

September 30, 2022

New Jersey Supreme Court Enforces Designated New York Counties Exclusion

BY: Copernicus T. Gaza

Norman International, Inc. v. Admiral Insurance Co., 279 A.3d 425 (N.J. 2022)

August 10, 2022, the New Jersey Supreme court enforced a broadly worded exclusion applicable to loss arising out of operations performed by the insured in certain New York counties. The insured was Richfield Window Coverings, LLC, which sells window treatment products through Home Depot and other retailers. Richfield furnished Home Depot with a machine to cut the blinds to retail customer's specifications and trained Home Depot employees on the use of such machine. A Home Depot employee sustained injury while cutting blinds at a Nassau County, New York store location and sued Richfield in products liability. Admiral disclaimed coverage and any duty to defend based upon an exclusion applicable, in relevant part, to bodily injury "actually or allegedly arising out of, related to, caused by, contributed to by, or in any way connected with any operations or activities performed by or on behalf of any insured" in the counties shown in the schedule, which included Nassau County. The Appellate Division held that the exclusion did not apply under a causal relationship test, holding that the loss was not caused by the insured's operations in Nassau. The Supreme Court reversed, applying a nexus test under the expansive language of the exclusion. In this regard, the Supreme Court held that "the fact that Richfield provided the machine to Home Depot is enough to trigger the exclusion because the phrase 'in any way connected with' merely requires that the two [i.e., the loss and the excluded county] are linked in some way, even if they are only tangentially connected."