

Insurer recovers \$1.7 million in catastrophic no-fault benefit payments from state

Plunkett Cooney successfully obtained a judgment in favor of its insurer client from the Michigan Catastrophic Claims Association (MCCA), for no-fault benefits the association refused to reimburse pursuant to the Michigan No-Fault Act (MCL 500.3104).

The insurer, under the terms of a Michigan automobile insurance policy and a consent judgment order, was making payments to a catastrophically injured claimant. The consent judgment order, which was negotiated to settle litigation concerning the attendant care provided to the claimant, contained an automatic annual attendant care hourly rate increase for inflation.

The insurer continued making payments for attendant care expenses pursuant to the consent judgment. Eventually, the MCCA refused to reimburse the insurer because it believed the payments were too high and not “reasonable.”

Plunkett Cooney contacted the MCCA and the claimant in an attempt to negotiate a compromise. Neither the MCCA nor the claimant was willing to voluntarily change their position. Plunkett Cooney filed suit against both asking the court to either revise the consent judgment, which would allow the MCCA to either pay the claimant less per hour for attendant care or require the association to reimburse the insurer for the amounts being paid under the terms of the consent judgment.

The trial court found that the consent judgment did not provide for any changes to its terms. The court then dismissed the claim against the claimant and ordered the MCCA to reimburse the insurer for the amounts being paid, which totaled more than \$1.7 million dollars.

The MCCA appealed the trial court’s decision and Plunkett Cooney’s appellate department successfully defended its client’s victory, (*USF&G v MCCA*, 274 Mich App 184 [2007]).

The firm’s expertise in representing insurers involved in Michigan Personal Protection Insurance No-Fault Benefit disputes is well known throughout the state. Plunkett Cooney provides its clients with a determined team of attorneys with distinctive expertise in all aspects of the Michigan No-Fault Act.

In this particular matter, Plunkett Cooney defended the insurer from the claimant’s demands, and our client is now in a position to obtain reimbursement for funds paid. The MCCA has filed an Application for Leave to Appeal to the Michigan Supreme Court and Plunkett Cooney is optimistic that the Michigan Supreme Court will confirm the ruling in the underlying case.