[J-62-2008]
IN THE SUPREME COURT OF PENNSYLVANIA
MIDDLE DISTRICT

CASTILLE, C.J., SAYLOR, EAKIN, BAER, TODD, McCAFFERY, JJ.

ALAN TANNENBAUM, M.D.,	:	No. 100 MAP 2007
	:	
Appellee	:	
	:	Appeal from the Order of the Superior
	:	Court No. 1269 EDA 2006 dated 3/5/07
v.	:	affirming the Bucks County Court of
	:	Common Pleas, Civil Division at No.
	:	0404111-25-6 dated 4/13/06
NATIONWIDE INSURANCE COMPANY,	:	
	:	
Appellant	:	ARGUED: April 16, 2008

OPINION

MR. JUSTICE SAYLOR[1] **DECIDED: April 28, 2010**

This appeal requires assessment of the scope of an offset provision of the Motor Vehicle Financial Responsibility Law.

In December 2000, Alan Tannenbaum, M.D. ("Appellee"), suffered severe injuries in a motor vehicle accident, rendering him permanently disabled from his previous hospital employment. In addition to Social Security disability payments, Appellee applied for and received income-loss benefits under a group plan provided by the hospital, as well as further benefits pursuant to two personal disability policies. He also commenced a civil action against the driver of a truck involved in the accident and his employer, and a substantial monetary settlement was consummated.

[1] This matter was reassigned to this author.

Subsequently, Appellee sought to recover income-loss benefits under the underinsured motorist ("UIM") provisions of an applicable vehicle policy issued by Appellant, Nationwide Insurance Company ("Nationwide"). Nationwide countered that it was entitled to offset the benefits Appellee received under his group plan and personal disability policies.

In support, Nationwide invoked Section 1722 of the Motor Vehicle Financial Responsibility Law,[2] entitled "Preclusion of recovering required benefits," which provides:

> In any action for damages against a tortfeasor, or in any uninsured or underinsured motorist proceeding, arising out of the maintenance or use of a motor vehicle, a person who is eligible to receive benefits under the coverages set forth in this subchapter, or workers' compensation, or any program, group contract or other arrangement for payment of benefits as defined in section 1719 (relating to coordination of benefits) shall be precluded from recovering the amount of benefits paid or payable under this subchapter, or workers' compensation, or any program, group contract or other arrangement for payment of benefits as defined in section 1719.

75 Pa.C.S. §1722. According to Nationwide, the statute required an offset favorable to UM/UIM insurers for monies recovered by the insured as first-party benefits and/or which had historically been subject to subrogation. In the latter regard, Nationwide highlighted an interrelated provision of the MVFRL, Section 1720, which curtails subrogation relative to such funds. See 75 Pa.C.S. §1720 (providing, in relevant part, that "there shall be no right of subrogation or reimbursement from a claimant's tort recovery with respect to . . . benefits paid or payable by a program, group contract or

[2] Act of Feb. 12, 1984, P.L. 26, No. 11 (as amended 75 Pa.C.S. §§1701-1799.7) (the "MVFRL").

other arrangement whether primary or excess under section 1719 (relating to coordination of benefits)").

Nationwide also relied on a decision of the federal district court sitting in its diversity jurisdiction, Austin v. Dionne, 909 F. Supp. 271 (E.D. Pa. 1995), which sanctioned a Section 1722 disability-benefit offset against a plaintiff's recovery under his automobile insurance policy. Austin reasoned that Section 1722 "reflects the Pennsylvania legislature's goal of preventing double recovery from both an employer's disability insurance fund and a tortfeasor." Id. at 275. Nationwide took the stance that Appellee's receipt of disability benefits similarly overlapped with his UIM claim, thereby amounting to an attempt -- as Nationwide put it -- to "double dip."

Appellee countered that recovery of benefits for which he paid (or otherwise contributed to premiums) did not represent a double recovery, and such benefits were not subject to Section 1722 offset. In support of his position, Appellee relied substantially on the rationale of Panichelli v. Liberty Mut. Ins. Group, 543 Pa. 114, 669 A.2d 930 (1996).

