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If you have an article idea for the Journal, please contact the editor, Christine Caswell at christine@caswellpllc.com

FROM THE CHAIR

Looking Ahead

Ann-Marie E. Earls
Melamed, Levitt, Milanowski & Earls, P.C.

As my term as Chair of the Insurance & Indemnity Law Section comes to an end, I am honored to write my final column for the *Journal.* It has been a privilege to serve this Section, and I am proud of all that we have accomplished together.

We had a remarkable year filled with outstanding educational programs and enjoyable networking opportunities. Highlights included the Artificial Intelligence Seminar; our first Trivia Night, which proved to be a great success; the ADR Processes in Both Pre-Litigation and Litigation Seminar; and a lively evening at Top Golf. The turn-out at these events was wonderful, and I am grateful to our members for their energy, enthusiasm and engagement. I am confident the Section will continue to build on this momentum with even more innovative and informative programming in the year ahead.

Looking Ahead

Our Section is excited to announce that at the October annual meeting, a scholarship of up to $5,000 will be awarded to a law student currently enrolled in, or graduating from in 2025, one of Michigan's five law schools. Eligible students were invited to apply by submitting an article on one of the topics proposed by the Section, with submissions due by October 10th.

The Annual Business Meeting will begin at 5:00 p.m. on Wednesday, October 29, 2025 at The Heathers Club in Bloomfield Hills. During this meeting, we will elect new Council members. Currently, we have two Council member positions available. If you are interested in serving, please contact me at annieearls@mlmepc.com or email the Section at sbminsuranceindemnity@gmail.com.

Following the business meeting, we will hold our Educational Program, featuring a three-speaker panel presentation titled "*Preparing, Presenting, and Managing Property Insurance Claims Before Litigation.*" Our distinguished speakers will include Ethan Gross (Globe Midwest Adjusters International), William Butler (Butler Adjusting), and Scott Whaley (Chenard & Osborn). The evening will conclude with dinner, drinks, and an excellent opportunity to network and connect with colleagues.

Gratitude and Acknowledgments

This year would not have been possible without the dedication and support of the Council and our many committee leaders. My sincere thanks go to:

- **Stephanie Brochert,** Chair of the Membership Committee;
- **Elizabeth King,** Chair of the Scholarship Committee;
- **Melissa Hirn,** Chair of the Programming Committee; and
- **Patrick Crandell,** Chair of the Publications Committee.

Your hard work has strengthened and expanded the reach of our Section in countless ways.

I also want to thank Christine Caswell, our dedicated *Journal* editor, whose hard work makes every publication a success, and Joan O'Sullivan, whose invaluable support keeps our Section running smoothly.

Passing the Gavel

At our Annual Business Meeting, I will have the honor of passing the gavel to Chair-Elect Doug McCray. I have no doubt Doug will be an outstanding Chair and will continue to lead this Section on its successful path.

It has been a true pleasure to serve as your Chair, and I look forward to seeing you at future programs and events as the Section continues to thrive.


Michigan Court of Appeals Incorporates Medicare Multiple Procedure Price Reduction Rule, Medicare Packaged-Service Rule, and Medicare Geographical Billing Modifier Rules into the Fee Schedule Analysis

By Christopher Best and Stephanie Strycharz
Zausmer P.C.

On September 18, 2025, the Michigan Court of Appeals issued its opinion in the case of *Favot v Brown*.[1] The Michigan Court of Appeals clarified that Medicare reduction and limitation rules related to the rates in the fee schedule are included in the fee schedule analysis under MCL 500.3157.[2] In that case, Michael Angelo Favot was injured in a motor vehicle accident. He initiated a PIP action against Memberselect alleging that Memberselect Insurance Company failed to fully reimburse his first party PIP benefits in violation of the no fault act.[3] Memberselect filed two motions for summary disposition regarding some of the charges submitted by Plaintiff's medical providers and argued what the maximum that could be sought for those bills was under MCL 500.3157. Memberselect claimed that despite the language in MCL 500.3157(15)(f) that it could apply certain limitations and reductions commonly used by Medicare to determine the amount payable because the limitations and reductions were related to the rates in the Medicare fee schedule.[4] The trial court denied the motions for summary disposition.

Memberselect appealed to the Michigan Court of Appeals and argued that the lower court erred in denying its motions for summary disposition. The court of appeals agreed in part.[5] MCL 500.3157(15)(f) defines Medicare as follows:

> "Medicare" means fee for service payments under part A, B, or D of the federal Medicare program established under subchapter XVIII of the social security act, 42 USC 1395 to 1395lll, without regard to the limitations unrelated to the rates in the fee schedule such as limitation or supplemental payments related to utilization, readmissions, recaptures, bad debt adjustments, or sequestration.

