If this opinion indicates that it is "FOR PUBLICATION," it is subject to revision until final publication in the Michigan Appeals Reports.

STATE OF MICHIGAN

COURT OF APPEALS

BRONSON METHODIST HOSPITAL,

Plaintiff-Appellee,

v

PIONEER STATE MUTUAL INSURANCE COMPANY,

Defendant-Appellant,

and

MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY and JOHN DOE INSURANCE COMPANY,

Defendants.

UNPUBLISHED
November 10, 2026
9:03 AM

No. 376593
Kalamazoo Circuit Court
LC No. 2023-000680-NF

Before: YOUNG, P.J., and REDFORD and FEENEY, JJ.

REDFORD, J. (*concurring*).

I agree that *Northland Radiology, Inc v Allstate Fire and Cas Ins Co*, ___ Mich App ___, ___; ___ NW3d ___ (2026) (Docket No. 374214), is materially indistinguishable and, therefore, binding and dispositive in this appeal. MCR 7.215(C)(2). I write separately to highlight the significant concerns with the result reached in *Northland* and to suggest that the interpretation of MCL 500.3107d recently adopted by this Court is not consistent with our Supreme Court's precedent recognizing that personal protection insurance (PIP) benefits are contractual, as well as statutory, and that an insurer has no duty to investigate its insureds. This precedent also threatens to undermine the purpose for the laws that this Court is asked to interpret. I do not see that the plain language of the statute necessarily required this result; nonetheless, I join with the concurrence in *Northland* in suggesting that the Legislature consider whether an amendment to the no-fault act is warranted.

In *Northland*, ___ Mich App at ___; slip op at 1, this Court held that an election to opt out of PIP benefits payable under MCL 500.3107(1)(a) is effective only if all the criteria outlined in MCL 500.3107d are met. This Court further held that if it is later learned that the criteria were not satisfied with respect to a person unknown to the insurer and intentionally not included on the policy by the insured, the opt-out is effectively rendered null and void, and the insurer is liable for full PIP benefits under MCL 500.3107d(4). This Court determined such a conclusion was unavoidable because "[i]f an applicant or named insured could elect to opt out of PIP medical coverage without meeting all the criteria outlined in MCL 500.3107d, it would render those criteria meaningless." *Id.* at ___; slip op at 7. It also "reasonably inferred" from MCL 500.3107d(5) that the Legislature "intended that an applicant's or named insured's failure to make an effective election is applicable" to all persons identified in MCL 500.3107d(5) and that unlimited PIP medical coverage applied to the whole policy, not to select individuals. *Id.* at ___; slip op at 7-8.

This reasoning is concerning for a number of reasons. First, it ignores the parties' contractual relationship. PIP benefits are not wholly statutory; in fact, the Supreme Court rejected this position in its 2023 opinion evaluating the 2019 amendments to the no-fault act, of which MCL 500.3107d is a part. *Andary v USAA Cas Ins Co*, 512 Mich 207, 232-233; 1 NW3d 186 (2023). Instead, the insured's "right to PIP benefits were both contractual and statutory in nature." *Id.* Insurance policies and the statutes relating thereto "must be read and construed together as though the statutes were a part of the contract, for it is presumed that the parties contracted with the intention of executing a policy satisfying the statutory requirements, and intended to make the contract to carry out its purpose." *Meemic Ins Co v Fortson*, 506 Mich 287, 297-299; 954 NW2d 115 (2020), quoting *Rohlman v Hawkeye-Security Ins Co*, 442 Mich 520, 525 n 3; 502 NW2d 310 (1993). Here, there is no claim that the insurance policy issued by Pioneer to Bonnie—its insured—conflicted with any requirement of MCL 500.3107d; in fact, it appears from the record that Bonnie was provided with the forms required by MCL 500.3107d(3) and made the certifications required of her in this statute.

These provisions are important because by execution of these policies, the insured received a "vested contractual right" to PIP benefits available under the law that existed at the time of injury. *Andary*, 512 Mich at 215. In *Andary*, the named plaintiffs were "covered by policies under which premiums were paid with the expectation that uncapped lifetime benefits would be provided for all reasonable and necessary medical expenses." *Id.* This vested contractual right could not be stripped away or diminished by the 2019 amendments when the Legislature has failed to clearly state its intent to do so. *Id*.

