

American Arbitration Association  
New York No-Fault Arbitration Tribunal

In the Matter of the Arbitration between:

Brooklyn Medical Practice, PC  
(Applicant)

- and -

State Farm Mutual Automobile Insurance  
Company  
(Respondent)

AAA Case No. 17-25-1421-9372

Applicant's File No. N/A

Insurer's Claim File No. 52-70P9-94K

NAIC No. 25178

### **ARBITRATION AWARD**

I, James Skelton, the undersigned arbitrator, designated by the American Arbitration Association pursuant to the Rules for New York State No-Fault Arbitration, adopted pursuant to regulations promulgated by the Superintendent of Insurance, having been duly sworn, and having heard the proofs and allegations of the parties make the following **AWARD**:

Injured Person(s) hereinafter referred to as: injured party

1. Hearing(s) held on 06/26/2026  
Declared closed by the arbitrator on 06/26/2026

Rajesh Barua, Esq. from Law Offices of Hillary Blumenthal LLC (Hoboken) participated virtually for the Applicant

Gabriela Hanson, Esq. from Sarah C. Varghese & Associates participated virtually for the Respondent

2. The amount claimed in the Arbitration Request, **\$4,664.68**, was NOT AMENDED at the oral hearing.  
Stipulations WERE NOT made by the parties regarding the issues to be determined.
3. Summary of Issues in Dispute

The injured party, CQ, is a 55-year-old male who suffered injuries in a motor vehicle accident that occurred on 07/03/24. At the time of the accident, the injured party was the driver of a motor vehicle. Following the accident, the injured party suffered injuries which resulted in the injured party seeking treatment. The claim in this case is for injections.

In dispute is Applicant's claim as assignee for reimbursement in the amount of \$4664.68 for treatment rendered to the injured party on 02/22/25.

At the hearing, the Respondent's attorney asserted that the Respondent had exhausted its policy limits of \$75,000.00 prior to the hearing of this case and that there are no available funds to satisfy the Applicant's claim.

#### 4. Findings, Conclusions, and Basis Therefor

This hearing was conducted using documents contained in the ADR Center. I have reviewed all of the submissions contained in the ADR CENTER which is maintained by the American Arbitration Association. I have considered the documents contained in the ADR Center as well as the arguments of the parties at the hearing in rendering this decision.

Applicant establishes a prima facie entitlement to payment by proving that it submitted a claim, set forth the facts and the amount of the loss sustained, and that payment of no-fault benefits is overdue (see Insurance Law § 5106[a]; *Viviane Etienne Med. Care v Country-Wide Ins. Co.*, 25 NY3d 498, 501 (2015); *Countrywide Ins. Co. v. 563 Grand Medical PC* 50 A.D. 3d. 313 (1 Dep't, 2008); *Sunshine Imaging Assoc./WNY MRI v. Geico. Ins. Co.*, 66 A.D. 3d. 1419 (4 Dep't, 2009). A facially valid claim is presented when it sets forth the name of the patient, date of accident, the date of the services, a description of the services rendered and the charges for those services. See *Vinings Spinal Diagnostic PC v. Liberty Mutual Insurance Company*, 186 Misc. 2d 287 (1 Dist. Ct. Nass. Co.1996).

At the hearing, the Respondent's attorney asserted that the Respondent had exhausted its policy limits of \$75,000.00 prior to the hearing of this case and that there are no available funds to satisfy the Applicant's claim. The Respondent has submitted a copy of the insurance documentation including the Declarations Page for the insurance policy as well as the payment ledger which established that the Respondent has paid out the full limits of its policy. The Respondent has also submitted a copy of the global denial dated 05/07/25 advising that the policy was exhausted.

When an insurer "has paid the full monetary limits set forth in the policy, its duties under the contract of insurance cease." *Countrywide Ins. Co. v. Sawh*, 272 A.D.2d 245 (1<sup>st</sup> Dept. 2000). See also, *Allstate Insurance Company v. Demoura*, 30 Misc.3d 145(A), 2011 N.Y. Slip Op. 50430(U) (App. Term 1<sup>st</sup> Dept. 2011); *Hospital For Joint Diseases v. State Farm Mutual Automobile Insurance Company*, 8 A.D.3d 533, 779 N.Y.S.2d 534 (2 Dept. 2004).