The parties disagreed on whether MCL 500.3157(15)(f)'s definition of Medicare allows the application of certain limitations, reductions, and adjustments when determining the amount payable to medical providers.[6] The specific interpretation at issue was whether Memberselect could apply the "packaged-service" rule, the multiple-procedure payment reduction rule (MPPR), or billing modifiers, that Medicare utilizes when determining the amount payable to providers. Memberselect argued that the limitations may be applied because they are related to the rates in the Medicare fee schedule.[7] Favot contended that the limitations are unrelated to, and, therefore, could not be used to reduce the amount to his medical providers.[8] The court observed its recent holding in *Central Home Health Care Servs, Inc v Progressive Mich Ins Co*,[9], as Plaintiff was arguing that holding limited the definition of "Medicare" in MCL 500.3157(15)(f) to Medicare's fee-for-service payments "made pursuant to a 'fee schedule'".[10] The court observed that, *Central Home* explained that, while the second clause of MCL 500.3157(15)(f) provides that "if a fee schedule is involved and other adjustments unrelated to the rate in the fee schedule would be made under Medicare, those adjustments are not to be considered for purposes under the no-fault act."[11] The Court of Appeals observed that *Central Home* did not state that there "could not be another applicable method…for calculating the amount Medicare would pay for a service."[12] Therefore, the court found that insurers may use other applicable methods to calculate the amount payable for treatment rendered to an insured when making its fee schedule calculations. The court, therefore, found that pursuant to *Central Home*, that limitations related to the rates in the fee schedule could be applied.[13]

The court then went onto review the limitations language of MCL 500.3157(15)(f) and utilized the principle of ejusdem generis to determine whether the limitations mentioned whether the rates in the fee schedule were of the same kind, class, character or nature as those which Memberselect applied.[14] Those limitations specifically mentioned in MCL 500.3157(15)(f) that were unrelated to the rates in the fee schedule included "utilization, readmissions, recaptures, bad debt adjustments, or sequestration."[15] The court of appeals observed each and found that the statutory examples of unrelated limitations consist of grounds for denying unreasonable expenses, avenues for provider- and hospital-wide reimbursements, hospital-wide reductions in Medicare payments, or nationwide cancellations in payments. They do not relate to the amount Medicare pays for a particular procedure under Medicare's fee schedule. Therefore, they were unrelated to the fee schedule.[16]

The Court of Appeals further observed that there are limitations and reductions, which are related to the rates and amount payable under Medicare. The Court of Appeals specifically found that the Medicare Multiple Procedure Price Reduction Rule, Medicare Packaged-Service rule, and Medicare Geographical Billing modifier rules are limitations and reductions related to the rates payable under the rates and are related limitations under MCL 500.3157(15)(f).[17] Accordingly, the Court of Appeals

found that the limitations Memberselect applied are related to the fee schedule. They found that Memberselect used rates in the fee schedule to determine an initial payment amount, then adjusted the rates in the fee schedules to determine the amount payable by Medicare under MCL 500.3157(2) and MCL 500.3157(7) by applying the Medicare Multiple Procedure Price Reduction Rule, Medicare Packaged-Service rule, and Medicare Geographical Billing modifier rules. The Court of Appeals found that because those limitations and reductions were not related to the fee schedule, they are not of the same kind, class, character, or nature as those prohibited by MCL 500.3157(15)(f).[18] The Court of Appeals went on to state:

> Thus under the plain language of MCL 500.3157(2)(a), limitations such as the MPPR, the packaged-service rule, and the geographic billing modifier affect the amount Medicare would pay for the particular service, meaning they may be considered for purposes of the no-fault act.[19]

The Court of Appeals found that the trial court erred in denying summary disposition as to the limitations related to the rates in the fee schedule. The Court of Appeals did find that there remained factual questions because the application of the related limitations and reductions affects the amount payable by Medicare, and, as a result what defendant must pay, a factual question remained. Therefore, the Court of Appeals remanded for further proceedings consistent with the opinion.[20]

The Michigan Court of Appeals recent holding solidifies that the Medicare Multiple Procedure Price Reduction rule, Medicare Packaged-Service rule, and Medicare Geographical Billing modifier rules are incorporated into the Fee Schedule Analysis. As such, these rules are to be considered when determining the applicable amount that can be sought under the Fee Schedule.

About the Authors

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Endnotes

1. *Favot v Brown*, _____ Mich Ct App_____ (Mich Ct App 2025).
2. Supra, *Favot*, citing MCL 500.3157.
3. *Id.*
4. *Id.*
5. *Id.*
6. *Id.*
7. *Id.*
8. *Id.*
9. *Home Health Care Servs, Inc v Progressive Mich Ins Co*, ____ Mich App ____ (2024).
10. Supra, *Favot*.
11. *Id.*
12. *Id.*
13. *Id.*
14. *Id.*
15. *Id.*
16. *Id.*
17. *Id.*
18. *Id.*
19. *Id.*
20. *Id.*

Modern Discovery

By James A. Johnson

"By failing to prepare, you are preparing to fail" - Benjamin Franklin

Litigation today is very expensive and requires an effective plan for obtaining documents and communications to prove or defend your case. Two characteristics that distinguish successful trial lawyers are preparation and strategy. Jury instructions or the court's charge should be the first document you draft in the case. Drafting jury instructions early is the best way to evaluate the case for the plaintiff or defendant. *The key elements of proof are the cornerstone of discovery and will be set out in the jury instructions.* An effective discovery plan is a key component in the implementation of your trial strategy.