However, the vested contractual rights in place after the 2019 amendments and in this case are different than in *Andary.* In this case, Bronson seeks payment for Brandon's injuries through a policy under which the premium was paid with the expectation that no PIP benefits would be provided. In other words, the 2019 amendments changed the vested contractual rights. "In 2019, the Legislature made significant changes to the no-fault act in an effort to control the cost of automobile insurance, including allowing insurance applicants to opt out of PIP benefits from an insurer under certain conditions." *Donner v Progressive Mich Ins Co*, 351 Mich App 398, 406; 36 NW3d 147 (2024) (citations and quotation marks omitted). The premium that Bonnie paid for this policy was paid with the expectation that no PIP benefits would be available, not only to her but also to "any other person who would have had a right to claim personal protection insurance benefits under the policy but for the election." MCL 500.3107d(5). As a result, Bonnie herself

had no right to claim PIP benefits under this policy. MCL 500.3107d(6); see also *Donner*, 351 Mich at 409. These rights were vested at the time of Brandon's accident. See *Andary*, 512 Mich at 238-239 ("It has long been the rule in Michigan that for insurance purposes the rights and obligations of the parties vest at the time of the accident.") (citations and quotation marks omitted). Therefore, "neither the insured nor the insurer can unilaterally change the terms of a policy after a covered accident occurs." *Id.* This Court's holding in *Northland* and, subsequently, in this case contradict this long-standing statement of law. Its reading of MCL 500.3107d(4) effectively provides Brandon "vested contract rights" in this policy that are greater than those of the named insured, Bonnie, and allows him to unilaterally change the terms of a policy that no one disputes was in compliance with Michigan law.

The fact that the opt-out becomes a part of the contract is evident from MCL 500.3107d. MCL 500.3107d(1) requires an election to be made on a form that includes the information required by MCL 500.3107d(2) and (3). Among other things, the applicant or named insured must provide "the names of all persons covered under the qualified health coverage," as well as a certification of "whether all persons required to be qualified persons under subsection (1) are qualified persons." MCL 500.3107d(2) and (3)(a). The insurer must notify the insured of the "benefits and risks associated with not maintaining the coverage," and "if during the term of the policy the qualified health coverage ceases, the person has 30 days after the effective date of the termination of [QHC] to obtain insurance that provides coverage under section 3107(1)(a) or the person will be excluded from all personal protection insurance coverage benefits under [MCL 500.3107(1)(a)] during the period in which coverage under this section was not maintained." MCL 500.3107d(3)(e).

Importantly, Bonnie was aware of this election, the risks entailed, and the fact that Brandon was not included on her policy. During her deposition, Bonnie testified that her decision not to include Brandon was intentional because he did not drive her car. Moreover, his living arrangement with her was temporary and unpredictable. While Brandon slept on her couch for perhaps weeks at a time and used her address as a mailing address, he did not have a key to her residence or a room at her house, nor did either she or Brandon anticipate that this living arrangement would be permanent.

Simply put, the contract between the parties coincides with the parties' intent and the requirements of Michigan law, including MCL 500.3107d. Instead of construing the policy and the statutes together, this Court's decision in *Northland* interprets MCL 500.3107d(1) and (4) in such a way as to effectively rewrite the contract, override the intent of the parties, and render Bonnie's election ineffective.

Second, this analysis threatens the very purpose of the laws that this Court is called upon to interpret. The election to opt out of PIP benefits was part of a significant overhaul of the no-fault act enacted in 2019 as a part of our Legislature's effort to control the cost of automobile insurance. *Andary*, 512 Mich at 214; *Donner*, 351 Mich App at 406-407. Pioneer priced the premium on Bonnie's policy in such a way as to account for her election to opt out of PIP benefits and her certification that no other person was named on the policy. It also did this in assurance that the election would apply to a relative "domiciled in the same household, and any other person who would have a right to claim personal protection insurance benefits under the policy but for the election." MCL 500.3107d(5). By interpreting MCL 500.3107d(4) as requiring an automobile

insurer to pay PIP benefits for persons unknown to the insurer but who do not qualify for the election, this Court has severely curtailed an insurance company's ability to predict, much less control, the cost of an automobile insurance policy for persons like Bonnie who themselves qualify for the Medicare opt-out provision.

