2015 IL App (1st) 140355

SIXTH DIVISION
May 15, 2015

No. 1-14-0355

IN THE
APPELLATE COURT OF ILLINOIS
FIRST JUDICIAL DISTRICT

WEST BEND MUTUAL INSURANCE COMPANY, Plaintiff-Appellant, v. PULTE HOME CORPORATION; THE RESERVE OF ELGIN HOOMEOWNERS ASSOCIATION; and G.H. SIDING, LLC, Individually and as Successor to HANDON DEVELOPMENT, INC., Defendants-Appellees,	)	Appeal from the Circuit Court of Cook County. No. 11 CH 40651 Honorable Diane J. Larsen, Judge Presiding.

JUSTICE ROCHFORD delivered the judgment of the court.
Presiding Justice Hoffman and Justice Hall concurred in the judgment.

ORDER

¶ 1 *Held*: Judgment on the pleadings in favor of defendants in this action for a declaratory judgment regarding insurer's duty to defend is affirmed, where allegations in underlying complaint potentially fell within the coverage of the insurer's policy.

¶ 2 Plaintiff-appellant, West Bend Mutual Insurance Company (West Bend), filed the instant suit seeking a declaratory judgment that it had no duty to defend or indemnify either defendant-appellee, Pulte Home Corporation (Pulte), with respect to an underlying lawsuit filed by defendant-appellee, The Reserve of Elgin Homeowners Association (the Reserve HOA), or defendant-appellee, G.H. Siding, LLC (G.H. Siding), individually and as successor to Handon

Development, Inc. (Handon), with respect to a related underlying third-party complaint filed by Pulte. The circuit court awarded judgment on the pleadings in favor of the defendants with respect to West Bend's duty to defend, and West Bend has now appealed from that decision. For the following reasons, we affirm the judgment of the circuit court.

¶ 3 I. BACKGROUND

¶ 4 The record reveals that: (1) Pulte is a real estate developer, and had developed and constructed a residential condominium/townhome development known as "The Reserve of Elgin" (the Reserve), (2) Handon and its successor, G.H. Siding, had been subcontracted by Pulte to perform work on Pulte's real estate developments between 2001 and 2006, including the installation of exterior siding on properties such as the Reserve, and (3) the Reserve HOA is the governing body of the Reserve residential real estate development, and (4) West Bend is an insurance company authorized to issue policies of insurance within this state, and had issued a series of Commercial General Liability (CGL) Polices to Handon and G.H. Siding covering the time period from November 17, 2003, to November 17, 2008.

¶ 5 The Reserve HOA, on behalf of the Association and the unit owners, filed an underlying complaint against both Pulte and James Hardie Building Products Inc. (Hardie), the company that manufactured the exterior siding installed at the Reserve. In the operative amended complaint, filed on May 4, 2012, the Reserve HOA generally alleges that Pulte "developed, designed, constructed and sold" the residential units and common areas of the Reserve development. In doing so, Pulte installed siding manufactured by Hardie on the exterior of the residential units and common areas. That siding was allegedly defective. In addition, the "exterior envelope" of the residential units and common areas designed and constructed by Pulte allegedly had defects in design and workmanship, including improper design of the gutter system

and improper installation of the siding itself. The Reserve HOA generally alleges that all of these defects and failures had caused damages to the Reserve HOA and its residents.

¶ 6 More specifically, the Reserve HOA's amended complaint seeks to recover for Pulte's breach of implied warranty of habitability and breach of contract, and Hardie's breach of express warranty and breach of implied warranty of habitability. With respect to the breach of implied warranty of habitability against Pulte, the amended complaint asserts that the above described defects and failures, alleged to be "latent defects" that were "not reasonably discoverable" by the unit purchasers, "have caused the residential units and the common areas to be unfit and not reasonably suited for their intended use and otherwise directly or indirectly have and will have an adverse impact on the residences resulting in premature deterioration and damage to Building components." In the breach of contract count against Pulte, the amended complaint asserts that as a "direct and proximate result" of the above described defects and failures, the Reserve HOA and unit owners "will be required to make substantial repair and/or replacement of the common area Building exterior envelopes and resultant damage." In both counts, the Reserve HOA sought to recover "[d]amages in an amount equal to the total cost to repair and or replace the above defective materials, workmanship and design[,]" and "[t]he fees paid by the Association to its consultants for the investigation of the condition of the property and fees incurred in connection with the observation and planning of the repair work, including interest on a loan taken for repair to the property[,]" Each count also included a separate claim for "such other damage resulting from the defective materials and above defective conditions determined at trial[.]"

