

**COMMERCIAL GENERAL LIABILITY COVERAGE FOR DEFECTIVE WORK
STATE-BY-STATE SURVEY
MARCH 15, 2007**

STATE	IS DEFECTIVE WORK AN OCCURRENCE?		PROPERTY DAMAGE EXCLUSIONS APPLIED?
	Status	Case Law	Case Law
Michigan	Unclear	<i>Radenbaugh v. Farm Bureau Gen. Ins. Co.</i> , 610 N.W.2d 272 (Mich. Ct. App. 2000); ⁱ <i>Hawkeye-Sec. Ins. Co. v. Vector Constr. Co.</i> , 460 N.W.2d 329 (Mich. App. 1990); ⁱⁱ <i>Groom v. Home-Owners Ins. Co.</i> , 2007 WL 1166050 (Mich. App. April 19, 2007). ⁱⁱⁱ	<i>Cincinnati Ins. Co. v. Federal Ins. Co.</i> , 166 F. Supp. 2d 1172 (E.D. Mich. 2001); ^{iv} <i>Radenbaugh v. Farm Bureau Gen. Ins. Co.</i> , 610 N.W.2d 272 (Mich. Ct. App. 2000); ^v <i>Fesaid v. Millers Mutual Ins. Co.</i> , 327 N.W.2d 286 (Mich. 1982). ^{vi}

ⁱ **Michigan:** *Radenbaugh v. Farm Bureau Gen. Ins. Co.*, 610 N.W.2d 272 (Mich. Ct. App. 2000). A seller's defective schematics regarding construction of a mobile home's basement and the erection of mobile home on its basement, which allegedly rendered the basement unusable because of seeping water and threat of rot, was an occurrence under the seller's policy.

ⁱⁱ **Michigan:** *Hawkeye-Sec. Ins. Co. v. Vector Constr. Co.*, 460 N.W.2d 329 (Mich. App. 1990). The insured's defective concrete work, standing alone, was not the result of an occurrence.

ⁱⁱⁱ **Michigan:** *Groom v. Home-Owners Ins. Co.*, 2007 WL 1166050 (Mich. App. April 19, 2007). There was no occurrence of property damage, and thus no coverage, for damages arising out of the defective construction of a roof by the insured builder on a condominium project, since the damage was limited only to the condo itself, the insured's work product.

Copyright © International Risk management Institute, Inc. (IRMI). Further reproduction strictly prohibited.

This information becomes outdated quickly. A frequently updated version is provided in the online versions of Insurance for Defective Construction by Patrick J. Wielinski. For more information, go to the products section of www.IRMI.com

**COMMERCIAL GENERAL LIABILITY COVERAGE FOR DEFECTIVE WORK
STATE-BY-STATE SURVEY
MARCH 15, 2007**

STATE	IS DEFECTIVE WORK AN OCCURRENCE?		PROPERTY DAMAGE EXCLUSIONS APPLIED?
	Status	Case Law	Case Law

^{iv} **Michigan:** *Cincinnati Ins. Co. v. Federal Ins. Co.*, 166 F. Supp. 2d 1172 (E.D. Mich. 2001). Exclusion j(6), the Faulty Workmanship Exclusion, applied to bar coverage to the insured retrofitting company for damages and lost business income that an engineering company sustained when a machine the insured was contracted to reassemble and install was damaged.

^v **Michigan:** *Radenbaugh v. Farm Bureau Gen. Ins. Co.*, 610 N.W.2d 272 (Mich. Ct. App. 2000). Exclusion j(6), the Faulty Workmanship Exclusion, applied only to the damage to the particular part of the property with regard to which the insured's workmanship was faulty and did not exclude coverage for damage to property other than to the particular part of the work that faulty.

^{vi} **Michigan:** *Fresard v. Millers Mutual Ins. Co.*, 327 N.W.2d 286 (Mich. 1982). The court applied 1973 Work Performed and Products Exclusions to deny coverage to a contractor for damage to its own work.