

**COMMERCIAL GENERAL LIABILITY COVERAGE FOR DEFECTIVE WORK
STATE-BY-STATE SURVEY
FEBRUARY 2008**

STATE	IS DEFECTIVE WORK AN OCCURRENCE?		PROPERTY DAMAGE EXCLUSIONS APPLIED?
	Status	Case Law	Case Law
Virginia	No	<i>Travelers Indemn. Co. v. Miller Bldg. Corp.</i> , 142 F. Appx. 147 (4th Cir. 2004); ⁱ <i>Hotel Roanoke Conference Center Comm'n. v. Cincinnati Ins. Co.</i> , 303 F. Supp. 2d 784 (W.D. Va. 2004); ⁱⁱ <i>Stanley Martin Cos., Inc. v. Ohio Cas. Group</i> , 2007 WL 2900172 (E.D. Va. Oct. 2, 2007). ⁱⁱⁱ	<i>Travelers Indemn. Co. v. Miller Bldg. Corp.</i> , 142 Fed. Appx. 147 (4th Cir. 2004). ^{iv}

ⁱ **Virginia:** *Travelers Indemn. Co. v. Miller Bldg. Corp.*, 142 Fed. Appx. 147 (4th Cir. 2004). The damages from a contractor's defective work resulted in a breach of contract and were expected, and thus not an occurrence, even though those damages arose out of the work of a subcontractor.

ⁱⁱ **Virginia:** *Hotel Roanoke Conf. Ct. Comm'n. v. Cincinnati Ins. Co.*, 303 F. Supp. 2d 784 (W.D. Va. 2004). The damages resulting from the insured's defective performance of a contract to construct a conference center that were limited to the insured's work were not a covered occurrence because the damages were expected from the standpoint of the insured.

ⁱⁱⁱ **Virginia:** *Stanley Martin Cos., Inc. v. Ohio Cas. Group*, 2007 WL 2900172 (E.D. Va. Oct. 2, 2007). The court found that because the entire townhouse project was the insured general contractor's "work," and because all damages were solely to the insured's "work," there was no "occurrence" of property damage. Although the damage was caused by the faulty workmanship of the insured's subcontractor, the property damage was not "unexpected" or an accident, since it arose out of the fulfillment of the terms of the subcontract.

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^{iv} **Virginia:** *Travelers Indem. Co. v. Miller Bldg. Corp.*, 142 Fed. Appx. 147 (4th Cir. 2004). In the absence of an occurrence, the subcontractor exception to Exclusion I, the Your Work Exclusion, could not, in and of itself, create coverage for the insured's defective construction on a Wal-Mart store.