

Do the costs of a correcting manufacturing defect result from an accident?

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Can the cost of remedying a manufacturing defect be considered as damage resulting from an "accident" covered under a liability insurance policy?

This is the question the Quebec Court of Appeal considered recently. Its judgement is of interest not only as regards to the Court of Appeal's answer but also for its extra-provincial implications, as the underlying litigation is pending before the Newfoundland Supreme Court.