just to get him to reiterate what everyone, apparently, has been trying to say in terms of, in our case, the service aspect and the negative repercussions it has had on George in terms of the significant, catastrophic nature of his injuries and also the service aspect, or nonexistence of that service, that has impacted on George and his family to a great extent.

Again, I just want to have George give a brief testimony so you can get a good appreciation of what he has been through.

**SPEAKER COLLINS:** Well, we very much appreciate that and appreciate you coming in, George. Please feel free to share with us your thoughts.

**GEORGE ROBISON:** Okay. The last time I was here, my insurance company said they would take care of me.

**SPEAKER COLLINS:** Mr. Martin, if you could push the button.  
(referring to PA microphone)

**MR. ROBISON:** My insurance company said, last time I was here, they would pay all my bills and everything would be fine. But they haven't. So I found another attorney, taking things to court, said that they would pay my bills.

SPEAKER COLLINS: George, when were you here the last time, obviously testifying before a committee?

MR. ROBISON: It was-- I was trying to get my bills paid.

SPEAKER COLLINS: Yes, I understand that. When did you come and testify?

MR. ROBISON: I testified five months ago.

SPEAKER COLLINS: Five months ago. Thank you very much. Go ahead.

MR. ROBISON: So I really want the insurance company to know I'm serious. I'm damn mad about it, too. They don't pay my bills.

SPEAKER COLLINS: Do you-- You mentioned you were going to get another attorney. Have you had an attorney to deal with this issue in the past?

MR. ROBISON: No.

SPEAKER COLLINS: So you've not had an attorney, but now you plan to get an attorney to have the insurance company pay your bills?

MR. ROBISON: Yes. I'm just tired of being kicked around by the insurance company. They walk all over everybody, but it ain't going to happen. They ain't going to walk all over this boy.

SPEAKER COLLINS: Okay. I don't think that the insurance companies want to walk over people, and I can tell by your determination, they're not going to walk over you.

MR. ROBISON: They treat me like a piece of trash. I'm not a piece of trash. I'm going to see to it, too.

SPEAKER COLLINS: Okay. Do any members--

SENATOR CODEY: What was the nature of the accident?

PRESIDENT DIFRANCESCO: When was the accident?

SPEAKER COLLINS: George, when was the accident that you were involved in, and what was the nature of the accident, and so on?

If you could help on this, Mr. Martin, that would be fine.

MR. MARTIN: Okay. The accident occurred in September of 1990. His injuries are significant: brain injury, left paralysis that has left him totally disabled at this time. Vocationally, he cannot be retrained. Constant, 24-hour surveillance in terms of medical care is needed for George.

It was quite upsetting in terms of what he had to do for the receipt of medical care. He was promised -- literally promised -- by the insurance carrier that he would not be deprived of any medical care. This did not happen, which gave rise to George seeking counsel.

It got to a point where it also went from a physical aspect to a psychological impact on his life and his family, which, as a result of the strain-- It is quite unfortunate, because we pay dearly in premium to get the service that we deserve, and unfortunately, it is not there.

It is also unfortunate, because we don't really have the answer to this issue, but it's also obvious that insurance companies, I think, are pretty much in control of the system, and I think something, like everyone is fully aware, should be done so that the consumers are not left in the cold, just like George, who is still having to battle to get his medical bills taken care of after seven years.

SPEAKER COLLINS: Has George gotten-- Who has paid his medical bills through this seven-year period?

MR. MARTIN: Crum and Foster is the adversary. They are paying for his medical care. He has now been placed in Bancroft, which is where he is currently staying, and again, that was a long arduous battle that we had to put forth to get that done.

SPEAKER COLLINS: Could either you or George tell the Committee the nature of the accident, what happened?

MR. MARTIN: Okay. George was riding a bicycle on Route 541 and was impacted upon by a tractor and trailer from behind.

SPEAKER COLLINS: Any questions or comments? (no response)

George, we very much understand, as you have used your words, the anger of you having to go through this continual effort to get what you feel is right, and you're going to continue to do that.

Assemblyman Garrett.

ASSEMBLYMAN GARRETT: Have you indicated -- I'm sorry -- whether you have filed a complaint with the Department over the actions by the carrier?

MR. MARTIN: I'm sorry. Could you repeat that?

ASSEMBLYMAN GARRETT: Have you filed a complaint with the Department of Insurance?

MR. MARTIN: We did not. We proceeded to file suit against the carrier directly.

ASSEMBLYMAN GARRETT: A lawsuit?

MR. MARTIN: Yes.

