

**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
<b>Maryland</b>	No	<i>Reliance Ins. Co. v. Mogavero</i> , 640 F. Supp. 84 (D. Md. 1986); <sup>i</sup> <i>French v. Assurance Co. of America</i> , 448 F.3d 693 (4th Cir. 2006); <sup>ii</sup> <i>OneBeacon Ins. v. Metro Ready-Mix, Inc.</i> , 242 Fed. Appx. 936 (4th Cir. 2007). <sup>iii</sup>	<i>French v. Assurance Co. of America</i> , 448 F.3d 693 (4th Cir. 2006); <sup>iv</sup> <i>Reliance Ins. Co. v. Mogavero</i> , 640 F. Supp. 84 (D. Md. 1986). <sup>v</sup>

<sup>i</sup> **Maryland:** *Reliance Ins. Co. v. Mogavero*, 640 F. Supp. 84 (D. Md. 1986). An occurrence does not include the normal, expected consequences of poor workmanship.

<sup>ii</sup> **Maryland:** *French v. Assurance Co. of America*, 448 F.3d 693 (4th Cir. 2006). A subcontractor's defective application of EIFS was not an accident, and thus not an occurrence, since the subcontractor's obligation to repair the EIFS itself was not unexpected or unforeseen; nevertheless, the physical damage resulting from the moisture intrusion through the defective EIFS was an accident, and thus an occurrence, and was not affected by the policy's Expected or Intended Injury Exclusion.

<sup>iii</sup> **Maryland:** *OneBeacon Ins. v. Metro Ready-Mix, Inc.*, 242 Fed. Appx. 936 (4th Cir. 2007). The insured manufacturer's provision of low-strength grout to a contractor, which resulted in defective construction, was not an occurrence.

<sup>iv</sup> **Maryland:** *French v. Assurance Co. of America*, 448 F.3d 693 (4th Cir. 2006). The subcontractor exception to Exclusion I, the Your Work Exclusion, applied to preserve coverage to an insured general contractor for damage to the general contractor's otherwise non-defective work arising out of a subcontractor's defective installation of EIFS.

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<sup>v</sup> **Maryland:** *Reliance Ins. Co. v. Mogavero*, 640 F. Supp. 84 (D. Md. 1986). A renovation contractor was not entitled to coverage under the 1973 CGL policy form since the gravamen of the assertion against him was the defective quality of his own work product, applying the Work Performed, Products and other exclusions.