



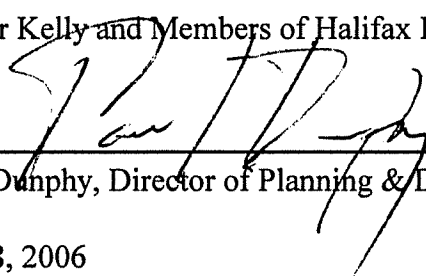
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Halifax Regional Council
June 13, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


Paul Dunphy, Director of Planning & Development Services

DATE: May 8, 2006

SUBJECT: Insuring Heritage Properties Brochure

INFORMATION REPORT

ORIGIN

Staff

BACKGROUND

Dating back as far as 2002 heritage property owners began expressing to staff problems they were having attaining property insurance at a reasonable cost. These problems derived from confusion and mis-information relating to the effects that heritage registration under the *Heritage Property Act* of Nova Scotia would have on property insurance.

DISCUSSION

A joint committee was struck to address this issue with representation from the Insurance Bureau of Canada, the Provincial Department of Tourism, Culture and Heritage, Halifax Regional Municipality, the Heritage Trust of Nova Scotia, and the Provincial Heritage Property Owners Association of Nova Scotia, to produce educational information.

Some of the issues were that some heritage property owners were refused insurance due to heritage designation, while others found their premiums significantly increased. The goal of the committee was to dispel some common misconceptions about the effect of heritage registration, and to identify some of the risk factors insurance companies consider when insuring any older home, registered or not.

An agreement was reached to produce and share the cost of an educational brochure for a combined audience of heritage property owners and insurance representatives for distribution across Nova Scotia. A copy of the finished brochure is attached. The brochure will be distributed over the next few months.

BUDGET IMPLICATIONS

There are no budget implications in this report.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

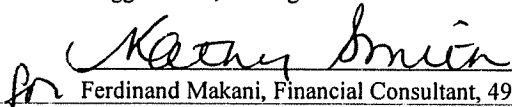
This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ATTACHMENTS

Insuring Old Homes in Nova Scotia Brochure

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by : Maggie Holm, Heritage Planner - 490-4419

Financial Review :  Ferdinand Makani, Financial Consultant, 490-6902

Please note the following requirements outlined in the Heritage Property Act of Nova Scotia:

1. **'Period' materials may be used yet are not always required.** There are many modern building materials that mimic the old-style look. They are generally acceptable under heritage property regulations provided the registered property's exterior maintains the appearance of its original heritage character.
 2. **Only the exterior** is covered by the heritage registration. You are free to alter the interior subject to applicable building codes.
- Plans which include extra changes to be made during repairs may be quickly approved provided they:
- maintain the historic character of the building's exterior appearance;
 - meet building code requirements.

** If extensive damage eliminates the building's heritage value, de-registration may be considered. Contact your local heritage official for more information.*

Wise practices for owners of older homes:

- Keep accurate records and photographs of all aspects of your old home. Remember to store them at another location, so records can be easily found if your property is destroyed.
- Proper appraisal of value is essential. Architects, specialized surveyors, and insurers can provide important advice.
- Only deal with an experienced appraiser who understands the complexities of evaluating an older home.
- Know what coverage your insurance policy provides and discuss any concerns with your insurance representative.
- Shop around for an insurance representative who is best suited to your particular situation.

For more information about insuring your older home or your registered heritage home in Nova Scotia contact your insurance representative.

For further information, contact:

The Heritage Property Program
NS Department of Tourism, Culture, and Heritage
1747 Summer St., Halifax, NS B3H 3A6
(902) 424-5647
www.gov.ns.ca/dtc/heritage

The Halifax Regional Municipality
Planning Services - Heritage Property Program
PO Box 1749, Halifax, NS B3J 3A5
(902) 490-4436
www.halifax.ca/planning/heimain.html

Provincial Heritage Property Owners' Association of NS
PO Box 36019, Halifax, NS B3J 3S9
www.nsheritageproperties.ca

Heritage Trust of Nova Scotia
1588 Barrington Street, Halifax, NS B3J 3S9
(902) 423-4807
www.htns.ca

Insurance Bureau of Canada
1969 Upper Water Street, Suite 1706
Purdy's Wharf Tower II, Halifax, NS B3J 3R7
(902) 429-2730 x227
(800) 565-7189 x227
www.ibc.ca

Please check your yellow pages or contact the Insurance Brokers Association of Nova Scotia for a list of insurance brokers in your area.



