



News

Larry Golub Cited in Law360 Article on California Appeals Ruling in Building Damage Case

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Larry Golub was quoted in *Law360*'s article "Calif. Ruling Fortifies Insureds In Building Damage Battles." The article discusses the decision of the California Court of Appeal's Fourth Appellate District which "agreed with the lower court that [a liability insurer's] policy covers the award, rebuffing the insurer's assertion that a pair of common defective workmanship for 'business risk' exclusions in the policy nix coverage." The appellate panel's decision followed other cases around the country refusing to apply of the exclusions.

Kadena Pacific Inc. claimed that subcontractor Global Modular Inc. was contractually liable for more than \$1 million in rain-related property damage to modular units it built for a U.S. Department of Veterans Affairs rehabilitation facility in California. Temporary barriers and plastic tarps had been in place while awaiting the completion of roofs for the units—the very thing that could have prevented the damage. The decision reinforces that "insurers can't invoke business risk exclusions to deny coverage simply because a loss relates in some way to deficient workmanship." Golub noted that "the real cause of the damage was not any defective construction per se, but Global's delay, which led to these units being exposed to rain and therefore water damage."

Read the full article "[Calif. Ruling Fortifies Insureds In Building Damage Battle](#)" on the *Law360* website (*subscription required*)