RECEIVED by MSC 8/21/2025 3:06:15 PM

STATE OF MICHIGAN
IN THE SUPREME COURT

MOHAMMED ABDULLA,

Plaintiff/Appellee,

and

PRECISE MRI OF MICHIGAN, LLC

Intervening Plaintiff/Appellee

v.

AUTO CLUB GROUP INSURANCE COMPANY,

Defendant/Appellant,

and

PROGRESSIVE SOUTHEASTERN INSURANCE COMPANY, GREAT AMERICAN INSURANCE COMPANY, and MICHIGAN ASSIGNED CLAIMS PLAN/MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY and UNNAMED SERVICING INSURER,

Defendants/Appellees,
_____/

Supreme Court No. 167532
Court of Appeals No: 364797
Wayne County Circuit No. 2021-006382-NF

CONSOLIDATED WITH:

Court of Appeals No. 364866
Wayne County Circuit No. 2021-006382-NF

DEFENDANT-APPELLEE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY'S SUPPLEMENTAL BRIEF (MOAA)

By:
Lori McAllister (P39501)
Erin A. Sedmak (P78282)
DYKEMA GOSSETT PLLC
Attorneys for Defendant/Appellee
Michigan Automobile Insurance
Placement Facility
201 Townsend St., Ste. 900
Lansing, MI 48933
(517) 374-9100

RECEIVED by MSC 8/21/2025 3:06:15 PM

TABLE OF CONTENTS

STATEMENT OF JURISDICTION FOR SUPPLEMENTAL BRIEF vii

COUNTER-STATEMENT OF QUESTIONS PRESENTED FOR REVIEW viii

INTRODUCTION 1

COUNTER-STATEMENT OF MATERIAL PROCEEDINGS AND FACTS 2

I. The Michigan Automobile Insurance Placement Facility And The Michigan Assigned Claims Plan. 2

II. Factual & Procedural Background 3

A. Trial Court Proceedings 5

B. The Court Of Appeals' Opinion 7

C. Posture In This Court 8

ARGUMENT 8

I. Standards Of Review 8

II. Plaintiff Is Excluded From Recovering Benefits Under MCL 500.3113(b) Because He Was An "Owner" Of The Uninsured Tractor Under The No-Fault Act. 9

A. The Act's Definition of "Owner" is Crucial To The No-Fault Act's Compulsory-Coverage Design. 9

B. Plaintiff Is An Owner Of The Tractor Involved In The Accident. 13

C. The Majority Opinion Widely Strays From Plain Statutory Language, Grafting An Exception To The Act's Security Mandate. 16

D. Plaintiff's Arguments Fail. 21

III. Plaintiff Is Not Entitled To Benefits As A Resident Relative Of A Named Insured Under MCL 500.3111 Or MCL 500.3114. 24

CONCLUSION AND REQUEST FOR RELIEF 27

RECEIVED by MSC 8/21/2025 3:06:15 PM

TABLE OF AUTHORITIES

Cases

Ardt v Titan Ins Co,
233 Mich App 685; 593 NW2d 215 (1999) ..... passim

Auto Club Ins Ass'n v Hill,
431 Mich 449; 430 NW2d 636 (1988) 10

Auto-Owners Ins Co v State Farm Mut Automobile Ins Co,
187 Mich App 617; 468 NW2d 317 (1991) 24

Belcher v Aetna Cas & Surety Co,
409 Mich 231; 293 NW2d 594 (1980) 25

Book-Gilbert v Greenleaf,
302 Mich App 538; 840 NW2d 743 (2013) 20

Bush v Shabahang,
484 Mich 156; 772 NW2d 272 (2009) 9, 25

Centria Home Rehab, LLC v Allstate Ins Co,
___Mich App___; ___NW2d___ (2025) 26

Chop v Zielinski,
244 Mich App 677; 624 NW2d 539 (2001) 14, 15, 20

Citizens Ins Co v Tuttle,
411 Mich 536; 309 NW2d 174 (1981) 9, 21

Covenant Med Ctr, Inc v State Farm Mut Automobile Ins Co,
500 Mich 191; 895 NW2d 490 (2017) 26

Dean v Auto Club Ins Ass'n,
139 Mich App 266; 362 NW2d 247 (1984), *appeal denied*, 422 Mich 921 (1985) 9, 20

Detroit Med Ctr v Titan Ins Co,
284 Mich App 490; 775 NW2d 151 (2009) 15

Dye v Esurance Prop & Cas Ins Co,
504 Mich 167; 934 NW2d 674 (2019) 17, 23

Frankenmuth Mut Ins Co v Marlette Homes,
456 Mich 511; 573 NW2d 611 (1998) 12

Griffin v Trumbull Ins Co,
509 Mich 484; 983 NW2d 760 (2022) 26

Haksluoto v Mount Clemens Regional Med Center,
500 Mich 304; 901 NW2d 577 (2017)..... 9

Honigman Miller Schwartz & Cohn LLP v City of Detroit,
505 Mich 284; 952 NW2d 358 (2020)..... 20

Husted v Dobbs,
459 Mich 500; 591 NW2d 642 (1999)..... 11

Integral Ins Co v Maersk Container Serv Co,
206 Mich App 325; 520 NW2d 656 (1994)..... 23

Iqbal v Bristol West Ins Group,
278 Mich App 31; 748 NW2d 574 (2008)..... 23

Joseph v Auto Club Ins Ass'n,
491 Mich 200; 815 NW2d 412 (2012)..... 12

Kessel v Rahn,
244 Mich App 353; 624 NW2d 220 (2001)..... 8, 15

Kostadinovski v Harrington,
511 Mich 141; 999 NW2d 318 (2023)..... 12

Krohn v Home-Owners Ins Co,
490 Mich 145; 802 NW2d 281 (2011)..... 26

Kuznar v Raksha Corp,
481 Mich 169; 750 NW2d 121 (2008)..... 12

McCormick v Carrier,
487 Mich 180; 795 NW2d 517 (2010)..... 19

Milne v Robinson,
513 Mich 1; 6 NW3d 40 (2024)..... 25

Owens v Auto Club Ins Ass'n,
444 Mich 314; 506 NW2d 850 (1993)..... 27

Parks v Detroit Auto Inter-Insurance Exchange,
426 Mich 191; 393 NW2d 833 (1986)..... 26

People v Butka,
___Mich___; ___NW3d___ (2024)..... 12

Proudfoot v State Farm Mut Ins Co,
469 Mich 476; 673 NW2d 739 (2003)..... 26

RECEIVED by MSC 8/21/2025 3:06:15 PM

Robinson v City of Lansing,
486 Mich 1; 782 NW2d 171 (2010) 19

Rohlman v Hawkeye-Security Ins Co,
442 Mich 520; 502 NW2d 310 (1993) 19

Shanafelt v Allstate Ins Co,
217 Mich App 625; 552 NW2d 671 (1996) 27

Shavers v Attorney General,
402 Mich 554; 267 NW2d 72 (1978) 9, 10

Signature Villas, LLC v City of Ann Arbor,
269 Mich App 694; 714 NW2d 392 (2006) 19

Steanhouse v Mich Automobile Ins Placement Facility,
___Mich App___; ___NW2d___ (2024) 6

Stevenson v Reese,
239 Mich App 513; 609 NW2d 195 (2000) 14

Tebo v Havlik,
418 Mich 350; 408 NW2d 181 (1984) 9, 20

Timmis & Co v Guardian Alarm Co,
468 Mich 416; 662 NW2d 710 (2003) 20

TOMRA of North America, Inc v Dep't of Treasury,
505 Mich 333; 952 NW2d 384 (2020) 25

