S T A T E O F M I C H I G A N

C O U R T O F A P P E A L S

CASEY SMITH,

Plaintiff-Appellant,

and

PIONEER LAB HOUSTON, LP,

Intervening Plaintiff,

v

CITIZENS UNITED RECIPROCAL EXCHANGE and CURE AUTO INSURANCE,

Defendants-Appellees,

and

BASHAR ALMARISI and LEVAN BURGEN,

Defendants.

UNPUBLISHED
August 13, 2026
8:57 AM

No. 375287
Wayne Circuit Court
LC No. 23-001244-NI

Before: ACKERMAN, P.J., and BAZZI and LIEVENSE, JJ.

PER CURIAM.

In this no-fault action, plaintiff Casey Smith challenges an order granting summary disposition to defendants Citizens United Reciprocal Exchange and CURE Auto Insurance on plaintiff's claim for personal protection insurance (PIP) benefits.[1] The dispositive question is

[1] Although the proper statutory name for this coverage is "personal protection insurance," MCL 500.3107(1), it is "abbreviated PIP by convention." *McKelvie v Auto Club Ins Ass'n*, 459 Mich 42, 44 n 1; 586 NW2d 395 (1998). We note further that plaintiff's complaint named both Citizens United Reciprocal Exchange and CURE Auto Insurance as defendants, but the body of the complaint refers to them collectively, and the record reflects that they are a single insuring

whether CURE effectively canceled plaintiff's no-fault insurance policy before the accident giving rise to this litigation. Because CURE sent the purported notice of cancellation for nonpayment on the very day plaintiff's payment was due, we conclude that the notice did not comply with MCL 500.3020(1)(b) and was therefore ineffective. We accordingly reverse and remand.

I. BACKGROUND

This case arises out of an auto accident on June 21, 2022, involving plaintiff, defendant Bashar Almarisi, and defendant Levan Burgen, but the facts underlying the accident are immaterial to this appeal. Instead, this appeal concerns the validity of a notice of cancellation CURE sent to plaintiff before the accident.

On February 24, 2022, plaintiff obtained an auto insurance policy through CURE, effective February 25, 2022, through August 25, 2022. He opted to pay the premium in three installments and made his first installment payment in February. On April 5, 2022, CURE sent plaintiff a notice indicating that his next installment payment was due by April 24, 2022.

It is undisputed that plaintiff did not make any payments toward the premium in April. On April 24, 2022—the day the next installment was due—CURE sent plaintiff a notice of cancellation for nonpayment of the policy premium. The notice stated that the policy would be canceled effective May 9, 2022, at 12:01 a.m. "for the following reason: Non-Payment of Premium," but it advised that plaintiff could "continue [the] policy by paying the total amount due before the cancellation date." The parties agree that plaintiff did not make the payment by the May 9 deadline.

Two days after sustaining injuries in the June 21 accident, plaintiff made a payment to CURE, and the policy was reinstated effective June 23. He then submitted a claim for PIP benefits arising from the accident, but CURE denied coverage on the ground that the policy had been canceled effective May 9 and was not in effect on the date of the accident.

Plaintiff subsequently filed this action, asserting a claim for PIP benefits against CURE. CURE moved for summary disposition under MCR 2.116(C)(8) and (C)(10), asserting that plaintiff's insurance policy had been canceled for nonpayment in accordance with MCL 500.3020(1) and the terms of the policy, and plaintiff was therefore not covered on the date of the accident. Plaintiff responded that the notice of cancellation was ineffective because it was mailed before the deadline for nonpayment had passed and because its language was conditional. Following a hearing, the trial court found that the notice of cancellation was proper and that the subject policy was not in effect on the date of the accident. The court therefore granted summary disposition to CURE. Plaintiff now appeals.

---

entity: CURE is the operating name of Citizens United Reciprocal Exchange. We therefore refer to defendants-appellees singularly as "CURE."

II. DISCUSSION

This Court reviews de novo a trial court's decision on a motion for summary disposition. *Maiden v Rozwood*, 461 Mich 109, 118; 597 NW2d 817 (1999). Because the trial court considered evidence beyond the pleadings, we review the motion as having been granted under MCR 2.116(C)(10). See *Cuddington v United Health Servs, Inc*, 298 Mich App 264, 270; 826 NW2d 519 (2012). A motion under MCR 2.116(C)(10) "tests the factual sufficiency of the complaint." *Maiden*, 461 Mich at 120. "In evaluating a motion for summary disposition brought under this subsection, a trial court considers affidavits, pleadings, depositions, admissions, and other evidence submitted by the parties" in the light most favorable to the nonmoving party. *Id*. A motion under MCR 2.116(C)(10) is properly granted where there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. *Maiden*, 461 Mich at 120. Questions of statutory interpretation and the proper interpretation of an insurance contract are likewise reviewed de novo. *Bazzi v Sentinel Ins Co*, 502 Mich 390, 398; 919 NW2d 20 (2018).

Under MCL 500.3020(1), "[a] policy of casualty insurance, . . . including all classes of motor vehicle coverage, shall not be issued or delivered in this state" unless it contains certain provisions. One such provision is that "the policy may be canceled at any time by the insurer by mailing to the insured at the insured's address last known to the insurer . . . a not less than 10 days' written notice of cancellation." MCL 500.3020(1)(b). The statute does not merely require an insurer to include a cancellation provision in the policy; it "imposes an affirmative duty on the insurer to comply with the notice requirements found in the statute." *Yang v Everest Nat'l Ins Co*, 329 Mich App 461, 468; 942 NW2d 653 (2019), aff'd 507 Mich 314 (2021). Absent notice given in accordance with MCL 500.3020(1)(b), a purported cancellation is ineffective, and the policy remains in force. *Yang v Everest Nat'l Ins Co*, 507 Mich 314, 327; 968 NW2d 390 (2021).

