SUPREME COURT OF MICHIGAN

Farmers Insurance Exchange v. Farm Bureau General Insurance Company of Michigan

731 N.W.2d 757 (Mich. 2007) · No. 132179 · Decided June 1, 2007

SUMMARY

The Michigan Supreme Court denied leave to appeal in a no-fault insurance priority dispute involving benefits paid through the Assigned Claims Facility after a motorcyclist was injured by an uninsured van. Justice Markman dissented, arguing that MCL 500.3114(5)(a) should impose liability only on an insurer whose policy covered the vehicle involved in the accident and that the Court of Appeals decision potentially raised Contracts Clause concerns.

CASE DETAILS

COURT	Supreme Court of Michigan
JURISDICTION	Michigan
DECIDED	June 1, 2007
DOCKET	132179
DISPOSITION	writ_denied
PROCEDURAL POSTURE	The Michigan Supreme Court considered an application for leave to appeal from a published Court of Appeals decision affirming summary disposition for Farmers Insurance Exchange in a no-fault insurance priority dispute.
STANDARD OF REVIEW	The Supreme Court did not reach the merits. The dissent would have reviewed the statutory interpretation and summary-disposition issues de novo.
PRECEDENTIAL VALUE	Published per curiam order denying leave to appeal; no merits precedent on the statutory or constitutional issues. The dissent is nonprecedential.
PARTIES	Farm Bureau General Insurance Company of Michigan v. Farmers Insurance Exchange

TOPICS

appellate procedure · insurance · statutory interpretation · declaratory relief insurance · contracts clause

PRACTICE AREAS

no-fault insurance | insurance coverage | statutory interpretation | appellate procedure | constitutional law

QUESTIONS PRESENTED

1. Whether to grant leave to appeal from the Court of Appeals' interpretation of MCL 500.3114(5)(a) as imposing no-fault benefits liability on an insurer of a vehicle owner when the vehicle involved in the accident was not covered by that insurer's policy.
2. Whether imposing such liability would implicate the federal or Michigan Contracts Clause.

HOLDINGS

1. The application for leave to appeal was denied because the Court was not persuaded that the questions presented should be reviewed.

KEY QUOTATIONS

> *"On order of the Court, the application for leave to appeal is again considered, and it is DENIED, because we are not persuaded that the questions presented should be reviewed by this Court."* (at 757)

> *"Statutes which may appear to conflict are to be read together and reconciled, if possible."* (at 762)

FACTUAL BACKGROUND

A motorcyclist was injured when struck by an uninsured van driven by Lynn Smith. Smith had allowed the van's Pioneer State no-fault policy to lapse, and the van was co-owned with John Petiprin, who held a Farm Bureau no-fault policy on his personal vehicle. The van was never covered by Farm Bureau's policy, Smith was not a named insured, and Smith did not reside with or have the required familial relationship to Petiprin. The Assigned Claims Facility paid benefits and assigned the claim to Farmers, which sought reimbursement from Farm Bureau.

PROCEDURAL HISTORY

An injured motorcyclist received personal protection insurance benefits from the Assigned Claims Facility, which assigned the claim to Farmers Insurance Exchange. Farmers sought declaratory relief against Farm Bureau, asserting that Farm Bureau was liable under MCL 500.3114(5)(a). The trial court granted summary disposition to Farmers, and the Court of Appeals affirmed in a published decision, 272 Mich. App. 106, 724 N.W.2d 485 (2006). The Michigan Supreme Court denied leave to appeal; Justice Cavanagh would have granted leave, and Justice Markman dissented.

DISPOSITION

writ_denied

CASES CITED

- Chandler v. Muskegon County, 467 Mich. 315, 319, 652 N.W.2d 224 (2002)

- G C Timmis & Co. v. Guardian Alarm Co., 468 Mich. 416, 420-421, 662 N.W.2d 710 (2003)
- Arrowhead Development Co. v. Livingston County Road Commission, 413 Mich. 505, 516, 322 N.W.2d 702 (1982)
- General Motors Corp. v. Erves (On Rehearing), 399 Mich. 241, 255, 249 N.W.2d 41 (1976)
- McCarthy v. Bronson, 500 U.S. 136, 139, 111 S. Ct. 1737, 114 L. Ed. 2d 194 (1991)
- Hagen v. Department of Education, 431 Mich. 118, 130-131, 427 N.W.2d 879 (1988)
- People v. Vasquez, 465 Mich. 83, 89, 631 N.W.2d 711 (2001)
- Sanchick v. State Board of Optometry, 342 Mich. 555, 559, 70 N.W.2d 757 (1955)
- Pioneer State Mutual Insurance Co. v. Titan Insurance Co., 252 Mich. App. 330, 336, 652 N.W.2d 469 (2002)
- Cason v. Auto-Owners Insurance Co., 181 Mich. App. 600, 606, 450 N.W.2d 6 (1989)
- State Farm Mutual Automobile Insurance Co. v. Ruuska, 90 Mich. App. 767, 772, 282 N.W.2d 472 (1979)
- State Farm Mutual Automobile Insurance Co. v. Sivey, 404 Mich. 51, 56, 272 N.W.2d 555 (1978)
- State Farm Mutual Automobile Insurance Co. v. Ruuska, 412 Mich. 321, 336 n. 7, 314 N.W.2d 184 (1982)
- People v. Bewersdorf, 438 Mich. 55, 68, 475 N.W.2d 231 (1991)
- Bank of Minden v. Clement, 256 U.S. 126, 128, 41 S. Ct. 408, 65 L. Ed. 857 (1921)
- In re Head Notes to Opinions of the Supreme Court, 43 Mich. 641, 8 N.W. 552 (1881)
- Blue Cross & Blue Shield of Michigan v. Governor, 422 Mich. 1, 367 N.W.2d 1 (1985)
- Farmers Insurance Exchange v. Farm Bureau General Insurance Co. of Michigan, 272 Mich. App. 106, 724 N.W.2d 485 (2006)