

# Construction Law in North Carolina

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## Insurance Issues for Construction Projects: the Court of Appeals takes a stab at CGL policies

August 31, 2011 By Melissa Brumback

Recently, I had the honor and privilege of guest posting on [George Simpson's](#) blog, entitled [North Carolina Insurance Law](#). George's blog is a gold mine of information for those concerned with insurance issues, and it is a staple of my blogroll.

My post is entitled: “**Court of Appeals Finds Applicable Coverage Under CGL Policies Despite Exclusionary Language**”



Here is a snippet of my guest post:

The Court of Appeals has been busy this summer deciding two somewhat similar CGL policy cases, both of which the insurance professional should keep an eye on.

### 1. **Damage to Property Other than Work Product**

First out of the gate, [Builders Mutual Ins. Co. v. Mitchell](#), a case involving a declaratory judgment action between two CGL carriers for the same insured. In that case, Umstead Construction Company was insured, at various times, by both Builders Mutual and by Maryland Casualty Co. Umstead performed some renovation and repair work on a house on Figure Eight Island, and poor workmanship caused the home to experience water drainage issues and rot, damaging the home's interior, marble terraces, and decks.

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Builders Mutual settled the underlying claim at mediation, and sought contribution from Maryland Casualty. In the declaratory judgment action, Maryland Casualty claimed that there was no coverage because there was no “occurrence” as defined in the policy. However, the Court noted that “an occurrence” under the policy could include accidents resulting from faulty workmanship that caused damage **to any property other than the work product**. [Read more of my post at George’s blog by clicking here.](#)

Thanks, George, for hosting me, and I look forward to a future guest post by you on my blog here. **Insurance coverage issues are important to all design professionals, because if the general contractor doesn’t have applicable coverage, the A/E may be left holding the bag.**

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