

IN THE SUPREME COURT OF THE STATE OF DELAWARE

NATALIE AYERS,	§	
	§	No. 411, 2025
Plaintiff Below, Appellant,	§	
	§	Court Below—Superior
v.	§	Court of the State of
	§	Delaware
TRAVELERS CASUALTY	§	
INSURANCE COMPANY,	§	C.A. No. N24C-05-130
	§	
Defendant Below, Appellee.	§	

Submitted: July 15, 2026
Decided: October 1, 2026

Before **SEITZ**, Chief Justice; **TRAYNOR**, **LEGROW**, and **GRIFFITHS**, Justices;
and **DANBERG**, Chief Judge,¹ constituting the Court *en Banc*.

Upon appeal from the Superior Court of the State of Delaware. **REVERSED** and
REMANDED.

Adam F. Wasserman, Esq. (*argued*), CICONTE WASSERMAN LLC, Wilmington,
Delaware, *for Appellant Natalie Ayers*.

Megan M. Williams, Esq., MARSHALL DENNEHEY, P.C., Wilmington,
Delaware; Allison L. Krupp, Esq. (*argued*), MARSHALL DENNEHEY, P.C.,
Camp Hill, Pennsylvania, *for Appellee Travelers Casualty Insurance Company*.

¹ Sitting by designation pursuant to Del. Const. Art. IV §§ 12 and 38 and Supreme Court Rules 2
and 4(a) to fill the quorum as required.

GRIFFITHS, Justice:

Plaintiff Below-Appellant Natalie Ayers brought this action against Defendant Below-Appellee Travelers Insurance Company (“Travelers”) seeking underinsured motorist (“UIM”) benefits under a commercial automobile policy issued to Industrial Electrical Services, Inc. (“IES”). Ayers, who owns IES, purchased the policy to cover IES employees and separately purchased an endorsement that extended coverage to certain individuals and their family members when occupying vehicles that IES did not own. This extended coverage applies to anyone named on a schedule; Ayers is listed on the schedule. After purchasing the policy, Ayers was involved in an automobile accident while driving a vehicle that she personally owned. Ayers submitted a UIM claim to Travelers under the policy, and Travelers denied coverage. Ayers disputed the denial of the claim in the Superior Court. Travelers prevailed at summary judgment. Ayers now appeals from that judgment.

We conclude that the endorsement unambiguously excludes UIM coverage when the individual named on the schedule occupies a vehicle owned by that individual or a family member. But we hold that this vehicle-based exclusion is unenforceable under Delaware law. We therefore **REVERSE** and **REMAND**.

Ayers owns IES.² In 2021, IES purchased from Travelers a commercial automobile policy listing IES as the sole named insured (the “Policy”).³ The Policy includes a driver listing that identifies individuals expected to operate IES vehicles. Ayers is listed as a driver. Ayers also paid an additional premium for an endorsement, titled “Drive Other Car Coverage—Broadened Coverage for Named Individuals” (the “Endorsement”). Provision C of the Endorsement extends UIM coverage to “[a]ny individual named in the Schedule” and that individual’s “family members” as insureds.⁴ The schedule identifies Ayers as the named individual.

In May 2022, while commuting for personal reasons in a car that she personally owned, Ayers was injured when her SUV was struck by another vehicle.⁵ She first recovered the limits of the other driver’s liability coverage and then the maximum UIM benefits available under her personal policy. Neither recovery fully covered her medical expenses and vehicle damage. So, Ayers submitted a UIM claim to Travelers under the Policy. Travelers denied the claim on the ground that

² App. to Opening Br. dated Nov. 10, 2025, at A27 [hereinafter A_].

³ App. to Answering Br. dated Dec. 19, 2025, at B19 [hereinafter B_] (Commercial Insurance Policy at 1 [hereinafter “Policy”]).

⁴ B63 (Drive Other Car Coverage at 2 [hereinafter “Endorsement”]).

⁵ Attachment to Opening Br. at ¶ 1 (Summary Judgment Order dated Sept. 15, 2025 [hereinafter “Order”]).

Ayers was not covered because she was driving her own vehicle. Ayers then filed this action in the Superior Court, seeking UIM benefits under the Policy.

