



## **AUTO BULLETIN NO. 24**

**TO: ALL INSURERS WRITING AUTOMOBILE INSURANCE COVERAGE  
IN DELAWARE**

**RE: Liability Carrier's Obligation to Provide Coverage**

**DATED: March 8, 2016**

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This Bulletin is directed to all insurers writing automobile insurance coverage in Delaware.

It has come to the attention of the Delaware Department of Insurance that some insurers are improperly invoking the cooperation clause of an automobile liability policy to disclaim all liability of a third party claim including Delaware mandated minimum coverage. *See 21 Del. C. §§ 2118(a) and (b) and 2902(b)(2).*

In *Harris v. Prudential Property and Casualty Insurance Company*, 632 A.2d 1380 (1993), the Supreme Court of Delaware unequivocally held that “[t]he insurer’s liability is ‘absolute’ to the extent of the statutory minimum regardless of whether the insured has violated any conditions or requirements contained within the policy. In the absence of express legislative authority, no policy exclusions affecting statutory minimum coverage will be recognized.”

Any insurer’s invocation of its insured’s obligation to cooperate as the basis for denying mandatory minimum coverage shall be deemed an unfair claim settlement practice in violation of Title 18, Section 2304(16)(f).

This Bulletin shall be effective immediately and shall remain in effect unless withdrawn or superseded by subsequent law, regulation or bulletin.

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**Karen Weldin Stewart, CIR-ML  
Delaware Insurance Commissioner**