ASSEMBLYMAN GARRETT: Have you been in contact in any way, shape, or form--

MR. MARTIN: Yes, we have, and we have an agreement with the carrier that is still being honored, to some extent. There are still a few bills that need to be paid, but the battle took three or four years to convince them that these treatments were reasonable and necessary.

PRESIDENT DiFRANCESCO: Are you an attorney, Mr. Martin?

MR. MARTIN: No.

PRESIDENT DiFRANCESCO: You work for an attorney?

MR. MARTIN: Yes.

PRESIDENT DiFRANCESCO: We're looking at this auto insurance system as it really relates to no-fault, and I guess this accident is beyond that being a commercial vehicle, I suppose -- beyond the scope of the no-fault law, so that's the litigation. Is that right?

MR. MARTIN: Correct, but I still think there is still some--

PRESIDENT DiFRANCESCO: Yes. Listen, I'm not suggesting you shouldn't be here.

MR. MARTIN: I think being consumers in this State, we kind of pride ourselves on having the best coverage--

PRESIDENT DiFRANCESCO: Right.

MR. MARTIN: --of all possible worlds. But I think that is a farce, to some extent. Because when you don't get a service-- You've paid already for a service that is nonexistent when in time of need, and I think that is something that needs to be focused on.

What is the answer? Again, I'm sure there are a lot of ideas.

PRESIDENT DiFRANCESCO: The gist of what, I guess, I get from what you're saying is that the response from the insurance company has just been one long battle and not necessarily a cooperative effort to resolve--

MR. MARTIN: It's more trying to control--

PRESIDENT DiFRANCESCO: --as quickly as possible the problems surrounding this accident.

MR. MARTIN: It's more, I guess, controlling the clients, the claimants, what have you, rather than serving them. If there are proper diagnostic studies done to prove that injuries are reasonable and necessary, then there should be no reason why the bill should not be paid.

PRESIDENT DiFRANCESCO: Okay.

SPEAKER COLLINS: Does any other member have a question or comment? (no response)

George, thank you very much for coming today.

And thank you, Mr. Martin, for bringing George up before us.

MR. MARTIN: Thank you very much.

SPEAKER COLLINS: Safe trip home.

Frank Ostrow.

**FRANK OSTROW:** Gentlemen.

SPEAKER COLLINS: Good afternoon, sir, and thank you for coming.

MR. OSTROW: Senator Cardinale, I'm happy that you recovered your eyesight.

I thought, since I have testified at last year's three joint Insurance Committee meetings at three different locations in the State, that it would be

a simple drive down here today. It took me four and a half hours -- an hour and a half to get out of Bergen County. And like the auto insurance reform, I didn't pay attention to it when I came to New Jersey 29 years ago, so it's all my fault, the mess we're in. And after three years and writing my insurance company that I have suspended all treatment, they still owe me \$50,000. And after the questions that I've heard and the tone of voices of some of them, I can't take this stress anymore, but I won't quit. I'm a Marine. My son says I never know when to quit. Marines don't quit until we're dead. I'm only 72.

I have sent to you what I wish to submit. It's a complaint against the New Jersey Legislature and the people of New Jersey. But since I'm testifying here and anything I say is of no merit, I will read what I had to submit to the department that the insurance companies use and abuse and to which they use and abuse insureds, and that's the Department of Insurance. It says, "N.J.S.A. 17:3A-6 provides that any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties."

I wish that you would make every insurance company put that on the bottom -- a form of it -- of every document they send to, as is called, an innocent victim.

I don't know what an innocent victim is. In law I am that not-at-fault victim. I've been driving since 1950. I've paid insurance since 1950. I've never been injured or injured anybody since 1950, until October 29, 1994, when a young, 32-year-old, woman ran through two traffic lights and two stop signs in Midland Park, directly into my path. And she told me and the officer

there that she thought flashing red lights meant to slow down, and she didn't see the two stop signs.

I have, in the last three years, had an interesting education. And I pity all of you with having just to learn what I have learned about the four New Jersey statutes that concern injured victims. I didn't know, until the insurance company of the woman who I hit called me and said, "If you don't sue us in two weeks, we won't give you the \$100,000 for pain and suffering." I collected pain and suffering. I spent \$50,000 fighting New Jersey automobile insurance companies. I spent \$50,000 paying for my own treatment, and I've done something that I suggest that might be helpful to you. There was a statement made that has said insurance companies do not walk over people. I say insurance companies, to name four specifically: Selective Insurance Company, of Sussex County, which was my insurance, which used to be a good company; Prudential, who abuses the 21-day rule; Allstate, who denied a woman treatment for four years -- she sued twice, two Appellate decisions. She now calls me at midnight wanting to commit suicide because the pain is too excessive. They had to break her bones because the doctors wouldn't treat her for four years while she was suing -- and Allstate.

