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Welby, Brady & Greenblatt, LLP periodically publishes its Legal Alert Bulletin to notify its clients and others in the construction industry about court decisions and changes in the law in the Tri-State area that may affect their businesses or the way they do business. We urge you to regularly visit our website, [www.wbglp.com](http://www.wbglp.com), to keep abreast of what is happening in the courts and law that may affect your business.

#### **General Liability Insurance Coverage Lost Due To Contractor's Failure To Timely Notify G/L Carrier**

The Court of Appeals (New York's highest court) has ruled that a Contractor lost its general liability insurance protection because it did not give timely notice of the occurrence, even though it did give timely notice of the same occurrence to the same insurance company under its worker's compensation policy.

It is generally known by the construction industry that failure to provide notice to an insurance carrier within a reasonable period of time after an accident or other covered event relieves that insurance carrier of its obligations under the policy, regardless of whether the insurance carrier was prejudiced by the delay. In the recent case, the Contractor gave timely notice of the occurrence to its worker's compensation insurance carrier sufficient to have the insurance carrier provide coverage. However, it failed to notify the same insurance carrier under its general liability insurance policy until it was sued in a third-party action more than 5 years after the accident. The general liability carrier refused to defend or indemnify the Contractor in the third-party action.

Affirming a decision by the Appellate Division, the Court of Appeals said that notification of the worker's compensation insurance carrier did not constitute notice under the general liability policy, even though both policies were written by the same insurance company. The court said that each policy imposes upon the Contractor a separate contractual duty to provide notice.

The lesson from this is clear. If an accident or other insurable event takes place, give prompt written notice to all insurance carriers under all policies, including policies where you or your company are named as an additional insured. If you have any questions about how to give such notice, consult with your construction attorney.

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