Federal Rules of Civil Procedure

Rule 26 of the Federal Rules of Civil Procedure permits discovery regarding "any nonprivileged matter that is relevant to any party's claim or defense and proportional to the needs of the case."[1] However, discovery has its limits. Discovery must be limited if: "(i) the discovery sought is unreasonably cumulative or duplicative or can be obtained from some other source that is more convenient, less burdensome or less expensive;(ii) the party seeking discovery has had ample opportunity to obtain the information by discovery in the action; or (iii) the proposed discovery is outside the scope permitted by Rule 26(b)(2(C)."[2]

Federal practice promotes a spirit of discovery at the inception of the case. Each party must serve their respective initial disclosures within 14 days after the early meeting of counsel.[3] If a producing party has failed to produce discovery or production has been incomplete, a requesting party should first attempt to confer with opposing counsel before filing a motion to compel under Rule 37(a).

Objections

All objections to written discovery must have a good faith factual and legal basis. Counsel must analyze each request. The party resisting discovery must show *specifically* how *each* discovery request is not relevant, unduly burdensome, or objectionable. Although discovery is broad in scope the responding party has the burden to establish *how* the requested discovery is overly broad, unduly burdensome, or oppressive. Courts now require counsel to offer evidence revealing the nature of the burden. This level of specificity allows courts to meaningfully evaluate objections. If a party does not make this evidentiary showing, the objection is merely conclusory. Boilerplate objections are effectively no objection at all.[4]

Business litigation often involves confidential and sensitive information such as trade secrets and privacy data. Even in these cases, the responding party must demonstrate why the requested information exceeds the permissible scope of discovery. When applicable, the responding party must demonstrate why a protective order would be insufficient.

Electronically Stored Information

Michigan adopted electronic discovery rules on January 1, 2009 and follows, in large part, the Federal Rules. The Michigan Court Rules require at the beginning of a lawsuit that attorneys and clients address issues pertaining to access to, use of, and preservation of discovery information that is stored in electronic form.

Electronically stored information includes email messages, word processing files, and databases that are created and stored on computers or flash drives. Technology changes rapidly making a complete list impossible. Federal Rules of Civil Procedure 26 and 34 use the broad term "electronically stored information" to identify a distinct category of information together with "documents" and "tangible things" is subject to discovery rights and obligations. A party responding to a Rule 34 production request cannot furnish only that information within his or her immediate knowledge or possession. Counsel is under an affirmative duty to seek that information reasonably available to his or her employees, agents or others subject to their control.[5]

This would include electronically stored information. Also anticipate all the sources of potentially relevant information held by your opponent. Now your adversary has to state specifically that a particular source does not exist or has no information or data relevant to this case.

Direct Access of Electronic Devices

Can you obtain direct access to an opponent's electronic devices during discovery? The answer is Yes and No! Direct access allows a litigant's own forensic expert to make an image of all data on an opponent's device and recover damaged and deleted files. Deleting an electronic document does not necessarily eliminate it. Companies and individuals understandably do not want to give an adverse litigant direct access. Providing access to information by ordering examination of a party's electronic storage is intrusive and should be generally discouraged. However, when the requesting party can make *a specific evidentiary showing* that the responding party defaulted in its discovery obligations and has *evidence of misconduct*, it is the first step in gaining direct access.[6] To establish a discovery default the requesting party should elicit specific, unequivocal testimony from the responding party of the steps taken to retrieve the requested information. Next, the requesting party must demonstrate that the responsive information exists on the target device and that the proposed access protocol will retrieve it.[7] A bare bones allegation that you believe the information exists is insufficient to gain access to another party's electronic devices.

A multifactor test should be used by the court for determining when cost shifting is appropriate. Some of the factors to be considered are the specificity of the discovery requests, the relative benefit to the parties of obtaining the information, and the resources available to each party.

Cooperation

FRCP 26(f) directs parties to discuss any issues relating to discovery of electronically stored information. The central issue in discovery management is the determination of scope. Federal Rule of Civil Procedure 1 provides that the rules "should be construed, administered and employed by the court and parties to secure the just, speedy and inexpensive determination of every action and proceeding." Rule 1 imposes an obligation of cooperation on the bench and bar to take affirmative steps to ensure that discovery is proportional to the stake and issues involved in the case. FRCP 26(b)(1) sets out the proportionality factors in defining the scope of discovery. They are:

- importance of the issues at stake
- amount in controversy
- relative access to relevant information
- the parties' resources
- importance of the discovery, and
- burden or expense…outweighs its likely benefit.