As relevant to Appellee's position, Panichelli held that sick pay and Social Security disability benefits received by a policyholder could not be deducted by an insurer in calculating the insured's "actual loss of gross income" under the first-party-benefits provisions of the MFVRL contained in its Section 1712(2), 75 Pa.C.S. §1712(2). The Court reasoned that, in light of the insured's contribution to payment for these benefits, they were to be considered "in excess of, and not in duplication of, the income loss benefits payable under §1712(2)." Panichelli, 543 Pa. at 118, 669 A.2d at 932; see also id. ("Panichelli's receipt of both employer provided sick leave benefits and social security disability benefits . . . does not result in 'double dipping.' These are benefits for which the employee has paid in the form of lower wages for the sick leave benefits and

in the form of payroll deductions for the social security benefits."); 75 Pa.C.S. §1719(a) ("Any program, group contract or other arrangement for payment of benefits such as described in [the first-party provisions, including Section 1712,] shall be construed to contain a provision that all benefits provided therein shall be in excess of and not in duplication of any valid and collectible first party benefits . . .."). Furthermore, Appellee observed, Panichelli's rationale had been extended by the intermediate appellate courts to a variety of contexts. See Browne v. Nationwide Mut. Ins. Co., 449 Pa. Super. 661, 666-67, 674 A.2d 1127, 1129-30 (1996) (referencing Panichelli's contribution-based reasoning in holding that Social Security disability benefits are not subject to Section 1722 offset, albeit advancing a primary rationale resting on the recognition that such benefits were not subject to subrogation in the first instance); Carroll v. Kephart, 717 A.2d 554, 558 (Pa. Super. 1998) (indicating that, pursuant to Panichelli and Browne, "benefits for which a plaintiff has paid for or earned through his employment are not within the purview of §1722 and the receipt of those benefits do[es] not constitute a double recovery").

Two of three members of the panel of arbitrators selected to resolve the parties' dispute agreed with Nationwide, with the chairperson referencing Austin's rationale in support of the majority position. Thus, although the panel rendered an award of approximately $1.9 million in Appellee's favor, it also implemented an offset, favorable to Nationwide, reflecting the nearly one-million dollars in disability benefit payments Appellee had received under his employer plan and personal policies. Contesting this offset, Appellee filed a petition to set the award aside in the common pleas court, acting as a statutory appeals court.

Upon its review, the court found the offset to have been improper and vacated the arbitrators' award. It reasoned that the arbitrators erroneously relied upon Austin,

whereas they should have followed the Panichelli line, particularly Carroll, as these matters all were decided after Austin.

On Nationwide's subsequent appeal, the Superior Court affirmed in a published opinion, see Tannenbaum v. Nationwide Ins. Co., 919 A.2d 267 (Pa. Super. 2007), upon a rationale tracking Appellee's position. According to the court, Nationwide's arguments confused the impermissible double recovery of overlapping benefits with the permissible recovery of excess ones. See id. at 269. The Superior Court observed that the relevant disability policies were defined, on their terms and by statute, as affording "excess" benefits, and that excess insurance, by its nature, "'provide[s] protection to the insured in addition to other coverage which might be available to him.'" See id. at 270 (quoting Conn. Indem. Co. v. Cordasco, 369 Pa. Super. 439, 443, 535 A.2d 631, 633 (1987) (quoting, in turn, Ins. Co. of N. Am. (INA) v. Cont'l Cas. Co., 575 F.2d 1070, 1072 (3d Cir. 1978))). Moreover, the court extended the Panichelli paid-for litmus into the Section 1722 context. See id. at 270-71 (citing Panichelli, Browne, and Carroll).[3] According to the court:

> All of these cases involve types of personally paid insurance different than that of [a]ppellee herein, and [a]ppellant insists that the holdings in each are limited to the specific type of excess insurance considered. We are not persuaded, as the overarching principle remains constant: where the personal policies resorted to are both separate from UIM, or UM, coverage, and paid for exclusively by the claimant either directly, or through payroll deductions which result in lower

[3] In addition, the court referenced Ricks v. Nationwide Insurance Company, 879 A.2d 796, 801 n.8 (Pa. Super. 2005) (holding that a claimant's recovery of uninsured motorist benefits was not duplicative of benefits received under his employer's workers' compensation coverage), and Standish v. American Manufacturers Mutual Insurance Company, 698 A.2d 599, 601 (Pa. Super. 1997) (holding that a claimant's receipt of benefits pursuant to his own automobile insurance policy did not duplicate workers' compensation benefits and, accordingly, was not subject to subrogation).