The parties filed cross-motions for summary judgment. Ayers argued that Provision C of the Endorsement entitled her to UIM coverage. Provision C provides:

C. Changes in Auto Medical Payments and Uninsured and Underinsured Motorists Coverages

The following is added to **Who Is An Insured:**

Any individual named in the Schedule and his or her “family members” are “insureds” while “occupying” or while a pedestrian when being struck by any “auto” [IES does not] own except: Any “auto” owned by that individual or by any “family member.”⁶

Ayers maintained that this exception applied only when she was struck by a vehicle that she or a family member owned; alternatively, she contended that the Endorsement’s text conflicted with its “Broadened Coverage for Named Individuals” title, creating ambiguity to be construed against the drafter. She further argued that, even if the exception excluded coverage when she occupied a vehicle that she owned, it operated as an “other motor vehicle” exclusion, which is unenforceable under Delaware law.

Travelers argued that the Endorsement did not add Ayers as an insured for a personal accident unrelated to IES’s business, emphasizing that IES is the sole

⁶ B63 (Endorsement 2).

named insured. The Superior Court granted summary judgment for Travelers.⁷ It reasoned that Ayers was not covered under the Endorsement because she was not driving an IES-owned vehicle for business purposes when the accident occurred.⁸ The court also held that *Frank v. Horizon Assurance Co.*—a Delaware Supreme Court decision holding that vehicle-based limitations on UIM coverage were unenforceable because coverage attaches to the driver and not the vehicle—was inapplicable. The court reasoned that *Frank* did not apply because the named insured on the Policy was IES, not Ayers. Ayers appealed.

II

We review “the Superior Court’s grant of summary judgment *de novo*. We also review questions of law, including the interpretation of insurance policies, *de novo*.”⁹

III

On appeal, the parties renew their competing interpretations of the Endorsement and dispute the enforceability of its vehicle-based limitation under Delaware law.

⁷ *Order* at ¶13 (“The first issue is whether Ayers qualifies as a named insured for UIM coverage under the Business Policy. The [c]ourt concludes she does not.”).

⁸ *Id.* at ¶22.

⁹ *Sherman v. State*, 133 A.3d 971, 974–75 (Del. 2016); *see also Cubler v. State Farm Mut. Auto. Ins. Co.*, 679 A.2d 66, 68 (Del. 1996) (holding that the enforceability of an insurance policy is a legal question “subject to a *de novo* standard of review.”).

A

As a preliminary matter, we briefly address Travelers’ contention that the Endorsement is limited to business use, although, as Travelers conceded at oral argument, the Endorsement “does not specifically say business use.”¹⁰ Travelers instead asks us to infer that limitation from the Policy’s commercial nature: “throughout the policy, it is a commercial policy.”¹¹ We cannot adopt that inference here. When one policy provision would deny coverage but is made subject to another that could permit it, “it is the latter provision[] that control[s],” with any doubt resolved against the insurer.¹² The Endorsement contains no business-use limitation, and therefore its language controls over the commercial limitation that Travelers would have us infer.

We next address the parties’ competing interpretations of Provision C. Interpretive contract principles guide our analysis. “Insurance policies are contracts, and Delaware courts apply the ordinary principles of contract interpretation to construe insurance policies.”¹³ Where ambiguous, “the language of an insurance

¹⁰ Oral Argument at 31:06-31:20 (July 15, 2026), <https://courts.delaware.gov/supreme/oralarguments/>.

¹¹ Oral Argument at 31:21-31:25 (July 15, 2026), <https://courts.delaware.gov/supreme/oralarguments/>.

¹² *Penn Mut. Life Ins. Co. v. Oglesby*, 695 A.2d 1146, 1147 (Del. 1997).

¹³ *Monzo v. Nationwide Prop. & Cas. Ins. Co.*, 249 A.3d 106, 118 (Del. 2021) (internal citations omitted).

contract is always construed most strongly against the insurance company which has drafted it.”¹⁴ “An ambiguity exists when the language in a contract permits two or more reasonable interpretations.”¹⁵ But “[t]he mere fact that parties disagree as to the meaning of contractual terms does not, alone, render those terms ambiguous.”¹⁶

We need not apply the rules regarding ambiguous insurance contracts because we find Provision C unambiguous. The plain language extends coverage to the individual named in the schedule and their family members in two contexts: 1) “while occupying” an automobile he or she does not own, or 2) as a pedestrian, while being struck by an automobile he or she does not own. Ayers’s reading would render the exception operative only under the latter circumstance. But that reading leaves the phrase “while occupying” without any corresponding description of the vehicle being occupied.¹⁷ Travelers’ reading, by contrast, gives effect to both the “occupying” and “being struck by” alternatives and the ownership exception. We adopt Travelers’ reading.¹⁸

¹⁴ *Steigler v. Ins. Co. of N. Am.*, 384 A.2d 398, 400 (Del. 1978).

