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STATE OF MICHIGAN

IN THE SUPREME COURT

JOSEPH CANTY,

Plaintiff-Appellant,

v

MICHAEL CHESTER MASON,

Defendant-Appellee.

MSC No. 167772
COA No. 365327
Wayne County Circuit
No. 21-004799-NI
Hon Kathleen McCarthy

AMICUS CURIAE BRIEF OF INSURANCE ALLIANCE OF MICHIGAN IN SUPPORT OF DEFENDANT-APPELLEE

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STATEMENT OF INTEREST OF *AMICI CURIAE*[1]

Insurance Alliance of Michigan ("IAM") is the principal state governmental affairs and public information association operating in Michigan. IAM consists of insurers, groups, and related organizations. IAM's members include property and casualty insurers representing approximately 94% of the Michigan auto insurance market, 90% of the Michigan home insurance market, and 60% of the Michigan commercial insurance market. IAM's purpose is to serve the industry and consumers by providing educational, media, legislative, and public information on significant issues that affect the insurance industry in Michigan.

IAM is grateful that this Court invited its participation as amicus to file an amicus brief in this case. Canty v Mason, __ Mich __; 25 NW3d 131 (Mich, 2025, Docket No. 167772).

[1] Pursuant to MCR 7.212(H)(4), no counsel for any of the parties in this matter authored any part of this brief. Additionally, no party or attorney to this matter made a monetary contribution regarding the preparation or submission of this brief. The only entity that has made a monetary contribution regarding the preparation and filing of this brief is IAM.

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STATEMENT OF QUESTION PRESENTED[2]

"[W]hether the fee schedules in MCL 500.3157 apply to a tort action under MCL 500.3135(3)(c)." Canty v Mason, __ Mich __; 25 NW3d 131, 132 (Mich, 2025, Docket No.167772).

[2] Based on its unique area of expertise, IAM comments only on this question, and does not address the other question presented by the Court, whether a plaintiff seeking allowable expenses for medical treatment in an action under MCL 500.3135(3)(c) has a duty to mitigate their damages by seeking payment from Medicare." Canty v Mason, __ Mich __; 25 NW3d 131, 132 (Mich, 2025, Docket No.167772).

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INTRODUCTION

This case presents the Court with an opportunity to affirm the Legislative intent of the 2019 no-fault reforms that were purposefully designed to rein in the rising cost of auto insurance for Michigan motorists. See Andary v USAA Casualty Ins Co, 512 Mich 207, 214-215; 1 NW3d 186 (2023); see also, Ex 1, Senate Bill 1 as introduced. Indeed, as noted below, these reforms have already resulted in significant savings for Michigan motorists while also slowing the rate of uninsured drivers, two worthy goals that had escaped the Legislature for decades.

Although no statutory enactment, let alone an enactment as broad as the 2019 reforms, can solve every problem it addresses or do so in the clearest terms possible, the 2019 reforms have been a sweeping success. IAM encourages the Supreme Court of Michigan to allow this success to continue by either (a) Denying Leave to Appeal and allowing the Court of Appeals Opinion to stand, or (b) if Leave is Granted, issuing a decision holding that the fee schedules in MCL 500.3157 apply to a third-party action under MCL 500.3135(3)(c) in equal measure as they apply to a first-party action. Merely flattening the curve of rising insurance rates would have been a significant achievement, but costs have, in fact, decreased due to the 2019 reforms, confirmed in an independent analysis commissioned by the Michigan Legislature and Department of Insurance and Financial Services ("DIFS") (see Argument I below). IAM asks the Court to affirm the Court of Appeals Majority's conclusion so that these gains may be fully realized, rather than reduced, by ensuring the fee schedules apply equally to first- and third-party actions.

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STATEMENT OF FACTS

IAM relies on the well-stated Statement of Facts prepared for this Court by Defendant-Appellee Mason.[3] For ease of reference, IAM will highlight some of the most pertinent facts for this Court's review.

On February 15, 2021, Mr. Canty was involved in an auto accident with Mr. Mason (AT Apx. 017a-027a, Complaint). Mr. Canty thereafter brought the underlying lawsuit seeking allowable expenses under MCL 500.3135(3)(c) (AT Apx. 017a-027a, Complaint).