> wages, payments received from these coverages do not duplicate benefits under the MVFRL as they are fundamentally different from those benefits.
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> Should [Nationwide's] argument prevail, insurance companies, not claimants, would receive a windfall, as premiums for excess coverage would have been paid to no avail; no benefit could accrue since any recovery other than UIM payments would perforce be designated "double." Such a result would offend not only the statute but public policy.

Id. at 271.

On Nationwide's petition, we allowed appeal to consider whether the Superior Court and the common pleas court correctly interpreted Section 1722.

Presently, Nationwide maintains that the plain language of Section 1722 -- "a person who is eligible to receive benefits under . . . any program, group contract or other arrangement for payment of benefits . . . shall be precluded from recovering the amount of benefits paid or payable [thereunder]" -- must control. 75 Pa.C.S. §1722 (emphasis added). Nationwide asserts that the dramatic alteration of the UM/UIM landscape reflected in Section 1722 was designed to eliminate double recoveries in automobile accident litigation, thus remediating spiraling insurance costs plaguing the driving public. See, e.g., Brief for Nationwide at 7 ("The 'double dip' in automobile accident claims was a primary force in the upward escalation of costs. The [MVFRL] was enacted to specifically remedy this problem."). According to Nationwide, the statute's thrust lies in the elimination of the collateral source rule in automobile tort and insurance litigation.[4] Such effect, Nationwide explains, is reflected not only in Section

[4] Generally, where it remains applicable, the common-law collateral source rule directs that payments from a collateral source shall not diminish the damages otherwise recoverable from the wrongdoer. See Johnson v. Beane, 541 Pa. 449, 456, 664 A.2d 96, 100 (1995).

1722's plain terms, but also in the preclusion of subrogation under the interrelated provisions of Section 1720. See Brief for Nationwide at 15 ("Subrogation is premised upon duplicate recovery. Section 1722 eliminated the 'double dip'. Section 1720 maintained the balance and equilibrium by similarly abrogating subrogation.").

Nationwide portrays the Superior Court's holding as embodying a judicially-created, rule-swallowing exception which wholly undermines the legislative reform efforts embodied in the MVFRL. See, e.g., Brief for Nationwide at 7-8 ("The system adopted by the [Superior] Court abandons a hallmark of the reform effort, namely the §1722 preclusion, thereby re-instituting the 'double dip' in motor vehicle cases.").[5] It is

[5] In discussing the scale of the impact of the Superior Court's decision, Nationwide posits that the "paid-for" litmus reflected therein can be invoked by claimants in a wide range of circumstances. In particular, it explains:

> In the work environment of the 21st Century, virtually every benefit plan available to a person is either provided by an employer or purchased by the individual. In many circumstances plans offered by employers require some contribution from the employee, contain significant co-pays, or both. The ruling of the Superior Court in the case at bar declares that any benefit that is paid for by an individual or which is afforded to him or her in lieu of compensation is not [to] be subject to the §1722 preclusion. In the modern workplace essentially every benefit afforded an individual is thus excluded from §1722. In reality, under the rationale of the Superior Court, there are no benefit plans which would be subject to §1722. . . . Thus, an automobile accident victim, under this decision, can recover lost wages from "a program, group contract or other arrangement," and then recover those same amounts from the tortfeasor in the third party action or the insurer in the UM or UIM proceeding, with no subrogation right to be satisfied. This is precisely the type of double recovery which the MVFRL sought to preclude.

Brief for Nationwide at 20.

Nationwide's position that such holding is also perverse, as it permits duplicative recoveries of income losses, while leaving intact the prohibition against subrogation designed as a coordinate restriction. See Brief for Nationwide at 19. Nationwide distinguishes the Panichelli line of cases as pertaining to first-party claims, where the focus is upon the source of premium payments; whereas, in the tort and UM/UIM scenarios, under the plain terms of Section 1722, the source of such payments is irrelevant. Nationwide also refutes the Superior Court's allusion to insurer windfalls, explaining that policyholders do not purchase a right to "double dip." See, e.g., id. at 33.