¶ 7 In response to the Reserve HOA's complaint, Pulte filed a third-party complaint against Handon, G.H. Siding, and a number of other subcontractors that had worked for Pulte at the

Reserve. In its complaint, Pulte alleges—*inter alia*—that: (1) it had entered into contracts with Handon and its successor, G.H. Siding, for the installation of siding at the Reserve, (2) it had entered into contracts with other subcontractors for the installation of other exterior components at the Reserve and the power washing of the exterior of the buildings at the Reserve, (3) the Reserve HOA "has alleged, amongst other allegations, that the exterior siding, exterior façade components, and gutter system connected to the residential units and common areas were improperly installed and/or defective[,]" and (4) "[t]o the extent that the exterior façade components were improperly installed and resulted in numerous alleged defective conditions to develop and exist on the exterior of the Property as alleged by [the Reserve HOA], Handon and G.H. Siding[] breached their contractual obligations."

¶ 8 Incorporating these general allegations, Pulte's amended third-party complaint includes single counts of breach of contract, breach of express warranty, breach of implied warranty, and contribution against Handon, G.H. Siding, and the other subcontractors. With respect to Handon and G.H. Siding, Pulte asserts numerous ways in with they had breached their contracts, express and implied warranties, and legal duties, and further contends that if the Reserve HOA had been damaged as it had alleged in its amended complaint, those damages were caused by the improper actions or inactions of Handon and G.H. Siding. Pulte also alleges that it is incurring legal fees due to the improper actions or inactions of Handon and G.H. Siding. Pulte therefore seeks to recover for all its resultant damages, "including damages for payment of any judgment or settlement entered against [it]."

¶ 9 Both Pulte and G.H. Siding tendered the defense of the underlying complaints to West Bend, with Pulte contending that it is an additional insured under the CGL policies issued to Handon and G. H. Siding. In response, West Bend filed the instant suit seeking a declaratory

judgment that it had no duty to defend or indemnify Pulte or G.H. Siding with respect to the underlying complaint.

¶ 10 In the operative amended complaint for declaratory judgment, West Bend generally contends that the Reserve HOA's underlying complaint asserts that "the exterior siding on [the Reserve] was defective and has prematurely failed" and the Reserve HOA has thus sought "damages from PULTE for the total cost of repair or replacement of alleged defective materials, workmanship and design." In light of these contentions, the amended complaint for declaratory relief asserts that "PULTE is not entitled to additional insured coverage from WEST BEND under the WEST BEND Policies issued to G.H. SIDING/HANDON because the [Reserve HOA] Complaint does not contain allegations of 'property damage' caused by an 'occurrence' as those terms are defined in the West Bend Polices and interpreted by Illinois law."

¶ 11 With respect to Pulte's third-party amended complaint, West Bend's amended complaint asserts that Pulte's complaint merely "alleges that G.H. SIDING/HANDON is liable to PULTE in the event that it will be held liable to the [Reserve HOA] for damages." As such, West Bend's amended complaint contends that it has no duty to defend or indemnify G.H. Siding with respect to Pulte's third-party complaint because neither of the underlying complaints contain "allegations of 'property damage' caused by an 'occurrence' as those terms are defined in the West Bend Polices[,]" and the allegations contained in the underlying complaints fall within a number of exclusions contained in the CGL policies issued to Handon and G. H. Siding. Copies of the underlying complaints and the insurance policies issued to Handon and G.H. Siding are attached as exhibits to West Bend's amended complaint.

¶ 12 All three of the defendants filed answers to West Bend's complaint denying the material allegations therein, and both Pulte and the Reserve HOA filed counterclaims. In Pulte's

counterclaim, it specifically alleged that the Reserve HOA's underlying complaint alleged "other damages" in addition to the repair and replacement of allegedly defective and improperly installed materials on the exterior of the buildings at the Reserve.

¶ 13 Thereafter, West Bend filed a motion asking for judgment on the pleadings. In a memorandum of law filed in support thereof, West Bend argued that it had no duty to defend or indemnify Pulte or G.H. Siding because the underlying complaints did not allege damage to any person or property other than the exterior of the buildings at the Reserve. As such, West Bend further asserted that the underlying complaints therefore did not contain allegations of '"property damage" caused by an '"occurrence," as required by the policy language. West Bend further contended that the underlying allegations against G.H. Siding were also barred by various policy exclusions.