Third, by placing the responsibility on the insurance company to pay PIP benefits to persons unnamed by the insured, this Court is placing a burden on the insurer to investigate its applicant's statements. MCL 500.3107d does not require this. Indeed, the "applicant or named insured" is required to provide documentation of qualified health coverage that identifies the names of "all persons covered under the qualified health coverage" and, also, to "certify whether all persons required to be qualified persons under [MCL 500.3107d(1)] are qualified persons." MCL 500.3107d(2) and (3)(a). Placing this responsibility on the applicant or named insured is consistent with judicial precedent recognizing that "an insurer has no duty to investigate or verify the representations of a potential insured." *Titan Ins Co v Hyten*, 491 Mich 547, 570; 817 NW2d 562 (2012). The practical effect of *Northland* is either to place an obligation on the insurer to investigate the insured's certifications as to whether any person covered by the policy has qualified coverage or is a qualified person, or to require the insurer to price the premium as if the election to opt out of PIP benefits did not exist. Neither result is supported by Michigan law or prior judicial precedent.

Nor is this result inherent in the language of MCL 500.3107d. The maxims of statutory construction are not in dispute. Our starting point is the statutory language. "If a statute's language is clear and unambiguous, it is presumed that the Legislature intended that its plain meaning be enforced as written." *Univ Neurosurgical Assoc, PC v Auto Club Ins Ass'n*, 348 Mich App 305, 311; 18 NW3d 379 (2023). "As far as possible, effect should be given to every phrase, clause, and word in the statute," *Bush v Shabahang*, 484 Mich 156, 167; 772 NW2d 272 (2009) (citations and quotation marks omitted); however, we do not read the provisions in a vacuum. *Gurski v Motorists Mut Ins Co*, 321 Mich App 657, 671-672; 910 NW2d 385 (2017). "Individual words and phrases, while important, should be read in the context of the entire legislative scheme," considering not only the plain meaning of a particular phrase but, also, the placement and purpose in the statutory scheme. *Bush*, 484 Mich at 166-167.

MCL 500.3107d(1) authorizes an "applicant or named insured" to opt out of PIP benefits if she is a "qualified person" and if her spouse, "and any relative . . . that resides in the same household" either has "qualified health coverage" or another automobile insurance policy that provides PIP benefits. A "qualified person" is defined in MCL 500.3107d(7)(c) as "a person who has qualified health coverage under ["parts A and B of the federal Medicare program established under subchapter XVIII of the social security act, 42 USC 1395 to 1395*lll*."]" MCL 500.3107d(7)(c) and (b)(*ii*). Qualified health coverage is also defined as health or accident coverage that "does not exclude or limit coverage for injuries related to motor vehicle accidents" and includes an "annual deductible for the coverage" of $6,000 or less per person. MCL 500.3107d(7)(b)(*i*)(A) and (B).

I agree that for a named insured or applicant to elect to not maintain PIP benefits, she must be a qualified person, and her spouse and/or any resident relative residing in the same household must either be a qualified person or have qualified health coverage before the policy can be entered or renewed. MCL 500.3107d. Indeed, the named applicant or insured is required to provide

documentation and certifications supporting these factors on forms required by law. See MCL 500.3107d(2) and (3). Failure to provide such forms and documentation demonstrating this eligibility requires that a policy be issued or renewed with full PIP benefits. MCL 500.3107d(4).

However, I respectfully disagree with this Court's determination in *Northland* that these requirements are rendered surplusage or nugatory if, after the policy is entered, coverage is not available to a person unknown to the insurer who does not satisfy these requirements. *See Northland*, ___ Mich App at ___; slip op at 7. Timing matters. If Bonnie had not provided the required certifications or if Pioneer had information suggesting that she did not qualify for the opt-out at the time the policy was issued or renewed, the opt-out would not have been effective and the policy would have defaulted to providing PIP benefits under MCL 500.3107d(4).