Turner v Farmers Ins Exch,
507 Mich 858; 953 NW2d 204 (2021) 22, 23

Ward v Titan Ins Co,
287 Mich App 552; 791 NW2d 488 (2010) 26

White v City of Ann Arbor,
406 Mich 554; 281 NW2d 283 (1979) 25

Whitman v City of Burton,
493 Mich 303; 831 NW2d 223 (2013) 12

Statutes

1972 PA 294 9

2012 PA 204 2

RECEIVED by MSC 8/21/2025 3:06:15 PM

MCL 211.27a(6)(h) 19
MCL 450.4406 ..... 7, 8
MCL 450.4504 ..... 7, 8, 19
MCL 500.134(6) 2
MCL 500.3101 ..... passim
MCL 500.3101(1) ..... passim
MCL 500.3101(3)(l)(i) ..... passim
MCL 500.3102 ..... 10, 21
MCL 500.3103 ..... 22, 23, 27
MCL 500.3111 ..... 24, 25
MCL 500.3113(b) 23, 24, 25
MCL 500.3114 ..... 24, 26
MCL 500.3114(1) 24
MCL 500.3114(4) 6
MCL 500.3115 26
MCL 500.3135 21
MCL 500.3135(3) 10
MCL 500.3135(4)(e) 10
MCL 500.3171 2
MCL 500.3171(2) 3
MCL 500.3172(1) 2, 6
MCL 500.3173 2
MCL 500.3173a 3
MCL 500.3174 3
MCL 500.3175 3

RECEIVED by MSC 8/21/2025 3:06:15 PM

MCL 500.3176 3

MCL 500.3177 ..... 10, 21

Other Authorities

https://www.michacp.org/assessment.aspx (last visited July 31, 2024). 3

Rules

MCR 7.305(C) vi

RECEIVED by MSC 8/21/2025 3:06:15 PM

RECEIVED by MSC 8/21/2025 3:06:15 PM

STATEMENT OF JURISDICTION FOR SUPPLEMENTAL BRIEF

Defendant-Appellant Auto Club Group Insurance Company ("Auto Club") timely filed an application for leave to appeal the published opinion of the Court of Appeals issued on July 25, 2024. MCR 7.305(C)(2)(a). Defendant-Appellee Michigan Automobile Insurance Placement Facility ("MAIPF") timely filed an answer supporting Auto Club's application. MCR 7.305(D). On May 22, 2025, this Court issued an order granting mini oral argument on the application ("MOAA") and directing the parties to file supplemental briefs addressing:

> (1) whether the plaintiff was an "owner" of the motor vehicle at issue within the meaning of MCL 500.3101(3)(l)(i), see *Twichel v MIC Gen Ins Corp*, 469 Mich 524, 530-532 (2004); and
>
> (2) whether the plaintiff is entitled to personal protection insurance benefits as a relative of the named insured domiciled in the same household, see MCL 500.3111, MCL 500.3114.

(Appx. 1328a-1329a.)

RECEIVED by MSC 8/21/2025 3:06:15 PM

COUNTER-STATEMENT OF QUESTIONS PRESENTED FOR REVIEW

I. WHETHER THIS COURT SHOULD REVERSE BECAUSE PLAINTIFF ABDULLA WAS INJURED WHILE OPERATING AN UNINSURED TRACTOR-TRUCK HE OWNED, UNDER MCL 500.3101(3)(l)(i)'s DEFINITION OF "OWNER", AND, THEREFORE, IS NOT ENTITLED TO RECOVER NO-FAULT BENEFITS UNDER MCL 500.3111 OR MCL 500.3114, AS HE IS EXCLUDED FROM RECOVERING BENEFITS UNDER MCL 500.3113(b).

Defendant-Appellant Auto Club answers:	Yes.
Defendant-Appellee MAIPF answers:	Yes.
Plaintiff-Appellee Abdulla answers:	No.
The trial court answered:	No.
The Court of Appeals answered:	No.
This Court should answer:	Yes.

RECEIVED by MSC 8/21/2025 3:06:15 PM

INTRODUCTION

The issue in this case is whether a person may avoid the Michigan No-Fault Act's compulsory coverage requirements and penalties for failing to maintain such coverage by titling a vehicle in the name of one's solely owned and operated corporate entity, despite that person having all the rights associated with ownership of the vehicle. The answer to that question is a resounding "no."

The cornerstone of Michigan's no-fault system is its compulsory coverage requirement. This requirement is instrumental in accomplishing the Act's goal of providing guaranteed and prompt recovery for economic losses at affordable rates. Without the Act's compulsory coverage system, the gargantuan costs of the system could not be spread across all of Michigan's driving public. The Act precludes an owner who fails to comply with the Act's coverage mandate from recovering no-fault benefits under MCL 500.3113(b).

Over a compelling dissent, the majority veered past the Act's definition of "owner," instead relying on the Michigan Limited Liability Company Act and improperly focusing on the purpose of the vehicle's use – an element entirely absent from the Act – to define "owner" for purposes of the No-Fault Act. The majority's opinion flies in the face of this Court's directive that when determining whether one is an "owner" under the Act, the focus must be on the person's rights to the vehicle, not actual use. The majority opinion below carves out an exception to the Act's security mandate, allowing owners of business vehicles to avoid the Act's penalties for failing to maintain mandatory coverages by titling them under the names of an LLC, thus entitling such owners to enjoy the benefits of the no-fault system without contributing to the system through the payment of insurance premiums calculated to cover the risk of business vehicles, as required.

RECEIVED by MSC 8/21/2025 3:06:15 PM

This Court should reverse the published decision below, removing the majority's perilous exception to the Act's coverage mandate because it lacks any statutory foundation and contravenes the policy underlying MCL 500.3113(b).

COUNTER-STATEMENT OF MATERIAL PROCEEDINGS AND FACTS

I. THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY AND THE MICHIGAN ASSIGNED CLAIMS PLAN.

The Michigan Automobile Insurance Placement Facility ("MAIPF") is a nonprofit association in which every insurer authorized to write automobile insurance in Michigan must participate. MCL 500.3301. See also MCL 500.134(6) (the MAIPF is "a nonprofit organization of insurer members…created under chapter 33" of Michigan's Insurance Code). Among its other duties, the MAIPF administers the Michigan Assigned Claims Plan ("MACP") pursuant to MCL 500.3171 through MCL 500.3175, which is part of the Michigan No-Fault Act, MCL 500.3101 *et seq.* (the "Act").[1]

The MACP is a statutorily-created plan, MCL 500.3171, that is designed to provide Michigan no-fault personal protection insurance ("PIP") benefits to persons otherwise entitled for coverage under the Act in certain limited circumstances. See MCL 500.3172(1). Whether a person is eligible to make a claim for benefits under the MACP is governed by § 3172(1), which states that a person entitled to claim no-fault benefits as a result of being injured in a motor vehicle accident "in this state" may claim such benefits through the MACP in four enumerated circumstances. MCL 500.3172(1). Most commonly, this right to claim benefits under the MACP arises where there is no insurance policy the injured person can look to for coverage.

[1] Originally, the Michigan Secretary of State was charged with the organizing and maintaining an "assigned claims facility and plan." MCL 500.3171(1). However, 2012 PA 204 transferred administration of the assigned claims system from the Department of State to the MAIPF. See MCL 500.3171.

RECEIVED by MSC 8/21/2025 3:06:15 PM

Where a claim for benefits under the MACP appears initially eligible, the MAIPF assigns the claim to an insurer, who investigates, adjusts, and pays the claim if the claimant is determined to be eligible under the Act. See MCL 500.3173a, MCL 500.3174; MCL 500.3175. However, the assigned insurer is reimbursed for that cost from the MAIPF.

The MAIPF is funded through assessments on each Michigan automobile insurer and self-insurer and includes an amount necessary to fund the operation of the MACP, including amounts to pay and administer claims. See MCL 500.3171(1) ("Costs incurred in the operation of the facility and the plan shall be allocated fairly among insurers and self-insurers."); MCL 500.3171(2) ("Costs incurred in the administration of the assigned claims plan shall be allocated fairly among insurers and self-insurers."). The last two annual assessments soared to nearly $503 and $554 million dollars.[2]

These assessments are ultimately borne by Michigan's driving public, as the cost of auto insurance in every Michigan automobile insurance policy is based in part on the amount of funds required to operate the MACP. See MCL 500.3176 ("Reasonable costs incurred in the handling and disposition of assigned claims, including amounts paid pursuant to assessments under section 3171, *shall be taken into account in making and regulating rates for automobile liability and personal protection insurance*.") (emphasis added). In fact, insurers may display a separate line item on the customer's policy declarations page, demonstrating their cost attributable to the MACP.