One, my suggestion, of which I've worked not hard enough at, is to have Speaker Jack Collins post A-2052 because a short rendition of 2052 forces insurance companies to abide by the consumer fraud laws, and right now the legislation that has been passed in the 25 years has created a monarchy of insurance companies with impunity given to them by the legislators. Sad but true, because I recommend that the Department of Insurance take that \$2.5 million of taxpayers' money, that they hired 50 people at \$50,000 for, and pay

it to lawyers to go with a tape recording representing the State of New Jersey fraud department, which I don't think exists, and tape record the independent medical examiners, as I have, and then compare their lies.

I've had nine independent medical examiners, one peer review. The peer review was sent to the IME. He never saw my Veterans' Administration file, which had been sent to him by an attorney two weeks prior to my exam, and at the last meeting he said, and I have him on tape, "I have the file in some other place." He didn't have it with him.

What are the tricks in the games the auto insurance companies use and abuse? It started with me the day before Halloween, October 29. I went to my claims representative's office to report my accident, and I asked for the name from this young receptionist at the switchboard, in her black Halloween costume. It was prophetic, because that's what's been going on since then. She refused.

You don't know anything about me, but I'll tell you just a tiny bit to give you some background. I gave up a \$500 a week job, when I was 18 years old, to enlist in the Marines the day before I would be drafted. And my IME said, "I joined the service to get away from my family." Sixteen million men enlisted to fight World War II, and I told him, my buddies died to save his ass, and then he had told me in the first IME that he was a Marine, and I contested it. And I contested it with the witness in this last IME, and he said, "The Marines are in the Navy."

My brother was in the Navy. He took a picket ship, 180 degree roll off of Okinawa, and he's dead.

I'm here for my grandchildren. You talk about independent medical examiners, Senator Cardinale, and peer reviews, who've lied and twisted, and my insurance company who has said I have been in a hospital for two years in an office building in New York City and sent that to MRSI and never retracted it. I could make more movies of what the insurance companies have done.

I've suggested -- and I'm not certain you have talked to your U.S. Senator or Congressman about Senate 526 and H.R. 2021, which has an interesting clause. I attended that hearing, Senator McCain's Commerce Committee, which was chaired by Senator Ashcroft, of the Consumer Affairs Subcommittee in the Commerce Committee, and that bill has an interesting little paragraph in it which says that if each state does not pass a single-item bill excluding themselves from what is going to come, Federal legislation, you are included. I have copies of those. I'll submit anything that you wish.

I have documented everything to every one of you here, as well as every other member of the Senate and the Assembly, before the June 26 vote, and I went four days, with one hour of sleep each day, going into your votes. At that time, I didn't have a brain and I went home and went to sleep. And I congratulated those who did good things, such as killing peer review, which is about the most obscene piece of insurance legislation, to deny honest, innocent victims of treatment, that I have ever seen concocted.

The other bill you so graciously vetoed was the pedestrian passenger bill, which would have had every senior citizen, deaf, dumb, blind, handicapped, schoolchildren, veterans in their mobiles, being delivered to hospitals-- If they were struck and injured, they would have to sue the driver

of the other car, which takes about four years, before they would get any treatment. This is from your heartfelt, warm-blooded insurance company.

Now, I tried to remain factual, because I got digressed from what I am and who I am. I'm a problem-solving conceptualist. I take diverse facts and make solutions of them. I've submitted the Massachusetts statute, which I received from the Attorney General of the State of Massachussets, on their insurance fraud, which incidently is financed by the insurance companies and not by the taxpayer, and they work with the insurance companies' fraud divisions, and they convicted a couple of attorneys a couple of months ago when I was resubjected to my trauma by my daughter being hit in Massachussets, as I hit the young woman down here.

I see no teeth in the Department of Insurance, and Anne Marie Narcini I have used as the input for my information to go to her boss, who is the Assistant Commissioner of Insurance, who hopefully would give it to the Insurance Commissioner, who I have suggested she should be fired and at the same time attacked Governor Whitman. And I have been escorted out by her security staff in Paterson and ordered to stand outside or I would be arrested, and I was in full Marine blues.

I'm going to leave this work to younger people, like you, because the burden is getting too great. But as the insurance company will tell you, that statement is a lie. And it is a lie, because I will not quit. I have too many grandchildren.

How else can I help you?

SPEAKER COLLINS: Mr. Ostrow, if you could just help us-- As you said, I think you just said, "How else could you help us," with maybe a few more suggestions. We do have a time constraint.

MR. OSTROW: I know, and I appreciate your time.

SPEAKER COLLINS: Go right ahead.