¶ 14 Following a hearing on December 19, 2013, the circuit court denied West Bend's motion, reasoning that: (1) "the broad-based allegations of the complaint regarding damages at least potentially would come within coverage[,]" and (2) the court could not "say that the allegation of resultant damage would not include damage to something other than the project itself." In light of this ruling, both Pulte and G.H. Siding filed cross-motions for judgment on the pleadings with respect to West Bend's duty to defend, and those motions were joined by the Reserve HOA. On January 29, 2014, the circuit court entered a written order: (1) granting the defendants' motions for judgment on the pleadings "[f]or the reasons stated on the record on December 19, 2013," (2) finding the West Bend had a duty to defend Pulte and G. H. Siding with respect to the underlying complaints, (3) indicating that no finding was being made as to West Bend's duty to indemnify, (4) dismissing this matter, including the counterclaims, with leave to refile "on the duty to indemnify if necessary in the future," and (5) finding that there was no reason to delay

enforcement or appeal of its December 19, 2013, or January 29, 2014, orders. West Bend thereafter filed the instant appeal.

¶ 15 II. ANALYSIS

¶ 16 On appeal, West Bend contends that the circuit court improperly concluded that a duty to defend both Pulte and G.H. Siding existed with respect to the underlying complaints, and that the circuit court therefore improperly granted judgment on the pleadings in favor of the defendants.

¶ 17 A. Standard of Review and Legal Framework

¶ 18 "A motion for judgment on the pleadings asserts the allegations in the pleadings and the exhibits to the pleadings, which are considered part of the pleadings, permit only one disposition as a matter of law." *State Farm Fire & Casualty Co. v. Young*, 2012 IL App (1st) 103736, ¶ 11. "Judgment on the pleadings is properly granted if the pleadings disclose no genuine issue of material fact and that the movant is entitled to judgment as a matter of law." *Pekin Insurance Co. v. Wilson*, 237 Ill. 2d 446, 455 (2010). "For purposes of resolving the motion, the court must consider as admitted all well-pleaded facts set forth in the pleadings of the nonmoving party, and the fair inferences drawn therefrom." *Employers Insurance of Wausau v. Ehlco Liquidating Trust*, 186 Ill. 2d 127, 138 (1999). "While a motion for judgment on the pleadings admits well-pleaded facts, it does not admit mere conclusions ***." *Caruso v. Kafka*, 265 Ill. App. 3d 310, 313 (1994). Thus, "in deciding the motion, a court must disregard all surplusage and conclusory allegations." *Teeple v. Hunziker*, 118 Ill. App. 3d 492, 497 (1983). This court reviews the grant of judgment on the pleadings *de novo*. *Wilson*, 237 Ill. 2d at 502.

¶ 19 Furthermore, as our supreme court has summarized:

> "A court's primary objective in construing the language of an insurance policy is to ascertain and give effect to the intentions of the parties as expressed by the language of

> the policy. [Citation.] Like any contract, an insurance policy is to be construed as a whole, giving effect to every provision, if possible, because it must be assumed that every provision was intended to serve a purpose. [Citation.] If the words used in the policy, given their plain and ordinary meaning, are unambiguous, they must be applied as written. [Citation.] However, if the words used in the policy are ambiguous, they will be strictly construed against the drafter. [Citation.] Words are ambiguous if they are reasonably susceptible to more than one interpretation [citation], not simply if the parties can suggest creative possibilities for their meaning [citation], and a court will not search for ambiguity where there is none [citation].
>
> To determine whether an insurer has a duty to defend its insured from a lawsuit, a court must compare the facts alleged in the underlying complaint to the relevant provisions of the insurance policy. [Citation.] The allegations must be liberally construed in favor of the insured. [Citation.] If the facts alleged fall within, or potentially within, the policy's coverage, the insurer is obligated to defend its insured. [Citation.] This is true even if the allegations are groundless, false, or fraudulent, and even if only one of several theories of recovery alleged in the complaint falls within the potential coverage of the policy. [Citation.] Thus, an insurer may not justifiably refuse to defend a lawsuit against its insured unless it is clear from the face of the underlying complaint that the allegations set forth in the complaint fail to state facts that bring the case within, or potentially within, the coverage of the policy. [Citation.]" *Valley Forge Insurance Co. v. Swiderski Electronics, Inc.*, 223 Ill. 2d 352, 362-63 (2006).