¹⁵ *Hallowell v. State Farm*, 443 A.2d 925, 926 (Del. 1982).

¹⁶ *Alta Berkely VI C.V. v. Omneon, Inc.*, 2011 WL 2923884, at *4 (Del. Super. July 21, 2011) (citing *Rhone-Poulenc Basic Chem. Co. v. Am. Motorists Ins. Co.*, 616 A.2d 1192, 1196 (Del. 1992)).

¹⁷ *Manti Hldgs., LLC v. Authentix Acq. Co., Inc.*, 261 A.3d 1199, 1208 (Del. 2021) (“An interpretation is unreasonable if it ‘produces an absurd result[.]’”).

¹⁸ See, e.g., *Eden v. The Netherlands Ins. Co.*, 834 F.3d 1116, 1126 (10th Cir. 2016) (finding UIM policy endorsement section unambiguous because the phrase “while occupying” took as its object “any auto you do not own,” and that a competing interpretation of the phrase without a corresponding object could not be credited); *Acuity v. Terra-Tek, LLC*, 11 N.W.3d 96, 102 (S.D.

The other provisions in the Endorsement also support Travelers' interpretation.¹⁹ Provision B of the Endorsement likewise addresses coverage for vehicles IES does not own in substantially parallel language. It provides, in relevant part, that:

B. Changes in Covered Autos Liability Coverage

1. Any “auto” [IES doesn’t] own, hire, or borrow is a covered “auto” while being used by any individual named in the Schedule or by his or her spouse . . . *except*:

a. Any “auto” owned by *that individual* or by any member of his or her household.

b. Any “auto” used by that individual or his or her spouse while working in a business of selling, servicing, repairing or parking “autos.”

2. The following is added to **Who Is An Insured**:

Any individual named in the Schedule and his or her spouse . . . are “insureds” while using any covered auto described in Paragraph B.1. of this endorsement.²⁰

Provision B excludes from coverage any vehicle owned by a person listed on the schedule. Reading the Endorsement as a whole and giving its related provisions

2024) (holding that grafting a prefatory phrase onto a “Who Is an Insured” section of a UIM endorsement in a way that would dissolve other classes of insureds was impermissible, because an interpretation that leaves a part unreasonable or of no effect is disfavored); *Sayreville Seaport Assoc. Urban Renewal, L.P. v. Indian Harbor Ins. Co.*, 213 A.D.3d 427 (2023) (reinforcing that ambiguity cannot be manufactured by ignoring an endorsement’s own structural and grammatical framework); *Maher v. United Ohio Ins. Co.*, 188 N.E.3d 212, 222-23 (Ohio App. 2022) (rejecting interpretation of UIM endorsement that would have untethered a phrase from its natural grammatical referent, consistent with the *Edens* approach).

¹⁹ See *Osborn ex rel. Osborn v. Kemp*, 991 A.2d 1153, 1159 (Del. 2010) (“We will read the contract as a whole and we will give each provision and term effect, so as not to render any part of the contract mere surplusage.”).

²⁰ B62-63 (Endorsement 1–2) (bold in original) (emphasis added).

consistent meaning, Provision C likewise excludes UIM coverage when the individual named in the schedule occupies a vehicle owned by that individual or a family member. The Endorsement therefore has only one reasonable reading.

Accordingly, we hold that Provision C unambiguously excludes UIM coverage when the individual named in the schedule occupies a vehicle owned by that individual or a family member. Although the Endorsement adds Ayers as an insured in certain circumstances, it does not provide UIM coverage for this accident because she was occupying a vehicle that she personally owned.²¹

B

That conclusion brings us to Ayers’s alternative argument. She contends that Provision C’s exclusion of UIM coverage when she occupies a personally owned vehicle is unenforceable. She argues that this vehicle-based limitation is an “other motor vehicle” exclusion under *Frank v. Horizon Assurance Co.*²² and is therefore void as a matter of law and public policy. We agree.

In *Frank*, an uninsured motorist injured Julie Frank while she was operating a vehicle she owned but that was not listed on a Horizon automobile policy issued

²¹ Our conclusion also forecloses Ayers’s ambiguous-heading argument. “Contract headings do not constitute controlling evidence of a contract’s substantive meaning[.]” *Masimo Corp. v. Kiani*, 2026 WL 1080396, at *11 (Del. Ch. Apr. 21, 2026) (citing *Fulkerson v. MHC Operating Ltd.*, 2002 WL 32067510, at *5 (Del. Super. Sept. 24, 2002)). The text controls, and a heading cannot create ambiguity that the text does not contain.

