SUPREME COURT OF PENNSYLVANIA

Sayles v. Allstate Insurance Co.; Scott v. Travelers Commercial Insurance Co.

Sayles · No. 58 MAP 2018; 59 MAP 2018 · Decided November 20, 2019

SUMMARY

Justice Wecht dissents from the Pennsylvania Supreme Court majority's interpretation of Section 1796 of the Motor Vehicle Financial Responsibility Law. The dissent argues that the statute does not prohibit insurance policies from requiring insureds to submit to independent medical examinations without first obtaining a court order. It maintains that the majority improperly relies on public policy and effectively rewrites the statute.

CASE DETAILS

COURT	Supreme Court of Pennsylvania
WRITING FOR THE COURT	Justice Wecht
JURISDICTION	Pennsylvania
DECIDED	November 20, 2019
DOCKET	58 MAP 2018; 59 MAP 2018
PROCEDURAL POSTURE	The Supreme Court of Pennsylvania considered certified questions of Pennsylvania law from the United States Court of Appeals for the Third Circuit concerning the enforceability of contractual independent medical examination provisions in automobile insurance policies.
STANDARD OF REVIEW	De novo statutory interpretation
PRECEDENTIAL VALUE	Published dissenting opinion; the dissent's reasoning is not binding.
PARTIES	Allstate Insurance Company, Travelers Commercial Insurance Company v. Samantha Sayles, individually and on behalf of all others similarly situated, William H. Scott

TOPICS

insurance coverage · insurance · statutory interpretation · contract interpretation · contracts

PRACTICE AREAS

insurance law · contract law · statutory interpretation

QUESTIONS PRESENTED

1. Whether Section 1796 of the Motor Vehicle Financial Responsibility Law prohibits automobile insurers from including or enforcing contractual provisions requiring insureds to submit to independent medical examinations.
2. Whether an insurer must obtain a court order and demonstrate good cause under Section 1796 before requiring an insured to undergo an independent medical examination pursuant to a prior contractual agreement.

HOLDINGS

1. In the dissent's view, Section 1796 does not prohibit insurers and insureds from agreeing by contract that the insured will submit to a reasonably requested medical examination.
2. In the dissent's view, Section 1796 provides a default judicial mechanism for compelling an examination when necessary; it does not make a judicial order the exclusive means by which an insurer may obtain an insured's participation in an examination.

KEY QUOTATIONS

> *"As the law stands now (on the books, if not on the Majority's interpretation), nothing in the text of the MVFRL mandates that insurers invoke the judicial process in order to arrange for a medical examination of the insured that is authorized through prior contractual agreement."* (at 1)

> *"Unless the General Assembly has, by statute, explicitly restricted the right of the parties to contract, insurers and insureds can agree to whatever terms both are willing to accept."* (at 5)

FACTUAL BACKGROUND

Sayles and Scott were insured under automobile insurance policies issued by Allstate and Travelers, respectively. The policies contained provisions requiring insureds to submit to physical or mental examinations when reasonably required by the insurer. The dispute concerned whether Section 1796 of Pennsylvania's Motor Vehicle Financial Responsibility Law made those contractual provisions unenforceable unless the insurer first obtained a court order upon a showing of good cause.

PROCEDURAL HISTORY

The matters were certified to the Supreme Court of Pennsylvania by the United States Court of Appeals for the Third Circuit in appeals numbered 17-3463 and 17-3769. The dissenting opinion addresses whether Section 1796 of the Motor Vehicle Financial Responsibility Law requires insurers to obtain a court order before requiring an insured to submit to an independent medical examination despite a contractual examination clause.

CASES CITED

- Safe Auto Ins. Co. v. Oriental-Guillermo, 214 A.3d 1257, 1271 (Pa. 2019)
- Gallagher v. GEICO Indem. Co., 201 A.3d 131, 142 n.5 (Pa. 2019)
- Erie Ins. Exch. v. Baker, 972 A.2d 507, 511 (Pa. 2008)
- Standard Venetian Blind Co. v. Am. Empire Ins. Co., 469 A.2d 563, 566 (Pa. 1983)

- Gallagher v. GEICO Indem. Co., 201 A.3d 131

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