

STATE OF MICHIGAN  
COURT OF APPEALS

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JOSEPH VITALE, JR.,

Plaintiff-Appellee,

v

AUTO CLUB INSURANCE ASSOCIATION,

Defendant-Appellant,

and

MERIDIAN MUTUAL INSURANCE COMPANY,

Defendant-Appellee.

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FOR PUBLICATION

January 22, 1999

9:20 a.m.

No. 200452

Wayne Circuit Court

LC No. 95-508215 NF

Before: Hoekstra, P.J., and Doctoroff and O'Connell, JJ.

O'CONNELL, J.

This case involves a priority dispute between two no-fault insurers. At issue is whether a person injured in an accident involving a motor vehicle provided to that person by a former employer as part of a severance package remains an "employee" for purposes of triggering an employer's insurer's obligation to provide coverage under § 3114(3) of the no-fault act.<sup>1</sup> We agree with the trial court that § 3114(3) is inapplicable here.

Plaintiff sustained bodily injuries in October 1994 in an accident while operating a 1991 Chrysler New Yorker leased to his former employer, The Greeson Company. The employment relationship between plaintiff and Greeson ended in June 1993, but plaintiff retained possession of the company car pursuant to the terms of a severance agreement, which provided that Greeson would transfer ownership of the New Yorker to plaintiff at the end of the lease period, and that as of January 1, 1994, Greeson would have no further obligation to maintain insurance on the vehicle. At the time of the accident, Greeson had yet to transfer ownership of the vehicle to plaintiff.

When the accident occurred, defendant Meridian Mutual Insurance Company insured the New Yorker under a fleet no-fault policy provided to Greeson. Plaintiff insured his own automobiles, other than the New Yorker, through defendant Auto Club Insurance Association

these facts, construing the term "employee" to include a former employee who had performed no work for the former employer since accepting a severance package over a year before the accident, would be wholly inconsistent with the commonly understood meaning of the term. Accordingly, we conclude that the Legislature intended § 3114(3) to cover only active, presently existing employment relationships, and that the circuit court properly so ruled.

Affirmed.

/s/ Peter D. O'Connell  
/s/ Joel P. Hoekstra  
/s/ Martin M. Doctoroff

<sup>1</sup> MCL 500.3101 *et seq.*; MSA 24.13101 *et seq.*