



**AUTO BULLETIN NO. 30**

**TO: ALL INSURERS WRITING AUTOMOBILE INSURANCE COVERAGE IN DELAWARE, AND THEIR BROKERS AND AGENTS**

**RE: REIMBURSING TOWING COMPANIES FOR "RECOVERY COSTS"**

**DATED: October 26, 2018**

This Bulletin reminds automobile liability insurers that when their policy holder is the **at-fault driver** in an automobile accident, Delaware law requires the insurer to cover the costs of removing both the at-fault and not-at-fault vehicles from a roadway or from property adjacent to a roadway after an accident (sometimes referred to as "recovery costs"), even if the at-fault driver's liability policy does not include full collision coverage. Note that "recovery costs" do not include the cost of towing the at-fault vehicle from the scene of the accident.

Under Delaware law (*see 21 Del. C. § 2118(a)(3)*), automobile liability insurance policies issued or delivered in Delaware must include:

. . . compensation for damage to property arising as a result of an accident involving the motor vehicle, other than damage to a motor vehicle, aircraft, watercraft, self-propelled mobile equipment and any property in or upon any of the aforementioned, with the minimum limits of \$10,000 for any one accident.

Therefore, post-accident, the liability insurer for the at-fault driver is responsible for paying the cost of:

- Removing both the at-fault and not-at-fault vehicles from a roadway or from property adjacent to a roadway;
- Towing the not-at-fault vehicle from the scene of the accident; and
- Towing the at-fault vehicle from the scene of the accident, but only if that coverage is separately underwritten in the policy.

As with all claims, after establishing coverage and its insured's liability, the insurer is required to issue payment within 30 days from receipt of a satisfactory proof of claim amount. *See 18 DE Admin. Code § 903-4*. Satisfactory proof of claim amount is established by (1) a written agreement or other document assuming liability; (2) a final order by the court; or (3) unappealed arbitration award. The Department notes that each claim must be reviewed and evaluated on its merits and reminds insurers of their ongoing obligation to do so.

Questions concerning Auto Bulletin No. 30 should be emailed to [consumer@state.de.us](mailto:consumer@state.de.us).

This Bulletin shall be effective immediately and shall remain in effect unless withdrawn or superseded by subsequent law, regulation or bulletin.

Handwritten signature of Trinidad Navarro in blue ink.

Trinidad Navarro  
Delaware Insurance Commissioner

*NOTE: This Bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties, or privileges, nor is it intended to provide legal advice. Readers should consult applicable statutes and rules and contact the Delaware Department of Insurance if additional information is needed.*