The Court of Appeals Found that the Fee Schedules Apply in this Third-Party Action

Mr. Mason filed an Application for Leave to Appeal to the Michigan Court of Appeals following a decision by the trial court on his Motion for Summary Disposition, which the Court of Appeals Granted on August 28, 2023 (Canty v Mason, unpublished order of the Court of Appeals, issued Aug. 28, 2023 (Docket No. 365327)).

After full briefing and oral argument, the Court of Appeals issued its Opinion making five key rulings: (1) "that any damages recoverable by Canty under MCL 500.3135(3)(c) must constitute 'allowable expenses' under MCL 500.3107 to MCL 500.3110;" (2) "**that the fee schedules in MCL 500.3157 apply to Canty's action**;" (3) "that common-law, mitigation-of-damages principles are also applicable;" (4) "that under either MCL 500.3109(1) or common-law mitigation principles, Mason

[3] IAM believes that Mr. Mason has provided a well-reasoned and well-written brief properly detailing the core questions in this matter. IAM looks to further supplement and add to the discussion in order to aid this Court in its decision.

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is entitled to a setoff for medical expenses that would have been covered by Medicare;" and (5) "that, if necessary, the trier of fact must resolve whether any incurred expenses for services rendered by providers who did not accept Medicare were reasonably incurred for purposes of mitigating damages." See Canty v Mason, __ Mich App __; __ NW3d __; 2024 WL 4428146 at *7 (October 4, 2024).

This Court Agreed to Address Two Key Questions

Mr. Canty thereafter sought Leave to Appeal in this Court, which was granted on September 17, 2025. Canty v Mason, __ Mich __; 25 NW3d 131, 132 (Mich, 2025, Docket No. 167772). This Court ordered the parties to file Supplemental Briefs addressing the following questions:

> (1) Whether a plaintiff seeking allowable expenses for medical treatment in a tort action under MCL 500.3135(3)(c) has a duty to mitigate their damages by seeking payment from Medicare; and
>
> (2) Whether the fee schedules in MCL 500.3157 apply to a tort action under MCL 500.3135(3)(c) [Id.].

As part of its Order granting leave to appeal, this Court also invited IAM, along with Michigan Defense Trial Counsel, Inc. and CPAN, to file briefs *amicus curiae*. Id. IAM appreciates the invitation and will address Question (2) as an issue of importance to IAM and its membership.

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INTRODUCTION TO THE ARGUMENT SECTION

Following growing concerns from both Michigan drivers and insurance providers about the exceedingly high cost of automobile insurance in the state, the Michigan Legislature made significant changes to Michigan's No-Fault Act in 2019 through the enactment of 2019 PA 21 and 2019 PA 22. The Legislative intent of the reform package, including the amendments to sections MCL 500.3135(3)(c) and MCL 500.3157, was clearly stated in the first line of 2019 PA 21:

> It is the **intent of the legislature** in making changes to this act relating to the purchase of automobile insurance in this state to bring much needed **cost controls** to the no-fault system, thereby providing rate relief to consumers, reducing the number of uninsured drivers in this state, and incentivizing more automobile insurers to write business in this state. The legislature recognizes that drivers in this state pay car insurance rates that are, on average, 83% higher than the national average [Ex 1, 2019 SB 1 as introduced].

Governor Whitmer, upon signing the Bill into law on May 30, 2019, reaffirmed this stated purpose:

> Today Governor Gretchen Whitmer signed Senate Bill 1, which passed with overwhelming bipartisan support, to reform Michigan's auto insurance system to **guarantee lower rates** for every Michigan driver, protect insurance coverage options, and strengthen consumer protections [Ex 2, May 30, 2019 Press Release].

Crucial to these extensive reforms was the introduction of the Personal Injury Protection ("PIP") opt-out option, which for the first time allows qualified individuals to opt-out of PIP benefit coverage if they have qualifying health care coverage from another source, as stated in MCL 500.3107d(1). At issue in this case is another crucial portion of the reforms that goes hand-in-hand with the PIP opt-out option: the

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introduction of medical fee schedules that cap the reimbursement rate for medical providers, as now stated in MCL 500.3157.