II. FACTUAL & PROCEDURAL BACKGROUND

Plaintiff was invovled in a motor vehicle accident in Missouri while operating a 2012 Volvo tractor (semi truck) on December 17, 2020. (Appx. 40a-44a, Crash Report.) Plaintiff is a self-employed truck driver and was hauling a load of tomatoes from Michigan to Texas

[2] https://www.michacp.org/assessment.aspx (last visited August 14, 2025).

RECEIVED by MSC 8/21/2025 3:06:15 PM

pursuant to an "Independent Contractor Lease Agreement" between Land Trucking and Tornado Trucking, LLC, which is Plaintiff's limited liability company of which he is the sole member. (Appx. 116a-120a, 551a-555a, Agreement; Appx. 40a-44a, Crash Report; 438a-441a, 469a-470a, Pl. Dep.) While Plaintiff testified initially that he owned the tractor he was driving, he later clarified that it was actually titled to his limited liability company, Tornado Trucking.

Prior to the accident, on behalf of Tornado Trucking, Plaintiff entered into the "Independent Contractor Lease Agreement" under which Land Trucking would furnish loads for Tornado Trucking to transport using Tornado Trucking's own equipment – the 2012 tractor truck. (Appx. 116a-120a, 551a-555a, Agreement.) The agreement specified that Tornado Trucking "holds title to certain motor truck equipment…." (Appx. 551a.)

The agreement referred to Tornado Trucking as "Contractor" and required as follows:

- "Contractor shall be solely responsible for furnishing the power equipment used to provide service and shall keep same in good repair in accordance with federal regulation and inspection requirements."
- "Contractor shall be solely responsible for the payments on the leased equipment on the subject equipment and shall have the right to make all crucial decisions with respect to the maintenance and operation of such equipment."
- "Contractor is free to work when and where it chooses and shall accept or reject work assignments on a load by load basis."
- "Contractor shall at all times be free to set its hours of operations consistent with the federally imposed hours of service requirements and the scope of the work accepted and the customer's service expectations."
- "Contractor agrees to comply with any scope of work requirement imposed by the customer service conditions when accepting a job assignment but is otherwise free to schedule the order of its work."
- "…Contractor shall be free to set the method and time of performance for all delivery of loads accepted by it."
- "Contractor shall remain responsible for hiring and supervising his employees and for paying their salaries and all relevant taxes."

RECEIVED by MSC 8/21/2025 3:06:15 PM

- "Contractor shall train all of its driver personnel…" (Appx. 117a-118a, 552a-553a)

The agreement was silent as to whose responsibility it was to maintain insurance on the equipment used to transport Land Trucking's loads.

At the time of the accident, Plaintiff resided in Lincoln Park, Michigan. (Appx. 436a.) *The tractor was registered and garaged in Michigan.* (Appx. 441a-442a, 745a.) Plaintiff stored the tractor at a truckstop in Dearborn, Michigan when he was not using it. (Appx. 441a-442a.)

Plaintiff obtained what is commonly referred to as a "bobtail" policy for the tractor from Great American Insurance Company. The Great American policy contains a "trucking or business use" exclusion, which states that the coverage "does not apply" to bodily injury "arising out of any accident which occurs while the covered auto is being used in the busines of any lessee or while the covered auto is being used to transport cargo of any type." (Appx. 690a, 692a.) Plaintiff acknowledged this policy does not provide coverage for personal protection insurance ("PIP") benefits if an accident occurs while the tractor is hauling a load. (Appx. 667a.) *There was no other insurance coverage on the tractor.*

Land Trucking was issued an insurance policy by Progressive Southeastern Insurance Company, which was an Indiana policy and does not offer PIP coverage. (Appx. 557a-590a.) Neither Plaintiff nor his tractor was listed on the declarations page where drivers and vehicles were listed. (Appx. 558a-559a.)

A. Trial Court Proceedings

Plaintiff filed this action seeking payment of no-fault benefits from Great American, Progresive Southeastern Insurance Company, and Auto Club. Auto Club insured Plaintiff's resident relative, Abdullkader Al-Shihry. (Appx. 592a-617a.) Later, Plaintiff amended his complaint to add the MAIPF as a defendant. (Appx. 86a-94a.)

RECEIVED by MSC 8/21/2025 3:06:15 PM

Great American was dismissed because its business-use exclusion applied, which Plaintiff did not dispute. (Appx. 1046a.) The MAIPF was dismissed on the basis that Plaintiff was ineligible to claim benefits under the MACP, pursuant to MCL 500.3172(1), because the accident did not occur in this state. (Appx. 747a.) See also, *Steanhouse v Mich Automobile Ins Placement Facility*, ___Mich App___; ___NW2d___ (2024). The order dismissing the MAIPF was not appealed and that ruling is not at issue in Auto Club's application for leave to appeal to this Court.

Pertinent to this appeal is Auto Club's motion for summary disposition which asserted that Plaintiff was excluded from recovering no-fault benefits under MCL 500.3113(b) because he was operating an uninsured vehicle that he owned at the time of the accident. (Appx. 504a-657a.) The MAIPF and Progressive concurred. (Appx. 658a-663a.) Plaintiff argued it was not his responsibility, as the sole owner and operator of Tornado Trucking, to maintain coverage for the tractor for any periods of time the tractor was being used to haul loads for Land Trucking, as that was Land Trucking's responsibility. (Appx. 667a-668a.) Plaintiff argued he fulfilled Tornado Trucking's obligation to maintain coverage by obtaining bobtail insurance on the vehicle. (*Id.*) Plaintiff did ***not*** argue that MCL 500.3113(b) should not apply based on any distinction between him individually and Tornado Trucking, instead focusing his argument on the distinction between the tractor and trailer, arguing he did not own the trailer. (See Appx. 664a-677a.)

Without oral argument, on October 5, 2022, the trial court denied Auto Club's motion on the praecipe, stating "Pursuant to MCL 500.3101 and MCL 500.3113(b) as the Plaintiff did maintain proper security on the tractor and therefore isn't excluded from PIP coverage; and pursuant to MCL 500.3114(4), ACIA is the highest in priority to pay benefits." (Appx. 746a.) Auto Club filed a motion for reconsideration, which was also denied on January 13, 2023.

RECEIVED by MSC 8/21/2025 3:06:15 PM

(Appx. 998a-999a.) Auto Club filed an application for leave to appeal the October 5, 2022 and January 13, 2023 orders, which was granted.

The court enterd an order dismissing Progressive, albeit without prejudice, following Progressive's motion to clarify the court's prior order concluding Auto Club was highest in the order of priority. (Appx. 0813a-815a.)

Plaintiff also filed a motion for partial summary disposition in the trial court, asking the trial court to order that Auto Club is liable for payment of benefits, interest, and attorney's fees. The trial court granted the motion on January 20, 2023. (Appx. 1047a.) Auto Club also filed an application for leave to appeal this order, which was granted. The MAIPF participated as an appellee in the Court of Appeals but supported Auto Club's position.

