

**STATE OF MICHIGAN**  
**COURT OF APPEALS**

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HAROLD BROWN,

Plaintiff/Counter-Defendant-  
Appellee,

v

SPECIALTY NATIONAL INSURANCE  
COMPANY,

Defendant-Appellant,

and

MODERN SERVICE INSURANCE COMPANY,

Defendant/Counter-Plaintiff/Third-  
Party Plaintiff-Appellee,

and

MORRIE L. BROWN,

Third-Party Defendant.

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Before: O'Connell, P.J., and Smolenski and Talbot, JJ.

MEMORANDUM.

Defendant Specialty National Insurance Company appeals as of right from a circuit court order denying Specialty's request for attorney fees and interest. We affirm. This case is being decided without oral argument pursuant to MCR 7.214(E).

Specialty paid personal protection insurance benefits to plaintiff pursuant to an insurance policy covering the vehicle in which plaintiff was riding as a passenger. It was later discovered that Modern Service Insurance Company had higher priority, and after an initial attempt to rescind its policy, Modern Service agreed to reimburse Specialty for the benefits it had paid. Specialty then sought payment of attorney fees and interest pursuant to MCL 500.3172(3)(f).

Whether MCL 500.3172(3)(f) authorizes the recovery of attorney fees and interest presents a question of statutory interpretation and application, which this Court reviews de novo. *Eggleston v Bio-Medical Applications of Detroit, Inc*, 468 Mich 29, 32; 658 NW2d 139 (2003). According to MCL 500.3172(3), if two insurance companies dispute their obligation to pay personal protection benefits, then they must inform an assigned claims facility who will then assign the obligation to another insurance company. The dispute is submitted to circuit court, and the insurance company that loses the dispute must pay all the legal expenses of the assigned insurance company, plus interest. *Id.* In this case, however, the insurance companies did not submit the case to the assigned claims facility, so there was no “reimbursement to the assigned claims facility” or “reimbursement ordered under this subdivision” which would include the mandatory attorney fees and interest. MCL 500.3172(3)(f). Phrases in statutes should not be read in a vacuum, and we will not extract words and phrases from their context to defeat their intended import. *G C Timmis & Co v Guardian Alarm Co*, 468 Mich 416, 421; 662 NW2d 710 (2003). Here, the parties did not submit the short-lived dispute to the assigned claims facility, so the additional remedies provided by MCL 500.3172(3)(f) are not available. Therefore, the trial court correctly denied Specialty’s request for attorney fees and interest under this subdivision.

Affirmed.

/s/ Peter D. O’Connell  
/s/ Michael R. Smolenski  
/s/ Michael J. Talbot