

## **OREGON**

### **Construction Defect as Occurrence**

*MW Builders, Inc. v. Safeco Ins. Co. of America*, 267 Fed.Appx. 552 (9th Cir. 2008). Damage caused by subcontractor's faulty installation of an exterior insulation and finishing system (EIFS) constituted property damage caused by an occurrence.

*Oak Crest Constr. Co. v. Austin Mut. Ins. Co.*, 998 P.2d 1254 (Or. 2000). The court found no accident within the meaning of a CGL policy since the resulting damage was merely a breach of contract by a builder of custom-built homes.

*Kisle v. St. Paul Fire & Marine Ins. Co.*, 495 P.2d 1198 (Or. 1972). The damage caused by the insured's negligent performance of its contract in furnishing a defective product was damage caused by an accident within the meaning of a liability policy, but the damages caused by failure to timely perform a contract are not caused by an accident.

### **Application of Property Damage Exclusions**

*MW Builders, Inc. v. Safeco Ins. Co. of America*, 267 Fed.Appx. 552 (9th Cir. 2008). Work product exceptions did not bar recovery for repairing water damage to hotel that resulted from faulty installation of an exterior insulation and finishing system by subcontractor.

*Fireguard Sprinkler Sys., Inc. v. Scottsdale Ins. Co.*, 864 F.2d 648 (9th Cir. 1988). The court upheld the subcontractor exception to the BFPDE Work Performed Exclusion to find coverage where a subcontractor's defective site preparation caused a landslide.