

## **Revision Summary: Compass 04 18**

### **Below are the revisions to the current AR Compass 02 17 that are now on the Compass 04 18**

#### **Compass Supplemental Declarations Page**

1. This is now a separate Compass Supplemental Declarations that has the Limits, Sublimits, Maximum Amount Payable and Deductibles. These were originally in Section I, but were moved to this separate Compass Supplemental Declarations page, so as to allow the basic Compass Form to be static with all fill-in changes being done only to the Compass Supplemental Declarations page.
2. Limits: (A.1.d & e): added additional options for policy limits, being: d. Blanket over all locations combined; and e. Blanket by line of coverage over all locations.
3. Contractor's equipment: (B.7.): clarified that the sublimit applied to all unscheduled contractor's equipment, whether it be owned, leased, rented or borrowed.
4. Course of Construction and Soft Costs (B.8. & 9.): amended the term "Builder's Risk" in both items to be "Course of Construction", so as to tie it back to Covered Property description (under Section III.A.2.).
5. Debris Removal (B.10. last paragraph): clarified that the debris removal sublimit for certain extensions' sublimits are included in that extension's sublimit.
6. Reclaiming land (B.28): removed "improvements" from "land improvements", as it caused confusion as to its intent.
7. Underground tanks (B.35.): added "tanks" to the underground sublimit.
8. Per Building Deductible (D.5.e.): added this definition, so as to be able to determine individual values in the event there is no breakdown of values by Building on the SOV and the policy has a 'per building' deductible.

#### **Section I – Named Insured, Additional Interests, Coverage Territory**

1. Removed the Limits, Sub-limits, Maximum Amount Payable and Deductibles from this Section and put them on the separate Compass Supplemental Declarations.

#### **Section II – Covered Causes of Loss**

1. Asbestos: (B.4.b.): clarified that the exclusion will not apply to asbestos that is physically incorporated in an insured Building (ex: roof). Also, rather than list the covered perils, it now refers to Defined Causes of Loss.
2. Water Under The Ground Surface (B.24.): extended the policy to cover water damage, if that water damage was caused by equipment breakdown to water damage protective devices.
3. Wind-driven Rain (B.26.): clarified that no coverage for Buildings in the course of construction for this peril, unless the Building has a water-tight envelope.
4. Pre-existing Damage (B.33.): added this exclusion; but it will not apply if the policy is a renewal of an expiring AmRisc policy or attachment of coverage.
5. NOT COVERED sub-limits (B.34.): added this exclusion to clarify that any peril shown as NOT COVERED in the Compass Declarations Sub-limits is excluded. Also extended to cover certain named Perils, as follows: a) if Earth Movement is NOT COVERED, the policy still covers resulting Fire, Explosion or Sprinkler Leakage, provided those are Covered Causes of Loss; and b) if Flood is NOT COVERED, the policy still covers resulting Fire or Explosion, provided Fire or Explosion are Covered Causes of Loss.

#### **Section III – Covered Property**

1. Covered Property: (Lead-in paragraph and A.1.): cleaned it up
2. Covered Property (A.2.): added Course of Construction clarification and separated it from the Real & Personal Property.
3. Property Excluded (B.2.): Removed "improvements" from "land improvements", as it caused confusion as to its intent. Also now exclude golf course-related land improvements.
4. Property Excluded (B.4.): Added exclusion for Golf Course Outdoor Grounds.
5. Property Excluded - Sea Walls: (B.12.): added this item to be excluded, unless scheduled as such on the SOV.
6. Property of Unit-Owners (B.17.): clarified that state statutes will over rule the policy extension regarding certain unit-owner property.

#### **Section IV - Valuation**

1. Historic Building Replacement Cost (N.): Added clarification to this valuation.

### **Section V – Time Element**

No changes.

### **Section VI – Additional Coverages**

1. Fine Arts (E.): clarified, so as to match the Fine Arts definition in Section VIII.P.
2. Ordinance or Law Down Zoning (L.5.): added Rents coverage to Down Zoning, as this has become a common request.

### **Section VII – Conditions**

1. Arbitration Clause (C.): clarified intent regarding NY, method for decisions, and allocation of the costs of the Arbitration.
2. Deletion of Locations (F.5.c.): removed the 25% limitation and also allows pro-rata return premium if the management contract is lost due to the sale of the location.
3. Non-payment, material misstatement, etc. is Insured's request to cancel (was F.5.j.): Removed this clause.
4. Deletion of Property due to total or constructive total loss: (F.5.k.): added this clause stating that the premium is fully earned.
5. Control of Property (I): added this clause. Common clause on most policies and that is also required by FNMA for Condos.
6. Currency (J.): clarified that loss payments are also in USA currency.
7. Loss Payees & Trustees: (N.1.c.): added clause regarding paying 100% to Insurance Trustees. This is in line with ISO Condo wording and is a FNMA requirement.
8. Protection and Preservation of Property (Q.): clarified that the applicable Peril Deductible would still apply if the property did not suffer loss.
9. Vacancy (BB): removed the special Deductible; and added excluded perils after 90 days unless certain existing protection systems are left in place.

### **Section VIII – Policy Definitions:**

1. Building (D): Clarified that the definition also applied to buildings in the course of construction.
2. Equipment Breakdown: (M.): added better lead-in definition.
3. Explosion (N.): Removed 'Combustion gas turbine' exclusion, as this absolute exclusion needed to be removed. The Equipment Breakdown and Explosion definitions are now more in sync.
4. Flood (Q.): re-clarified that backup of sewers is a separate Cause of Loss and is not considered Flood, unless the backup is caused by Flood (at which point, it is considered Flood).
5. Hurricane (S.): clarified that Hurricane does not include Flood.
6. Location (V.): amended the definition to clarify that a Location is based on a geographical area versus a line item on the SOV.
7. Named Storm (X): clarified that Named Storm does not include Flood.
8. Occurrence (Y.): added Terrorism, and also amended definition to be 168 hours for Earth Movement, as this is more common in the marketplace.

### **All Sections:**

1. Removed any reference to AmRisc and replaced it with the 'Program Manager for the Companies'.
2. Made general grammatical corrections.

The above Summary is only a brief description of the revisions.