Appellee, on the other hand, advances the position previously vindicated in the prior reviewing courts. Specifically, he maintains that disability benefits paid for by an insured, and/or earned through his employment, are fundamentally different from benefits under the MVFRL and do not raise the specter of double recovery or qualify for Section 1722 offset. See Brief for Appellee at 13 ("Stated another way, the MVFRL was not intended to give an insurer the benefit of a collateral source paid for out of pocket by a victim of another's negligence."). Additionally, the Panichelli line of decisions continues to play a prominent role in Appellee's present contentions. See, e.g., Brief for Appellee at 16 ("Since the inception of the MVFRL, the Supreme Court and the Superior Court have permitted recoveries without an offset and/or credit even in situations where the benefits could have been construed as falling within the purview of the MVFRL. . . . [These] consistent decisions . . . have not resulted in escalating insurance premiums and/or the destruction of the MVFRL.").

In responding to Nationwide's arguments, Appellee downplays the overall cost-containment objective of the MVFRL, contending that the statute's main purpose was to deter drivers from failing to insure their vehicles. He also indicates that, when interpreting the MVFRL, courts are bound to apply the construction most favorable to

the affordance of coverage for the insured. See id. at 13 (citing Danko v. Erie Ins. Exch., 428 Pa. Super. 223, 630 A.2d 1219 (1993), aff'd, 538 Pa. 572, 649 A.2d 935 (1994) (per curiam)). Both Appellee and its amicus, the Pennsylvania Association for Justice, reassert their perspective that Nationwide is improperly attempting to secure a windfall. See, e.g., Brief for Appellee at 23 ("It is undisputable that Appellant, Nationwide, did not contemplate any of the disability policies in underwriting the coverages purchased by [Appellee], nor did Appellant, Nationwide, reduce [Appellee's] premiums as a result of his separate purchase of disability benefits.").

Appellee also indicates that offset would lead to unfair setoffs for other benefits and create untenable uncertainties in matters governed by the MVFRL. In this regard, he hypothesizes many ripple effects of enforcing Section 1722 on the terms advocated by Nationwide. For example, Appellee contends that such a holding would reward insureds who fail to secure adequate insurance and/or apply for disability benefits after accidents in a timely manner, while punishing those who act responsibly. See, e.g., Brief for Appellee at 33 ("Stated another way, Nationwide's position would make a claimant more secure in recovery of future lost wage benefits if they failed to have disability insurance."). He also forecasts that a holding favorable to Nationwide's position would encourage UM/UIM carriers to delay investigations and settlements to await decisions from disability carriers. See id. (predicting "years of tortured litigation between claimants and their insurance company, undeniably resulting in higher costs to both insurers and insureds").

Appellee recognizes the seriousness of the social-policy issues faced by the General Assembly in its efforts to reform automobile-insurance law; nevertheless, he attempts to confine the discussion of such concerns to the arena of medical insurance. See, e.g., Brief for Appellee at 34 ("As was persuasively posited to the Court by the

[a]ppellee in [Panichelli] perhaps the most scandalous aspect of the No-Fault Act was the ability of an individual to receive medical treatment paid for by their work-related health insurance carrier, and then to turn the bills over to their automobile carrier for payment directly to the insured."). According to Appellee, disability benefits simply are not of a group/program/arrangement type for purposes of Section 1722, and such classification is restricted to the heath-related benefits referenced in Section 1719(b). See id. at 34-35.

As a threshold matter, we consider whether Appellee's group plan and personal disability policies are group/program/arrangement vehicles for payment of benefits within the meaning of Section 1722. As noted, Appellee argues they are not, as the Legislature contemplated that Section 1722's reach would be limited to health insurance benefits. There are multiple difficulties with such position.

First, Appellee initially stresses that the relevant group plan and personal policies are of a group/program/arrangement type for purposes of Section 1719 in developing his position that disability benefits are to be deemed excess. See, e.g., Brief for Appellee at 23 ("Based upon the language of §1719(a), both the [group plan] and the private disability policy must be construed as providing benefits in excess of, and not in duplication of, the income loss benefits payable under §1712(2)."). While it would not be impossible for the Legislature to use the same terms differently in two distinct provisions of a statutory scheme, here, the General Assembly expressly cross-referenced Section 1719 in Section 1722 as providing the definition for group/program/arrangement benefits. See 75 Pa.C.S. §1722 (addressing group/program/arrangement benefits "as defined in section 1719"). Thus, the position that the terms should be construed differently as between the two sections is untenable.

