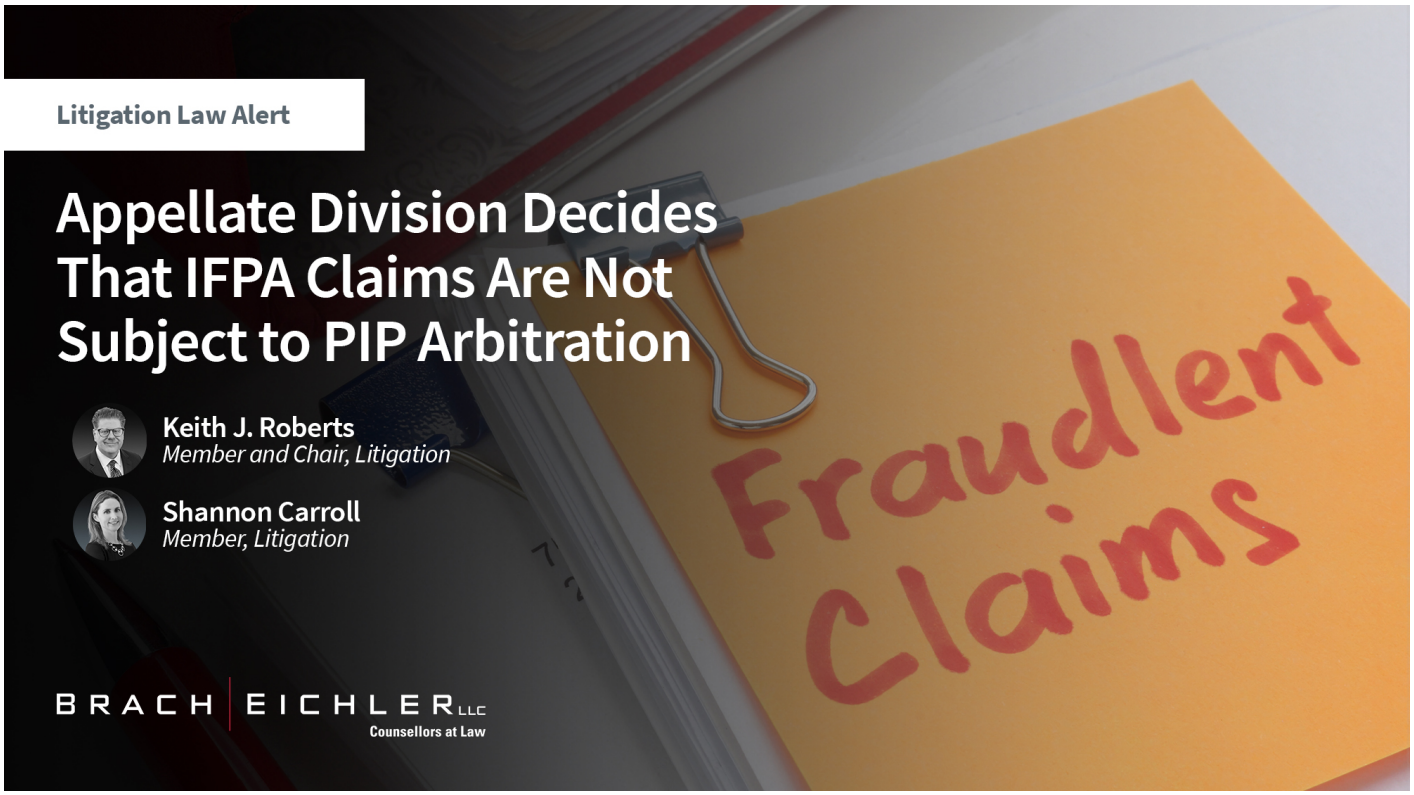
Appellate Division Decides That IFPA Claims Are Not Subject to PIP Arbitration



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On January 9, 2025, the New Jersey Appellate Division issued a published opinion holding that New Jersey Insurance Fraud Prevention Act (IFPA) claims and RICO based fraud claims are not subject to the personal injury protection (PIP) arbitration process.

In *Allstate v. Carteret Comprehensive Medical Care, et al.*, Middlesex County, Docket No. L-1469-23, the trial court dismissed the insurance carrier's IFPA complaint based on the New Jersey No Fault Law's arbitration provision. This trial court ruling was in line with the recent Third Circuit decision in *GEICO v. Mount Prospect Chiropractic Center, P.A.*, 98 F.4th 463 3d Cir. (2024).

The Appellate Division just reversed the trial court decision with the instruction that the insurance carrier is permitted to pursue its claims in the Law Division with a right to a jury trial. In so doing, the Appellate Division addressed the Third Circuit *Mount Prospect* opinion and found that it did not fully consider the legislative goals of the New Jersey No Fault Act and the IFPA.

Allstate's appeal was bolstered by amicus curiae briefs filed by, among others, the New Jersey Department of Banking and Insurance, the New Jersey Insurance Fraud Prosecutor and the Insurance Council of New Jersey.

This decision will likely impact clients with pending insurance fraud cases and investigations in New Jersey. We recommend that individual clients reach out to discuss how to best respond to this decision.

For more information about the issues raised in this Alert, please contact:

Keith J. Roberts, Esq., *Member and Chair*, Litigation Practice, at kroberts@bracheichler.com or 973-364-5201 or

Shannon Carroll, Esq., *Member*, Litigation and Healthcare Law Practices, at scarroll@bracheichler.com or 973-403-3126

Authors

The following attorneys contributed to this insight.



Keith J. Roberts

Member
Litigation, Healthcare Law

973.364.5201 · 973.618.5585 Fax

kroberts@bracheichler.com



Shannon Carroll

Member
Healthcare Law, Litigation

973.403.3126 · 973.618.5988 Fax

scarroll@bracheichler.com