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INFORMATION BULLETIN

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To all members of the DCRB:

RE: Delaware Supreme Court Clarifies Carrier Reimbursement Limits in UIM Recoveries

The Delaware Supreme Court's recent decision in *ProAssurance Group v. Manz* (Nov. 7, 2025) offers important guidance for workers' compensation carriers regarding when they may reclaim benefits from an injured worker's underinsured motorist (UIM) insurance recovery. Under Delaware's statute (19 Del. C. § 2363), a workers' compensation insurer may seek reimbursement from a third-party recovery, but this right is not unlimited.

In *Manz*, the Court reaffirmed that the carrier may recoup only that portion of the UIM award which corresponds to economic losses that workers' compensation covers, so called "boardable" damages such as medical bills and wage loss. Award amounts that represent noneconomic losses, such as pain and suffering, emotional distress or losses that an employee could not sue a negligent driver for due to Delaware's Personal Injury Protection (PIP) statute, are protected from the workers' comp lien. The statutes carve out for PIP covered benefits means that a comp carrier cannot recover from an employee's own UIM or other first party insurance for those costs.

Practically speaking, carriers should adjust expectations for full reimbursement in auto related workplace injuries involving UIM or uninsured motorist (UM) recoveries. It is essential to secure clear allocations of damages in settlements, award determinations or verdicts so that the "boardable" portion (subject to lien) is identified, while the portion tied to non-economic compensation stays with the worker.

For Delaware Compensation Rating Bureau (DCRB) member insurers, this decision highlights the need to review UIM/UM linked claims carefully, coordinate with counsel to preserve subrogation potential, and update reserving, recovery projections and claims handling workflows accordingly.

In sum, *Manz* underscores Delaware's ongoing commitment to balancing carriers' reimbursement rights with the policy goal of ensuring injured workers retain the benefit of losses that fall outside the workers' compensation system. For ease of reference, the full court decision is available online here: [Delaware Supreme Court Order – ProAssurance Group v. Manz](#).