STATE OF MICHIGAN

COURT OF APPEALS

CLIFTON CONRAD COPELAND,

Plaintiff-Appellant,

v

STATE OF MICHIGAN, STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY, DETROIT RECEIVING HOSPITAL, and REHABILITATION INSTITUTE, d/b/a DETROIT REHABILITATION HOSPITAL,

Defendants-Appellees,

and

GARDEN CITY HOSPITAL,

Defendant.

UNPUBLISHED
March 9, 2001

No. 218144
Wayne Circuit Court
LC No. 98-818672-CZ

Before: Bandstra, C.J., and Wilder and Collins, JJ.

PER CURIAM.

Plaintiff appeals as of right from an order of summary disposition requiring defendant State Farm, his no-fault insurer, to pay personal protection insurance benefits directly to defendants State of Michigan, Detroit Receiving Hospital, and Detroit Rehabilitation Hospital. We affirm.

This dispute arises from a 1997 motor vehicle accident in which plaintiff was injured. Defendant hospitals are medical providers that treated plaintiff for his injuries following the accident. After settling the underlying dispute regarding State Farm's liability on plaintiff's no-fault claim in a previous case, State Farm issued checks payable to defendants jointly with

plaintiff's attorney. The hospitals declined to negotiate these checks.[1] Plaintiff then filed the instant declaratory judgment action, arguing that State Farm should pay no-fault benefits directly to plaintiff so that plaintiff's attorney's lien arising from the previous action could be satisfied. After State Farm moved for summary disposition pursuant to MCR 2.116(C)(8) and (10), plaintiff responded by moving for declaratory judgment. The trial court ordered State Farm to pay personal protection insurance directly to the remaining defendants.[2]

Plaintiff first argues that the trial court erred when it ordered State Farm to pay personal protection benefits directly to the State of Michigan and the hospitals. Plaintiff points to MCL 500.3112; MSA 24.13112, asserting that it limits recovery of personal protection benefits to an injured person. Because the interpretation of a statutory provision presents a question of law, this Court's review is de novo. *Travelers Ins v U-Haul of Michigan, Inc*, 235 Mich App 273, 279; 597 NW2d 235 (1999).

MCL 500.3112; MSA 24.13112 provides:

> Personal protection benefits *are payable to or for the benefit of* an injured person, or, in case of his death, to or for the benefit of his dependents. Payment by an insurer in good faith of personal protection insurance benefits, to or for the benefit of a person who it believes is entitled to the benefits, discharges the insurer's liability to the extent of the payments unless the insurer has been notified in writing of the claim of some other person. If there is doubt about the proper person to receive the benefits or the proper apportionment among the persons entitled thereto, the insurer, the claimant or any other interested person may apply to the circuit court for an appropriate order. The court may designate the payees and make an equitable apportionment, taking into account the relationship of the payees to the injured person and other factors as the court considers appropriate. In the absence of a court order directing otherwise the insurer may pay:
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> (a) To the dependents of the injured person, the personal protection insurance benefits accrued before his death without appointment of an administrator or an executor.
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> (b) To the surviving spouse, the personal protection insurance benefits due any dependent children living with the spouse. [Emphasis supplied.]

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[1] Although the record is not entirely clear on the reason the hospitals did not negotiate the checks, the state is subrogated to plaintiff's entitlement to any right of recovery for the cost of hospitalization and treatment; the person receiving the benefits or a person acting on the person's behalf must sign an assignment of rights for those benefits. MCL 400.106(1)(b)(ii); MSA 16.490(16)(1)(b)(ii). The hospitals could have declined to negotiate the checks on the basis of the assignment of rights.

[2] The court also ordered that counsel for plaintiff be paid an attorney fee of $10,000. Plaintiff does not challenge the amount awarded by the court.

The primary purpose of statutory interpretation is to give effect to the intent of the Legislature. *Frankenmuth Mut Ins Co v Marlette Homes, Inc*, 456 Mich 511, 515; 573 NW2d 611 (1998). In determining the Legislature's intent, we look to the language of the statute. *Id.* If the plain and ordinary meaning of a statute is clear, further judicial interpretation is inappropriate. *Travelers Ins, supra* at 279. The Legislature is presumed to have intended the meaning that a statute clearly expresses. *Professional Rehabilitation Associates v State Farm Mut Automobile Ins Co*, 228 Mich App 167, 172; 577 NW2d 909 (1998).

We conclude that a plain reading of the language, "for the benefit of an injured person," in § 3112 evidences the Legislature's intent that payment of personal protection benefits not be limited to the injured person as long as the payment is made for the benefit of that person. Because the payments made by State Farm to the State of Michigan and the hospitals clearly inured to plaintiff's benefit, the trial court's order was proper.

