



IN THE SUPREME COURT OF THE STATE OF DELAWARE

NATALIE AYERS,)
) C.A. No. 411,2025
)
Plaintiff-Below,)
Appellant,)
v.) On Appeal from the
) Superior Court
TRAVELERS CASUALTY) No. N24C-05-130 KMV
INSURANCE COMPANY,)
)
Defendant-Below,)
Appellee.)

**DEFENDANT-BELOW APPELLEE’S ANSWER BRIEF IN OPPOSITION
TO PLAINTIFF-BELOW APPELLANT’S OPENING BRIEF ON APPEAL**

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Dated: December 19, 2025

TABLE OF CONTENTS

	<u>Page(s)</u>
TABLE OF AUTHORITIES.....	ii
NATURE OF PROCEEDINGS.....	1
SUMMARY OF ARGUMENT.....	2
STATEMENT OF FACTS.....	3
ARGUMENT.....	4
I. The Superior Court properly concluded Plaintiff is not a named insured under the Business Policy.....	4
A. Question Presented.....	4
B. Scope of Review.....	4
C. Merits of Argument.....	4
II. The Superior Court properly concluded that the Business Policy is clear and unambiguous.....	11
A. Question Presented.....	11
B. Scope of Review.....	11
C. Merits of Argument.....	12
CONCLUSION.....	15

TABLE OF AUTHORITIES

	<u>Page(s)</u>
<i>Bermel v. Liberty Mutual Fire Insurance Company</i> , 56 A. 3d 1062 (Del. 2012).....	7, 8, 9
<i>Feaster v. Tyler</i> 2024 WL 4039721 (Del. Super. Ct. Sept. 3, 2024).....	11
<i>Frank v. Horizon Assurance Company</i> , 553 A. 2d 1199 (Del. 1989).....	5, 6
<i>GMG Insurance Agency v. Edelstein</i> , 328 A. 3d 302 (Del. 2024).....	4
<i>GMG Capital Investments, LLC v. Athenian Venture Partners I, L.P.</i> , 36 A.3d 776 (Del. 2012).....	11
<i>Hallowell v. State Farm Mutual Automobile Insurance Company</i> 442 A.2d 925 (Del. 1982).....	11
<i>Twin City Fire Insurance Company v. Delaware Racing Ass’n</i> , 840 A.2d 624 (Del. 2003).....	11

NATURE OF PROCEEDINGS

Plaintiff now appeals the Superior Court’s September 15, 2025, Order granting Defendant Traveler’s Casualty Insurance Company’s Motion for Summary Judgment and denying Plaintiff’s Cross-Motion for Summary Judgment. The September 15, 2025, Order found that: Plaintiff was not a named insured under the relevant Travelers Casualty Insurance Business Policy; the “Other Motor Vehicle exception” (hereinafter “OMV exception”) contained within this policy does not violate public policy; this policy is clear and unambiguous; and under this policy’s ordinary meaning, Plaintiff would still not be entitled to UIM benefits. This is Defendant’s Answering Brief.

SUMMARY OF ARGUMENTS

The Delaware Superior Court's decision to grant Defendant Traveler's Casualty Insurance Company's Motion for Summary Judgment and deny Plaintiff's Cross Motion for Summary Judgment was appropriate and legally sound. While Plaintiff contends the Superior Court erred in two respects, as addressed in greater detail below, Defendant Traveler's Casualty Insurance Company asserts that the Superior Court's analysis and reasoning was well supported by the facts of this case, as well as case law precedent:

1. Denied. The Superior Court properly concluded Plaintiff is not a named insured under the Business Policy.
2. Denied. The Superior Court properly concluded that the Business Policy is clear and unambiguous.

STATEMENT OF FACTS

This matter arises out of a motor vehicle accident that occurred on or about May 17, 2022, and as a result of this, Plaintiff is seeking compensation for injuries and damages sustained.¹ At the time of the May 2022 accident, Plaintiff was operating a 2021 Jeep Wrangler, which Plaintiff personally owned and had insured under a separate, personal automobile policy.² Plaintiff does not contest the vehicle involved in the May 2022 accident was being operated for personal use, with no connection to the underlying business.³

Following the May 2022 accident, Plaintiff received full policy limits of \$25,000.00 through the tortfeasor's bodily injury liability policy, as well as full underinsured motorist coverage ("UIM") limits of \$100,000.00 through her own personal policy.⁴ Plaintiff now seeks a second claim for UIM benefits through a policy of insurance issued by Defendant Travelers Casualty Insurance Company (hereinafter "Defendant") on behalf of Industrial Electrical Service, Inc. (hereinafter the "Business Policy").⁵

¹ B1-B2

² Pl. Opening Brief, p. 3.