The facts at the heart of this case shed light on the fee schedules and how the Legislature intended them to apply in a third-party auto negligence case between two individuals: here, Joseph Canty and Michael Mason. Mr. Canty filed this third-party complaint seeking to recover allowable expenses under MCL 500.3135(3)(c) for injuries he suffered in the underlying accident. Previously under Michigan's no-fault system, individuals were required to first seek PIP benefits from their own insurer. If there were excess damages, those damages could only be recovered in a first-party lawsuit. Following the 2019 reforms, however, injured individuals who now take advantage of the PIP opt-out provisions in their own policy are permitted to bring a third-party lawsuit for economic damages, as occurred in this case.

The Legislature's decision to allow traditional first-party benefits in a third-party case was inexorably tethered to the fee schedules to keep the amount of any such recovery in check. Here, the Court of Appeals majority honored this Legislative intent by finding that the fee schedules apply to this third-party action, Canty v Mason, __ Mich App __; __ NW3d __ (Mich Ct App, October 4, 2024), a decision that faithfully implements the legislative intent to reduce costs and lowers the rate of uninsured motorists.

The Supreme Court has now asked the parties and *amici curiae* to address this very question: "[w]hether the fee schedules in MCL 500.3157 apply to a tort action under MCL 500.3135(3)(c)." Canty v Mason, __ Mich __; 25 NW3d 131, 132 (Mich,

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2025, Docket No. 167772). As held by the Court of Appeals, a review of the plain language of the relevant statutes renders the resolution of this question "fairly straightforward." Canty v Mason, __ Mich App __; __ NW3d __ (Mich Ct App, October 4, 2024). "MCL 500.3135(3)(c), by incorporating MCL 500.3107, necessarily also incorporates the fee schedules in MCL 500.3157, making them applicable to this case." Id.

This finding, that the Michigan Legislature clearly intended the fee schedules in MCL 500.3157 to apply not only to first-party actions, but also to third-party actions under MCL 500.3135(3)(c), finds further support in the very purpose of the 2019 no-fault reforms, including the promise of cost savings and rate reductions for Michigan's consumers. In fact, the introduction of the fee schedules and their broad application to both first-party and third-party actions has significantly reduced the cost of insurance policies in Michigan and will continue to fulfill this goal for years to come. The Supreme Court should affirm the published Court of Appeals decision in place on this issue as controlling law by Denying Leave to Appeal following oral argument.

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ARGUMENT

I. THE MICHIGAN SUPREME COURT SHOULD EITHER DENY LEAVE TO APPEAL FOLLOWING ORAL ARGUMENT OR, IF LEAVE IS GRANTED, AFFIRM THE COURT OF APPEALS OPINION HOLDING THAT THE FEE SCHEDULES IN MCL 500.3157 APPLY TO A THIRD-PARTY ACTION UNDER MCL 500.3135(3)(c). THE COURT OF APPEALS MAJORITY FAITHFULLY APPLIED THE UNAMBIGUOUS LANGUAGE OF THE RELEVANT STATUTES AND IMPLEMENTED THE LEGISLATIVE INTENT TO REDUCE COSTS FOR MICHIGAN DRIVERS.

Introduction

Since its inception in 1972, Michigan's No-Fault Act generally immunized individual motorists from tort liability for injuries caused by motor vehicle accidents, outside of a few limited exceptions. See, e.g. MCL 500.3135(1) ("A person remains subject to tort liability for noneconomic loss caused by his or her ownership, maintenance, or use of a motor vehicle only if the injured person has suffered death, serious impairment of body function, or permanent serious disfigurement"). Under this initial system, economic benefits could be recovered in limited circumstances in **first-party** actions against an insurer, but not in **third-party** actions against another motorist.