B. The Court Of Appeals' Opinion

The Court of Appeals issued a *published* 2-1 opinion, affirming the trial court's denial of summary disposition to Auto Club. The majority held that MCL 500.3113(b) does not exclude Plaintiff from recovery no-fault benefits because Plaintiff is not the owner of the tractor invovled in the accident – Tornado Trucking was the owner. The majority reasoned that Tornado Trucking was a separate legal entity distinct from Plaintiff and, as a limited liability company, it "possesses 'all powers necessary or convenient to effect any purpose for which the company is formed.'" (Appx. 1310a, slip op. at 5, quoting MCL 450.4210.) Plaintiff, as a member of the limited liability company "has no interest in specific limited liability company property" and was, therefore, only an agent of Tornado Trucking. *Id.*, quoting MCL 450.4504(1), (2); MCL 450.4406. The majority rejected Auto Club's argument that Plaintiff met the definition of an owner under the no-fault act because he had use of the tractor for more than 30 days, reasoning that the record did not contain evidence that Plaintiff "used the tractor in a propriety or possessory manner." *Id.* The

RECEIVED by MSC 8/21/2025 3:06:15 PM

court instead found Plaintiff's use "incidental to the business of Tornado Trucking and the long-haul trucking companies served by Tornado Trucking." *Id.*

Judge Jansen authored a compelling dissent, opining that Plaintiff was the owner of the tractor under the definition set forth under the No-Fault Act because he had use of the tractor for more than 30 days. (Appx. 1315a, Dissent, slip op. at 3.) The dissent reasoned that the majority's opinion contoverted the purpose of the Act, which is "to keep insurance premiums at affordable rates while providing victims of motor vehicle accidents assured, adequate, and prompt reparation for certain economic losses." *Id.* at 2. This policy is carried out by a system of compulsory insurance, as the Act precludes recovery of benefits by those who fail to meet the statutory security requirements. See *id.* Therefore, the Act defines owner in a manner that includes one who has "proprietary or possessory usage, as opposed to merely incidental usage" of a vehicle – use that comports with ownership. *Id.* at 2-3, *quoting Ardt v Titan Ins Co*, 233 Mich App 685, 690; 593 NW2d 215 (1999) and citing *Kessel v Rahn*, 244 Mich App 353, 359-360; 624 NW2d 220 (2001). Plaintiff had such use of the tractor in this case, meaning § 3113(b) applies.

C. Posture In This Court

Auto Club filed an Application for Leave to Appeal to this Court. The MAIPF filed an answer supporting Auto Club's application. Plaintiff filed an answer in opposition to Auto Club's application. Amicus briefs were also filed in support of Auto Club's application. This Court granted MOAA, ordered supplemental briefing, and invited amicus from the parties who filed them at the application stage and from CPAN and the Michigan Association for Justice. (Appx. 1328a-1329a.)

ARGUMENT

I. STANDARDS OF REVIEW

RECEIVED by MSC 8/21/2025 3:06:15 PM

This Court reviews a grant of summary disposition *de novo*. *Bush v Shabahang*, 484 Mich 156, 164; 772 NW2d 272 (2009). Questions of law and the interpretation of statutes are also reviewed *de novo*. *Haksluoto v Mount Clemens Regional Med Center*, 500 Mich 304, 309-310; 901 NW2d 577 (2017).

II. PLAINTIFF IS EXCLUDED FROM RECOVERING BENEFITS UNDER MCL 500.3113(B) BECAUSE HE WAS AN "OWNER" OF THE UNINSURED TRACTOR UNDER THE NO-FAULT ACT.

A. The Act's Definition of "Owner" is Crucial To The No-Fault Act's Compulsory-Coverage Design.

"More than 50 years ago, Michigan's no-fault act, 1972 PA 294, was enacted by the Legislature as 'an innovative social and legal response to the long payment delays, inequitable payment structure, and high legal costs inherent in the tort (or 'fault') liability system." *Andary v USAA Cas Ins Co*, ___Mich___;___NW3d___ (2023) quoting *Shavers v Attorney General*, 402 Mich 554, 578; 267 NW2d 72 (1978). The goal of the no-fault act (the "Act") is providing an equitable and prompt method of redressing injuries in a way which makes mandatory insurance coverage affordable to all motorists. *Tebo v Havlik,* 418 Mich 350, 360; 408 NW2d 181 (1984). "The no-fault act was as concerned with the rising cost of health care as it was with providing an efficient system of automobile insurance." *Dean v Auto Club Ins Ass'n*, 139 Mich App 266, 273; 362 NW2d 247 (1984), *appeal denied,* 422 Mich 921 (1985).

The Legislature believed its goals could be "most effectively achieved through a system of compulsory insurance, whereby every Michigan motorist would be required to purchase no-fault insurance or be unable to operate a motor vehicle legally in this state." *Shavers*, 402 Mich at 579. This compulsory insurance requirement facilitates the spreading of the cost of the no-fault system among all of Michigan's drivers. *Citizens Ins Co v Tuttle*, 411 Mich 536, 547; 309 NW2d 174 (1981). See also, *Shavers*, 402 Mich at 599 ("In choosing to make no-fault insurance compulsory

RECEIVED by MSC 8/21/2025 3:06:15 PM

for all motorists, the Legislature has made the registration and operation of a motor vehicle inexorably dependent on whether no-fault insurance is available at fair and equitable rates."). Section 3101(1) contains the Act's coverage mandate that sets forth what coverages must be maintained. MCL 500.3101(1).

Since its inception, the Act has precluded those who fail to participate in the no-fault system by purchasing its mandatory coverages from reaping the benefits of the system. See *Shavers*, 402 Mich at 619, 624. The Act enforces its compulsory security requirement through statutory penalties. *See Auto Club Ins Ass'n v Hill*, 431 Mich 449, 465; 430 NW2d 636 (1988). For example, MCL 500.3102 makes it a misdemeanor not to comply with the Act's coverage requirements. The Act's abolishment of tort liability only applies to those who comply with the Act's security mandate. MCL 500.3135(3). An owner of an uninsured vehicle may not recover damages under the mini-tort exception to tort abolishment. MCL 500.3135(4)(e). An insurer required to pay benefits arising out of an accident involving an uninsured vehicle may seek recovery of benefits paid, loss-adjustment costs, and attorney's fees from the owner of the uninsured vehicle. MCL 500.3177.

Relevant here, under MCL 500.3113(b), "an owner or registrant of a vehicle with respect to which the compulsory requirements of the act are not in effect (i.e., the uninsured Michigan motorist) is not entitled to personal injury protection insurance benefits." *Shavers*, 402 Mich at 619. The purpose of MCL 500.3113(b) is to encourage owners and registrants to fulfill their statutory duty to maintain the requisite coverages or be penalized by being excluded from the right to collect no-fault benefits. Section 3113 states:

> A person is not entitled to be paid personal protection insurance benefits for accidental bodily injury if at the time of the accident any of the following circumstances existed:
>
> ***

RECEIVED by MSC 8/21/2025 3:06:15 PM

> (b) The person was the owner or registrant of a motor vehicle or motorcycle involved in the accident with respect to which the security required by section 3101 or 3103 was not in effect.

MCL 500.3113.

Importantly, § 3113(b)'s penalty for failure to participate in the Act is not limited to those who hold title to a vehicle. Instead, § 3113(b) applies to "owners" of motor vehicles subject to the Act's security requirements.

The concept of ownership is paramount, as the ownership of a vehicle in Michigan triggers the Act's compulsory-coverage obligations under § 3101(1). MCL 500.3101(1) ("the owner or registrant of a motor vehicle required to be registered in this state shall maintain security…"); see also, *Husted v Dobbs*, 459 Mich 500, 514; 591 NW2d 642 (1999).

The Act specifically defines what constitutes an "owner" for purposes of the Act as follows:

> "Owner" means any of the following:
>
> (i) A person renting a motor vehicle or having the use of a motor vehicle, under a lease or otherwise, for a period that is greater than 30 days.
>
> (ii) A person renting a motorcycle or having the use of a motorcycle under a lease for a period that is greater than 30 days, or otherwise for a period that is greater than 30 consecutive days. A person who borrows a motorcycle for a period that is less than 30 consecutive days with the consent of the owner is not an owner under this subparagraph.
>
> (iii) A person that holds the legal title to a motor vehicle or motorcycle, other than a person engaged in the business of leasing motor vehicles or motorcycles that is the lessor of a motor vehicle or motorcycle under a lease that provides for the use of the motor vehicle or motorcycle by the lessee for a period that is greater than 30 days.
>
> (iv) A person that has the immediate right of possession of a motor vehicle or motorcycle under an installment sale contract.

MCL 500.3101(3)(l). Thus, the Act's definition of an "owner" is broad and not limited only to those who hold title.

