

Insurance Coverage Alert - August 2015

July 31, 2015

NEW JERSEY CLARIFIES THAT CONSEQUENTIAL DAMAGES CAUSED BY SUBCONTRACTORS' DEFECTIVE WORK IS AN OCCURRENCE OF PROPERTY DAMAGE

In *Cypress Point Condominium Ass'n, Inc. v. Adria Towers, et al.*, 2015 WL 4111890 (July 9, 2015), --- A.3d --- (App. Div. 2015), the New Jersey Appellate Division put to rest any question that consequential damages caused by construction defects at a condominium complex constitute an occurrence of property damage under a general contractor's policy. The court also provided helpful authority that should permit insurers to better allocate between covered and uncovered costs of repairs.