

**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
Montana	No	<i>Lindsay Drilling & Contracting v. U.S. Fid. & Guar. Co.</i> , 676 P.2d 203 (Mont. 1984); ⁱ <i>Portal Pipe Line Co. v. Stonewall Ins. Co.</i> , 845 P.2d 746 (Mont. 1993); ⁱⁱ <i>Blair v. Mid-Continent Cas. Co.</i> , 2007 WL 2367751 (Mont. Aug. 21, 2007). ⁱⁱⁱ	<i>Lindsay Drilling & Contracting v. U.S. Fid. & Guar. Co.</i> , 676 P.2d 203 (Mont. 1984); ^{iv} <i>Stillwater Condominium Assoc. v. Am. Home Assurance Co.</i> , 508 F.Supp. 1075 (D. Mont. 1981). ^v

ⁱ **Montana:** *Lindsay Drilling & Contracting v. U.S. Fid. & Guar. Co.*, 676 P.2d 203 (Mont. 1984). The allegations against the insured drilling company that negligently allowed bystanders to tamper with core samples constituted an occurrence since the damages were neither expected nor intended from the standpoint of the insured.

ⁱⁱ **Montana:** *Portal Pipe Line Co. v. Stonewall Ins. Co.*, 845 P.2d 746 (Mont. 1993). The term “occurrence” is broader than “accident” and the intent of the CGL policy is to insure acts or omissions of the insured, including intentional acts, excluding only those in which the resulting injury is either expected or intended from the standpoint of the insured.

ⁱⁱⁱ **Montana:** *Blair v. Mid-Continent Cas. Co.*, 2007 WL 2367751 (Mont. Aug. 21, 2007). The insured’s deliberate operations on its property removing gravel was not an “occurrence” under his liability policy since the insured’s intentional excavation was not accidental, regardless of whether the resulting damage claimed by his neighbors was intended or not.

^{iv} **Montana:** *Lindsay Drilling & Contracting v. U.S. Fid. & Guar. Co.*, 676 P.2d 203 (Mont. 1984). The 1973 Products Exclusion and BFPDE Operations Exclusion did not apply to an action against an insured drilling company that negligently allowed bystanders to tamper with core samples since the damage did not arise out of the core samples themselves, and since the samples were contaminated by third parties and not by the insured during its operations.

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^v **Montana:** *Stillwater Condominium Assoc. v. Am. Home Assurance Co.*, 508 F. Supp. 1075 (D. Mont. 1981). The 1973 Products and Work Performed Exclusions, unmodified by a BFPDE, applied to a claim against the insured land developers in an action brought by homeowners for faulty workmanship on the condominiums which they owned.