RECEIVED by MSC 8/21/2025 3:06:15 PM

The Supreme Court's well-settled precedent requires that, when interpreting a statute, courts must "follow the established rules of statutory construction, the foremost of which is to discern and give effect to the intent of the Legislature." *Kostadinovski v Harrington*, 511 Mich 141, 150; 999 NW2d 318 (2023) quoting *Whitman v City of Burton*, 493 Mich 303, 311; 831 NW2d 223 (2013). Thus, courts "begin by examining the most reliable evidence of that intent, the language of the statute itself." *Whitman*, 493 Mich at 311. "'When a statute specifically defines a given term, that definition alone controls.'" *People v Butka*, ___Mich___; ___NW3d___ (2024), quoting *Kuznar v Raksha Corp*, 481 Mich 169, 176; 750 NW2d 121 (2008).

Moreover, where a court interprets a statute, it must "determine and effectuate the intent of the Legislature through reasonable construction in consideration of the purpose of the statute and the object sought to be accomplished." *Frankenmuth Mut Ins Co v Marlette Homes*, 456 Mich 511, 515; 573 NW2d 611 (1998). For that reason, "the proper interpretation" of a statute within the Act "comports both with the plain language of the statute and the legislative purpose of keeping insurance premiums at affordable rates while providing victims of motor vehicle accidents assured, adequate, and prompt reparation for certain economic losses." *Joseph v Auto Club Ins Ass'n*, 491 Mich 200, 217-18; 815 NW2d 412 (2012). Because the Legislature defined the term "owner", courts must presume the Legislature did so with the intent that "owner" be interpreted broadly in a manner that best serves the Act's underlying policy goals.

Here, as the dissent aptly recognized, "[i]t is against public policy for Abdulla to isolate himself from liability under the no-fault act by setting up the LLC and putting the tractor in its name." (Appx. 1314a, Dissent, slip op. at 2). Relying "on resident-relative coverage through [Plaintiff's] father's policy would undermine the statutory requirement in MCL 500.3101(1) that owners maintain insurance on their own vehicles." *Id.* at 3. He was the sole owner and operator

RECEIVED by MSC 8/21/2025 3:06:15 PM

of Tornado Trucking to which the tractor was titled. Plaintiff had exclusive control and custody over the tractor involved in the accident. Put simply, Plaintiff is the only actual living person – not a corporate entity – who could possibly be effected by § 3113(b)'s consequences if the tractor were to be invovled in an accident. The Court of Appeals' opinion establishes a dangerous precedent, allowing corporate entities to benefit by failing to comply with the Act's security requirements, resulting in increased costs to individuals who purchase Michigan auto insurance, as required by law. The result is antithetical to the interests of Michigan's drivers whom the Act is designed to benefit.

B. Plaintiff Is An Owner Of The Tractor Involved In The Accident.

Michigan's appellate courts have interpreted § 3101(l)'s definition of "owner" as one who has the right to use a motor vehicle in a manner that comports with ownership. *Ardt*, 233 Mich App at 690. It is axiomatic that Plaintiff had the right to use the tractor in the same manner as Tornado Trucking, which held title.

In *Ardt*, the issue was whether the plaintiff, who had use of his mother's uninsured vehicle, was a statutory owner under § 3101, thus, excluded from benefits under § 3113(b). The court explained "[t]he statutory provisions at issue operate to prevent users of motor vehicles from obtaining the benefits of personal protection insurance without carrying their own insurance through the expedient of keeping title to their vehicles in the names of family members." *Id.* at 690. The court "infer[red] from these provisions that they were enacted in furtherance of the sound public policy imperative that users of motor vehicles maintain appropriate insurance for themselves as indicated by their actual patterns of usage[.]" *Id.* *Ardt* makes clear that "having the use" of a motor vehicle, "for purposes of defining 'owner'", means "that ownership follows from proprietary or possessory usage, as opposed to merely incidental usage under the direction or with

RECEIVED by MSC 8/21/2025 3:06:15 PM

the permission of another." *Id.* at 691. In other words, "using the vehicle in ways that comport with concepts of ownership." *Id.* at 690.

The rule set forth in *Ardt* was applied by the Court of Appeals two years later in *Chop v Zielinski*, 244 Mich App 677; 624 NW2d 539 (2001). In *Chop*, the court held the plaintiff was the "owner" of a vehicle titled to her ex-husband where she parked the vehicle at her apartment complex, a residence separate from her ex-husband's, drove the car to and from work daily, and used the car for personal errands. *Id.* at 681. The court reasoned that the plaintiff's use of the vehicle demonstrated that she exercised ownership rights. *Id.* The court rejected the argument that she could not be an "owner" because the statutory definition only applied where there was a lease or rental agreement. The court explained, "[a] plain reading of the statutory definition of the term 'owner' indicates that anyone having use of a vehicle pursuant to a lease *or otherwise* for a period that is greater than thirty days is considered an owner of the vehicle." *Id.* at 682 (emphasis supplied). Further, construing the Act's definition of "owner" "to apply in situations not involving lease and rental agreements comports with the legislative purpose of the no-fault laws 'to correct the injustice of allowing drivers who do not contribute to the no-fault system to recover damages from persons that do contribute to the system, and to provide an incentive for uninsured motorists to comply with the requirement that they maintain no-fault automobile insurance.'" *Id.*, quoting *Stevenson v Reese*, 239 Mich App 513, 519; 609 NW2d 195 (2000).

Three years after *Chop*, this Court interpreted the definition of "owner" under the Act[3], holding that one need not actually have had use of the vehicle for at least 30 days before

[3] *Ardt*, *Chop*, and *Twichel* all interpret the statutory definition of "owner" under § 3101(2)(g)(i), which is now located under § 3101(3)(l)(i). The version of the statute that existed at the time of *Ardt*, *Chop*, and *Twichel* is substantively identical, as it stated, "[a] person renting a motor vehicle or having the use thereof, under a lease or otherwise, for a period that is greater than 30 days."

the accident. *Twichel v MIC Gen Ins Corp*, 469 Mich 524, 531; 676 NW2d 616 (2004). Rather, "*[i]t is the nature of the right to use the vehicle* whether it is contemplated that the right to use the vehicle will remain in effect for more than thirty days that is controlling, not the actual length of time that has elapsed." *Id.* at 532 (emphasis added).

In *Twichel*, this Court held that Brady Sies was the "owner" of a vehicle. Five days before the accident, Sies paid the titled owner of the vehicle $300 of the $600 purchase price and took possession of the vehicle, agreeing to pay the titled owner the remainder of the purchase price at a later date. *Id.* at 526. Title was not transferred to Sies. This Court held, "the arrangement between the seller and [Sies] was for a permanent transfer of ownership of the vehicle and it contemplated that [Sies] would have exclusive use of the truck permanently." *Id.* at 531. Thus, at that point, his *right* to use the vehicle comported with ownership. It was entirely inconsequential whether his *actual use* of the vehicle exceeded 30 days. In sum, when determining whether a person is an "owner" under § 3101(3)(l)(i), the focus must be on the nature of the person's right to use the vehicle and whether that right comports with ownership.

When determining whether a person is an "owner" for purposes of the Act, courts have considered the following factors: (1) whether the person's use of the vehicle was regular or periodic, *Ardt*, 233 Mich App at 691; (2) whether the person used the vehicle exclusively or if it was shared, *Kessel*, 244 Mich App at 357-358; (3) whether the person required permission to use the vehicle, *Detroit Med Ctr v Titan Ins Co*, 284 Mich App 490, 491-492; 775 NW2d 151 (2009); (4) whether the person performed maintenance on the vehicle or paid for maintenance and/or fuel, *id.* at 492; *Kessel*, 244 Mich App at 357-358; (5) where the vehicle was garaged, *Chop*, 244 Mich App at 681; and (6) whether the person believed he or she had a legal right to the vehicle, *id.* at 681-682.