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du Canada



INSURANCE
BUREAU
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D ASSURANCE
DU CANADA

INSURING OLD HOMES IN NOVA SCOTIA



**Registered
Heritage Homes
and Non-Registered
Old Homes**

Congratulations! You own an older home in Nova Scotia, and both registered heritage homes and non-registered old homes have heritage value to contribute to the character of our province.

These properties help to shape our sense of place; our sense of who we are as Nova Scotians. Homes such as yours ought to stir pride and admiration - but they also require preservation. Protecting them preserves our past, and it is important that homes be properly insured.

How do I make my older home more insurable?

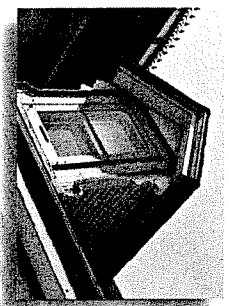
Older homes may be risky to insure because most often they have "unique features" that can pose concerns for insurers. Some of these unique features could include lead paints, interior elements, exterior architectural elements, and older foundations. These features may lead to concerns in meeting the National Building Code, upgrading plumbing pipes, fireplace and chimney issues, and electrical wiring concerns.

Old duplexes and row housing also have a unique set of concerns for insurers, such as:

- inadequate coverage of one owner can impact the rebuilding of adjacent homes
- adjacent homeowners may not share the same vision of rebuilding
- multiple adjusters and insurance companies with various levels of interest in the replacement of the building

The good news is that owners of older homes, whether single family, duplex or row homes can take the following steps to improve your home safety and reduce insurance risks:

- Keep updates and maintenance records (ie: date of last roof replacement or repair)
- Install a monitored fire alarm system or home sprinkler system
- Replace old style knob-and-tube wiring which can increase the chance of fire especially if the wiring is deteriorated or has been damaged during renovations
- Upgrade to a minimum of 100 amp wiring (60 amp wiring may be acceptable depending on dwelling size subject to an inspection by a qualified electrician)
- Upgrade plumbing pipes to copper or pvc
- Update your home heating system
- Replace your oil tank within reasonable time frames



Insurers look for clients with well maintained homes and a good claims history. This is achievable with any older home; it's a matter of diligence, good maintenance and record keeping.

My home is an old home – how does this affect my insurance?

In order to provide you with complete protection in the event of a significant loss, insurance companies normally require that older homes be insured to 100% of the "replacement value", as determined by either a home inspection or by an industry approved cost guide calculator. This means all unique features of your home are considered in the replacement value.

When insuring your home, you have two coverage options you should discuss with your insurance representative. If you lose your home to fire, or other insured risks, you can choose:

1. **Replacement Value** - replaced with material of like kind and quality.
2. **Actual Cash Value (ACV)** - replaced with material of today's quality and technology.

Always shop around for an insurance representative who suits your needs.

My home is a Registered Heritage Property.

How could this affect my insurance?

Beware of misconceptions

The official heritage registration of a home should not have any affect on the insurance policy, but you may need to shop around. Like any other older home, a registered heritage home is insured will the same type of policy having repairs made and items replaced in the same manner. Remember, the insurer is interested in the whole house not just the exterior appearance.

It is important to contact many insurance representatives when shopping for insurance for your registered heritage home. Make a point to discuss "replacement value" versus "actual cash value" and the differences they reflect in the cost of the policy, or at the time of a potential claim.

The Law

Some insurance companies may also have a "by-law exclusion" in their policy which limits coverage due to by-laws, ordinances, or other laws that regulate zoning, demolition, repair or construction of your home. However, most companies can offer protection from this with a By-Law Coverage Rider. This rider provides additional coverage for the cost of demolition, construction or repairs which are required by law.

There are other special riders that could apply in a policy such as glass deductible reduction or sewer backup. Again, discuss this with your insurance representative.

Remember to shop around and discuss these issues with each insurance representative you contact. No broker represents all insurance companies.

Don't wait until your policy is about to expire - give yourself plenty of time to find an agent with the best package for your home insurance needs.

Registered properties must preserve the exterior appearance, not necessarily the material.

The heritage value of an old property is inherent in the way that it looks. During alterations, the replacement materials used to maintain that appearance may be old or modern:

- 'Period' materials are preferred but not always required
- 'Like' materials are generally acceptable; such as replacing a wooden window with a vinyl window of the same size, style and colour

Acquiring alteration approvals for your registered heritage property

How do you know if your planned alteration is appropriate under the Heritage Property Act?

1. Provincially registered property owners - the Nova Scotia Heritage Property Program will advise you
2. Municipally registered property owner - please contact your Municipal Heritage Officer/Municipal offices

These heritage professionals will work with you to:

- ensure your property's historic character is **maintained** when alterations are made
- advise you on the **approval process**
- explain **financial grants** you may be entitled to