COA Opinion: Replacement services are "allowable expenses" under the No-Fault Act

6. April 2011 By Jason Byrne

On April 5, 2011, the Court of Appeals published its unanimous published opinion in *Johnson v. Recca*, as authored by Judge Hoekstra. In this case, the Court of Appeals reversed the trial court, and found that expenses for ordinary and necessary services (such as cooking meals) that an injured person would have performed, but for the injuries arising from an accident (generally referred to as "replacement services"), constitute "allowable expenses" under the No-Fault Act. Even though replacement costs are dealt with in a different subsection of the No-Fault Act, the Court of Appeals concluded that the definition of allowable expenses was broad enough to encompass replacement services, and that the discussion of such services in a separate subsection was to place limits on the amounts of expenses insurers would need to reimburse for such services.

Additionally, the Court of Appeals reversed the trial court's award of summary disposition in favor of the defendant on the issue of serious impairment of bodily function, concluding that, based on the medical records, there was a dispute as to whether the plaintiff suffered a herniated disc as a result of the accident.