Proportionality

Proportionality is now the cornerstone of modern discovery practice. Courts should carefully weigh parties' relative resources, the importance of the issues, public policy concerns, and constitutional rights. Also, courts should view discovery burdens through the broader importance to society and not just the parties involved. Technology like artificial intelligence presents opportunities and challenges for discovery practice. Practitioners must develop expertise in efficiently managing electronic discovery. To be successful in discovery, counsel should develop an early comprehensive discovery strategy that anticipates potential objections including possible protective orders when applicable.

Judges should encourage the parties to cooperate during discovery and at the pretrial stage to address admissibility issues. This will minimize the need for motion practice. Judges are gatekeepers of admissibility of derived electronically stored information under Federal Rule of Evidence 104(a). Disputes may arise and include whether electronically stored information

related testimony should be characterized as opinion testimony under 701 or expert testimony under Evidence Rule 702. Also issues of authentication under Evidence Rule 901 or 902 may come up. Keep in mind that Federal Rule of Evidence 902(13) and 902(14) provide for self-authentication of electronic evidence by certification in lieu of testimony. Rule 902(13) applies to electronic evidence such as computers, social media posts and smart device data. Rule 902 (14) applies to electronic copies.

Shifting Cost

There is a presumption that the responding party must bear the expense of complying with discovery requests. However, under Rule 26 (c) of the federal rules, a district court may issue an order protecting the responding party from undue burden or expense by conditioning discovery. It can condition discovery on the requesting party's payment of the costs of discovery. The responding party has the burden of proof *"for good cause shown"* on a motion to shift cost.[8]

Under the electronically stored information amendment to Federal R Civ P 26(b)(2)(B), the party from whom discovery is sought must show that the information is not reasonably accessible because of undue burden or cost before cost shifting can occur.[9]

Michigan Discovery

In Michigan, upon a showing that the requested information is not reasonably accessible under MCR 2.302 (B), the court under MCR 2.302(B)(6) can reduce the scope of discovery and/or shift some or all of the costs of the discovery to the requesting party. Also, the court can impose sanctions on a party where a former employee-defendant permanently deleted 270,000 files from his personal laptop computer. Although in *Barrett Outdoor Living, Inc v Michigan*, the court denied motion for sanctions, it may impose sanctions after hearing. This case sets out the requirements for sanctions.[10]

The Michigan Supreme Court adopted comprehensive amendments to Michigan's civil discovery rules including pretrial civil litigation. Michigan's new discovery rules took effect on January 1, 2020**.** Discovery is the most expensive and burdensome element of civil litigation. Michigan is modernizing its rules that discovery must be proportional to the needs of the case and to make discovery less costly. The new discovery rules also increase the public's access to Michigan courts.

The State Bar of Michigan, together with Dickinson Wright and Warner Norcross, provide a guidebook on the new discovery rules.[11] Also read Dan Quick's article, "The New Discovery Rules" in the September 2019 *Michigan Bar Journal*.[12]

As a trial lawyer, discovery is a vital aspect of litigation. In short, MCR 1.105 is revised to state that the rules are to be construed, administered, and employed by the parties and the court to secure the just, speedy, and economical determination of every action and does not affect substantial rights of the parties. Under MCR 2.401(c) the court or party may initiate a process for collaboration between the parties to establish a discovery plan. Briefly, the new rules require cooperation of the court and parties and to produce specific information up front.

Special Master

Under Rule 53 of the Federal Rules of Civil Procedure, a trial court is expressly authorized to appoint a "Special Master" to address pre-trial and post-trial matters. This rule applies to discovery disputes of electronically stored information that easily could involve hundreds or thousands of pages or documents. Electronic discovery has placed extraordinary burdens upon litigants and trial court judges in managing their documents. The appointment of a Special Master can be a valuable option to assist the parties and the court through the arduous e-discovery process.

Conclusion

The fundamental purpose of discovery is to seek the truth so that disputes are decided by *revealed* rather than *concealed* facts. The explosion of electronically stored information and increasing litigation costs have transformed the discovery landscape.

The new Michigan discovery rules took effect on January 1, 2020. They modernize the rules to the effect that the scope of discovery must be proportional to the case, clarifies issues concerning electronically stored information, and makes discovery less costly.

An effective discovery plan is a key component in the implementation of your trial strategy. To have an effective discovery plan, counsel should first prepare the jury instructions. The key elements of proof are the cornerstone of discovery and will be set out in the jury instructions. Effective discovery is a well thought-out plan that includes e-discovery. The Michigan court rules require at the commencement of a lawsuit that attorneys and clients address issues pertaining to access, use of, and preservation of discovery that is stored in electronic form. Parties should gear the timing of e-discovery to ensure readiness for depositions.

Federal practice promotes a spirit of discovery at the inception of the case. Each party must serve their respective initial disclosures within 14 days after the early meeting of counsel.

Under Federal Rule 53 of Federal Rules of Civil Procedure, a trial court is expressly authorized to appoint a Special Master to assist the parties in complex commercial cases in the arduous e-discovery process. Always be prepared to address proportionality objections.

