STATE OF MICHIGAN

COURT OF APPEALS

ROBERT LEWIS,

Plaintiff-Appellee,

-v-

FARMERS INSURANCE GROUP,

Defendant-Appellant.

SEP 8 1986

No. 84811

BEFORE: Sullivan, P.J., and Allen and Kallman*, JJ.

J.T. KALLMAN, J.

Defendant Farmers Insurance Group appeals by leave granted from an order of the Wayne County Circuit Court denying its motion for summary judgment in this action for no-fault insurance benefits. Farmers Insurance was assigned to provide coverage of plaintiff Robert Lewis's claim pursuant to section 3172 of the no-fault act, MCL 500.3172; MSA 24.13172. Farmers Insurance denied coverage to Lewis because it maintained that Lewis was the owner of a motor vehicle for which no security was in effect as required by the act. MCL 500.3113; MSA 24.13113. The question before us is whether there is a "good faith" exception to the requirements of the act.

On April 25, 1981, plaintiff Lewis visited the office of a purported insurance agency and contracted to purchase a policy of no-fault insurance on his vehicle. He made a payment of $50 toward his $325 annual premium, and was issued a binder of insurance which designated Northland Insurance Company as the insurer and Northland Underwriters as the producing agent. The binder indicated that it expired on October 25, 1981, or 30 days after the effective date of issuance, whichever came first. In this case, the effective date was April 25, 1981. Mr. Lewis was told that he would receive a payment booklet within 30 days.

About one month later, Lewis had not received his payment booklet and returned to the agent's office only to discover the office vacant and no person with knowledge of where

* Circuit judge, sitting on the Court of Appeals by assignment.

the proprietors went. Mr. Lewis made no further attempts to contact his purported insurer or pay the premium.

On July 2, 1981, Lewis was seriously injured in a collision while driving his own automobile. He submitted a claim to Northland Insurance Company. The claim was denied because the purported agent from whom Lewis purchased his binder was not an authorized agent. Apparently, the unknown "agent" had been part of a large-scale fraud.

Mr. Lewis brought suit against Northland Insurance and Northland Underwriters, but summary judgment in favor of those defendants was subsequently granted. He also applied to the no-fault assigned claims facility for benefits. Defendant Farmers Insurance was assigned to handle Lewis's claim. Farmers Insurance denied coverage due to Lewis's failure to maintain no-fault insurance on his own vehicle. Mr. Lewis then commenced the instant action.

MCL 500.3113; MSA 24.13113 provides in pertinent part:

> "A person is not entitled to be paid personal protection insurance benefits for accidental bodily injury if at the time of the accident any of the following circumstances existed:
>
> * * *
>
> "(b) The person was the owner or registrant of a motor vehicle involved in the accident with respect to which the security required by subsections (3) and (4) of section 3101 was not in effect."

This statutory provision represents a legislative policy to deny benefits to those whose uninsured vehicles are involved in accidents. Belcher v Aetna Casualty & Surety Co, 409 Mich 231; 293 NW2d 594 (1980). The statutory distinction is a valid classification designed to encourage compliance with the no-fault act's insurance requirements. McKendrick v Petrucci, 71 Mich App 200; 247 NW2d 349 (1976). If a person is excluded from benefits under section 3113 of the act, he is precluded from assigned claim benefits as well. Cunningham v Citizens Ins Co of America, 133 Mich App 471; 350 NW2d 283 (1984), lv den 422 Mich 913; 369 NW2d 192 (1985).

The plaintiff does not dispute that he is the owner of an uninsured motor vehicle which was involved in the collision which caused his injuries. However, he argues that concomitant to the purposes of the no-fault act, a "good faith" exception to section 3113 should be implied.

The primary goal of judicial interpretation of statutes is to give effect to the intent of the Legislature. Browder v International Fidelity Ins Co, 413 Mich 603; 321 NW2d 668 (1982). The first criterion is the specific language of the statute. Kalamazoo City Education Ass'n v Kalamazoo Public Schools, 406 Mich 579; 281 NW2d 454 (1979). When the statutory language is clear, no further construction is required or permitted. Attard v Adamczyk, 141 Mich App 246; 367 NW2d 75 (1985). Here, section 3113 of the no-fault act is clear: no benefits are permitted for the owner of a vehicle whose automobile has no policy in effect. The statute does not provide exceptions, and none can be judicially imposed. Accordingly, the circuit court erred in implying a "good faith" exception.

Moreover, even if such an exception could be found, the facts in the instant case do not merit application of the exception. The plaintiff's assertion that he in good faith believed he had obtained insurance is belied by his own deposition testimony. At the time he obtained the insurance binder, he paid only a small portion of the purported annual premium, and was advised that a payment booklet would be soon forthcoming. When the booklet failed to arrive, he discovered the disappearance of his supposed insurance agent. Significantly, plaintiff made no further efforts to obtain his actual insurance policy, contact his insurer, or make further premium payments. Even if plaintiff believed that his initial $50 payment had been paid to Northland Insurance, that payment represented a proportion of the stated annual premium insufficient to afford coverage to the time of the accident.

In conjunction with his good faith argument, plaintiff asserts that the insurance binder constituted a valid policy of

insurance until statutorily required notice of cancellation was issued. MCL 257.520(k); MSA 9.2220(k), MCL 500.2123; MSA 24.12123, MCL 500.3224(2); MSA 24.13224(2). However, the notice requirements do not apply to cancellations due to nonpayment of premiums. MCL 500.3212; MSA 24.13212. Since plaintiff's policy, if valid, would have nevertheless lapsed before the accident due to nonpayment, his argument is meritless.

For the foregoing reasons, the circuit court erred in denying defendant's motion for summary judgment. Accordingly, the circuit court is reversed.

/s/ Joseph B. Sullivan
/s/ Glenn S. Allen, Jr.
/s/ James T. Kallman