²² 553 A.2d 1199 (Del. 1989).

to her and her husband.²³ After recovering UIM benefits under her own policy, Frank sought additional UIM benefits under the Horizon policy.²⁴ Horizon denied coverage based on an “other motor vehicle” exclusion that barred coverage when an insured occupied a vehicle not listed on the policy.²⁵

We held that the exclusion was unenforceable under 18 *Del. C.* § 3902,²⁶ explaining that UIM coverage is “personal to the insured and not vehicle specific.”²⁷ Because Frank was an insured entitled to UIM coverage, we concluded that the “other motor vehicle” exclusion in the Horizon policy was void as a matter of law and public policy.

The same is true here. Travelers acknowledges that the Endorsement adds Ayers as an insured. Provision C, however, purports to exclude coverage when she occupies certain vehicles. That is a vehicle-based limitation on coverage. Under

²³ *Id.* at 1200.

²⁴ *Id.* at 1201.

²⁵ *Id.*

²⁶ *Id.* at 1205; *see also id.* at 1201–02 (“The legislative purpose embodied in the requirement that uninsured motorist coverage be available to all members of the public is clear: the protection of innocent persons from the negligence of unknown or impecunious tortfeasors. Insurance policy provisions designed to reduce or limit the coverage to less than that prescribed by the Delaware statute, 18 *Del. C.* § 3902, are void.” (citing *State Farm Mut. Auto. Ins. Co. v. Abramowicz*, 386 A.2d 670, 673 (Del. 1978))).

²⁷ *Id.* at 1203.

Frank, Travelers may not condition Ayers’s UIM coverage on the ownership of the vehicle that she occupied when the accident occurred.²⁸

Travelers relies on *Bermel v. Liberty Mutual Fire Insurance Co.*²⁹ to argue that *Frank* protects only a “named insured” and not an “insured” added by endorsement. We do not read *Bermel* so narrowly.

In *Bermel*, we upheld an insurer’s denial of UIM benefits to an employee injured while driving his own, non-business vehicle. The employer’s business-automobile policy provided UIM coverage only for “covered autos”—vehicles the employer owned and the occupants of those vehicles. And no endorsement extended UIM coverage to the employee while occupying other vehicles.³⁰ We explained that the case turned on the policy’s insuring agreement, not an exclusion.³¹ Because the policy’s initial grant of UIM coverage was limited to covered vehicles, no UIM coverage attached to an accident in a non-covered vehicle. We also explained that 18 *Del. C.* § 3902 and Delaware public policy bar “other motor vehicle” exclusions

²⁸ See *id.*; see also *Brown v. Everett*, 2019 WL 2361539, at *4 (Del. Super. June 4, 2019) (“ . . . [Section 3902] does not permit a policy exclusion that restricts UIM coverage by reference to who owns the vehicle in question.”); *Lee v. Geico Choice Ins. Co.*, 2017 WL 3951874, at *2 (Del. Super. Sept. 7, 2017) (“First, under Delaware law, UIM coverage is personal to the insured rather than vehicle-related.”); *Davis v. State Farm Mut. Auto. Ins. Co.*, 2011 WL 1379562, at *5 (Del. Super. Feb. 11, 2011) (“ . . . the insured’s UM/UIM coverage follows the insured regardless of the vehicle he or she may be occupying or driving when an accident occurs.”).

²⁹ 56 A.3d 1062 (Del. 2012).

³⁰ *Id.* at 1068.

³¹ *Id.*

that withdraw coverage already granted, but they do not require insurers to extend UIM coverage beyond the policy's defined covered vehicles in the first place.³²

Ayers is situated differently from *Bermel*. Here, Travelers agreed to provide UIM coverage to “[a]ny individual named in the Schedule” of the Endorsement, and Ayers is listed on the schedule. Provision C then conditioned coverage based upon the vehicle that she occupied. *Frank* forecloses that result: UIM coverage follows the insured, not the vehicle. The Superior Court’s judgment cannot be reconciled with that rule.

Because Ayers is an insured under the Policy, her UIM coverage is personal to her and cannot be conditioned on the vehicle she occupied at the time of the accident. Provision C’s vehicle-based limitation is therefore unenforceable to that extent, and Ayers is entitled to seek UIM benefits under the Policy as the individual named in the Endorsement’s schedule.

IV

For the foregoing reasons, the judgment of the Superior Court is **REVERSED**, and the case is **REMANDED** for further proceedings consistent with this opinion. Jurisdiction is not retained.

³² *Id.*