Federal Rules of Civil Procedure 26 and 34 and Michigan Court Rule 2.302 cover discovery of electronic stored information. Direct access to opponent's electronic devices requires a specific evidentiary showing that responding party defaulted and evidence of misconduct. The responding party has the burden of proof for *good cause shown* to shift cost for obtaining electronically stored information. Discovery strategy particularly e-discovery strategy is more often vital than trial strategy.

As technology evolves, counsel must develop expertise in efficiently managing electronic discovery. Modern discovery requires developing cooperative relationships with opposing counsel to resolve disputes fairly and efficiently to advance the administration of justice.

About the Author

James A. Johnson *of James A. Johnson, Esq., in Southfield is an accomplished trial lawyer concentrating on serious Personal Injury, Insurance Coverage under the Commercial General Liability policy, Sports & Entertainment Law and Criminal Defense. Mr. Johnson is an active member of the Michigan, Massachusetts, Texas and Federal Court Bars, and can be reached at www.JamesAJohnsonESq.com*

Endnotes

1. Fed R Civ P 26(b) (1); MCR 2.302 (B) (1).
2. FRCP (b)(2)(C), MCR 2.302 (B).
3. Fed R Civ P 26 (a) (1) (C).
4. *Wesley Corp v Zoom TV Prod, LLC,* No 17-10021, 2018 WL 37270 at *4 (ED Mich Jan 11, 2018).
5. *Flagg v City of Detroit*, 252 FRD 346 (ED Mich 2008).
6. *Powers v Thomas M. Cooley Law School,* 2006 WL 2711512 (WD Mich Sept 21, 2006) - misconduct must be shown to gain access to opponent's computer.
7. *Diepenhorst v City of Battle Creek,* 2006 WL 1851243 (WD Mich June 30, 2006) - no discovery misconduct was shown and defendant's motion to compel forensic examination of plaintiff's computer hard drive was denied.
8. FRCP 26(c); MCR 2.302(B)(6); MCR 2.506(A)(3); see *State Farm Mut Auto Ins Co v Warren Chiropractic & Rehab Clinic, PC*, 315 FRD220, 223-24 (ED Mich 2016) - the information sought by the plaintiff was relevant and proportional to the needs of the case.
9. *Pipefitters Local No. 636 Pension Fund v Mercer Human Res Consulting, Inc*; 2007 WL2080365, at *2 (ED Mich July 19, 2007); See, Texas R Civ P 196.4 codifying the cost bearing shift.
10. *Barrette Outdoor Living Inc v Michigan,* No 2:201cv 13335 Doc 216 (ED Mich 2014); see *Sekisui American Corp v Hart,* 945 F. Supp 2d 494 (2013) - spoliation sanction imposing an adverse jury instruction where a party intentionally and permanently destroyed the email files of several key players with the full knowledge of the likelihood of litigation.;15 F Supp 3d 359 (SDNY 2014) – Hart's motion for sanctions against Sekisui's counsel is denied because lack of bad faith or delay and adverse inference instruction is moot.
11. https://www.michbar.org/file/generalinfo/civildiscovery/civildiscovery_guidebook.pdf.
12. Daniel D. Quick, The New Discovery Rules, *Michigan Bar Journal*, Sept 2019 Vol 98, No.9.

Listing the Proper Insured and the Risk of Coverage Gaps

By Michael S. Hale
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In the world of insurance, one of the most critical – and often overlooked – details on a policy is the Named Insured. The "Named Insured" is more than a formality on a declarations page; it determines who has rights under the contract, who receives defense and indemnity, and, ultimately, who is protected when a loss occurs. Failing to properly identify the correct Named Insured can lead to devastating coverage gaps.

Why the Named Insured Matters

1. Scope of Coverage
   The Named Insured is the party to whom the insurer owes its broadest duty. While additional insureds, spouses, or permissive users may have some coverage, their rights are usually narrower and subject to limitations.
2. Duty to Defend
   Insurers generally owe a duty to defend the Named Insured against covered claims. If the wrong entity is listed, the intended insured may be left without defense costs when litigation arises.
3. Contractual Requirements
   Many contracts – leases, loan agreements, vendor contracts – specifically require that the contracting party be listed as a Named Insured. Misidentification can mean breach of contract and financial exposure.

Named Insured vs. Additional Insured – Key Differences

Understanding the difference between a Named Insured and an Additional Insured is critical in avoiding gaps in coverage. The chart below highlights the key distinctions.

Named Insured	*Additional Insured*
Holds the policy in its name; receives the declarations page.	Added by endorsement, typically to satisfy a contract requirement.
Receives the broadest coverage, including defense and indemnity for all operations.	Coverage is limited to liability arising out of the Named Insured's operations, premises, or work.
Has full rights under the policy (cancellation, changes, negotiations, receipt of notices).	Has no control over the policy; generally cannot make changes or receive notices.
Coverage applies to all operations, exposures, and owned property of that entity.	Coverage is narrower, often subject to exclusions, and may be limited in duration.
Examples: business entity listed on the declarations page, trust holding property.	Examples: landlord added to tenant's liability policy, general contractor added to subcontractor's policy.

