

Construction Financial Management Association

CENTRAL OHIO CHAPTER

Since 1988

Ohio Supreme Court Rules on Construction Defects



Presenters:

Mike Madigan, Kegler Brown
Brad Stammler, Leavitt Group

When:

February 19, 2019
11:30 - 12:00 Networking
12:00 - 1:00 Presentation

Where:

The Boat House
679 W. Spring St.
Columbus, OH 43215

Registration:

Please register and pay for this event online at <http://cafe.cfma.org/centralohio/home>
\$25.00 for CFMA members and \$35.00 for non-members.
Contact Jill Claire centralohio@cfma.org with questions. Space is limited—register today!

CPE Credit:

The presentation will count for 1 CPE Credit



CPE:

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Brief Summary of Topic

The Ohio Supreme Court has again ruled that owners, contractors and subcontractors in Ohio have little protection from construction defects. The construction industry has long relied upon Commercial General Liability (“CGL”) policies to protect against personal injury or property damage losses, including those flowing from construction defects. Large premiums are paid every year to the insurance industry to attempt to insure against risk.

But the Ohio Supreme Court in *Ohio N. Univ. v. Charles Constr. Servs., Inc.*, 2018-Ohio-4057 recently ruled that a subcontractor’s faulty workmanship is not “fortuitous” and therefore not an “occurrence” under a CGL policy. Therefore, a subcontractor’s faulty work is not covered as an insured risk under a typical CGL policy.

This case means that those relying upon a CGL policy to provide protection from faulty workmanship may have only illusory protection and be operating uninsured.

The Ohio Supreme Court stated that if this decision is a problem for the industry and the citizens of this state, the legislature could change the law and state that a CGL policy in Ohio shall define “occurrence” to include “property damage resulting from faulty workmanship.” Until it does so, all players in the construction process run the risk that construction defects are uninsured.

Bios:

Mike Madigan

Mike focuses his practice primarily in the areas of construction law and litigation, advising clients on mechanic’s lien, collections and other issues in the construction industry. He joined Kegler Brown in 2005. Mike aids clients with all facets of construction, from the initial contract review to warranty issues. He also assists clients with their collection and mechanic’s lien issues. Prior to entering law school, Mike worked as a project manager for a national contractor and has a degree in civil engineering. With his construction and engineering background, Mike seeks to provide practical advice that quickly solves a problem and avoids a costly and protracted dispute. When a construction claim is unavoidable, Mike assists clients with reserving their rights and compiling their claims. He is proficient in all aspects of construction claims, including labor inefficiencies, delays, and differing jobsite conditions and also assists clients with analyzing and defending against such claims. Additionally, Mike is experienced in trial and appellate practice and has successfully helped numerous clients resolve disputes through various alternative dispute resolution techniques.

Brad Stammler

Brad Stammler graduated from Xavier University with his MBA and The Ohio State University with a BS in Business Administration—Finance & Risk Management. He has obtained numerous Insurance and surety industry designations over the years: CPCU, ARM, APA, AIM, AFSB, CRIS. Brad has more than 35 years of experience as President and Executive Vice President of several large insurance agency/broker organizations and commercial insurance. He joined Franchise Insurance Agency in 2010 to manage the Commercial Lines department, service large commercial accounts, and manage captives.

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