

# Insuring your Heritage Home

## Introduction

Over the years, homeowners in Canada have expressed concern about occasional challenges they face when seeking insurance for their heritage property. In recent times, the City of Toronto has received an increasing number of enquiries from homeowners advising that they are having trouble securing insurance for their heritage property and requesting information or assistance. In order to facilitate information sharing generally and to clarify misconceptions specifically, Heritage Planning has gathered and distilled information obtained from the Insurance Bureau of Canada (IBC) and the Ministry of Heritage, Sport, Tourism and Culture Industries, and created this information sheet, which includes answers to frequently asked questions and a list of tips for homeowners.

While insurers are not required to accept your business, we recommend providing a copy of this information sheet to insurance providers as it may help the company to better understand your needs and their responsibilities.

## Does the Ontario Heritage Act have any property insurance requirements?

There is no general requirement under the Ontario Heritage Act for property owners to have special insurance beyond what you already need to have covered in the event of loss or damage. Heritage properties (both listed and designated) are not required to be restored or rebuilt to a previous condition. In some special cases, properties subject to a legal agreement (most commonly known as a heritage easement agreement) are required to carry special insurance.

In the event of the unpremeditated loss of a building within a Heritage Conservation District, the owner is not required to rebuild or replicate the original building. The new building must comply with the policies for new development within the relevant Heritage Conservation District Plan but this should likewise not require any additional insurance beyond what you would normally carry as a replacement cost.

Further, listing or designation in no way impedes a property owner's ability to undertake routine maintenance or to upgrade the mechanical or electrical services. Provided your property is not subject to a heritage easement agreement, heritage designation or listing should have no bearing on a property's insurance requirements or needs, despite what an insurance provider might tell you or believe.

## Is it more difficult to obtain insurance for heritage properties?

While the Ontario Heritage Act should not have bearing on a property's insurance requirements as explained above, sometimes uninformed insurance companies equate designation with increased replacement cost risks as they may be under the false belief that

listing or designation under the Ontario Heritage Act requires that a structure, or heritage attributes on a property be replicated in the event they are destroyed.

### **Tips for obtaining insurance for heritage properties**

The [Insurance Bureau of Canada](http://www.ibc.ca) is a useful resource of information to understand property insurance in general. It also offers five tips for all heritage property owners seeking insurance:

1. Shop around
2. Consider claims settlement process and amount of deductible/service options
3. Reduce risk by making key updates: smoke detectors and burglar alarms
4. Keep accurate records
5. Buy enough insurance to meet your needs.

Below is a list of tips on what homeowners can do to reduce the property's insurance risk by investing in preventative methods:

- Ensure your property is compliant with relevant building codes.
- Consider replacing old-style knob-and-tube wiring
- Update and/or upgrade your roof, heating system (forced air gas or electric), 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, proof of an adequate fire-break between the homes may be of interest to insurers
- Install appropriate smoke detectors and burglar alarm systems to safeguard your home
- Inspect and maintain oil tanks regularly

The IBC also offers a Heritage Property Risk Prospectus to help homeowners gather the information insurers want to know about a property. Having detailed information about the condition of the property that can be presented to prospective insurers when shopping around for insurance will make it easier to find the right insurance for heritage properties and for properties of a certain age generally.

<http://www.ibc.ca/on/home/heritage-properties/heritage-property-risk-prospectus>

### **For More Information**

For more information about insuring your heritage home, please contact the Insurance Bureau of Canada:

#### **IBC**

777 Bay Street, Suite 2400  
P.O. Box 121  
Toronto, ON M5G 2C8

IBC Consumer information Centre: 1-844-227-5422

<http://www.ibc.ca/on/>