RECEIVED by MSC 8/21/2025 3:06:15 PM

RECEIVED by MSC 8/21/2025 3:06:15 PM

Here, Plaintiff satisfies every factor because he had the "right" to use the tractor as an owner. Plaintiff was the sole owner and sole driver of Tornado Trucking, who drove the tractor for months. (Appx. 439a-440a, 470a-472a.) Thus, his use was regular and exclusive. Plaintiff clearly possessed the keys to the tractor. As the sole member of Tornado Trucking, he did not need anyone's permission to use the tractor, as the only person capable of making any decisions regarding the tractor was Plaintiff himself. For that same reason, Plaintiff is the only person responsible for maintaining and fueling the tractor. Plaintiff kept the tractor in his custody, garaging it at a truck stop when he was not using it. (Appx. 440a-441a.) Finally, in his deposition, he testified he was the owner of the tractor. (Appx. 439a.) Thus, he plainly believed he had a legal right to the tractor. As the sole member of Tornado Trucking, Plaintiff had the autonomy to use the tractor as he pleased. While Plaintiff may not have used the tractor to run personal errands, he certainly had the right to do so, as he is the only person who made decisions concerning Tornado Trucking and its assets. *It is the right – not the actual use – that is the proper focus of this analysis.* *Twichel*, 469 Mich at 532. Accordingly, Plaintiff was the "owner" of the tractor under § 3101(3)(l)(i)

C. The Majority Opinion Widely Strays From Plain Statutory Language, Grafting An Exception To The Act's Security Mandate.

The Court of Appeals erred by concluding that Plaintiff's "use of the tractor was incidental to the business of Tornado Trucking and the long-haul trucking companies served by Tornado Trucking." (Appx. 1310, slip op., at 5). This conclusion contravenes *Twichel*, creating a distinction – entirely absent from the Act's text – between business and personal use, resulting in grafting a perilous exception into the Act's security mandate.

First, the majority focused on Plaintiff's *actual use* of the tractor – his business use – instead of analyzing the scope of his *right to use* the tractor. The majority appears to have drawn

RECEIVED by MSC 8/21/2025 3:06:15 PM

from the language in *Ardt*, explaining that an "owner" is one who has a right to behave as an owner of a vehicle and not one whose use is merely "incidental usage under the direction or with the permission of another." *Ardt*, 233 Mich App at 691. The majority's mistake is plucking the words from *Ardt's* analysis and elevating them, without context, over the plain language of the statute. Statutes must be applied as written. *Dye v Esurance Prop & Cas Ins Co*, 504 Mich 167, 180; 934 NW2d 674 (2019). The language in *Ardt* simply contrasted constructive ownership with behavior that is unlike ownership – where one must ask permission from another and then uses the vehicle only as directed by another. Thus, to the extent that specific language in *Ardt* is instructive, the relevant question is whether Plaintiff's right to use the tractor was merely "incidental usage under the direction or with the permission of another" or whether it comported with ownership. See also, *Twichel*, 469 Mich at 532.

Plaintiff's rights comport with ownership because he had the right to choose whether to use the tractor only for business or for other purposes, without having to seek permission from another. Plaintiff's right to use the tractor was not confined only to hauling loads for Tornado Trucking. Plaintiff did not require Tornado Trucking's permission to use the tractor. Tornado Trucking did not control or dictate Plaintiff's use of the tractor. Plaintiff purchased the tractor and titled it under his solely owned and operated LLC, over which he had complete autonomy. Had Plaintiff wished to take the tractor to the grocery store or on vacation, he could have. Had Plaintiff wanted to take a road trip to a desired location after dropping off a load, he could have. As the only person who controlled Tornado Trucking, Plaintiff was the only person who controlled the tractor owned by Tornado Trucking. Plaintiff set the rules and had the ability to make all decisions concerning the tractor. Plaintiff is the sole living being that had custody of and control over the tractor; thus, the "owner" within the meaning of § 3101(3)(l)(i).

RECEIVED by MSC 8/21/2025 3:06:15 PM

Even Plaintiff's use of the tractor for Tornado Trucking's business was not "under the direction or with the permission of another." Tornado Trucking hauled loads under the agreement with Land Trucking. The agreement recognized Tornado Trucking owned "certain motor truck equipment" and was responsible for "furnishing the power equipment used to provide service" and maintaining such equipment, including making any decisions concerning maintenance. (Appx. 681a-682a.) In sum, Plaintiff, as the sole owner, operator, and driver for Tornado Trucking had complete autonomy over the equipment used to complete deliveries under the agreement and did not require Land Trucking's permission to use the tractor. Moreover, Land Trucking did not provide any direction to Plaintiff regarding his use of the tractor. Under the agreement, Land Trucking did not dictate when or how the loads were delivered or by whom. Land Trucking did not supply, train, or employ drivers. (*Id.*) Land Trucking had no authority over Tornado Trucking's drivers – which consisted only of Plaintiff – or how Tornado Trucking's driver used the tractor. Put simply, as explained by Plaintiff, Land Trucking's dispatcher "would give [Plaintiff] loads…and [he] would take them" where they needed to go with his tractor. (Appx. 529a.)

Second, paying little heed to text, the majority's opinion improperly focuses on the purpose of the vehicle's use.[4] According to the majority, one who has complete autonomy over the use of a vehicle used for business cannot meet the definition of an owner under § 3101(3)(l)(i). But, the statute contains no distinction between business and personal use. Rather, it plainly defines an "owner" as a "person…having the use of a motor vehicle…for a period that is greater than

[4] Plaintiff purchased a bobtail policy for the tractor that only provided coverage when the tractor was being used for non-business purposes. Thus, even under the lower court's incorrect framework, there is evidence that Plaintiff used the tractor for non-business purposes, as he was not hauling any loads for Land Trucking when the bobtail insurance would apply.

RECEIVED by MSC 8/21/2025 3:06:15 PM

30 days." MCL 500.3101(3)(l)(i). Nothing in this unambiguous statute considers the purpose of the vehicle's use. "Judicial construction of an unambiguous statute is neither required nor permitted." *McCormick v Carrier*, 487 Mich 180, 191-192; 795 NW2d 517 (2010). Courts "may not read into the statute what is not within the Legislature's intent as derived from the language of the statute." *Robinson v City of Lansing*, 486 Mich 1, 15; 782 NW2d 171 (2010) (quotation marks and citation omitted) (emphasis added). The Act governs who is an owner for the purposes of determining who is entitled to no-fault benefits. *Rohlman v Hawkeye-Security Ins Co*, 442 Mich 520, 524-525; 502 NW2d 310 (1993) (because PIP benefits are mandated by the Act, the Act is the "rule book" for deciding the issues concerning rights to such benefits). It was error to look to provisions of the Michigan Limited Liability Company Act (LLCA) to decide whether Plaintiff was entitled to no-fault benefits. See *Signature Villas, LLC v City of Ann Arbor*, 269 Mich App 694, 702; 714 NW2d 392 (2006) (rejecting the argument that MCL 450.4504 under the LLCA should be read *in pari materia* with the MCL 211.27a(6)(h) under General Property Tax Act because doing so would undermine the purpose of a statutory definition under § 27a(6)(h)). "[C]ourts are not free to manipulate interpretations of statutes to accommodate their own views of the overall purpose of legislation." *Twichel*, 469 Mich at 531.

This case perfectly illustrates why courts must analyze the actual facts to determine if a person is an "owner" under the Act, as opposed to relying on a phantom distinction between personal and business use entirely absent from the statutory language. Admittedly, it is likely far more common that one who uses a business vehicle is not an "owner" under the Act because the vehicle is likely titled to the employer, who sets the rules for the use of the vehicle, dictating when and how it is to be used. However, there are exceptions, such as this case, where the person using a business vehicle is also one with complete autonomy over the vehicle – thus, logically,

RECEIVED by MSC 8/21/2025 3:06:15 PM

irrespective of title, that person must be subject to the Act's security mandate, as the only living being who could secure coverage as mandated by the Act.

