

**COMMERCIAL GENERAL LIABILITY COVERAGE FOR DEFECTIVE WORK  
STATE-BY-STATE SURVEY  
FEBRUARY 2008**

STATE	IS DEFECTIVE WORK AN OCCURRENCE?		PROPERTY DAMAGE EXCLUSIONS APPLIED?
	Status	Case Law	Case Law
Illinois	Unclear	<i>State Farm Fire &amp; Cas. Co. v. Tillerson</i> , 777 N.E.2d 986 (Ill. App. 2002); <sup>i</sup> <i>U.S. Fid. &amp; Guar. Ins. Co. v. Wilkin Insulation Co.</i> , 578 N.E.2d 926 (Ill. 1991); <sup>ii</sup> <i>Country Mut. Ins. Co. v. Carr</i> , 867 N.E.2d 1157 (Ill. App. 2007). <sup>iii</sup>	<i>Ohio Cas. Ins. Co. v. Wholesale Mulch Prods., Inc.</i> , 2006 WL 87604 (N.D. Ill. Jan. 10, 2006); <sup>iv</sup> <i>Harbor Ins. Co. v. Tishman Constr. Co.</i> , 578 N.E.2d 1197 (Ill. App. 1991); <sup>v</sup>

<sup>i</sup> **Illinois:** *State Farm Fire & Cas. Co. v. Tillerson*, 777 N.E.2d 986 (Ill. App. 2002). No occurrence resulted where the insured failed to prevent soil from uneven settling under a newly constructed room since the defect was no more than the natural and ordinary consequences of faulty workmanship.

<sup>ii</sup> **Illinois:** *U.S. Fid. & Guar. Ins. Co. v. Wilkin Insulation Co.*, 578 N.E.2d 926 (Ill. 1991). The contamination of buildings with asbestos was neither expected nor intended by the insured and therefore constituted an occurrence.

<sup>iii</sup> **Illinois:** *Country Mut. Ins. Co. v. Carr*, 867 N.E.2d 1157 (Ill. App. 2007). An insured general contractor's faulty construction resulting in damage to the basement walls of a residence, was a covered "occurrence" since the complaint alleged two counts of negligence so that the damages were not expected or intended from the standpoint of the general contractor.

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<sup>iv</sup> **Illinois:** *Ohio Cas. Ins. Co. v. Wholesale Mulch Prods., Inc.*, 2006 WL 87604 (N.D. Ill. Jan. 10, 2006). Exclusion j(6), the Faulty Workmanship Exclusion, did not apply to damage to barges caused by the insured while unloading road salt from them since the exclusion applied to property upon which work is being directly performed, i.e., the salt, not the barges.

<sup>v</sup> **Illinois:** *Harbor Ins. Co. v. Tishman Constr. Co.*, 578 N.E.2d 1197 (Ill. App. 1991). The exception for subcontractor work in the BFPDE Work Performed Exclusion was upheld to provide coverage to a general contractor for numerous items of faulty workmanship performed by its subcontractors.