

**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
North Dakota	Yes	<i>ACUITY v. Burd & Smith Constr., Inc.</i> , 721 N.W.2d 33 (N.D. 2006); ⁱ <i>Fisher v. Am. Family Mut. Ins. Co.</i> , 579 N.W.2d 599 (N.D. 1998). ⁱⁱ	<i>Fisher v. Am. Family Mut. Ins. Co.</i> , 579 N.W.2d 599 (N.D. 1998); ⁱⁱⁱ <i>Scottsdale Ins. Co. v. Tri-State Ins. Co.</i> , 302 F.Supp.2d 1100 (N.D. Dak. 2004); ^{iv} <i>ACUITY v. Burd & Smith Constr., Inc.</i> , 721 N.W.2d 33 (N.D. 2006). ^v

ⁱ **North Dakota:** *ACUITY v. Burd & Smith Constr., Inc.*, 721 N.W.2d 33 (N.D. 2006). Water damage to the interior of an apartment building sustained during the replacement of a building's roof was a covered occurrence, since it damaged property other than the insured general contractor's work.

ⁱⁱ **North Dakota:** *Fisher v. Am. Family Mut. Ins. Co.*, 579 N.W.2d 599 (N.D. 1998). The faulty workmanship by a hardwood floor refinisher constituted an occurrence.

^{iv} **North Dakota:** *Scottsdale Ins. Co. v. Tri-State Ins. Co.*, 302 F.Supp.2d 1100 (N.D. Dak. 2004). Once the prefabricated modular units of a home manufactured by the insured were assembled and affixed to the foundation, they became real property, and the exception for real property in Exclusion k, the Your Product Exclusion, applied.

^v **North Dakota:** *ACUITY v. Burd & Smith Constr., Inc.*, 721 N.W.2d 33 (N.D. 2006). The court applied Exclusions j(5) and j(6), the Faulty Workmanship and Operations Exclusions, to exclude coverage only for the roof as the particular part of the real property upon which the insured was performing operations and that was defective, upholding coverage for water damage to the interior of an apartment building while the roof was being repaired.