Example:
A landlord requires a tenant to add the landlord as an additional insured. If someone slips and falls due to the tenant's operations, the landlord gets protection. But if the landlord is sued for its own negligence (e.g., failure to maintain the parking lot), that claim may not be covered. If the landlord were listed as a Named Insured instead, it would receive much broader protection.

Common Scenarios Where Gaps Arise

- Multiple Business Entities – Only one LLC listed, leaving others uncovered.
- Family or Estate Ownership – Trusts or estates not properly named.
- Partnerships and Joint Ventures – Ventures not individually listed.
- Successor Entities – Coverage not updated after reorganization.

Practical Steps to Avoid Gaps

1. Match Policy to Ownership – Ensure the Named Insured matches legal title.
2. Review Contracts – Align policy with lease, vendor, or lender requirements.
3. Audit Regularly – Update Named Insureds after reorganizations or estate changes.
4. Understand Endorsements – Know that additional insured status is not a substitute for being a Named Insured.

Conclusion

Insurance policies are complex legal contracts, and small details can create large consequences. The Named Insured is the cornerstone of coverage. It defines who the insurer protects. By contrast, Additional Insureds are given narrower, situational protection. Both serve important roles, but they are not interchangeable. Failing to recognize this distinction can leave businesses and families exposed to uncovered claims, costly litigation, and unintended financial loss. In insurance, as in most things, the details matter – and none more so than the Named Insured.

About the Author

Michael Hale *is a licensed attorney and licensed insurance producer in Michigan. He has represented numerous insurance agencies in matters before DIFS and also has served as an expert witness in many insurance-related cases.*


LEGISLATIVE UPDATE

Ramping Up for a Busy Fall!

By Christopher J. Petrick and Katharine Buehner Smith
Collins Einhorn Farrell PC

The Legislature has been busy since our last update: the Senate introduced nearly 150 bills and the House introduced over 350 bills since the end of June!

A seat in the Senate remains vacant and a special election will be held to fill it—the primary will take place on February 3, 2026, and the general election to be held on May 5, 2026. The Democrats currently hold a one seat majority in the Senate, so this election has the potential to end that majority.

Several bills were introduced and already advanced since our last update:

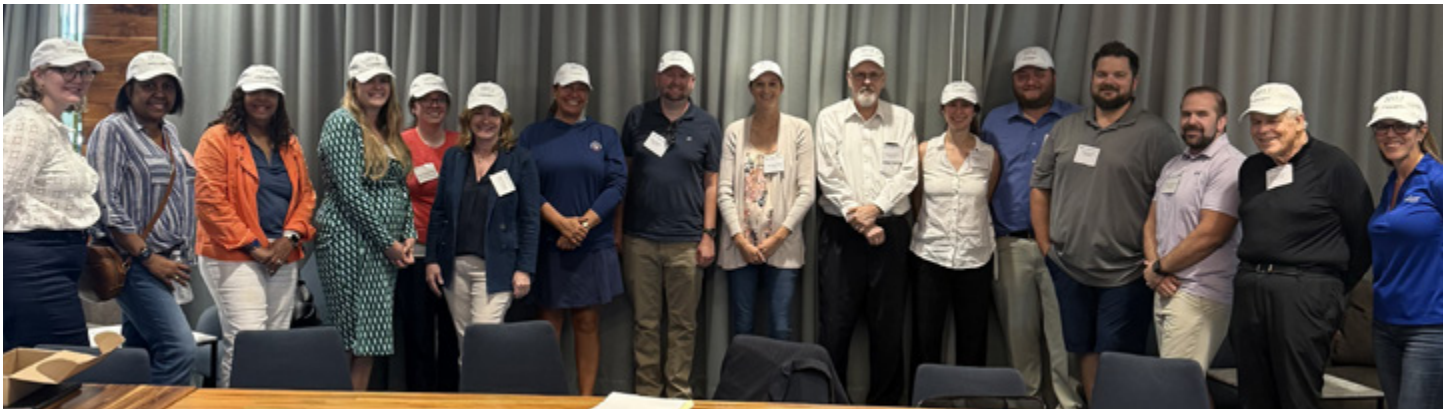
- **SB 400 –** amends the Insurance Code to prohibit any insurer providing health insurance from requiring a prior authorization for coverage of a medication for the treatment of opioid use disorder or alcohol use disorder. ***Passed the Senate (36-0) on 7/1/2025. Referred to the House Insurance Committee on 7/1/2025.***
- **SB 401 –** would require a prescriber who issued a prescription to a patient for an opioid to also offer the patient a prescription for an opioid antagonist under certain circumstances. ***Passed the Senate (34-2) on 7/1/2025. Referred to the House Insurance Committee on 7/1/2025.***
- **SB 414 –** amends the Insurance Code to require that any insurer providing health insurance provide coverage for group prenatal care services. ***Passed the Senate (36-0) on 7/1/2025. Referred to the House Insurance Committee on 7/1/2025.***
- **HB 4713 –** amends the Health Care False Claim Act to expand the definition of health care insurer by including auto insurers that provide PIP coverage under Chapter 31 of the Insurance Code. ***Passed the House (101-2) on 9/16/2025. Referred to the Senate Finance, Insurance, and Consumer Protection Committee on 9/18/2025.***
- **HB 4715 –** amends the Insurance Code to expand protections for entities that share information on suspected or confirmed insurance fraud. ***Passed the House (101-2) on 9/16/2025. Referred to the Senate Finance, Insurance, and Consumer Protection Committee on 9/18/2025.***
- **HB 4716 –** amends the Insurance Code to create a tiered penalty structure for fraudulent insurance acts based on the number of fraudulent claims, the total dollar amount involved, conspiracy participation, and prior convictions. ***Passed the House (101-2) on 9/16/2025. Referred to the Senate Finance, Insurance, and Consumer Protection Committee on 9/18/2025.***
- **HB 4718 –** amends the Insurance Code to require insurers that know or reasonably believe after completing a good-faith investigation that a fraudulent insurance act has occurred to report it to the Department of Insurance and Financial Services (DIFS). ***Passed the House (102-1) on 9/16/2025. Referred to the Senate Finance, Insurance, and Consumer Protection Committee on 9/18/2025.***
- **HB 4719 –** amends the Insurance Code to authorize the department to assess civil fines specifically for fraudulent insurance acts under section 4503. ***Passed the House (102-1) on 9/16/2025. Referred to the Senate Finance, Insurance, and Consumer Protection Committee on 9/18/2025.***