In 2019, the Legislature amended MCL 500.3135 to allow a party to bring a **third-party** action for "allowable expenses" if they have opted out of PIP benefits under MCL 500.3107d. MCL 300.3135(3)(c) (permitting a party to sue to recover "damages for **allowable expenses**, work loss, and survivor's loss as defined in

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sections 3107 to 3110…if an election to not maintain that coverage was made under section 3017d or if an exclusion under section 3109a(2) applies").

The plain language of MCL 500.3135(3)(c), especially when read in light of the entire No-Fault Act, confirms that the Legislature intended the phrase "allowable expenses" to be interpreted the same in both first-party and third-party actions, including the medical fee schedules in MCL 500.3157. The Court of Appeals correctly reached this conclusion, finding that "MCL 500.3135(3)(c), by incorporating MCL 500.3107, necessarily also incorporates the fee schedules in MCL 500.3157, making them applicable to this case." Canty v Mason, __ Mich App __; __NW3d __ (Mich Ct App, October 4, 2024).

Reading the plain language of MCL 500.3135(3)(c) to restrict the amount of "allowable expenses" based on the fee schedules in MCL 500.3157 is consistent with the goal of the 2019 reforms and the overarching purpose of the No-Fault Act which, taken together, emphasize the Legislature's interest in reducing the cost of automobile insurance for consumers and ensuring the "assured, adequate, and prompt" payment of claims. See Ex 1; Shavers v Kelly, 402 Mich 554, 578-78; 267 NW2d 72 (1978). To hold otherwise would risk reversing many of the significant cost-savings and reduction of the rate of uninsured motorists that have been realized in Michigan's no-fault system following the 2019 reforms.

Standard of Review

This Court reviews a trial court's decision to grant or deny summary disposition *de novo*. Andary, 512 Mich at 230. The same standard of review applies

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to legal issues such as the interpretation of a statute: "Questions of statutory interpretation are reviewed *de novo* by this Court." Roberts v Mecosta C Gen Hosp, 466 Mich 57, 62; 642 NW2d 663 (2002).

A court's review of questions of statutory interpretation is guided by several long-established principles. The overarching goal of statutory interpretation is to "effectuate the intent of the Legislature." Sunrise Resort Ass'n Inc v Cheboygan Co Rd Comm, 511 Mich 325, 333; 999 NW2d 423 (2023). As such, courts must focus first on the statute's plain language and "examine the statute as a whole, reading individual words and phrases in the context of the entire legislative scheme." Id. "When a statute's language is unambiguous, the Legislature must have intended the meaning clearly expressed, and the statute must be enforced as written." Id. In interpreting a statute, courts must also look at the language in light of surrounding statutes and the act as a whole. Madugula v Taub, 496 Mich 685, 696; 853 NW2d 75 (2014) ("we examine the statute as a whole, reading individual words and phrases in the context of the entire legislative scheme").

While Legislative history is not controlling in determining the meaning of a statute, and while it is not always a useful tool in construing a statute, courts "may, with propriety, refer to the history of the times when it was passed and of the act itself in order to ascertain the reason as well as the meaning of its provisions and it may also consider all conditions and circumstances surrounding its enactment in the light of the general policy of previous legislation on the same subject." People v Hall, 391 Mich 175, 191; 215 NW2d 166 (1974) (citing Genesee Trustee Corp v Smith, 102

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F2d 125, 126 (CA6, 1939)). This Court will often look to Legislative history and analysis to find support for an interpretation. See N Ottawa Cmty Hosp v Kieft, 457 Mich 394, 406 n 12; 578 NW2d 267 (1998); Bush v Shabahang, 484 Mich 156, 167-68; 772 NW2d 272 (2009) ("an analysis of a statute's legislative history is an important tool in ascertaining legislative intent"). Further, "[a] statute's history – the narrative of the statutes repealed or amended by the statute under construction – properly form[s] part of [its] context." Daher v Prime Healthcare Servs-Garden City, LLC, 515 Mich 254, 263; 29 NW3d 136, reh den 515 Mich 933; 10 NW3d 843 (2024).

Legal Analysis

The 2019 No-Fault reforms, which followed years of unsuccessful efforts from Michigan drivers and policymakers to rein in costs, were designed with an overarching goal of cost savings in Michigan's automobile insurance industry. One way these reforms planned to reduce costs was through the introduction of medical fee schedules, now located in MCL 500.3157.

