SUPREME COURT OF MICHIGAN

Twichel v. MIC Gen. Ins. Corp., 469 Mich. 524

676 N.W.2d 616 (2004) · No. 121822 · Decided March 9, 2004

SUMMARY

The Michigan Supreme Court considered whether the decedent was an owner of an uninsured vehicle under Michigan's no-fault statute and under an uninsured motorist insurance policy. The court held that he was an owner under the statutory definition because the purchase arrangement contemplated use of the vehicle for more than 30 days, and under the policy's ordinary meaning because he had possession, control, and dominion. The court therefore reversed the Court of Appeals and remanded for entry of judgment for the insurer.

CASE DETAILS

COURT	Supreme Court of Michigan
WRITING FOR THE COURT	Per curiam; Michael F. Cavanagh; Corrigan, C.J.; Taylor, J.; Young, J.; Markman, J.
JURISDICTION	Michigan
DECIDED	March 9, 2004
DOCKET	121822
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The personal representative sought no-fault personal protection insurance benefits and uninsured motorist benefits from the insurer. The Genesee Circuit Court held that the decedent was covered, and the Michigan Court of Appeals affirmed. The Michigan Supreme Court reversed and remanded for entry of judgment for the insurer.
STANDARD OF REVIEW	Statutory interpretation and interpretation of an insurance contract are questions of law reviewed de novo.
PRECEDENTIAL VALUE	Published Michigan Supreme Court opinion; precedential.
PARTIES	MIC General Insurance Corporation v. Mark Todd Twichel, personal representative of the Estate of Brady S. Sies

TOPICS

insurance coverage · uninsured motorist · statutory interpretation · contract interpretation · plain meaning rule

PRACTICE AREAS

insurance law · automobile insurance · statutory interpretation · insurance contract interpretation

QUESTIONS PRESENTED

1. Whether Sies was an owner of the uninsured vehicle under MCL 500.3101(2)(g)(i), thereby precluding personal protection insurance benefits under MCL 500.3113(b).
2. Whether Sies owned the vehicle within the ordinary meaning of the term as used in the insurance policy's uninsured-motorist exclusion, despite the absence of transferred legal title and full payment.
3. Whether Sies also qualified as an owner under MCL 500.3101(2)(g)(iii) because he had the immediate right of possession under an installment sale contract.

HOLDINGS

1. A person is an owner under MCL 500.3101(2)(g)(i) from the inception of an arrangement if the nature of the person's right to use the vehicle is such that the right will extend beyond thirty days; actual use for thirty days before the accident is not required. Sies was therefore an owner because his purchase arrangement contemplated permanent, exclusive use of the truck.
2. The policy's undefined term owned must be given its commonly understood meaning and is not governed by the statutory definition of owner. Possession, control, dominion, and authority supported the conclusion that Sies owned the vehicle, so the policy excluded uninsured-motorist benefits.
3. Sies also qualified as an owner under MCL 500.3101(2)(g)(iii) because he had the immediate right of possession under an installment sale contract; the phrase does not require a written contract, a retail sale, or a scheduled payment plan.

KEY QUOTATIONS

> *"Accordingly, if the lease or other arrangement under which the person has use of the vehicle is such that the right of use will extend beyond thirty days, that person is the "owner" from the inception of the arrangement, regardless of whether a thirty-day period has expired."* (469 Mich. at 530-31)

> *"It 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."* (469 Mich. at 532)

> *"Brady, who had paid part of the purchase price and taken control of the truck with the intention of permanently possessing it, "owned" the vehicle as that term would be understood in ordinary usage."* (469 Mich. at 534-35)

FACTUAL BACKGROUND

Five days before the fatal accident, Brady S. Sies agreed to purchase a 1988 GMC pickup truck from Matthew Roach for $600, paid $300, took possession and control of the truck, and agreed to pay the balance later. Title had not been transferred because the purchase price was incomplete, and the truck was uninsured. Sies lived with his grandfather, whose policy was issued by MIC General Insurance Corporation, and the estate sought both personal protection insurance and uninsured motorist benefits.

PROCEDURAL HISTORY

After Brady S. Sies died in a vehicle accident, his estate brought claims for personal protection insurance and uninsured motorist benefits under his grandfather's policy. The Genesee Circuit Court found coverage, and the Court of Appeals affirmed in a published opinion. The Supreme Court of Michigan reversed both judgments and directed the circuit court to enter judgment for MIC General Insurance Corporation.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand to the Genesee Circuit Court for entry of judgment in favor of MIC General Insurance Corporation.

CASES CITED

- Oade v. Jackson National Life Insurance Co., 465 Mich. 244, 250, 632 N.W.2d 126 (2001)
- Donajkowski v. Alpena Power Co., 460 Mich. 243, 248, 596 N.W.2d 574 (1999)
- Wickens v. Oakwood Healthcare System, 465 Mich. 53, 60, 631 N.W.2d 686 (2001)
- Farrington v. Total Petroleum, Inc., 442 Mich. 201, 212, 501 N.W.2d 76 (1993)
- Ardt v. Titan Insurance Co., 233 Mich. App. 685, 593 N.W.2d 215 (1999)
- Chop v. Zielinski, 244 Mich. App. 677, 624 N.W.2d 539 (2001)
- Ringewold v. Bos, 200 Mich. App. 131, 503 N.W.2d 716 (1993)
- Hanson v. Mecosta County Road Commissioners, 465 Mich. 492, 504, 638 N.W.2d 396 (2002)
- Henderson v. State Farm Fire & Casualty Co., 460 Mich. 348, 353, 596 N.W.2d 190 (1999)
- Rohlman v. Hawkeye-Security Insurance Co., 442 Mich. 520, 525, 502 N.W.2d 310 (1993)
- Allstate Insurance Co. v. McCarn, 466 Mich. 277, 280, 645 N.W.2d 20 (2002)
- Sands Appliance Services, Inc. v. Wilson, 463 Mich. 231, 240-41, 615 N.W.2d 241 (2000)
- State Farm Mutual Automobile Insurance Co. v. Enterprise Leasing Co., 452 Mich. 25, 38-40, 549 N.W.2d 345 (1996)
- Raska v. Farm Bureau Mutual Insurance Co. of Michigan, 412 Mich. 355, 361-62, 314 N.W.2d 440 (1982)
- Universal Underwriters Insurance Co. v. Kneeland, 464 Mich. 491, 509-10, 628 N.W.2d 491 (2001)
- Klapp v. United Insurance Group Agency, Inc., 468 Mich. 459, 663 N.W.2d 447 (2003)
- Koontz v. Ameritech Services, Inc., 466 Mich. 304, 317-18, 645 N.W.2d 34 (2002)
- Twichel v. MIC General Insurance Corporation, 251 Mich. App. 476, 490, 650 N.W.2d 428 (2002)