A defense of no coverage due to the exhaustion of a No-Fault insurance policy's limit may be asserted by an insurer despite its failure to issue an NF-10 denial of claim forms within the requisite 30 day period, see *New York & Presby. Hosp. v. Allstate Ins. Co.*, 12 A.D.3d 579, 580 (2 Dept.2004); *Flushing Traditional Acupuncture, P.C. v. Infinity Group*, 38 Misc.3d 21, 2012 N.Y. Slip Op. 22345 (App. Term 2<sup>nd</sup>, 11<sup>th</sup> and 13<sup>th</sup> Jud. Dists. 2012); *Crossbridge Diagnostic Radiology v. Encompass Ins.*, 24 Misc.3d 134(A), 2009 N.Y. Slip Op. 51415(U) (App. Term App. Term 2<sup>nd</sup>, 11<sup>th</sup> and 13<sup>th</sup> Jud. Dists.

2009). An arbitrator's award directing payment in excess of the limits of an insurance policy exceeds the arbitrator's power and constitutes grounds for vacatur of the award, see *Matter of Brijmohan v. State Farm Ins. Co.*, 92 N.Y.2d 821, 822 (1998); *Countrywide Insurance Company v. Sawh*, 272 A.D.2d 245 (1<sup>st</sup> Dept. 2000); *Matter of DTR Country-Wide Ins. Co. v. Refill RX Pharmacy*, 212 A.D.3d 481(1<sup>st</sup> Dept. 2023).

The insurance carrier bears the burden of establishing the policy limits. See *Friedman v. Progressive Direct Ins. Co.*, 100 A.D.3d 591, 953 N.Y.S.2d 293 (2<sup>nd</sup> Dept. 2012).

Applicant argues that *Alleviation Med. Servs. PC v. Allstate Insurance Co.*, 2017 NY Slip Op 27097, (App. Term, Second Dep't, March 29, 2017) indicates that an applicant could potentially obtain reimbursement on a verified claim, notwithstanding policy exhaustion, if the defense offered by the insurer fails on its merits. I follow *Harmonic Physical Therapy PC v. Praetorian Insurance*, 47 Misc 3d 137 [A], 2015 NY Slip Op. 50525 (U), (App. Term, First Dep't, April 14, 2015) where the court stated when the insurer submits sufficient proof to establish the timely denied claim on the grounds of necessity and the governing insurance policy coverage limits have been exhausted, the insurer is entitled to a dismissal of the claim.

In this case, the Respondent has established that it has exhausted its statutory policy limits prior to the hearing of this matter. I find that there are no available funds left on the policy to satisfy the claim. Accordingly, the Respondent's defense of policy exhaustion is sustained. See *Ortho Motion Rehab DME, LLC v. Geico Insurance Company*, AAA Case No.: 17-22-1244-1781 (Arbitrator Meryem Toksoy, 9/22/22).

Based on policy exhaustion, the claim is dismissed.

5. Optional imposition of administrative costs on Applicant.  
Applicable for arbitration requests filed on and after March 1, 2002.

I do NOT impose the administrative costs of arbitration to the applicant, in the amount established for the current calendar year by the Designated Organization.

6. **I find as follows with regard to the policy issues before me:**

- The policy was not in force on the date of the accident
- The applicant was excluded under policy conditions or exclusions
- The applicant violated policy conditions, resulting in exclusion from coverage
- The applicant was not an "eligible injured person"
- The conditions for MVAIC eligibility were not met
- The injured person was not a "qualified person" (under the MVAIC)
- The applicant's injuries didn't arise out of the "use or operation" of a motor vehicle
- The respondent is not subject to the jurisdiction of the New York No-Fault arbitration forum

Accordingly, the claim is DENIED in its entirety

This award is in full settlement of all no-fault benefit claims submitted to this arbitrator.

State of CT  
SS :  
County of Fairfield

I, James Skelton, do hereby affirm upon my oath as arbitrator that I am the individual described in and who executed this instrument, which is my award.

06/29/2026  
(Dated)

James Skelton

### **IMPORTANT NOTICE**

*This award is payable within 30 calendar days of the date of transmittal of award to parties.*

*This award is final and binding unless modified or vacated by a master arbitrator. Insurance Department Regulation No. 68 (11 NYCRR 65-4.10) contains time limits and grounds upon which this award may be appealed to a master arbitrator. An appeal to a master arbitrator must be made within 21 days after the mailing of this award. All insurers have copies of the regulation. Applicants may obtain a copy from the Insurance Department.*

**ELECTRONIC SIGNATURE**

**Document Name:** Final Award Form  
**Unique Modria Document ID:**  
18ad9c4cfbc26fb6bc43506ad3ad9c91

**Electronically Signed**

Your name: James Skelton  
Signed on: 06/29/2026