³ A29.

⁴ B2, ¶3-4

⁵ B2, ¶4

ARGUMENT

I. THE SUPERIOR COURT CORRECTLY CONCLUDED PLAINTIFF IS NOT A NAMED INSURED UNDER THE BUSINESS POLICY.

A. Question Presented

Did the Superior Court correctly determine that Plaintiff is not a named insured under the Business Policy?

B. Scope of Review

The Supreme Court reviews “the Superior Court’s decision on a motion for summary judgment *de novo*, applying the same standards as the trial court.”⁶

C. Merits of Argument

On the first page of the relevant policy, under NAMED INSURED AND MAILING ADDRESS, the business INDUSTRIAL ELECTRICAL SERVICE, INC. is identified.⁷ However, Plaintiff is listed subsequently in the policy as a *named driver* under separate endorsements.⁸ It is the latter point upon which Plaintiff’s underlying Motion for Summary Judgment and present appeal now hinge, as Plaintiff argues the Superior Court’s finding, such that Plaintiff was not a named insured under the Business Policy and coverage was properly denied, runs contrary to the purposes of 18 *Del. C.* §3902.

⁶ *GMG Insurance Agency v. Edelstein*, 328 A.3d 302, 309 (Del. 2024).

⁷ B19

⁸ Pl. Opening Brief, pgs. 3 – 5.

As noted by the Superior Court, “[u]nder 18 *Del. C.* §3902, an insurer must provide UIM coverage to the named insured if the insured is categorically entitled to coverage and coverage is not affirmatively waived.”⁹ Such coverage is “personal to the insured and not vehicle specific.”¹⁰ Policy provisions that have the effect of “denying coverage for a claim arising out of an accident involving a vehicle owned by the insured, but not listed as a covered vehicle under the policy” are commonly known as an “other motor vehicle” (“OMV”) exclusion, and exclusions of this nature have been generally found to be invalid as running contrary to public policy intended through the enactment of 18 *Del. C.* §3902.¹¹

However, following an analysis of relevant case law to this point, the Superior Court determined “an OMV exclusion is not inherently invalid under Section 3902 – nor is an individual automatically entitled to recover UIM benefits (or, in this instance, excess UIM benefits) under a business policy.”¹² The Superior Court found that protections afforded by way of 18 *Del. C.* §3902 are for the protection of the *named insured* – which in this matter, is the *business*: Industrial Electrical Service, Inc.¹³

⁹ B7, ¶14. *See also, Frank v. Horizon Assurance Company*, 553 A. 2d 1199, 1203 (Del. 1989).

¹⁰ *Frank v. Horizon Assurance Company*, 553 A. 2d 1199, 1203 (Del. 1989).

¹¹ *Id.*, at 1205.

¹² B8, ¶16.

¹³ B11-12, ¶22.

In reaching this determination, the Superior Court first cited to *Frank v. Horizon Assurance Company*, in which, an insured plaintiff was pursuing benefits under her personal automobile policy, following a collision that occurred with an uninsured vehicle.¹⁴ The plaintiff was denied benefits under the personal policy because the vehicle she was operating at the time of the collision was not listed under that policy.¹⁵ Following an analysis of the history and legislative intent behind enacting 18 *Del. C.* §3902, the Supreme Court determined “the OMV exclusion clashed with the statute’s purpose: to protect people – not vehicles – from negligent drivers by promoting the purchase of UIM coverage.”¹⁶

Applying the Supreme Court’s conclusions drawn in *Frank* to the present matter, the Superior Court noted that “the plaintiff in *Frank* was a named insured under the policy, and thus entitled to UIM coverage, [and so,] the Court ultimately found the OMV exclusion invalid as a matter of law and public policy.”¹⁷ The Superior Court continued that, “the *Frank* Court invalidated the OMV exclusion because it denied benefits to a *named* insured and undermined the purpose of UIM coverage – to protect the harmed individual. But here, the named insured is Industrial, not [Plaintiff].”¹⁸ From this, the Superior Court concluded, “[i]t follows that an

¹⁴ 553 A. 2d 1199 (Del. 1989).

¹⁵ *See generally, Id.*

¹⁶ B7-B8, ¶15.

