

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Bulletin 2019-17-INS

In the matter of:

Attorney Liens under Section 3148 of the Code
_____ /

**Issued and entered
this 14th day of October 2019
by Anita G. Fox
Director**

Section 3148(1) of the Insurance Code, MCL 500.3148(1), provides that an attorney representing and advising a claimant in an action related to overdue personal protection insurance benefits is entitled to a reasonable fee. Section 3148(1) was amended by PA 21 of 2019 to clarify the circumstances under which the attorney may file a lien related to overdue benefits. Effective June 11, 2019, an attorney lien may be filed only if a payment for the claim is both authorized and overdue under Chapter 31 of the Code, MCL 500.3101 through 500.3179. See MCL 500.3148(1).

PA 21 did not change the fact that Section 3148(1) applies only to liens related to overdue personal protection insurance benefits, not to liens related to all personal protection insurance benefits. Section 3148(1) limits the liens for overdue benefits to instances in which the payments for the claims are both authorized by, and overdue under, Chapter 31. It does not prohibit an injured person from contracting with an attorney to assist in the recovery of no-fault benefits. An attorney may, in the course of his or her representation, hold in trust any funds paid to a claimant via a two-party check.

The Director will monitor insurer benefit payment and claims processing practices to ensure that no-fault insurers are not misinterpreting the amendments to Section 3148(1).

Any questions regarding this bulletin should be directed to:

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/s/

Anita G. Fox
Director