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HERITAGE PROPERTIES: INSURING THE LIVING PAST

Heritage properties connect us to the past. Amid rapidly modernizing times, they remind us of where we come from. Owning a heritage property is a wise investment in Canada's history and a stewardship that is recognized within the community.



There are a few things you can do to ensure your heritage property is well protected:

- 1. Shop around.** Find an insurance provider who understands the specific risks associated with a heritage property. Consider the claims settlement process and the deductible amounts offered. Perhaps you want the assurance of 24-hour claims service or face-to-face contact with an insurance representative. It may mean a few more phone calls but it's worth it.
- 2. Reduce your risk.** Take steps to protect your property and reduce the chances of making a claim. For example, install smoke detectors and centrally monitored burglar and fire alarms. The cost of insurance is directly related to risk; by reducing yours, your insurance provider may offer you a lower price.
- 3. Keep accurate and complete records and photographs.** Heritage properties often have unique features such as antique chandeliers and plaster mouldings. Keep a record of these details so your insurance representative can accurately assess the replacement cost in the event of a loss. Store these documents in a location outside your property such as a bank safety deposit box.
- 4. Buy enough insurance.** Some insurers may not offer guaranteed replacement cost coverage (full cost of replacing your property) for a heritage property even as a policy add-on. It is your responsibility to ensure you have enough coverage to meet any heritage regulations. Don't reduce your coverage to save a few dollars – your coverage should reflect the true value of your possessions.



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Why Your Heritage Property May Be More Expensive to Replace

In the event of a loss, your insurer must determine the *replacement cost* – what it would cost to rebuild your property. This may be challenging considering the property’s building materials, cherished features and historic significance. The following factors may affect replacement cost:

Planning approvals. There are often more 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.

Insurer expertise. To adequately assess your property, insurers must have appraisals done by qualified professionals with heritage property expertise.

By-laws. It is generally a requirement that a heritage property be rebuilt on the original site, to its original occupancy, with building materials equivalent to the ones used at the time it was built. It is your responsibility to ensure repairs conform to the heritage requirements within your region.

Claims settlement costs. Additional time for approvals and repairs may contribute to a lengthy claims process.

Distinctive, unique features. Due to the craftsmanship typically associated with heritage properties, specialty contractors and building materials may be necessary.



Heritage properties may contain materials now known to be contaminants (such as asbestos). In these cases, special disposal must be arranged, which will add to the cost of a claim.



What To Consider

Insurers are looking for well maintained properties with good claims records. Keep the most comprehensive information on your heritage property to enable your insurer to better assess the risk associated with it. Here are some items to share with your insurance representative:

- Copies of bylaws and/or ordinances regarding zoning, demolition, repair or construction of your property.
- Specific details on the type of historic designation assigned to your property. The three classifications are listed, designated and heritage conservation easement.
- Your region’s planning requirements for heritage properties and for “infills” or new construction in heritage districts.
- Updated maintenance records (for example, upgraded plumbing or replaced roofing) as well as photographs of all aspects of your property. These details help an insurer make an informed decision.
- Documentation (paperwork, photos) of the unique characteristics of your property. Store this information in a location outside your property such as a bank safety deposit box.



What you can do

The following steps may reduce your heritage property’s insurance risk:

- Ensure your property is compliant with relevant building codes.
- Consider replacing old-style knob-and-tube wiring (the risk of a fire is increased if the wiring is overloaded, deteriorated or damaged). Although some insurance companies will not insure properties with knob-and-tube wiring, some may give you time to have it removed. Others may offer coverage upon inspection to ensure its safety.
- Update and/or upgrade your roof, heating system (forced air gas or electric) and plumbing (galvanized cast iron to copper and/or PVC. Install sewer backflow valves.
- If the property is a row house or semi-detached of any age or designation, insurers may be interested in proof of an adequate fire-break between the homes.
- Install home burglar and fire alarm systems.
- If your property has an oil tank, ensure it is inspected and maintained regularly.