Second, Panichelli, the decision principally relied upon by Appellee, specifically disapproves the position that Section 1719 is limited to health benefits. See Panichelli, 543 Pa. at 118, 669 A.2d at 932 (rejecting the argument that examples used in Section 1719(b) demonstrated a legislative intent to encompass only health care benefit plans within the definition of programs, while characterizing the reach of the group/program/arrangement language as "extremely broad"); accord Browne, 449 Pa. Super. at 664-65, 674 A.2d at 1128 ("The Panichelli court concluded that §1719 must be interpreted to take into consideration programs for the payment of income loss benefits.").

Finally, the history of Section 1722 confirms the Legislature intended to extend its reach beyond health benefits. In point of fact, the initial version of Section 1722, as enacted in 1984, was entitled "Preclusion of pleading and proving of required medical benefit," and the statute originally was so limited in substantive scope. Act of Feb. 12, 1984, P.L. 26, No. 11 §3 (superseded) (emphasis added). The same day, however, an amended version of Section 1722 was passed which eliminated all references to medical benefits. See 75 Pa.C.S. §1722, Historical and Statutory Notes.[6] To accept Appellee's position would be to undermine the obvious broadening effect of the substantial modification reflected in this removal of restrictive terms.

For the above reasons, there is no tenable basis to support limiting Section 1722's scope to health benefits or, conversely, the impact of Appellee's theory of a paid-for litmus to income-loss benefits. Accordingly, we hold that the relevant disability benefits received by Appellee fall within the group/program/arrangement classification for purposes of Section 1722.

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[6] A separate substantial restriction on Section 1722's reach was removed in 1990. See id.

Guiding our consideration of the remaining terms of Section 1722, it is axiomatic that exercises in statutory interpretation must entail close consideration of the express language of the governing statute. See 1 Pa.C.S. §1921(b) ("When the words of a statute are clear and free from all ambiguity, the letter of it is not to be disregarded under the pretext of pursuing its spirit."). As noted, Section 1722 prescribes, in relevant part: "[I]n any [UM/UIM] proceeding, . . . a person who is eligible to receive benefits under . . . any program, group contract or other arrangement for payment of benefits . . . shall be precluded from recovering the amount of [such] benefits[.]" 75 Pa.C.S. §1722 (emphasis added). Once it is accepted that the relevant income-loss benefits received by Appellee fall within the group/program/arrangement classification, it becomes apparent that they are subject to the specified statutory offset. Facially, Section 1722 reflects the Legislature's intent to shift a substantial share of the liability for injuries caused by uninsured and underinsured motorists from automobile insurance carriers to collateral source providers (many of which previously held subrogation interests), obviously with the aim to reduce motor vehicle insurance premiums. Whether or not this is wise social policy, manifestly, it is the policy presently reflected on the face of the MVFRL.[7]

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[7] We recognize, as Appellee stresses, that the Legislature has clearly denominated group/program/arrangement benefits as excess. See 75 Pa.C.S. §1719(a). Just as clearly, however, the Assembly has specifically provided that such benefits, while denominated "excess" in a first-party context, are included in the statutory offset formula in a tort or UM-UIM context. See 75 Pa.C.S. §1722.

We also acknowledge the strength of Appellee's policy argument that he should receive what he has purchased, noting only that its force is diminished, at least to a degree, by the fact that insurance interests are frequently taken subject to contractual subrogation rights.

