

**KEY DEFINITIONS AND PROVISIONS
RELATING TO
COMMERCIAL GENERAL LIABILITY COVERAGE FOR DEFECTIVE WORK**

Definition of Occurrence

1973 Form: “[O]ccurrence” means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured; . . .

1986 Form: “Occurrence” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

1986 Exclusions of Expected or Intended Injury

This insurance does not apply to:

“Bodily injury” or “property damage” expected or intended from the standpoint of the insured ...

1973 Exclusion of Work Performed (Without Subcontractor Exception)

This insurance does not apply:

(o) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or any materials, parts or equipment furnished in connection therewith.

BFPDE Exclusion of Work Performed (With Subcontractor Exception)

This insurance does not apply:

(z) with respect to the completed operations hazard and with respect to any classification stated above as “including completed operations,” to property damage to work performed by the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith.

1986 Exclusion of Your Work (With Subcontractor Exception)

This insurance does not apply to property damage to:

I. Damage To Your Work

“Property damage” to “your work” arising out of it or any part of it and included in the “products-completed operations hazard.”

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

BFPDE Exclusion of Operations/Faulty Workmanship

This insurance does not apply to property damage to:

(d) that particular part of any property, not on premises owned by or rented to the insured,

- (i) upon which operations are being performed by or on behalf of the insured at the time of the property damage arising out of such operations, or
- (ii) out of which any property damage arises, or

(iii) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of the insured;

1986 Exclusion of Operations/Faulty Workmanship

This insurance does not apply to:

j. "Property Damage" to:

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

1973 Exclusion of Products

This insurance does not apply:

(n) to property damage to the named insured's products arising out of such products or any part of such products.

1986 Exclusion of Your Product

This insurance does not apply to:

- k. Property damage to “your product” arising out of it or any part of it.

1986 Definition of “Your Product”

“Your product” means:

- a. Any goods or products, ***other than real property***, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

“Your product” includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your product”;
- b. The providing of or failure to provide warnings or instructions.

“Your product” does not include vending machines or other property rented to or located for the use of others but not sold.

1973 Exclusion of Failure to Perform

This insurance does not apply:

(m) to loss of use of tangible property which has not been physically injured or destroyed resulting from

- (1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or
- (2) the failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;

but this exclusion does not apply to loss of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;

1986 Exclusion of Impaired Property/Loss of Use

This insurance does not apply to:

(m) "Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

1986 Definition of “Impaired Property”

“Impaired property” means tangible property, other than “your product” or “your work”, that cannot be used or is less useful because:

- a. It incorporates “your product” or “your work” that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of “your product” or “your work”; or
- b. Your fulfilling the terms of the contract or agreement.