



# INSURING HERITAGE PROPERTIES

Insurers look for well-maintained properties with good claims records. Whether you are buying or renovating a heritage home, you can mitigate risk. Consider the following.

- Shop around. Find an insurer who understands the specific risks associated with a heritage property. Consider the claims settlement process and the deductible amounts being offered.
- Reduce risk. Take steps to protect your property and reduce the chance of making a claim. The cost of insurance is directly related to risk; by reducing risk, you may be able to lower your premiums. To reduce risk, consider the following:
  - Install smoke detectors and centrally monitored burglar and fire alarms.
  - Ensure your property is compliant with relevant building codes.
  - Replace knob-and-tube wiring. While some insurance companies will not insure properties with knob-and-tube, others may allow you time to have it removed. Still other companies may offer coverage only after a safety inspection.
  - Update and/or upgrade your roof, heating and plumbing systems. Forced air, gas and electric heat; copper and PVC plumbing; and sewer backflow valves are modern options that reduce risk.
  - Provide proof of an adequate fire-break if your property is semi-detached or a row house.
  - Inspect and maintain your property's oil tank, fireplace and/or wood-burning stove
- Keep accurate records. Detailed information helps an insurer make an informed decision. In an off-site location, store the following:
  - Copies of by-laws and/or ordinances regarding zoning, demolition, repair and/or construction of your property.
  - Information on the type of historic classification – listed, designation or heritage conservation easement – assigned to your property.
  - Information about your region's planning requirements for heritage properties and for "infills" or new construction in heritage districts.
  - Current maintenance and renovation records – for example, upgraded plumbing or replaced roofing – as well as photographs of all aspects of your property, including interiors, exteriors and outbuildings.
- Document unique characteristics. Features such as hand-carved elements, antique chandeliers, plaster walls and mouldings set heritage properties apart from modern dwellings. Record and photograph these details so your insurer can accurately assess the replacement cost in the event of a loss.
- Buy sufficient insurance. Insurers may not offer guaranteed replacement cost coverage for a heritage property, even as a policy add-on. It's your responsibility to ensure adequate coverage to meet heritage regulations. Don't reduce coverage to save a few dollars – coverage should reflect the true value of your property.



### When a Heritage Property Is Damaged

After a loss, your insurer determines the replacement cost or what it will cost to rebuild your property. Determining the replacement cost may be challenging due to the property's building materials, cherished features and historic significance. Factors that may affect replacement cost include:

- Planning approvals. There are often layers of bureaucracy involved in repairing or rebuilding a heritage property. Because of lengthier approval processes, your insurer may pay for your outside living arrangements for a longer period of time than with a non-heritage property.
- Appraisal expertise. To adequately assess your property, a qualified professional with heritage property expertise must do the appraisal.
- By-laws. Generally, a heritage property must be rebuilt on the original site, to its original occupancy, with building materials equivalent to what was used at the time it was built. It's your responsibility to ensure repairs conform to local heritage requirements.
- Claims settlement costs. Additional time for approvals and repairs may contribute to a lengthy claims process.
- Distinctive features. Due to the craftsmanship typically associated with heritage properties, specialty contractors and building materials may be necessary.
- Contaminants. Heritage properties may contain materials now known to be contaminants, such as asbestos. In such a case, special disposal must be arranged, which adds to the cost of the claim.

Note: the [preceding information](#) is taken from an Insurance Bureau of Canada publication. This is provided as information only; Heritage BC does not substantiate its contents.

For more information about insurance and heritage real estate, please refer to the following resources: [Understanding Heritage Real Estate](#); [Heritage Designation: About Insurance](#); and [Insuring Heritage Properties](#).