¹⁷ *Id.*

¹⁸ B10, ¶19.

individual must be a named insured under the policy to recover UIM benefits when the accident involves an unlisted vehicle.”¹⁹

Expanding upon this conclusion, the Superior Court next relied upon *Bermel v. Liberty Mutual Fire Insurance Company*²⁰ in furtherance of its determination Plaintiff is not a named insured for purposes of receiving UIM coverage under the Business Policy. In *Bermel*, the plaintiff was given a company vehicle for both personal and work use, and this vehicle was insured under a business policy, with the business/employer as the named insured under that policy.²¹ The plaintiff was later involved in a motor vehicle accident while outside the scope of employment and while operating a privately-owned (and separately insured) motorcycle, but pursued benefits under the business policy.²² When the insurer of the business policy denied benefits, the Supreme Court later affirmed this determination and found that the plaintiff was not entitled to benefits under the business policy, as he was “not a named insured and [had] no expectation that the [employer’s] policy extended to his personal use of other, privately-insured motor vehicles.”²³ The denial of benefits in such a situation was determined by the Supreme Court to comply with the underlying legislative intent and public policy set forth through §3902.²⁴

¹⁹ B7, ¶15.

²⁰ 56 A.3d 1062 (Del. 2012).

²¹ *Id.*, at 1065.

²² *Id.*

²³ *Bermel*, 58 A.3d at 1068.

²⁴ *Id.*

In applying the same logic and analysis as the *Bermel* Court to the present matter, the Superior Court concluded that Plaintiff “does not qualify for UIM coverage under the Business Policy because (1) her company, Industrial [Electrical Service, Inc.] is the named insured under the Business Policy, (2) she was operating a private owned vehicle, and (3) she was acting outside the scope of business at the time of the accident.”²⁵

Plaintiff presently argues that such a conclusion, by “treating Plaintiff as if she were a mere employee,” overlooks “the separate contractual relationship created by the endorsement.”²⁶ To that point, the Superior Court noted “[t]he [*Bermel*] Court emphasized that being a *listed driver* [on a policy endorsement] does not equate to being a *named insured*, thus upholding the validity of the insurer’s OMV exclusion under the Business Policy.”²⁷ The same holds true with the present matter: the contractual relationship and benefits to be afforded within the Business Policy ultimately remain with the *named insured*, and this is consistent with the intent of and public policy behind the enactment of §3902. The contractual relationship in this matter is between Industrial Electric Service, Inc. and Defendant; the Superior Court’s Order does nothing to impede, affect, or alter that contractual relationship and the benefits that are to be afforded.

²⁵ B11, ¶21.

²⁶ Pl. Opening Brief, p. 9.

²⁷ B8-B9, ¶17.

Stemming from this, Plaintiff’s last point within this first argument is that the purchase of a separate premium for UM/UIM coverage should trigger Plaintiff’s UIM benefits for purposes of the underlying accident.²⁸ This, too, was distinguished by the Superior Court with reliance upon *Bermel*, as the Superior Court found, “[Plaintiff’s] payment of a premium does not change that she was not driving an Industrial[Electrical Services, Inc.]-owned vehicle for business purposes at the time of the accident.”²⁹ Again, in keeping with precedent establishing the intent behind the enactment of §3902, as protection of *named insureds*, the Superior Court found “the ‘Drive Other Car Coverage’ endorsement serves to protect Industrial [Electrical Services, Inc.], the named insured, from potential harm.”³⁰ Moreover, the Superior Court emphasized that, “[i]f [Plaintiff] intended to secure UIM coverage for herself, while driving her personal vehicle, the best way to do that would be through a personal policy – which she did.”³¹

This is not a situation in which Plaintiff is without *any* coverage and still being denied same through various policy exclusions, but quite the opposite – Plaintiff was afforded the full extent of coverage that *could* be afforded to her by way of the tortfeasor’s bodily injury policy limits as well as her own underinsured motorist

²⁸ B11, ¶22.

²⁹ B11, ¶22. *See also*, B10, ¶19

³⁰ B4-B5, ¶10.

³¹ B10, ¶19.

policy limits, culminating in \$125,000.00 worth of insurance benefits.³² The facts and circumstances surrounding Plaintiff's May 2022 accident, being wholly separate from any causal connection or relationship to the business, and subsequent denial of coverage does not run afoul of §3902. The ultimate basis upon which this Business Policy was purchased and implemented was for *business* purposes – and Plaintiff has not contested there was no business purpose or connection to it when involved in the May 2022 motor vehicle accident.

³² B2, ¶2-3.

II. THE SUPERIOR COURT CORRECTLY DETERMINED THE BUSINESS POLICY IS CLEAR AND UNAMBIGUOUS.

A. Question Presented

Did the Superior Court correctly determine that the ordinary meaning of the Business Policy is clear and unambiguous?