In *Yang*, both this Court and our Supreme Court addressed materially similar circumstances: an insurer's attempt to cancel a no-fault policy for nonpayment of premium by mailing a notice before the payment was past due. There, the defendant-insurer sent the plaintiff a bill for a premium payment stating that the failure to pay the amount due by the due date would result in cancellation of the policy, effective the day after the missed payment. The plaintiff did not timely make the payment, and the policy was canceled. *Yang*, 329 Mich App at 464-465. This Court held that "[f]or cancellation to be 'based' upon nonpayment, nonpayment must have occurred"; when a notice of cancellation is sent before nonpayment of the premium, "it is not informing the insured that the policy is canceled, but rather that cancellation is contingent upon a future event." *Yang*, 329 Mich App at 469 (quotation marks and citation omitted). Accordingly, "a notice of cancellation sent before the time for making the premium payment has passed does not satisfy MCL 500.3020(1)(b)," and the cancellation notice sent to the plaintiff before nonpayment occurred was invalid. *Yang*, 329 Mich App at 472.

Our Supreme Court unanimously affirmed this Court's opinion in *Yang*. It held that the phrase "notice of cancellation" in MCL 500.3020(1)(b) carries its settled common-law meaning, under which a cancellation notice must be "peremptory, explicit, and unconditional" to be effective. *Yang*, 507 Mich at 324-327. Because the notice in *Yang* "specifically included the condition that [the insured's] no-fault insurance policy would be canceled *if* he failed to pay his insurance premiums on time," it was conditional and therefore "did not constitute a valid cancellation notice under MCL 500.3020(1)(b)." *Yang*, 507 Mich at 325-326. The policy consequently remained in effect at the time of the accident. *Id*. at 326.

Applying *Yang*, the April 24, 2022 notice of cancellation in this case was ineffective as a matter of law because it was mailed before the deadline for plaintiff's payment had passed. The April 5 notice CURE sent plaintiff stated that his second installment payment was due April 24. When CURE sent the notice of cancellation on April 24, plaintiff still had the remainder of that day to make a timely payment. Indeed, CURE concedes on appeal that plaintiff "ostensibly could have provided payment on that date." The time for making the premium payment therefore had not yet passed when the notice was issued, and no nonpayment—the sole ground for cancellation stated in the notice—had yet occurred. Under *Yang*, such a notice "does not satisfy MCL 500.3020(1)(b)." *Yang*, 329 Mich App at 472; see also *Yang*, 507 Mich at 316-317 (holding that MCL 500.3020(1)(b) "does not allow cancellation" where the insurer mails a purported cancellation notice for nonpayment "before any nonpayment actually occurred"). That plaintiff thereafter failed to pay—by May 9, 2022, or at any other time before the accident—does not rehabilitate the ineffective notice. The same was true in *Yang*: the insured there never made the overdue payment before the accident, yet the Supreme Court held that the policy remained in effect because the insurer had not complied with the statute. *Yang*, 507 Mich at 318-319, 326.

On appeal, CURE relies on *Jackson v Doe*, unpublished per curiam opinion of the Court of Appeals, issued September 19, 2024 (Docket No. 367269), to support its position that the cancellation notice was proper. That reliance is misplaced. In *Jackson*, the defendant-insurer sent a cancellation notice for nonpayment the day after the plaintiff failed to make a timely payment. The notice stated that coverage would be terminated on a fixed date unless payment was received before that date. The plaintiff never paid, and the policy was canceled. *Id*. at 1-2. The trial court deemed the notice ineffective, but this Court reversed, reasoning that, "unlike in *Yang*," the defendant-insurer mailed the cancellation notice *after* the plaintiff failed to pay the premium. *Id*. at 4. This Court further held that affording the plaintiff an opportunity to make the payment and avoid cancellation "did not render the notice conditional" because "the condition required already occurred when [the plaintiff] did not pay the premium by its due date." *Id*. On that basis, the *Jackson* Court concluded that the notice was peremptory, explicit, and unconditional, and that the cancellation was valid under MCL 500.3020(1)(b). *Id*.

Jackson's reasoning undermines CURE's position in this case. The critical distinction between *Jackson* and *Yang* is the timing of the notice of cancellation. The notice in *Yang* failed to satisfy MCL 500.3020(1)(b)'s requirement that it be peremptory, explicit, and unconditional because it was sent before the condition triggering cancellation—nonpayment—actually occurred. *Yang*, 507 Mich at 325-326. The notice in *Jackson*, by contrast, was sent the day after nonpayment occurred, and it therefore satisfied the requirements of MCL 500.3020(1)(b). Because the cancellation notice at issue in this case was sent the day the payment was due—i.e., before nonpayment occurred—it is the analysis in *Yang*, not *Jackson*, that controls.

Because "the event that allowed for cancellation occurred on the date of nonpayment," it was only after the payment deadline passed that CURE could "properly notify the insured of cancellation." *Yang*, 329 Mich App at 470. In this case, payment was not yet past due when CURE issued its notice of cancellation to plaintiff. Accordingly, the notice was not peremptory, explicit, and unconditional, rendering it ineffective under MCL 500.3020(1)(b). See *Yang*, 507

Mich at 327. And because the cancellation notice was ineffective, the policy remained in effect at the time of the accident. See *id*. at 326. The trial court therefore erred by granting summary disposition to CURE.

Reversed and remanded for further proceedings consistent with this opinion. We do not retain jurisdiction.

/s/ Matthew S. Ackerman
/s/ Mariam Saad Bazzi
/s/ Andrew J. Lievense