Plaintiff's reliance on *Hicks v Citizens Ins Co of America*, 204 Mich App 142; 514 NW2d 511 (1994), is misplaced. In *Hicks, supra*, this Court concluded that the defendant no-fault insurer was liable for the plaintiff's medical expenses after the state mistakenly paid Medicaid benefits to the plaintiff's medical provider. However, this Court did not address the issue whether such benefits must be paid directly to the plaintiff.

Plaintiff also argues that the trial court should have awarded statutory prejudgment interest pursuant to MCL 600.6013(5); MSA 27A.6013(5), and penalty interest pursuant to MCL 500.3142(3); MSA 24.13142(3). We review de novo an award of interest pursuant to MCL 600.6013; MSA 27A.6013. *Everett v Nickola*, 234 Mich App 632, 638; 599 NW2d 732 (1999). We also review de novo an award of interest pursuant to MCL 500.3142; MSA 27A.13142. *Attard v Citizens Ins Co of America*, 237 Mich App 311, 319; 602 NW2d 633 (1999).

MCL 600.6013; MSA 27A.6013, which provides for prejudgment interest in civil actions, provides:

> (5) For complaints filed on or after January 1, 1987, if a judgment is rendered on a written instrument, interest shall be calculated from the date of filing the complaint to the date of satisfaction of the judgment at the rate of 12% per year compounded annually, unless the instrument has a higher rate of interest. In that case interest shall be calculated at the rate specified in the instrument if the rate was legal at the time the instrument was executed. The rate shall not exceed 13% per year compounded annually after the date judgment is entered.

MCL 500.3142; MSA 24.13142, governing penalty interest on no-fault claims, states:

> (1) Personal protection insurance benefits are payable as loss accrues.
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> (2) Personal protection insurance benefits are overdue if not paid within 30 days after an insurer receives reasonable proof of the fact and of the amount of loss sustained. If reasonable proof is not supplied as to the entire claim, the amount supported by reasonable proof is overdue if not paid within 30 days after the proof is received by the insurer. Any part of the remainder of the claim that is

> later supported by reasonable proof is overdue if not paid within 30 days after the proof is received by the insurer. For the purpose of calculating the extent to which benefits are overdue, payment shall be treated as made on the date a draft or other valid instrument was placed in the United States mail in a properly addressed, postpaid envelope, or, if not so posted, on the date of delivery.
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> (3) An overdue payment bears simple interest at the rate of 12% per annum.

Statutory interest pursuant to MCL 600.6013; MSA 27A.6013 is intended to compensate a party for delay in receiving damages following the filing of a complaint. *Attard, supra* at 319; *Hadfield v Oakland Co Drain Comm'r,* 218 Mich App 351, 356; 554 NW2d 43 (1996). Our Supreme Court has held that an insurance policy is a "written instrument" within the meaning of § 6013. *Yaldo v North Pointe Ins Co,* 457 Mich 341, 346; 578 NW2d 274 (1998).

The imposition of prejudgment interest pursuant to MCL 600.6013, MSA 27A.6013 is mandatory. *Phinney v Perlmutter,* 222 Mich App 513, 540; 564 NW2d 532 (1997). A plaintiff is entitled to prejudgment interest even if the trial court did not specifically include it in its order. *Dept of Treasury v Central Wayne Co Sanitation Authority,* 186 Mich App 58, 64; 463 NW2d 120 (1990). The prejudgment interest statute is to be construed liberally in favor of the plaintiff. *McKelvie v Auto Club Ins Ass'n,* 203 Mich App 331, 339; 512 NW2d 74 (1994). However, a court may disallow prejudgment interest for periods of delay where the delay was not the fault of, or caused by, the debtor. *Eley v Turner,* 193 Mich App 244, 247; 483 NW2d 421 (1992); *Phinney, supra* at 541.

We conclude that the delay in providing no-fault benefits in this case was not attributable to State Farm. The record indicates that State Farm attempted to compensate the State of Michigan, and the hospitals by paying plaintiff's no-fault benefits; however, checks issued by State Farm payable jointly to plaintiff's attorney and his medical providers were not negotiated by the hospitals. The facts of the present case do not present a situation where the insurer was delaying litigation solely to extend the time at which to pay. See *Beach v State Farm Mut Automobile Ins Co,* 216 Mich App 612, 624; 550 NW2d 580 (1996). Thus, disallowing prejudgment interest was appropriate under the circumstances. *Eley, supra* at 247.

We also conclude that penalty interest is not appropriate in the instant case because defendant State Farm was not dilatory in paying its claim. The purpose of the no-fault act's penalty provision is to penalize insurers for misconduct relating to no-fault claims. *Attard, supra* at 320. Our review of the record reveals that State Farm withheld payments partly to ensure that the State of Michigan and the hospitals received full payment before plaintiff's attorney deducted his fee. Because any delay did not result from defendant State Farm's misconduct, penalty interest was not warranted here.

We affirm.

/s/ Richard A. Bandstra
/s/ Kurtis T. Wilder
/s/ Jeffrey G. Collins