Put simply, § 3113(b) is concerned with incentivizing compliance with that mandate – not the reason for the vehicle's use. See *Chop*, 244 Mich App at 682. The statute penalizes the "owner" or "registrant" of an uninsured vehicle. The best indication of whether one should be subject to the Act's mandates, even in the absence of holding title, is whether that person acts as an owner by having rights to control and use the vehicle as an owner. This Court correctly interpreted the statutory definition of "owner" to reflect constructive ownership associated with one's rights to use the vehicle – not reasons for use. See *Twichel*, 469 Mich at 532. Statutory "language does not stand alone, and thus it cannot be read in a vacuum. Instead, it exists and must be read in context with the entire act." *Bush*, 484 Mich at 191 (cleaned up), quoting *Timmis & Co v Guardian Alarm Co*, 468 Mich 416, 421; 662 NW2d 710 (2003). See also, *Honigman Miller Schwartz & Cohn LLP v City of Detroit*, 505 Mich 284, 309; 952 NW2d 358 (2020) ("words in a statute should not be construed in a void, but should be read together to harmonize their meaning, giving effect to the act as a whole") (cleaned up). This Court's interpretation of "owner" in *Twichel* best serves the purpose of § 3113(b).

Third, the majority opinion below is especially misguided because it grafts an exception into the Act's security mandate, which is the lynchpin of the system. Courts may not read into a statute a requirement that the Legislature has seen fit to omit. *Book-Gilbert v Greenleaf*, 302 Mich App 538, 542; 840 NW2d 743 (2013). As explained above, the Legislature instituted a system of compulsory coverage to accomplish its goals of providing accident victims prompt, guaranteed recovery for economic losses and, simultaneously, offering such coverage at the lowest cost possible. See *Tebo*, 418 Mich at 360; *Dean*, 139 Mich App at 273. Compliance with the Act's

RECEIVED by MSC 8/21/2025 3:06:15 PM

security mandate is vital to accomplishing those goals, as it spreads the cost of the system across all Michigan's drivers. *Tuttle*, 411 Mich at 547.

The majority's opinion removes an important disincentive to violate the Act's coverage mandate where a vehicle is owned by a corporate entity who cannot suffer bodily injury. If the majority opinion is allowed to stand, vehicle owners can simply transfer the title of their vehicle to a solely owned limited liability company to avoid the Act's penalties, which are interwoven with the concept of vehicle ownership under the Act. See MCL 500.3101; MCL 500.3102; MCL 500.3113(b); MCL 500.3135; MCL 500.3177. With fewer participants in the system, the cost is not as widely spread, burdening those who comply with their legal duty to maintain security. Put simply, compounding its error, the majority's opinion contravenes both of the Act's underlying goals.

Finally, the majority's interpretation leads to an absurd result. Under MCL 500.3177, an insurer required to pay personal protection insurance benefits for injuries arising out of an accident involving an uninsured vehicle "may recover all benefits paid, incurred loss adjustment costs and expenses, and incurred attorney fees from the owner or registrant of the uninsured motor vehicle…" Thus, here, any insurer required to pay no-fault benefits to Plaintiff would have a statutory right to be repaid those amounts, including the cost of adjusting the claim, and attorney's fees from Plaintiff. Put simply, the insurer would pay benefits only to then file a lawsuit seeking reimbursement from the very person who received the benefits. This is plainly illogical and doesn't serve any of the Act's purposes.

D. Plaintiff's Arguments Fail.

Plaintiff's arguments should be summarily rejected. Plaintiff argues first that the bobtail coverage is sufficient to satisfy the Act's security requirement because PIP insurance covers

RECEIVED by MSC 8/21/2025 3:06:15 PM

people, not vehicles. Next, Plaintiff argues that it was Land Trucking's responsibility to maintain security on the tractor, as it met the definition of an owner under § 3101(3)(l)(i). Plaintiff is wrong.

First, the tractor was not covered as required by § 3101, which requires the mandated security "be in effect during the period *the motor vehicle* is driven or moved on a highway." MCL 500.3101(1) (emphasis added). Thus, while the security mandate is imposed on persons (owners and registrants), § 3101(1) makes it clear that vehicles must be covered because the coverage must be in place when the vehicle is driven on Michigan roads. Here, the tractor was registered and garaged in Michigan, thus, used on Michigan's roads. Therefore, it is a vehicle to which the security under § 3101(1) is required.

Plaintiff testified that he picked up the load for this particular assignment in Livonia, Michigan, as he had done "many times" in the past for Land Trucking. (Appx. 470a-471a.) Plaintiff testified he picked up loads at "many locations in Michigan." (Appx. 471a.) As the owner of a vehicle registered in Michigan, Plaintiff was mandated to maintain security for the period of time he used the tractor on Michigan's roads. MCL 500.3101. Because the bobtail policy does not offer PIP coverage at all times the vehicle is driven on Michigan's roads, because it has a business-use exclusion, it does not fulfill the Act's security mandate. Accordingly, on the date of the accident, the tractor was "a motor vehicle…involved in the accident with respect to which the security required by section 3101 or 3103 was not in effect." MCL 500.3113(b).

While, "as a general principle, the no-fault statutory scheme centers on insuring people, not vehicles, against loss", "some [of the Act's] statutory provisions do speak in terms of the vehicle rather than the person and, when they do, we must construe those statutes as actually written, regardless of whether those provisions follow the general scheme of 'people, not vehicles.'" *Turner v Farmers Ins Exch*, 507 Mich 858, 863 n 2; 953 NW2d 204 (2021)

RECEIVED by MSC 8/21/2025 3:06:15 PM

(Cavanaugh, J. dissenting). "In other words, whether a statutory provision ties…to the vehicle (such as the exclusion in MCL 500.3113(b) and *Dye*), it should be construed accordingly." *Id.* Thus, Justice Cavanaugh recognizes that the exclusion under § 3113(b) is tied to a vehicle's security requirements under § 3101. Indeed, in *Dye*, this Court held that "the phrase [under § 3113(b)] 'with respect to which the security required by section 3101 or 3103 was not in effect' refers to the vehicle, not the person." *Dye*, 504 Mich at 192.

Second, in *Ardt*, the Court of Appeals held that "where an uninsured motor vehicle involved in an accident has more than one owner, all the owners come under the statutory exclusion for personal protection insurance benefits." *Ardt*, 233 Mich App at 692. Section 3113(b) applies to all owners because, it is well settled that, while there can be more than one "owner" of a vehicle under the no-fault act, not every owner is required to purchase the security required by § 3101(1). *Iqbal v Bristol West Ins Group*, 278 Mich App 31, 42; 748 NW2d 574 (2008). Under *Dye*, the security mandate is satisfied if any person, even if not an owner, maintains insurance on the vehicle, for purposes of § 3113(b). *Dye*, 504 Mich at 192-93. It is also true that an owner or owners may combine policies to satisfy § 3101(1)'s coverage mandate. *Integral Ins Co v Maersk Container Serv Co*, 206 Mich App 325, 332; 520 NW2d 656 (1994). However, security must nonetheless be maintained on a vehicle for all times it is operated on Michigan's roads. MCL 500.3101. Unlike the vehicle in *Integral*, the tractor in this case was not covered during all such times, as it was not covered by any policy that did not include a business-use exclusion.

Thus, it is inconsequential whether Land Trucking was an "owner" of the tractor because whether it was or was not, *the tractor was not insured as required by the Act*. Plaintiff's argument that he is not excluded by § 3113(b) because Land Trucking, as a purported owner, failed to maintain the requisite security falls flat. As a constructive owner, Plaintiff was responsible for

RECEIVED by MSC 8/21/2025 3:06:15 PM

maintaining the requisite security. See MCL 500.3101. Land Trucking did not suffer bodily injury – Plaintiff did – therefore, it is only Plaintiff who is excluded from recovering no-fault benefits for his injuries arising out of the December 17, 2020 accident. Plaintiff cannot point the finger at Land Trucking.

III. PLAINTIFF IS NOT ENTITLED TO BENEFITS AS A RESIDENT RELATIVE OF A NAMED INSURED UNDER MCL 500.3111 OR MCL 500.3114.

While it is undisputed that Plaintiff is a resident relative of Auto Club's insured, thus, Auto Club's policy "applies" to him under MCL 500.3114(1), Plaintiff is, nonetheless, not entitled to recover PIP benefits under the Act pursuant to MCL 500.3114 or MCL 500.3111.