In this regard, none of the reviewing courts, nor Appellee, has undertaken to reconcile a paid-for litmus, or a fact-based inquiry into the presence or absence of double recoveries, with Section 1722's specific directive that its prohibition and offset prescriptions apply relative to "any program, group contract or other arrangement for payment of benefits." 75 Pa.C.S. §1722 (emphasis added).[8] Instead, the reviewing courts, and Appellee, have grounded their positions primarily on policy rationale deriving from Panichelli. As Nationwide stresses, however, Panichelli was not a UM/UIM case, and, thus, the express statutory prohibition of Section 1722 governing UM/UIM proceedings was not a relevant consideration and was not considered. To the extent the Superior Court in subsequent decisions has suggested that Panichelli's rationale should be extended in a manner that undermines the plain terms of the governing statute, we now disapprove such reasoning.[9]

We are sensitive to the perspective that the above, straightforward reading of Section 1722 reveals that the Legislature has attacked the highly complex and nuanced problem of rising automobile insurance costs with a peculiarly blunt mallet.[10] In such a landscape, there are vast arrays of variables and effects attending the type of

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[8] Appellee's position that Section 1722 is limited to healthcare benefits is the only argument that addresses this limitation. As developed above, however, we have found such argument to be untenable.

[9] Parenthetically, Section 1722 parallels the statutory curtailment of the common-law collateral source rule in the medical malpractice arena. See 40 P.S. §1303.508(a) (providing, subject to limited exceptions, that "a claimant in a medical professional liability action is precluded from recovering damages for past medical expenses or past lost earnings incurred to the time of trial to the extent that the loss is covered by a private or public benefit or gratuity that the claimant has received prior to trial").

[10] By way of a threshold example, a number of other jurisdictions have at least afforded plaintiffs the benefit of a credit for the premiums they paid to collateral-source providers. See, e.g., Conn. Gen. Stat. §52-225a(c) (2008).

experimentation that has been undertaken by the Pennsylvania General Assembly and other legislative bodies in the tort and UM/UIM arenas in the pursuit of cost containment. For example, the availability and extent of collateral source benefits may differ enormously according to the terms of various policies, entitlements, and/or gratuities; such differences may present intricate questions concerning whether any particular resolution of multiple-benefit scenarios truly entails excessive recovery; one-size-fits-all responses may thwart excess recoveries in some circumstances and limit just compensation in others; contractual coordination of benefits, including the presence or absence of subrogation clauses in various collateral source vehicles, may complicate the subject of statutory coordination;[11] subrogation interests, where they do exist, are

[11] The dissenting opinion relies greatly on Appellee's tender (actual and constructive) of premiums under the group plan and personal disability policies giving rise to a Section 1722 offset. Nevertheless, the dissent offers no account for the possibility that those premiums reflected contractual coordination and/or subrogation rights restricting the amount of benefits available to Appellee.

It is very difficult, on the record presented, to make a full assessment of such contractual coordination under the group plan and personal disability policies and, thus, to determine what exactly Appellee is to have purchased. The original record does not reflect whether the full policies ever were admitted into evidence, and the copies supplied with the pleadings and in the reproduced record appear to be materially incomplete. For example, significant passages were obliterated in the duplication process.

It is worth noting, however, that at least one passage of the employer's disability plan appears to contemplate some sort of contractual offset based on amounts payable under automobile insurance policies. See Petition to Vacate Decision of Board of Arbitrators, Exhibit B -- UNUM Disability Policy (defining "other income benefits," to be offset from disability benefits payable to Appellee, to include "[t]he amount of any disability [. . . illegible . . .] under the Pennsylvania Motor Vehicle Financial Responsibility Law."). Significantly, as well, Appellee never disputed that the disability carriers may have a contractual right of subrogation -- he simply sought to avoid this as an issue in the legal proceedings against Nationwide. See, e.g., N.T., May 25, 2004, at 46 (reflecting the comment of Appellee's counsel at arbitration that Appellee "may, in (continued . . .)

frequently compromised to achieve prompt and certain resolutions, and thus, the elimination of subrogation does not necessarily represent a quid pro quo for the offset of benefits; ripple effects as forecast by Appellee, including tactical behavior on the part of litigants, may in fact ensue; and efforts to contain premiums by manipulating substantive outcomes may not ultimately have their desired effect due to other uncontrollable variables. On the other hand, we also appreciate the difficulty facing the political branch in addressing complex and intractable social problems subject to such an unlimited range of potential variables and effects.

Ultimately, it is not our task to address or reconcile the very difficult policy questions posed by the above, since the Legislature has been clear in its approach. See Program Admin. Servs., Inc. v. Dauphin County Gen. Auth., 593 Pa. 184, 192, 928 A.2d 1013, 1017-18 (2007) ("[I]t is the Legislature's chief function to set public policy and the courts' role to enforce that policy, subject to constitutional limitations.");[12] Naylor

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(. . . continued)
fact, have to pay [disability benefits] back [in a subrogation context.] That would be up to [the disability carrier] to come after him.").

