no-fault newsline

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Owner's Loss: Supreme Court Issues Guidance on Ownership Under the No-Fault Act

By David R. Kinzer **July 13, 2026**

Everything in civil law depends on ownership—who owns what and how that owner's rights are protected—but this truth is rarely as evident as in *Abdulla v Progressive Southeastern Ins Co*, ___ Mich __; ___NW3d ___ (2026), which turns on the specific statutory definition of "ownership" under the no-fault act and how that statute is interpreted.

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In *Abdulla v Progressive*, the Supreme Court denied no-fault benefits to a commercial driver who owned an uninsured truck. In doing so, the Court reversed the lower court, which awarded benefits despite the truck's lack of insurance because it was technically titled to an LLC, albeit an LLC that the driver solely owned. The Supreme Court looked past this overly formalistic distinction, explaining that MCL 500.3101(3)(l) of the no-fault act defines "owner" to include any person "having the use of a motor vehicle…for a period that is greater than 30 days," and Abdulla's right to use the vehicle as the LLC's only member was never in question.

Commercial truck driver Mohammad Abdulla filed this first-party case after being injured in a two-vehicle collision. Like many truck drivers today, Abdulla operated a limited liability company, Tornado Trucking, LLC, which listed Abdulla as its sole member. It was this LLC that owned Abdulla's truck, not Abdulla personally.

Ownership proved so important in this case because the truck lacked sufficient commercial insurance. To be sure, there were a number of *potential* insurers. For starters, Abdulla purchased a commercial bobtail policy, but bobtail policies only insure trucks when they are *not* hauling trailers, and Abdulla crashed while hauling a trailer on behalf of a larger trucking company. Then that larger company had its own insurer, but that policy failed to list Abdulla's truck as a covered vehicle. In addition, Abdulla may have been personally insured through his father's policy with Auto Club. But none of these three policies insured Abdulla's truck while it hauled cargo.

Auto Club filed for summary disposition, arguing that Abdulla was barred from recovering no-fault benefits as the owner of an uninsured motor vehicle pursuant to MCL 500.3113(b). The trial court disagreed and even ordered Auto Club to pay penalty interest and attorney fees on Plaintiff's overdue claims. Auto Club appealed, and the Court of Appeals affirmed, pointing out that Plaintiff and his LLC were separate legal entities, regardless of whether Plaintiff was the LLC's only owner.

The Supreme Court reversed, focusing its decision on MCL 500.3101(3)(l)(i), which defines "owner" to include a "person renting a motor vehicle or having the use of a motor vehicle, under a lease or otherwise, for a period that is greater than 30 days." Since it was Tornado Trucking that held legal title, the dispositive issue in the case was whether Plaintiff had "the use" of the truck for more than 30 days.

By narrowing the case's issues so precisely, the Court reached a unanimous decision, finding that there was no reasonable dispute as to whether Abdulla had the use of his truck for more than 30 days:

> As the sole member and agent of Tornado Trucking, plaintiff operated the tractor regularly and exclusively for at least six months prior to the accident. He was the only person to drive the tractor before the accident, and he was the sole decisionmaker as to its operation and upkeep. Plaintiff did not need anyone's permission to use the tractor; the only person capable of making any decisions regarding the tractor was plaintiff himself. And plaintiff kept the tractor in his custody, garaging it at a truck stop when he was not using it. [*Abdulla*, *slip op*, at 14-15.]

The Court of Appeals erred by focusing instead on whether Abdulla was using the truck for business purposes, apparently reasoning that Abdulla was not personally making use of the truck when using it for the LLC. But the Supreme Court pointed out, "the statute contains no distinction between business and personal use." *Id*., slip op. at 16. As the sole member of the LLC that owned the truck, Abdulla had the right to use the truck at any time, for any purpose, and "[i]t is this right—not the actual use—that is the proper focus of our analysis." (*Id*., slip op. at 17.)

Lastly, the Court drew attention to the fact that its decision accorded with the legislation's public purpose, particularly the requirement that drivers purchase appropriate insurance or else forfeit no-fault benefits entirely. By contrast, the Court of Appeals decision would have provided no-fault benefits to the only user of an effectively uninsured commercial truck, simply because he shielded his ownership of the vehicle in an LLC. Given the relative ease with which anyone can start an LLC, such a large loophole would soon swallow the rule, making mandatory insurance merely optional.

We welcome your questions – please contact:

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