That is not what occurred here. From the perspective of Pioneer and even from Bonnie's perspective, she satisfied all the criteria required of her at the time the policy was entered because she never intended her adult son, Brandon, to be included on the policy and it is not clear that he was a resident relative at the time the policy was entered. As explained earlier, under Michigan law, "neither the insured nor the insurer can unilaterally change the terms of a policy after a covered accident occurs," *Andary*, 512 Mich at 238-239. Even if Brandon was a covered insured, he cannot unilaterally change a valid policy, issued in compliance with Michigan law, because it was learned after the fact that he lacked qualified health coverage.

MCL 500.3107d does not authorize this. Giving "every phrase, clause, and word" in MCL 500.3107d its due effect and reading MCL 500.3107d(1) in light of the provision as a whole, *Bush*, 484 Mich at 167, demonstrate that MCL 500.3107d places the responsibility on Bonnie, as the "applicant or named insured" to identify persons covered under the policy and either certify or provide documentation that they are a qualified person or have qualified health coverage. MCL 500.3107d(2). Moreover, the "applicant or named insured" must "mark the form to certify whether all persons required to be qualified persons under subsection (1) are qualified persons" and to sign the form, among other things. MCL 500.3107d(3)(a) and (h). To hold, as this Court has in this case and in *Northland*, that the insurer cannot rely on the applicant's or named insured's certifications and signature on a form approved by the director is to render these requirements superfluous or nugatory. We must avoid a construction that renders any provision surplusage or nugatory. *Johnson v Recca*, 492 Mich 169, 177; 821 NW2d 520 (2012). Moreover, once the election is made, it applies to all persons potentially covered by the policy, not only to the persons identified by the insured but to "any other person who would have had a right to claim [PIP] benefits under the policy but for the election." MCL 500.3107d(5).

If Bonnie had not provided this documentation when the policy was issued or renewed, then MCL 500.3107d(4) states that the applicant has not made an effective election and the policy is considered to provide PIP benefits. This subsection does not explicitly address the situation in which the election is valid—and, then, something changes under the policy. Importantly, this situation is addressed in the statute for persons known to the insured. See MCL 500.3107d(6). The effect of a change that occurs during the term of the policy is not that the policy reverts to PIP coverage, but that the assigned claims plan provides a benefit to a person injured in a 30-day period after the effective date that the qualified health coverage is lost. MCL 500.3107d(6). Given that these are the rights of a person known to be covered under the policy, it seems that a person who was unknown to the insured would have similar rights. This makes sense given that "[a] central

tenant of Michigan's no-fault act is that persons, not motor vehicles, are insured against loss." *Univ Neurosurgical Assoc, PC*, 348 Mich App at 311 (citation and quotation marks omitted).

In summary, MCL 500.3107d(1) sets forth eligibility criteria that an applicant or named insured must satisfy in order to elect not to maintain PIP benefits. MCL 500.3107d(2) and (3) identify forms, documents, and certifications that must be completed by the insured or named applicant in order to demonstrate such eligibility. If the insured or named applicant fails to do this at the time a policy is renewed or issued, the insurer must issue or renew the policy with full PIP benefits, presumably pricing the premium in accordance with this. MCL 500.3107d(4). However, if the insured or named applicant provides the required documentation and eligibility, the election applies to any person who may claim coverage under the policy after it becomes effective. MCL 500.3107d(5). Moreover, any changes in qualified health coverage after the policy becomes effective may result in the forfeiture of PIP benefits if the person loses eligibility. The conclusion in *Northland*, that this results in an ineffective election does not however appear to be required by the plain language of MCL 500.3107d, appears to disregard the parties' contractual relationship, and undermines the purpose of the statute that we are called upon to construe.

I join in the majority here because *Northland* is binding precedent. However, I have significant concerns with the implications of this Court's interpretation of MCL 500.3107d and the results thereof.

/s/ James Robert Redford