The dissent's perspective concerning the equities involved in this and other cases is significantly undermined to the degree that group/program/arrangement carriers would enjoy contractual rights of coordination and/or subrogation relative to benefits under the UM/UIM policies. Moreover, to the extent that Appellee (or the dissent) would rely on Section 1720 to undermine those interests, such a position would disrupt the coordination between Sections 1720 and 1722, see Dissenting Opinion, slip op. at 6 ("Sections 1720 and 1722 were designed to work in tandem."), further demonstrating the substantial disconnect between ad hoc equitable assessments and the brighter-line statutory scheme.

[12] We do note that some jurisdictions have found that similar efforts on the part of state legislatures violate constitutional norms. See, e.g., Carson v. Maurer, 424 A.2d 825, 836 (N.H. 1980), overruled in part by Cmty. Res. for Justice, Inc. v. City of Manchester, 917 A.2d 707, 721 (N.H. 2007). Nevertheless, the constitutional arguments are not presented here. Furthermore, in light of the lack of advocacy and the complexity of the (continued . . .)

v. Twp. of Hellam, 565 Pa. 397, 408, 773 A.2d 770, 777 (2001) (recognizing the General Assembly's superior ability to examine social policy issues and determine legal standards so as to balance competing concerns).

Finally, we differ with the dissent's characterization of our decision as an "abandonment" of "well established precedent." Dissenting Opinion, slip op. at 24. Presumably, the dissent is referring to the Superior Court's decisions reflected in Browne and Carroll, since it otherwise acknowledges that this Court's own Panichelli decision simply did not concern Section 1722. See id. at 9. As to the decisions of the intermediate appellate court, the present matter is one of first impression in this Court, and we believe the outcome should be determined according to the applicable statute as it is written. See generally Maloney v. Valley Med. Facilities, Inc., ___ Pa. ___, ___, 984 A.2d 478, 489-90 (2009) (rejecting the notion that this Court's decisions are controlled by intermediate appellate court decisions merely because there has been delay in the presentation of a question to the Supreme Court).[13] Thus, we decidedly

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(. . . continued)
issues, we decline to attempt to address such questions via the presumption, in statutory interpretation, that the Legislature did not intend an unconstitutional result. See 1 Pa.C.S. §1922(3).

[13] The dissent also appears to favor a sort of estoppel-based approach to statutory interpretation. See Dissenting Opinion, slip op. at 24 ("This settled interpretation of the MVFRL has been reasonably relied upon during this time period by insureds when purchasing UM, UIM, and disability coverage, and by insurers in setting rates for such coverages."). However, the dissent's pronouncements concerning actual reliance by individuals and entities find no support in the record presented here. Moreover, those who have exhibited the degree of directed interest and sophistication necessary to sift through the relevant decisions and consider the extrapolations reflected in the dissent also could readily consult: the plain text of Section 1722; the law establishing that, in matters of statutory interpretation, unambiguous statutory text controls; and the long line of cases establishing that interpretations by the intermediate appellate courts are subject to this Court's further review.

have not abandoned well established precedent -- rather, in this matter of first impression in this Court, we simply apply a clear directive from the policy-setting branch.

In summary, under Section 1722's plain terms, an insured's recovery under UM/UIM policies may be offset by group/program/arrangement benefits, including disability benefits purchased, in whole or in part, by the insured, at least so long as those benefits are not subject to subrogation.[14]

The order of the Superior Court is reversed, and jurisdiction is relinquished.

Mr. Justice McCaffery did not participate in the consideration or decision of this case.

Mr. Chief Justice Castille and Mr. Justice Eakin join the opinion.

Madame Justice Todd files a dissenting opinion in which Mr. Justice Baer joins.

[14] This area is also complicated by matters of federal preemption relative to federally regulated benefits. See, e.g., Levine v. United Healthcare Corp., 402 F.3d 156, 166 (3d Cir. 2005) (determining that the federal Employee Retirement Income Security Act of 1974 preempted the New Jersey Legislature's attempt to reverse the common-law collateral source doctrine relative to an ERISA-governed plan).