And several other new bills made their way to the insurance committees:

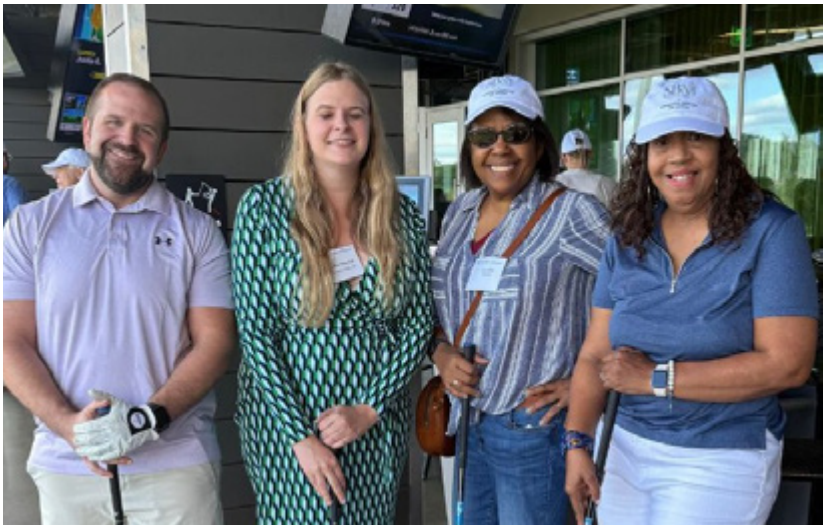
- **SB 543 –** amends the Insurance Code to increase the monetary penalties applicable to insurers that violate the Code.
- **SB 544 –** amends the Insurance Code to include a tendency to modify a policy or deny a claim based on material facts arising out of a claims investigatory process as a prohibited method or practice under the Code.
- **SB 545 –** amends the Insurance Code to require an insurer to update an insured individual if the insurer made a material change to the individual's automobile or homeowners' insurance policy.

- **SB 546 –** amends the Insurance Code to update the rate of interest for insurance claims not paid in a timely manner, shortening the timeframe (from 45 to 30 days) that a medical insurance company must pay a claim, and requiring an insurer to report certain information regarding late or unpaid claims.
- **SB 547 –** amends the Insurance Code to require auto insurers to comply with the Department of Insurance and Financial Services' decision in an appeal concerning a Personal Injury Protection medical claim.
- **SB 548 –** amends the Insurance Code to create a framework to allow the Director of the Department of Insurance and Financial Services (DIFS) to monitor, examine, and penalize insurance companies based on the protection of insurance customers.
- **SB 549 –** amends the Insurance Code to modify the definition of a "cybersecurity event"; removes provisions allowing a licensee to determine whether a cybersecurity event will cause "substantial loss or injury" before notifying residents; subjects licensees in violation to fines.
- **SB 550 –** amends the Insurance Code require an insurer to file certain manuals or plans with the Department of Insurance and Financial Services containing specific information, including rules for insurance ratings and premiums.
- **HB 4703 –** amends the Insurance Code to require that any insurer providing health insurance provide coverage for group prenatal care services.
- **HB 4740 –** amends the Insurance Code to provide that an insurer providing health insurance provide coverage, shall not subject coverage for autism spectrum disorders to dollar limits, copays, deductibles, or coinsurance provisions that do not apply to physical illness generally.
- **HB 4814 –** amends the Insurance Code to require that any insurer providing health insurance provide coverage for medically necessary care or treatment for menopause and perimenopause.
- **HB 4854 –** amends the Insurance Code to require disclosure to insured as to whether a producer is an agent of the insured or agent of the insurer.
- **HB 4860 –** amends the Insurance Code to require that a health plan or nonprofit dental care corporation that provides dental benefits provide at least one method of payment or reimbursement that provides the dentist with 100% of the amount payable, without a fee.
- **HB 5030 –** amends the Insurance Code to require insurers providing coverage for personal protection insurance benefits to offer deductibles in increments of $1,000 up to the average amount paid in personal protection insurance benefits for all motor vehicle accidents that occurred in the preceding year that resulted in accidental bodily injury.