Prior to the 2019 reforms, a party who was injured in an automobile accident looked to their own no-fault insurer to pay their reasonable medical expenses. See MCL 500.3107 (PIP benefits are payable for, in part, "[a]llowable expenses consisting of reasonable charges incurred for reasonably necessary products, services and accommodations for an injured person's care, recovery, or rehabilitation").

Perhaps as expected, this "reasonableness" standard often resulted in lengthy litigation, leaving injured persons without payment for medical expenses for extended periods of time, or sometimes, at all. This delay in payment was directly in

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opposition to the purpose of the No-Fault Act, to "provide victims of motor vehicle accidents assured, adequate, and **prompt** reparation for certain economic losses." Shavers, 402 Mich at 578-79. In addition, the "reasonableness" standard often resulted in fraud and abuse of the system where medical providers significantly overcharged for services, leading to an increase in the cost of writing insurance policies in Michigan.

In an effort to provide more certainty around the amounts that medical providers could charge for allowable expenses and, in turn, reduce the overall cost for both drivers and insurers, the Legislature introduced fee schedules as part of the 2019 reforms, which cap the amount that can be charged for allowable expenses. See MCL 500.3157.

In determining whether the fee schedules in MCL 500.3157 apply in this third-party action, the Court of Appeals Majority focused on "the express language of the statute[s]" in an effort to "discern and ascertain the intent of the Legislature." Slis v Michigan, 332 Mich App 312, 335-336; 959 NW2d 569 (2020). In doing so, the Court of Appeals Majority accurately held that the Legislature "knew quite well that MCL 500.3107 placed restrictions on the amount of recoverable allowable expenses through limitations and exceptions found in Chapter 31, including the fee schedules." Canty v Mason, __ Mich App __; __ NW3d __ (Mich Ct App, October 4, 2024). The Court's interpretation that the fee schedules apply equally to first-party and third-party actions finds support not only in the plain language of the statute, read within the context of the No-Fault Act as a whole, but also the Legislature's intended

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purpose for those fee schedules as part of the 2019 no-fault reforms. Where the fee schedules have helped to significantly reduce the cost of auto insurance since their enactment, it would be contrary to the language of the statute and the Legislature's intent to reverse course and hold that they are applicable only in first-party actions, not third-party actions.

A. The Overarching Goal of the No-Fault Reforms, Providing Cost Savings to Michigan Policyholders, Supports a Finding that the Fee Schedules in MCL 500.3157 Apply in Third Party Actions Under MCL 500.3135(3)(c)

In the years since the No-Fault reforms were enacted, Michigan drivers have, in fact, seen the promised cost savings. A recent report commissioned by the Michigan Department of Insurance and Financial Services ("DIFS") titled "The Impact of Michigan Auto Insurance Reform" ("the Report"), broadly details the five-year impact of the 2019 No-Fault reforms on auto insurance premiums paid by consumers, as well as the overall impact on the amount of coverage purchased (Ex 3, DIFS Report, p 13). The Report concludes that from 2019 to 2024, the no-fault reforms reduced the overall average auto insurance premium per vehicle in Michigan by **$357**, an **18.8%** savings (Ex 3, p 1).

In addition to these overarching savings, the Report finds that the average premium for PIP coverage alone decreased by $359 per insured vehicle (Ex 3, p 1). The Report finds that, although "individual savings can vary greatly based on consumer's specific PIP coverage selections…even participants who select unlimited coverage have experienced reductions in premiums, as the MCCA assessment has

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decreased post-reform **due to the medical fee schedule** and order of priority changes of the reform" (Ex 3, p 1).