B. Scope of Review

The Supreme Court “reviews, *de novo*, rulings that involve the interpretation of contract language, including policies of insurance.”³³ “The Court will interpret clear and unambiguous terms according to their ordinary meaning.”³⁴ Further, “a contract is not rendered ambiguous simply because the parties do not agree upon its proper construction,” but rather, “ambiguity exists when the provisions in controversy are fairly susceptible of different interpretations or may have two or more different meanings.”³⁵ “If the Court finds ambiguity exists, it must apply the reasonable expectations doctrine by examining extrinsic evidence to determine the reasonable expectation of the insured at the time the contract was entered.”³⁶ “When a reasonable person can draw but one inference, the question becomes one for decision as a matter of law.”³⁷

³³ *Twin City Fire Insurance Company*, 840 A. 2d 624, 626 (Del. 2003)

³⁴ *GMG Capital Investments, LLC v. Athenian Venture Partners I, L.P.*, 36 A. 3d 776, 780 (Del. 2012).

³⁵ *Id.* (internal citations omitted)

³⁶ B13-B14, ¶24, citing *Hallowell v. State Farm Mutual Automobile Insurance Company*,

³⁷ B13-B14, ¶24, citing *Feaster v. Tyler*, 2024 WL 4039721, at * 2 (Del. Super. Ct. 2024).

C. Merits of Argument

Plaintiff's alternative argument is that she is to be afforded coverage under the Business Policy as the policy is ambiguous and therefore, should be construed in her favor. The Superior Court ruled otherwise by relying on the ordinary meaning of the policy, finding no ambiguity exists.³⁸

Plaintiff directs this Court to the "Drive Other Car Coverage" endorsement of the policy, positing that this endorsement "communicates expanded personal protection for named individuals when operating vehicles *other than* corporate autos insured under the business policy."³⁹ Plaintiff further posits, in a somewhat presumptuous manner, that "[i]n the context of a business auto policy covering vehicles owned by a corporation, the only 'other car' a reasonable consumer would understand to be implicated is the individual's personal vehicle."⁴⁰ Plaintiff concludes "[t]hat is the very circumstances where a business owner would logically seek additional protection and where this endorsement is marketed."⁴¹

³⁸ B12, ¶23.

³⁹ Pl. Opening Brief, p. 12.

⁴⁰ Pl. Opening Brief, p. 12.

⁴¹ Pl. Opening Brief, p. 12.

The Superior Court disagreed entirely. As noted above, the named insured of this policy is clearly identified as Industrial Electrical Service, Inc.⁴² Vehicles that qualify for UIM coverage under this policy are those *owned* by the named insured.⁴³ Plaintiff is listed as a *driver* under the “Drive Other Car Coverage” endorsement,⁴⁴ which further defines covered individuals as being “[a]ny individual named in the Schedule and his or her spouse, while a resident of the same household, are “insureds” *while using any covered “auto.”*⁴⁵ A covered “auto” for purposes of this section is defined as “[a]ny auto you don’t own, hire or borrow...while being used by any individual named in the Schedule,”⁴⁶ *except* “[a]ny ‘auto’ *owned* by that individual or by any member of his or her household.”⁴⁷

Despite Plaintiff’s argument to the contrary, there is no ambiguity within the Business Policy simply because Plaintiff disagrees with the Superior Court’s construction of the Business Policy language. Based on the ordinary, direct, definitions set forth in the Business Policy, the Superior Court concluded that the provisions of the endorsement highlighted by Plaintiff have “a straightforward interpretation – the listed individual can only recover UIM benefits if injured by a

⁴² B19.

⁴³ B50 “Who is An Insured.”

⁴⁴ B63, “Broadened Coverage for Named Individuals”, ¶2.

⁴⁵ *Id.* (emphasis added).

⁴⁶ B62-63, “Broadened Coverage for Named Individuals”, “Changes in Covered Autos Liability Coverage”, Section B.1.(emphasis added).

⁴⁷ *Id.*

vehicle not owned by them. But if the listed individual owned the vehicle causing the injury, coverage is not triggered.”⁴⁸ Further, “[b]ecause [Plaintiff] personally owns the accident vehicle and was not using it for business at the time of the accident, she is not eligible for recovery, as the policy language explicitly states.”⁴⁹

There is no other interpretation needed or warranted, which renders this matter as relatively straightforward: Plaintiff had no connection to or with the business at the time of the May 2022 accident, and therefore, it is unreasonable to posit that coverage should be extended under a Business Policy based on the ordinary meaning of the policy language.

⁴⁸ B17, ¶30.

⁴⁹ B16, ¶28.

CONCLUSION

For the reasons set forth above, Defendant Travelers Casualty Insurance Company respectfully requests that this Court AFFIRM the decisions of the Delaware Superior Court and DISMISS this case with prejudice.

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