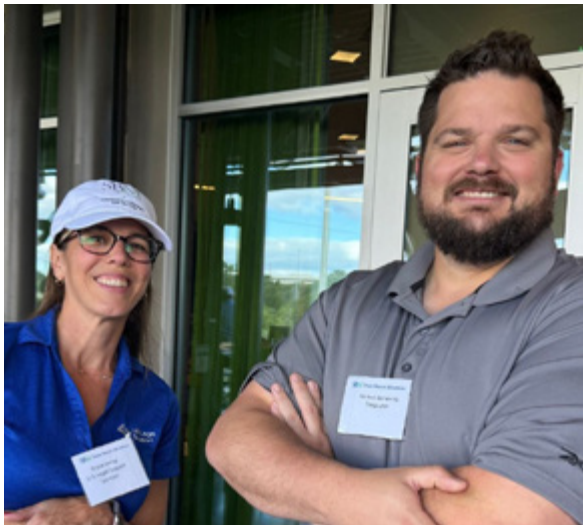
Scenes from the August 21 Meeting at Top Golf



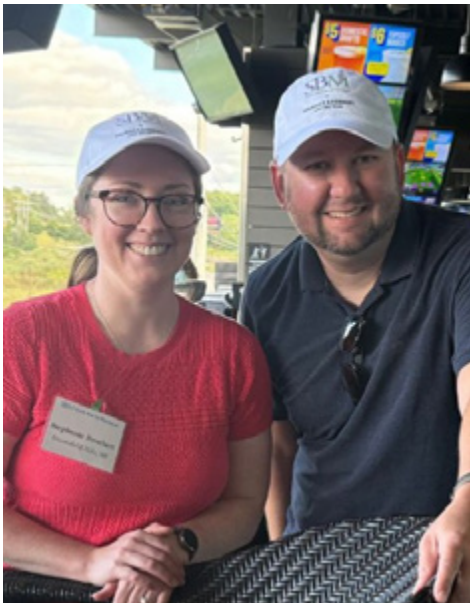
Team Top Golf



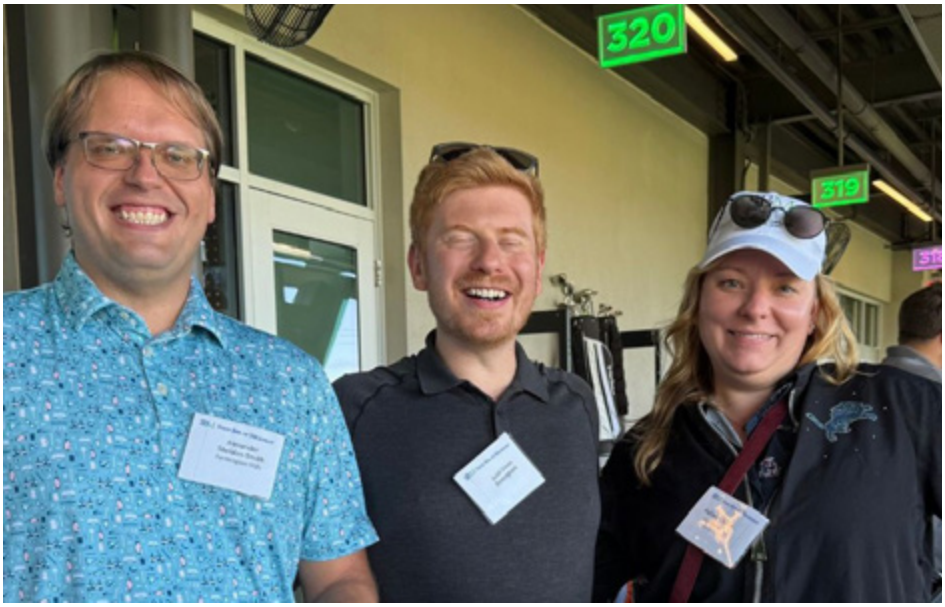
Christopher Petrick, Jennifer Serwach, Jane Mills and Gina Smith-Gallant



Grace Dersa, her company, U.S. Legal Support, was a sponsor. Michael Spinazzola



Stephanie Brochert and Patrick Crandell



Alexander Sheldon-Smith, Jacob Simon and Ashley Chalut. They are from the Young Lawyers Section and were a sponsor.