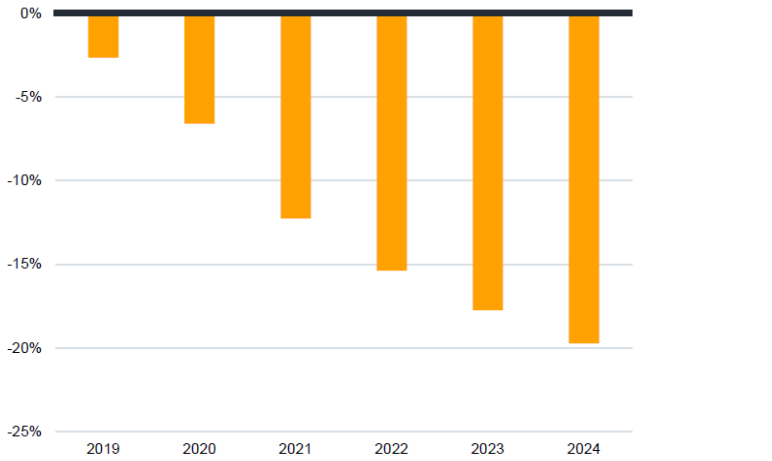
Consumers in Wayne County, where the accident underlying this case occurred, experienced the largest overall premium decrease following the reforms, saving an average of $539 per insured vehicle on PIP coverage (Ex 3, p 1). Additionally, "[p]olicies with named insureds over the age of 64 experienced slightly larger premium savings than other age groups, saving 21.5% on total policy compared to the 18.0% to 18.6% savings experienced by other age groups," likely driven by the new PIP opt-out option available to those with qualifying health coverage (Ex 3, p 2).

In addition to significant consumer savings, the Report finds that "[f]rom 2019 to 2024, the reform reduced the overall average cost of **providing** auto insurance in Michigan, including claims and other associated costs, by $347, or 19.3% per insured vehicle as measured in terms of 2024 cost levels" (Ex 3, p 2). The "cost of providing Personal Injury Protection ("PIP") coverage decreased by $474 per insured vehicle" (Ex 3, p 2).

The Report also specifically analyzes the impact of the new medical fee schedules on the cost of providing coverage, finding that "the reform's medical fee schedule **reduced the cost of providing PIP coverage by approximately 19.7%"** (Ex 3, p 2). These savings have continued to increase each year following the enactment of the reforms, including a 2.7% reduction in costs for accidents occurring in 2019, a 6.6% reduction in costs for accidents occurring in 2020, and a 12.3% reduction in costs for accidents occurring in 2021 (Ex 3, p 31):

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FIGURE 17: ESTIMATED SAVINGS OF REFORM* DUE TO MEDICAL FEE SCHEDULE BY ACCIDENT YEAR



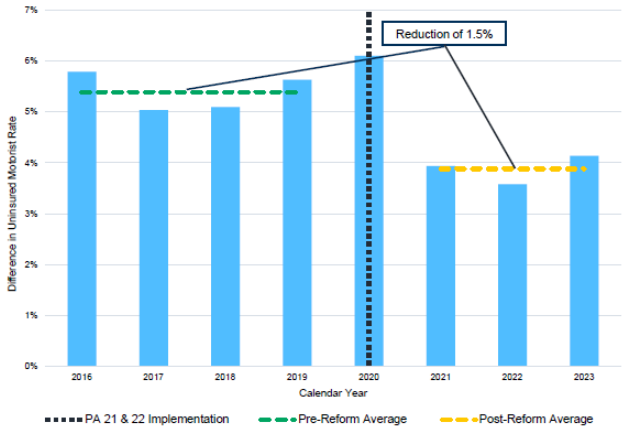
[Ex 3, p 31]. As a whole, the Report estimates that "the medical fee schedule eliminated roughly **one-fifth** of the overall PIP costs by accident year 2024" (Ex 3, p 31).

The benefits of the reforms do not stop with cost savings. The Report also finds that the 2019 reforms may have helped to reduce the number of uninsured motorists in Michigan, particularly when compared to the rates of uninsured motorists in other states (Ex 3, p 27). The Report notes that "[p]re-reform, Michigan's uninsured motorist rates were roughly 5.0% to 8.0% higher than U.S. rates," while "[p]ost-reform this difference dropped to roughly 4.0% (Ex 3, p 27). The Report concludes that "This suggests that the reform may have decreased the uninsured motorist population to a level roughly 1.0% to 2.0% lower than it otherwise may have been had PA 21 & 22 not been implemented (Ex 3, p 27).

