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**Bulletin 16-25**

**Date: August 11, 2016**

**To: All Property & Casualty Insurers**

**Re: Property damage liability claims involving the removal of vehicles and / or debris from roadways and property adjacent to roadways**

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The purpose of this Bulletin is to advise automobile liability insurers who insure the at-fault vehicle in an accident that property damage includes the following and must be paid under the at-fault vehicle's liability policy even if the at-fault vehicle's liability policy does not have full coverage including collision coverage: (1) the cost of removing vehicle accident debris, (2) the cost of removing the at-fault and not-at-fault vehicles from a roadway or from property adjacent to a roadway after an accident, and (3) the cost of towing the not-at-fault vehicle away from the scene of the accident. This clarification does not include the cost of towing the at-fault vehicle away from the scene of the accident, as that is dependent on whether the at-fault vehicle has full coverage including collision coverage. The cost of removing vehicle accident debris and the cost of removing the at-fault and not-at-fault vehicles from a roadway or from property adjacent to a roadway after an accident are sometimes referred to as the "recovery cost."

The Insurance Administration has received complaints from towing companies seeking payment for recovery costs and the towing cost for the not-at-fault vehicle. Some insurers have denied these claims on the basis that the insured at-fault vehicle did not have collision coverage at the time of the accident. This denial is incorrect and insurers denying coverage for these recovery and towing costs have been directed to pay these claims under the at-fault vehicle's liability coverage. Automobile liability insurance policies issued or delivered in Maryland must include coverage for "the payment of claims for property of others damaged or destroyed in an accident of up to \$15,000." See Section 17-103 of the Transportation Article. Accordingly, such costs are payable under the policy's liability coverage regardless of whether the at-fault vehicle's policy includes collision coverage.

Therefore, post-accident, the liability insurer for the at-fault vehicle is responsible for the cost of (1) removing vehicle accident debris, (2) removing the at-fault and not-at-fault vehicles from a roadway or from property adjacent to a roadway after an accident, and (3) towing the not-at-fault vehicle away from the scene of the accident.

As with all claims, after establishing coverage and its insured's liability, the insurer should issue payment within fifteen (15) working days upon receipt of satisfactory proof of the claim amount. The Insurance Administration notes that each claim must be reviewed and evaluated on its merits.

Please direct any questions regarding this Bulletin to: Robert Baron, Director, Property & Casualty Complaints, 410-468-2353 ([Robert.Baron@Maryland.gov](mailto:Robert.Baron@Maryland.gov)).

Alfred W. Redmer, Jr.  
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