The construction of an insurance contract is a question of law subject to *de novo* review. *Id.* at 360.

¶ 20 We finally note that, within their pleadings in the instant declaratory judgment action, the parties have asserted various and conflicting interpretations regarding the nature of the allegations contained in the underlying complaints. We also note, again, that in reviewing the grant of judgment on the pleadings in favor of the defendants, we would typically consider as admitted all well-pleaded facts set forth in the pleadings of West Bend and the fair inferences drawn therefrom. *Ehlco,* 186 Ill. 2d at 138. As discussed above, however, our resolution of the question of West Bend's duty to defend actually involves a *de novo* comparison of the *underlying complaints* to the language of insurance policies issued by West Bend.

¶ 21 As such, our focus in making this comparison must be on the underlying complaints themselves, and not the various allegations and interpretations regarding those underlying complaints made by the parties (including West Bend) within the pleadings filed in the instant action. See *CMK Development Corp. v. West Bend Mutual Insurance Co*., 395 Ill. App. 3d 830, 838 (2009) (recognizing that in reviewing the grant of judgment on the pleadings in a declaratory judgment action brought to determine insurer's duty to defend underlying action, the appellate court's focus must be on the allegations contained in the *underlying complaint*). Stated another way, we view the conflicting interpretations regarding the nature of the allegations contained in the underlying complaints, as they are asserted in the parties' pleadings in the instant actions, to be mere conclusions which we must disregard. *Hunziker,* 118 Ill. App. 3d at 497. And in any case, the underlying complaints were attached as exhibits to the pleadings filed in the instant declaratory action. It is well settled that "where a complaint's allegations and exhibits conflict, the exhibits control." *Gagnon v. Schickel*, 2012 IL App (1st) 120645, ¶ 21.

¶ 22 B. "Occurrence" and "Property Damage"

¶ 23 We first consider West Bend's contention that the circuit court improperly granted judgment on the pleadings to defendants with respect to the duty to defend Pulte and G.H. Siding, as the underlying complaints do not allege either an "occurrence" or "property damage."

¶ 24 The CGL policies issued by West Bend to Handon and G.H. Siding contain the following relevant, standard provisions:

> "COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY
>
> 1. Insuring Agreement
>
> a. We will pay those sums that the insured becomes legally obligated to pay as damages because of 'bodily injury' or 'property damage' to which this insurance applies. We will have the right and duty to defend any 'suit' seeking those damages.
>
> ***
>
> b. This insurance applies to 'bodily injury' and 'property damage' only if:
>
> (1) The 'bodily injury' or 'property damage' is caused by an 'occurrence' ***."

The policies further define "occurrence" as "an accident, including continuous or repeated exposure to substantially the same general harmful conditions[,]" and define "property damage" to include both "[p]hysical injury to tangible property, including all resulting loss of use of that property" and "[l]oss of use of tangible property that is not physically injured." The policies do not contain an explicit definition of an "accident," but Illinois courts have often defined this term as " 'an unforeseen occurrence, usually of an untoward or disastrous character or an undesigned, sudden, or unexpected event of an inflictive or unfortunate character.' " *Stoneridge Development Co., Inc. v. Essex Insurance Co.*, 382, Ill. App. 3d 731, 749 (2008) (quoting *Westfield National Insurance Co. v. Continental Community Bank & Trust Co.*, 346 Ill. App. 3d 113, 117 (2003)).

¶ 25 This exact—or substantially the same—CGL policy language has been considered by Illinois courts on many occasions, and some general, well-accepted interpretations have been provided. With respect to the requirement that there be an "occurrence" in order to trigger coverage, it has been widely recognized that "defective construction claims do not fall within the coverage of CGL policies." *Stoneridge*, 382 Ill. App. 3d at 752. Thus, it has long been recognized that "property damage to a building caused by a contractor's defective construction of the building is not an accident and does not, therefore, constitute an occurrence." *Monticello Insurance Co. v. Wil-Freds Construction, Inc.*, 277 Ill. App. 3d 697, 703 (1996). However, it is equally well-recognized that "damage to something other than the project itself *does* constitute an 'occurrence' under a CGL policy." *Milwaukee Mutual Insurance Co. v. J.P. Larsen, Inc.*, 2011 IL App (1st) 101316, ¶ 27; *Stoneridge*, 382 Ill. App. 3d at 752 ("construction defects that damage something other than the project itself will constitute an 'occurrence' under a CGL policy").