The Report's analysis also notes that, following disruptions to the insurance market and the economy from the COVID-19 pandemic and inflationary pressures, the uninsured rate stabilized in 2024 (Ex 3, p 27-28).

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FIGURE 15: DIFFERENCE BETWEEN MICHIGAN AND U.S. UNINSURED MOTORIST RATE BY CALENDAR YEAR



The Report raises the question but was unable to offer a solid conclusion on whether the 2019 reforms had an impact on access to healthcare and medical providers (Ex 3, p 34). The study notes that additional time would need to pass to draw a firm conclusion, even though initial data suggests that there have not been overwhelming negative ramifications on access to care (Ex 3, p 36: "The lack of complaints from auto accident victims with post-reform accident dates does not necessarily confirm that post-reform auto accident victims have not experienced, or will not experience, issues with access to care").

These realized benefits, including the significant cost savings, hinge in large part on a consistent application of the fee schedules to both first-party actions and third-party actions. If this Court were to reverse course and find that the fee schedules apply only to first-party actions, it runs a significant risk of negating, or at least drastically reducing, many of these benefits and creating unnecessary confusion in the resolution of these claims. As such, the Court should affirm the Court of

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Appeals Majority Opinion on this issue, to ensure the cost-saving rationale at the heart of the amended statutory language is upheld.

B. The Plain Language of the Statute, Read in the Context of the Broader Statutory Scheme, Supports a Finding that the Fee Schedule in MCL 500.3157 Applies to a Third-Party Action Under MCL 500.3135(3)(c)

The key question of "whether the fee schedules in MCL 500.3157 apply to a tort action under MCL 500.3135(3)(c)" requires an evaluation of the language of several different sections of the Michigan No-Fault Act, as amended by the 2019 no-fault reforms.

First, MCL 500.3135(3)(c) states:

> (3) Notwithstanding any other provision of law, tort liability arising from the ownership, maintenance or use within this state of a motor vehicle with respect to which the security required by 3101(1) was in effect is abolished except as to:
>
> …
>
> (c) Damages for **allowable expenses,** work loss, and survivor's loss **as defined in sections 3107 to 3110**, including all future allowable expenses and work loss, in excess of any applicable limit under section 3107c or the daily, monthly, and 3-year limitations contained in those sections, or without limit for allowable expenses **if an election to not maintain that coverage was made under section 3107d or if an exclusion under section 3109a(2) applies**… [MCL 300.3135(3)(c)].

Importantly, under MCL 500.3135, regardless of whether a claim is brought by an individual who made an "election to not maintain coverage…under section 3107d" or if an individual otherwise maintains PIP coverage, allowable expenses are "as defined in sections 3107 to 3110." MCL 500.3135(3)(c). MCL 500.3107 defines certain terms, including "allowable expenses:"

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> (a) Allowable expenses consisting of reasonable charges incurred for reasonably necessary products, services and accommodations for an injured person's care, recovery, or rehabilitation.

Although MCL 500.3135(3)(c) references and incorporates "MCL 500.3107 to MCL 500.3110," it does not make an explicit reference to MCL 500.3157 or the fee schedules located in that section, but it does not have to because, by referencing section 3107, it explicitly adopts the definition of an "allowable expenses" in that section, a definition that is located in part in MCL 500.3157. MCL 500.3107 states that it is "subject to the exceptions and limitations in this chapter." MCL 500.3107(1) ("Subject to the exceptions and limitations in this chapter, and subject to chapter 31A, personal protection insurance benefits are payable for the following…"). Reference to "this chapter" necessarily means the chapter within which this section sits: Chapter 31 of the Insurance Code of 1956, MCL 500.100 *et seq*. This Chapter includes the fee schedules located in MCL 500.3157.

