

## COA Opinion: Bobtail insurer responsible for PIP benefits arising out of accident which occurred during freight delivery

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In *Besic v. Citizens Insurance Company of the Midwest*, No. 291051, Plaintiff, a Michigan resident, was injured in Ohio while delivering freight to New York. The truck was owned by Besic and leased to MGR Express, Inc., an Illinois corporation solely owned by Besic. MGR bought liability insurance for the truck from Lincoln General Insurance and bobtail insurance coverage from Clearwater. Furthermore, Besic personally purchased insurance for his household vehicles from Citizens Insurance Company of the Midwest. Besic filed a claim in Wayne Circuit Court seeking first party no-fault benefits from the three insurers for injuries sustained in the Ohio accident. All three insurers filed motions for summary disposition. The Wayne Circuit Court granted the motions in favor of Lincoln and Citizens, but denied the motion for Clearwater. The Court of Appeals affirmed the trial court's conclusion that Clearwater was not entitled to summary judgment.

First, Clearwater argued that its bobtail policy did not provide personal injury protection (PIP) coverage because its policy expressly excluded such coverage when the covered vehicle was under dispatch and the lessee of the vehicle purchased PIP coverage for that vehicle. The Court of Appeals rejected Clearwater's argument, however, reasoning instead that because MGR, the lessee of the vehicle, did not purchase PIP coverage, the provision did not apply.

Second, Clearwater maintained that the Lincoln policy provided PIP insurance because it was purchased by Besic, a Michigan resident, and Michigan law requires insurance companies doing business in Michigan to include such benefits in all automobile insurance policies. However, the Court of Appeals once again noted that this policy was sold to MGR, an Illinois corporation, and because Illinois does not require no-fault insurance, it would not be proper to imply PIP coverage in the Lincoln policy.

Finally, Clearwater reasoned that Citizens, the insurer of Besic's personal vehicles, should share responsibility in paying any incurred no-fault PIP benefits. In rejecting this argument, the Court of Appeals stated that such a conclusion would run contrary to the policy behind the no-fault statutory provisions relating to business vehicles, which was "to allocate the cost of injuries resulting from use of business vehicles to the business involved through the premiums it pays for insurance." Therefore, Clearwater remained solely responsible for the incurred PIP benefits because the Citizen policy was purchased by Besic personally and not by his corporation.