¶ 26 With respect to the standard CGL policy requirement that there be "property damage," a "line of Illinois cases holds that where the underlying complaint alleges only damages in the nature of repair and replacement of the defective product or construction, such damages constitute economic losses and do not constitute 'property damage.' " *Viking Construction Management, Inc. v. Liberty Mutual Insurance Co.*, 358 Ill. App. 3d 34, 54-56 (2005) (collecting cases). Once again, however, it is also well-accepted that the "property damage" requirement under a CGL policy is met where there are allegations of damage to "other property." See *Stoneridge*, 382 Ill. App. 3d at 754; *J.P. Larsen, Inc*., 2011 IL App (1st) 101316, ¶¶ 20-22; *State Farm Fire & Casualty Co. v. Tillerson*, 334 Ill. App. 3d 404, 410 (2002).

¶ 27 As it did below, West Bend contends that there is no possibility of coverage under its policies, because the underlying complaints only alleged damage to the siding installed at the Reserve, did not allege "damage to property other than the property itself," and only sought damages for "the cost to repair or replace the contractors' defective work." West Bend therefore contends that the underlying complaints allege neither an "occurrence" nor "property damage." We disagree.

¶ 28 It is certainly the case that the underlying complaints do contain allegations of damage to the buildings of the Reserve itself, and we presume without deciding that such allegations are not covered under West Bend's policies. However, as we noted above, an insurer has a duty to defend even if only a single theory of recovery alleged in an underlying complaint potentially falls within the coverage of the policy. *Valley Forge*, 223 Ill. 2d at 362-63. It is apparent from the face of the underlying complaints that these are not the only allegations of damage contained therein.

¶ 29 Specifically, the Reserve HOA's amended complaint asserts that as a "direct and proximate result" of Pulte's actions and inactions, the Reserve HOA and unit owners "will be required to make substantial repair and/or replacement of the common area Building exterior envelopes *and resultant damage*." (Emphasis added.) Moreover, in addition to seeking recovery for the costs related to replacing and repairing Pulte's allegedly defective work, the Reserve HOA's amended complaint also sought to recover, on behalf of itself and the unit owners, "such *other damage* resulting from the defective materials and above defective conditions determined at trial[.]" (Emphasis added.) And in its third-party complaint, Pulte asserted—*inter alia*—that "if [it] is liable to [the Reserve HOA] *in any respect* *** then such liability arose from and as a consequence of G.H. Siding's" actions and inactions, and sought judgment against G.H. Siding

for "*all* damages sustained by Pulte, including damages for payment of *any* judgment or settlement entered against Pulte" in the connection with the Reserve HOA's suit. (Emphasis added.)

¶ 30 West Bend contends that any such allegation of "resultant damage" is a legal conclusion rather than a factual allegation, and therefore is insufficient to trigger a duty to defend. We do not agree, as the Reserve HOA's amended complaint clearly asserts that—as a factual matter—Pulte caused both damage to the buildings themselves and other (albeit unspecified) damage resulting therefrom. Moreover, this argument does not address the fact that the Reserve HOA's amended complaint specifically seeks to recover on behalf of itself and the unit owners, and in addition to the costs for replacing and repairing Pulte's defective work, "other damage resulting from the defective materials and above defective conditions." Nor does it address the fact that Pulte's third-amended complaint seeks to hold G.H. Siding accountable should it be found liable to the Reserve HOA "in any respect[.]"

¶ 31 Reading the underlying allegations liberally in favor of Pulte and G.H. Siding (as we must (*id.*)), we conclude that the underlying allegations regarding damages to "other property" are *at worst* vague and ambiguous. As this court has recently recognized, "vague, ambiguous allegations against an insured should be resolved in favor of finding a duty to defend." *Illinois Tool Works Inc. v. Travelers Casualty & Surety Co.*, 2015 IL App (1st) 132350, ¶ 26. Such a conclusion follows the long-standing recognition that "the 'threshold requirements for the complaint's allegations are low,' and '*** doubts and ambiguities are to be construed in favor of the insured.' " *Viking*, 358 Ill. App. 3d at 41. Indeed, an underlying complaint need not " 'allege or use language affirmatively bringing the claims within the scope of the policy. The question of coverage should not hinge on the draftsmanship skills or whims of the plaintiff in the underlying

action.' " *American Economy Insurance Co. v. Holabird & Root*, 382 Ill. App. 3d 1017, 1022 (2008) (quoting *Illinois Emcasco Insurance Co. v. Northwestern National Casualty Co.*, 337 Ill. App. 3d 356, 361 (2003)). Rather, "an insurer may not justifiably refuse to defend a lawsuit against its insured unless it is *clear* from the face of the underlying complaint that the allegations set forth in the complaint fail to state facts that bring the case within, or potentially within, the coverage of the policy." (Emphasis added.) *Valley Forge*, 223 Ill. 2d at 362-63

¶ 32 As the allegations of the underlying complaints need only *potentially* fall within the coverage of the policies issued by West Bend, we reject West Bend's contention that the underlying complaints do not allege even the *potential* of "property damage" caused by an "occurrence."

