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PIP Claimant Not Entitled to Benefits Under Expired Policy

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A notice of non-renewal is distinguishable from a cancellation, and according to a recent Michigan Court of Appeals ruling, the insurer's proof of mailing of a non-renewal notice is sufficient notice for the insurer to deny coverage, even where the insured claims to not have received the notice.

In *Johnson v Metro Prop & Cas Ins Co*, No. 321649, 2015 WL 4746271 (Mich Ct App Aug. 11, 2015), the plaintiff sustained serious injuries in a motor vehicle accident and incurred substantial medical expenses at McLaren Hospital. The plaintiff made a claim with his mother's no-fault carrier, MetLife, who denied coverage, indicating that it had sent written notice via first-class mail to the plaintiff's mother's address, indicating that it would not renew the policy because the plaintiff had too many moving violations. Effectively, the policy had been non-renewed 14 days before the accident.

The plaintiff filed suit, and McLaren Hospital intervened. Both challenged the sufficiency of the non-renewal notice. The trial court summarily dismissed the case, finding that notice mailed to the plaintiff's mother, who was the named insured on the policy, was all that was required.

On appeal, the plaintiff and McLaren Hospital argued that the statutory notice requirements of MCL 500.3020 and MCL 500.3224 invalidated the non-renewal. These statutes provide specific information that must be included in a notice of policy *cancellation* and describe the method of service. The court rejected this argument, indicating that the refusal to renew is not the same and cannot be deemed a "cancellation," and, therefore, MCL 500.3020 and MCL 500.3224 were inapplicable.

The appellate court ultimately held that because MetLife complied with its own policy requirements for non-renewal, under the plain language of the MetLife policy, the policy was validly non-renewed and coverage did not exist at the time of the subject motor vehicle accident.

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