MR. OSTROW: I wanted to know, which of you, in dealing with your insurance company, which I faxed to the -- which you have -- my letter of November 28, No. 7. This is how I have to deal with my insurance company.

New Jersey Statutes Annotated applicable to all above you will find in Title 39: medical expenses, 39:6A-4; overdue payments, 39:6A-5g; overdue interest payments penalty, 39:6A-5h; medical treatise bills--

SPEAKER COLLINS: Mr. Ostrow, since we do have the document, you can just point to it.

MR. OSTROW: I know, but it's item 7, and it's nothing but legalese, and it's interesting that the attorney -- it's on Page 3 of 3, November 28, where I told them that I was discontinuing, suspending voluntarily, all treatment.

Incidentally, I make and reverse all rights of privacy to my entire file contained in the Department of Insurance, and I'll submit it to you in writing, and you can review it.

SPEAKER COLLINS: We would appreciate that.

MR. OSTROW: You won't have the time to read it all, because I know how much time you have and don't have, and your staff has and doesn't have.

And there is one tape missing, which I have cited in here, because you are having a preview of what is being given to Anne Marie Narcini. She still has some documents to provide for me that I can do further research on, but I certainly wish that you would pass 2052 tomorrow, because until you make the insurance companies responsible for the lives-- I've had four claims representatives who all still work at Selective Insurance. The first one was the best. She only missent my first check -- not to me but to the treater -- to the wrong address, and I made the trip up to Selective to obtain one to me.

I have filed claims against the last previous claims representative for practicing medicine without a license with one of my treaters. They have abused all of my treaters, as they have abused me. But guess what, I look at it as therapy, just as being here is therapy, and if you don't have this therapy, you'd go nuts.

SPEAKER COLLINS: Well, we're glad we're here to serve on the therapy aspect.

Does any member of the Committee have any questions or comments for Mr. Ostrow?

MR. OSTROW: May I make one point that was in the *Record*?

SPEAKER COLLINS: Yes, sir. One final point, please.

MR. OSTROW: It was in the *Record* yesterday -- because I'm a newspaper man, first with Newhouse, more circulation than the *Star-Ledger* have, although they are the best newspaper here, outside of the *New York Post*.

They cited a book recording. *My Vast Fortune*, by Andrew Tobias, which is totally slanted. But he cited something interesting. California drivers pay \$7 billion a year for their auto insurance. Isn't that the magic number for

New Jersey? New Jersey motorists pay \$7 billion, but what is the difference between the number of drivers. And we're looking at 22,339 in California against 5000 -- 839,000 (*sic*) in New Jersey, and this is out of the 1995 statistical analysis which I obtained from the Ridgewood Library yesterday, who are my best research people in the world.

There is another magic number you should look at from Professor O'Connell's (phonetic spelling) bill in Washington. He stated that pain and suffering constitutes 44 percent of your insurance policy. Take away 25 percent from that, and you have a 19 percent profit for the insurance companies. Selective made 12 percent last year, Mr. Brume (phonetic spelling) announced in Sussex County's meeting.

New Jersey Manufacturers made 20.5.

SPEAKER COLLINS: You had mentioned you were going to make one point.

MR. OSTROW: I went one point too far.

SPEAKER COLLINS: And it was the book review, and we thank you. Thank you very much, Mr. Ostrow.

MR. OSTROW: Thank you.

SPEAKER COLLINS: Thank you for coming.

We have no other witnesses who wish to testify today. We want to thank all those who did come forward. It is very much appreciated.

What the Committee plans to do now is that on January 5 -- Monday, January 5 we will have our next Committee meeting, and at that time we will have particular areas of the insurance issues that we will be dealing with. We will make that public. We are soliciting ideas from the Committee

members, and we will, at that time, ask for those who have expertise -- or at least feign expertise -- in that particular area, but always have open to the public the opportunity, within the limited time frames we will have-- And we will have a number of meetings throughout the next -- well, the month of January, and who knows, hopefully at the end of that month we'll be able to come to some kind of agreement of where we will go with a particular piece of legislation, whatever.

So January 5 will be the next meeting. There will be public notice of it and what the topics of debate and discussion and education will be at that time.

Thank you all very much.

Thank you to the Committee members.

We will let the Committee members know the topic and then make a public mention.

PRESIDENT DiFRANCESCO: I didn't think we were going to take testimony from the public at these meetings.

SPEAKER COLLINS: No. What I said was, that the plan will be, and I think we can discuss this in more detail, within the limited time frames that we have, on a particular topic, we want to have the experts come in and piece together what we're going to do.

Meeting adjourned.

**(MEETING CONCLUDED)**