¶ 33 C. Duty to Defend Pulte and G.H. Siding

¶ 34 The above conclusion does not fully resolve this appeal, however. We must still determine the ultimate issue of whether the circuit court properly concluded that West Bend had a duty to defend Pulte and G.H. Siding.

¶ 35 With respect to Pulte, our resolution of this question is straightforward. As the language of the insuring agreement contained in West Bend's policies makes clear, West Bend provides coverage for those sums that its insureds become legally obligated to pay as damages because of "property damage" caused by an "occurrence. There is no dispute that Pulte was an additional insured under those policies, and the above discussion reveals that the Reserve HOA's underlying complaint alleges at least the possibility that Pulte will be required to pay for property damages resulting from an occurrence. As West Bend does not contend that any exclusion contained in its policies would limit the scope of this coverage with respect to Pulte, we conclude that the circuit court properly concluded that West Bend had a duty to defend Pulte.

¶ 36 The resolution of this question regarding G.H. Siding is only slightly less straightforward. Because there is the potential of insurance coverage for some of the Reserve HOA's claims against Pulte, and because Pulte's third-party complaint seeks to hold G.H. Siding accountable should Pulte be found liable to the Reserve HOA "in any respect," we conclude that the underlying claims against G.H. Siding also allege at least the possibility that G.H. Siding will be required to pay for property damage resulting from an occurrence. As such, the claims against G.H. Siding at least potentially come within the general insuring agreement of the insurance policies issues by West Bend.

¶ 37 Nevertheless, West Bend contends that exclusions contained in its policies preclude coverage for G.H. Siding for any such property damage. On appeal, West Bend specifically cites to the following provisions contained in its policies:

"2. Exclusions

This insurance does not apply to:

***

j. Damage To Property

'Property damage' to:

***

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the 'property damage' arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because 'your work' was incorrectly performed on it.

***

Paragraph (6) of this exclusion does not apply to "property damage" included in the 'products-completed operations hazard'.

***

l. Damage To Your Work

'Property damage' to 'your work' arising out of it or any part of it and included in the 'products-completed operations hazard.' "

The policy further provides that: (1) "the words 'you' and "your' refer to the Named Insured shown on the Declarations" (*i.e.*, G.H. Siding), (2) the "Products-completed operations hazard" includes all " 'property damage' occurring away from premises you own or rent and arising out of *** 'your work[,]' " and (3) the term "[y]our work" means both "[w]ork or operations performed by you or on your behalf" and "[m]aterials, parts or equipment furnished in connection with such work or operations."

¶ 38 We fail to see how these exclusions preclude any possibility of coverage for G.H. Siding. As West Bend itself correctly concedes, these so-called "business risk" exclusions are "all premised on the theory that liability policies are not intended to provide protection against the insured's own faulty workmanship or product, which are normal risks associated with the conduct of the insured's business. Rather, the policies are meant to afford coverage for damage to other property caused by the insured's work or product." *U.S. Fidelity & Guaranty Co. v. Wilkin Insulation Co.*, 144 Ill. 2d 64, 81-82 (1991); *Pekin Insurance Co. v. Miller*, 367 Ill. App. 3d 263, 268 (2006) (same). West Bend's contention that these exclusions preclude coverage is therefore premised upon its contention that the underlying complaints contain "no allegations of damage to other persons or property." For the reason stated above, we disagree, and conclude that the underlying complaints at least potentially include such allegations. These business risk

exclusions therefore do not preclude coverage for such alleged property damage. *Wilkin*, 144 Ill. 2d at 82. As such, we find that the circuit court properly concluded that West Bend had a duty to defend G.H. Siding.

¶ 39 III. CONCLUSION

¶ 40 For the foregoing reasons, we affirm the judgment of the circuit court.

¶ 41 Affirmed.