First, while § 3111 generally provides that no-fault benefits are payable for out-of-state accidents, it does not void § 3113(b). Section 3111 "provides that personal protection insurance benefits are payable for injuries suffered in accidents occurring outside Michigan to certain people." *Auto-Owners Ins Co v State Farm Mut Automobile Ins Co*, 187 Mich App 617, 619; 468 NW2d 317 (1991). Section 3111 is a broad coverage provision in the No-Fault Act that generally informs that benefits are payable for injuries arising from an out-of-state accident. But it does not include any language indicating a legislative intent to nullify any other of the Act's provisions that govern rights to no-fault benefits in specific circumstances, including § 3113(b). Nor does § 3111 provide a separate path to benefits. As explained below, the priority statutes direct a claimant against whom to assert a claim for benefits. Stated another way, while there is a general obligation for policy insurers to pay benefits for out-of-state accidents under § 3111, the remainder of the Act's eligibility requirements must also be met to entitle a claimant to payment of benefits. Section 3111 does not confer an absolute right to payment of benefits in a vacuum any more than MCL 500.3105, which defines the type of injury the Act is intended to compensate. *Belcher v Aetna*

RECEIVED by MSC 8/21/2025 3:06:15 PM

Cas & Surety Co, 409 Mich 231, 242; 293 NW2d 594 (1980). Statutory language must be read in context within the entire act, not in a vacuum. *Bush*, 484 Mich at 191.

Section 3113(b) is more specific than § 3111. "Where a statute contains a general provision and a specific provision, the specific provision controls." *TOMRA of North America, Inc v Dep't of Treasury*, 505 Mich 333, 350; 952 NW2d 384 (2020) (cleaned up). "The conflict is dissipated by interpreting the specific provision as an exception to the general one." *Id.* (cleaned up). This Court explained that "[o]ne rationale behind this interpretative maxim is that, if the general provision were given effect over the specific one, the more specific provision would be rendered nugatory and ineffectual." *Milne v Robinson*, 513 Mich 1, 13; 6 NW3d 40 (2024). "Another frequently cited rationale is the quite reasonable assumption that the legislature's attention was probably focused more directly on the subject matter of the specific than on only one aspect of a much broader subject matter." *Id.* (cleaned up).

Thus, here, while the Act generally grants a right to receive no-fault benefits for an out-of-state accident (just as there is a right to receive no-fault benefits for an in-state accident), there is no statutory basis for finding that such a right is not subject to the specific language of § 3113(b). Section 3113(b) specifically excludes an uninsured owner from recovery of benefits entirely. The words of the statute provide the best evidence of legislative intent and the policy choices made by the Legislature. See *White v City of Ann Arbor*, 406 Mich 554, 562; 281 NW2d 283 (1979). It is inconsequential whether the accident occurs in or outside of Michigan. There is no policy goal of the Act that would be served by permitting uninsured owners of vehicles to recover no-fault benefits for out-of-state accidents but not in-state accidents. The purpose of § 3113(b) is to preclude those who fail to participate in the no-fault system, as required by § 3101(1), from benefiting from the system.

RECEIVED by MSC 8/21/2025 3:06:15 PM

Second, § 3114 does not establish an absolute right to no-fault benefits either. "The priority statutes, MCL 500.3114 and MCL 500.3115, define against whom an individual may make a claim for benefits." *Covenant Med Ctr, Inc v State Farm Mut Automobile Ins Co*, 500 Mich 191, 215; 895 NW2d 490 (2017). "MCL 500.3114 instructs a person to pursue his or her 'claim' for PIP benefits from insurers according to the listed order of priority." *Griffin v Trumbull Ins Co*, 509 Mich 484, 498; 983 NW2d 760 (2022). "In this context, a claim for benefits is simply a demand to an insurer by its insured or a third party for payments that are *believed* to be due after a motor vehicle accident." *Id.* (emphasis added). Thus, while the priority statutes dictate which insurer is liable to pay benefits – if benefits are payable – they do not in of themselves confer a right to no-fault benefits. See *Parks v Detroit Auto Inter-Insurance Exchange*, 426 Mich 191, 201; 393 NW2d 833 (1986) (priority statutes "the order in which various *potentially* liable insurers will be required to cover a claim for benefits") (emphasis added).

It is axiomatic that the remainder of the Act's provisions must be heeded. Merely because an insurer is in the order of priority, it may nonetheless, have defenses to coverage or payment of benefits. For example, a claimant must prove a loss is compensable and due under the Act. See e.g. *Krohn v Home-Owners Ins Co*, 490 Mich 145, 148; 802 NW2d 281 (2011) (a claimant must prove an expense for treatment is "reasonable, and necessary"); *Proudfoot v State Farm Mut Ins Co*, 469 Mich 476; 673 NW2d 739 (2003) (benefits are not payable for an expense unless it is incurred); *Centria Home Rehab, LLC v Allstate Ins Co*, ___Mich App___; ___NW2d___ (2025) (claimant must provide reasonable proof that an allowable expense was incurred before it is payable); *Ward v Titan Ins Co*, 287 Mich App 552, 555; 791 NW2d 488 (2010) (where a claimant seeks wage-loss benefits, the claimant has the burden to prove the amount that would have been earned but for the injury); *Shanafelt v Allstate Ins Co*, 217 Mich App 625, 632; 552 NW2d 671

RECEIVED by MSC 8/21/2025 3:06:15 PM

(1996) ("a claimant must show that an exception to the parked vehicle exclusion applies and the injury arose out of the use of a motor vehicle as a motor vehicle); *Owens v Auto Club Ins Ass'n*, 444 Mich 314, 324; 506 NW2d 850 (1993) (a no-fault claimant 'also has the burden of establishing that he sought to obtain appropriate services from' the primary insurer, particularly where a policy contains a coordination of benefits provision).

So too here. Because Plaintiff "was the owner…of a motor vehicle or motorcycle involved in the accident with respect to which the security required by section 3101 or 3103 was not in effect", he "is not entitled to be paid personal protection insurance benefits for accidental bodily injury[.]" MCL 500.3113(b).

CONCLUSION AND REQUEST FOR RELIEF

For all of the above reasons, this Court should peremptorily reverse and adopt the dissenting opinion of the Court of Appeals, or grant leave to appeal and reverse.

Respectfully submitted,

Dated: August 21, 2025

By: */s/ Erin A. Sedmak*
Lori McAllister (P39501)
Erin A. Sedmak (P78282)
DYKEMA GOSSETT PLLC
201 Townsend Street, Suite 900
Lansing, MI 48933
Telephone: (517) 374-9152
esedmak@dykema.com

Attorneys for Defendant-Appellee Michigan Automobile Insurance Placement Facility

RECEIVED by MSC 8/21/2025 3:06:15 PM

CERTIFICATE OF COMPLIANCE

I certify that the Defendant-Appellee Michigan Automobile Insurance Placement Facility's Answer in Support of Auto Club Group Insurance Company's Application for Leave to Appeal complies with the type-volume limitation set forth in MCR 7.212(B). This brief uses a 12-point proportional font (Times New Roman), and the word count, based on the word count of the word-processing system used to produce this document, for this brief is 8,752 words.

Dated: August 21, 2025

By: */s/ Erin A. Sedmak*

Lori McAllister (P39501)
Erin A. Sedmak (P78282)
DYKEMA GOSSETT PLLC
201 Townsend Street, Suite 900
Lansing, MI 48933
Telephone: (517) 374-9152
esedmak@dykema.com

RECEIVED by MSC 8/21/2025 3:06:15 PM

PROOF OF SERVICE

I hereby certify that on August 21, 2025, I caused the foregoing paper to be filed with the Clerk of the Court using the Court's electronic filing system which will forward a copy via e-mail to all counsel of record.

Dated: August 21, 2025

By: */s/ Erin A. Sedmak*

Lori McAllister (P39501)
Erin A. Sedmak (P78282)
DYKEMA GOSSETT PLLC
201 Townsend Street, Suite 900
Lansing, MI 48933
Telephone: (517) 374-9152
esedmak@dykema.com