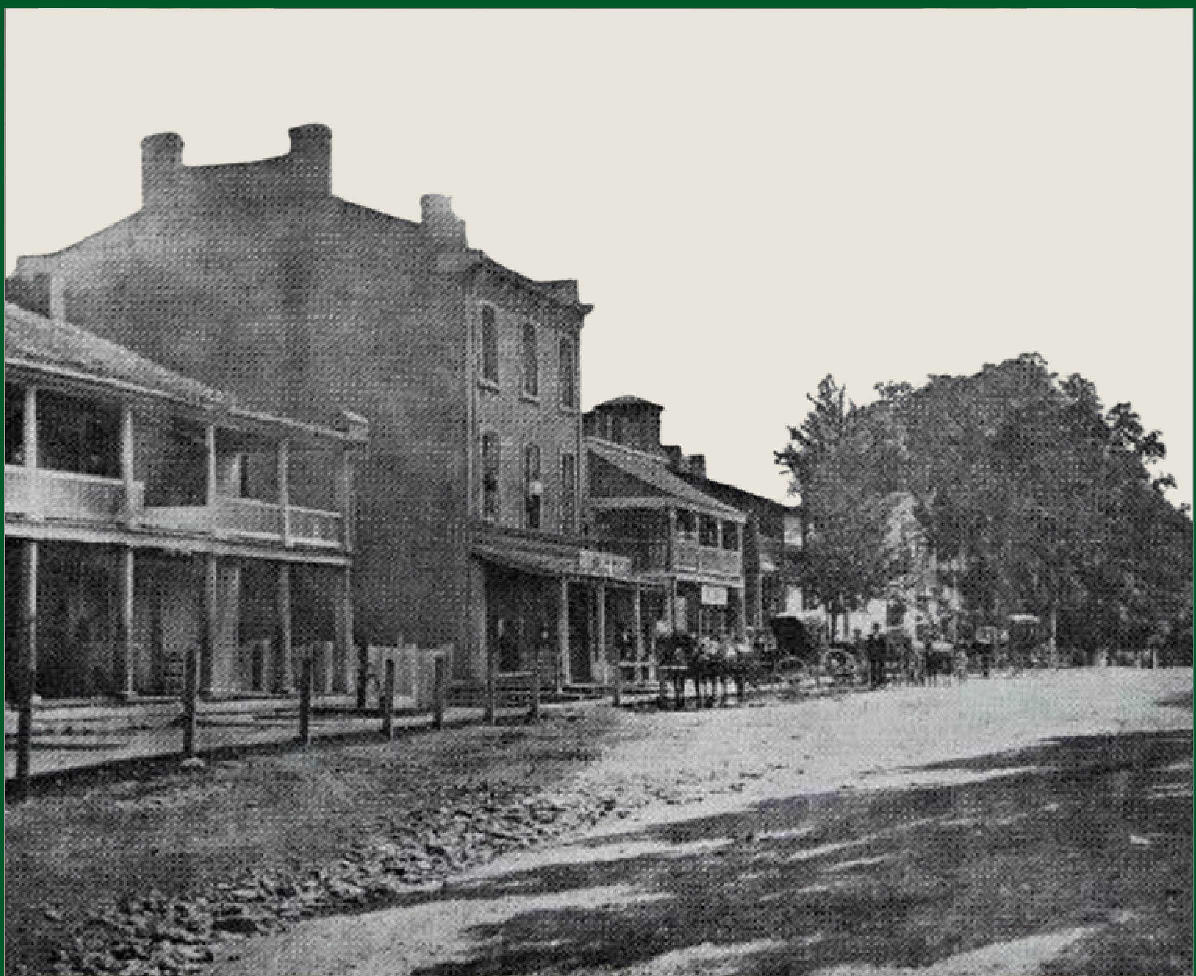
TOWN OF GRIMSBY



Main Street Grimsby, Ontario 1870

Heritage Property Insurance Toolkit

TOWN OF GRIMSBY

Heritage Property Insurance

In Ontario, the conservation of cultural heritage resources is considered a matter of public interest. The Ontario Heritage Act gives municipalties and the provincial goverment powers to preserve the heritage of Ontario.

The intent of designation is to preserve the historic, physical, contextual or other heritage value of a property.

Why might insurance premiums be different for older buildings?

Consultation with the Insurance Bureau of Canada has shown that buildings are often flagged by insurers as higher risk primarily due to their age (pre-1940) and assumptions regarding outdated mechanical, plumbing, and electrical systems. Heritage designation itself does not typically factor into insurance premium calculations, as it does not impose additional requirements on insurers.

Should your insurance premiums increase because of designation?

The Province of Ontario states that "Insurance premiums should **not** go up because of a heritage designation. Some companies do not insure buildings over a certain age, but designation itself does not place additional requirements on the insurer and should not affect premiums."

The Province of Ontario has confirmed this position, stating that insurance premiums should not increase as a result of heritage designation, and that while some insurers may not cover buildings beyond a certain age, designation alone should not affect premiums.

More information on insuring designated properties can be found on the Province of Ontario website.

Obtaining Insurance

In recent years, property owners of buildings constructed before 1940 have identified insurance availability and affordability as a growing concern. In general insurance premiums in Ontario have been increasing due to rising claim frequency, climate change, rising construction costs, the aging structures, and supply chain issues.

When applying for insurance, property owners are encouraged to provide as much information as possible. Having detailed information about the property's condition to present to prospective insurers when shopping for a policy will make it easier to find the right insurance for the heritage property and for properties of a certain age in general.

Any items that are considered high risk to insurers can raise red flags or automatically deny the issuance of a policy. Property owners should keep detailed records of all building improvements, maintenance, and images showing the property's condition. The condition and age of building mechanicals, such as heating, electrical, and plumbing are important qualifiers for obtaining insurance.

Property owners are encouraged to inform their insurers of any renovations completed to the building within the last 15 years, as properly carried out renovations will, by default, bring impacted areas of the structure up to today's building code. Renovations bring a level of comfort to insurance companies.

The use of a qualified Insurance Broker or a Direct Right Insurance Provider is encouraged. A Direct Right provider will allow the property owner to speak directly with the insurance company that issued the policy, rather than a broker who works with multiple providers.

The Insurance Bureau of Canada has created a Heritage Property Risk Prospectus for homeowners to use as a checklist of items to provide to their insurer or when shopping for a policy.

Replacement

If a building on a heritage property is completely or partially destroyed, the designation by-law does not require the owner to replicate any lost heritage attributes. A replacement building can be of a different design.

Helpful Tips

The Bureau also offers five tips for all heritage property owners seeking insurance:

- Shop around, as it can pay to compare companies.
- Gather detailed property information: Be prepared to provide information about the building's age, construction materials, wiring, plumbing, heating, and any upgrades.
- Understand local heritage requirements: Check with your municipality about heritage bylaws
- Reduce your risk, take necessary steps to protect your home, and reduce the chances of making a claim.
- Be transparent with your insurer
- Keep accurate records, keep current documentation of your home, and make improvements.
- Consider location-related risks
- Expect periodic reassessments
- Seek heritage property resources

Review the Bureau's full guide on Insuring Your Heritage Home.

Additional Resources (links available on Town website)

- Ecclesiastical Insurance - Maintaining your heritage property
- Insurance and Heritage properties - National Trust for Canada
- Insuring Heritage Properties in Canada
- Insuring Your Heritage Home

The Town of Grimsby is committed to supporting the stewards of heritage properties and has created this guide, a letter for insurance companies, a list of “Heritage-friendly” insurance companies and additional tools to address these concerns.

For more information please contact us at heritage@grimsby.ca