

NEBRASKA

Construction Defect as Occurrence

Auto-Owners Ins. Co. v. Home Pride Cos., 684 N.W.2d 571 (Neb. 2004). The insured roofing subcontractor's faulty installation of shingles that resulted in damage to the roof structures and buildings constituted an occurrence since the insured's work damaged the non-defective work of a third party. The court adopted a "middle ground" view in that only damage to third-party property can be an occurrence.

Application of Property Damage Exclusions

Copple Construction, L.L.C. v. Columbia National Ins. Co., 776 N.W.2d 503 (Neb. 2009). Exclusion j(5), the Ongoing Operations Exclusion, excluded coverage for costs related to the replacement of a tarp that was destroyed by fire while the insured was attempting to patch a hole in it. "That particular part" of real property on which insured was performing operations referred to the entire tarp, rather than the small section of the tarp that the insured was repairing when fire erupted.

Auto-Owners Ins. Co. v. Home Pride Cos., 684 N.W.2d 571 (Neb. 2004). The court applied the subcontractor exception to Exclusion I, the Your Work Exclusion, but limited it to preservation of coverage for property damage to non-defective work performed by other subcontractors or the general contractor, with no coverage being provided for the defective work itself, consistent with the "middle ground" taken by the court as to occurrence.