Judge Mariani dissented in part from the Per Curiam Opinion on the issue of whether MCL 500.3135(3)(c) incorporates MCL 500.3157's fee schedules, focusing on the statute's failure to explicitly list MCL 500.3157. Canty v Mason, __ Mich App __; __ NW3d __ (Mich Ct App, October 4, 2024) (Mariani, J, Concurring in Part and Dissenting in Part). The mere fact that MCL 500.3157 is not explicitly mentioned in MCL 500.3135(3)(c)'s incorporation of the definition of "allowable expenses," however, does not automatically foreclose the application of the medical fee schedules to third-party claims.

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It has long been held that a key principle of statutory interpretation under Michigan law is that "the individual, discrete words of a statute must be read holistically 'with a view to their place in the overall statutory scheme.'" TruGreen Ltd Partnership v Dep't of Treasury, 338 Mich App 248, 257; 979 NW2d 739 (2021) (citing Davis v Mich Dep't of Treasury, 489 US 803, 809; 109 S Ct 1500; 103 L Ed 2d 891 (1989)). "A statute should be interpreted in light of the overall statutory scheme, and '[a]lthough a phrase or a statement may mean one thing when read in isolation, it may mean something substantially different when read in context.'" Honigman Miller Schwartz & Cohn LLP v City of Detroit, 505 Mich 284, 307; 952 NW2d 358 (2020) (citing Sweatt v Dep't of Corrections, 468 Mich 172, 179; 661 NW2d 201 (2003)). Further, when enacting a new law, "[t]he legislature is presumed to be aware of and to have considered existing statutes when enacting new laws." Milne v Robinson, 513 Mich 1, 18; 6 NW3d 40 (2024).

When enacting the amendment of MCL 500.3135(3)(c) to allow third-party actions for allowable expenses where a party has opted out of first-party PIP benefits, the Legislature was also aware of the addition of the fee schedules in MCL 500.3157, which capped those allowable expenses. The Legislature is presumed to be aware that the definition of "allowable expenses" in MCL 500.3107(3) was explicitly "[s]ubject to the exceptions and limitations in this chapter," including the newly-added fee schedules. MCL 500.3017(1).

Reading this statute otherwise, as suggested by Mr. Canty, would result in a complex system in which the "allowable expenses" in first-party actions are subject

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to the fee schedules in MCL 500.3157, while the "allowable expenses" in third-party actions are not subject to a cap, thereby exponentially increasing the liability on the tort-feasor. Given the number of individuals who have chosen to opt-out of PIP benefits and the difference in allowable expenses between the two types of cases, interpreting the statute otherwise risks undoing many of the benefits that have resulted from the 2019 no-fault reforms. Put another way, failing to impose the fee schedules in MCL 500.3157, which place important limitations on allowable expenses, would revert this to a pre-reform standard, which was found excessive and unsustainable. That excessive and unsustainable cost, if this Court accepts Plaintiff's position, is shifted onto the tortfeasor. In addition, it risks creating an increasingly confusing system where medical providers are compensated at different rates depending on whether the party will be filing a first-party action or a third-party action: a factor which is often unknown at the time care is rendered.

The Court of Appeals Majority correctly interpreted the language of each of these overlapping statutory provisions and properly found that "MCL 500.3135(3)(c), by incorporating MCL 500.3017, necessarily also incorporates the fee schedules in MCL 500.3157, making them appliable to this case." Canty v Mason, __ Mich App __; __ NW3d __ (Mich Ct App, October 4, 2024). This decision should now be upheld.

CONCLUSION AND RELIEF REQUESTED

As to the question of whether the fee schedules in ML 500.3157 apply to a third-party action under MCL 500.3135(3)(c), IAM believes that this Honorable Court

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should Affirm the well-reasoned and articulated Order issued by the Court of Appeals Majority and Deny Leave to Appeal following oral argument.

Respectfully submitted,

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CERTIFICATE OF WORD COUNT COMPLIANCE

This *Amicus* brief complies with the word count limitation of MCR 7.212(B)(1) because it contains 4,743 words, which is less than the 16,000-word limit.

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PROOF OF SERVICE

I hereby certify that on March 6, 2026, I e-filed the foregoing documents with the Clerk of the Court via the MiFile E-Filing and E-Service system, which will notify and serve the following of the filing of these documents as follows:

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