



· INSTITUTE · OF · HISTORIC ·  
BUILDING · CONSERVATION

*Making Heritage Work*

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Dear Mr Whittaker

### **INSURANCE GUIDANCE LEAFLET FOR HISTORIC BUILDINGS**

The Institute of Historic Building Conservation (IHBC) is the professional body of the United Kingdom representing conservation specialists and historic environment practitioners in the public and private sectors. The Institute exists to establish the highest standards of conservation practice, to support the effective protection and enhancement of the historic environment, and to promote heritage-led regeneration and access to the historic environment for all.

The Institute welcomes the opportunity to comment on the consultation.

We agree with your proposal to amalgamate previous advice into a single document as this simplifies the promulgation of advice. However, there is a downside: the length of the document. We think this is a longstanding problem for the insurance industry which appears to have made great progress in recent years in breaking down its lengthy documents containing the "small print" into user-friendly, plain English, easy to read, bullet-pointed versions. We think that the guidance should emulate this or, at very least, have easy-to-read summaries for the most frequently occurring cases.

We have some concern about the target audience. We agree with the advice that a specialist broker is required in many cases, although this is rather lost in the mass of the text and could be better highlighted. Nevertheless, it seems to us that property owners these days are likely to expect to arrange insurance in a five minute telephone call and it is not clear how the Guidance can be got in front of them or, more pertinently, how insurance products can be better tailored to their needs. Your letter referred to consultation with key stakeholders and it seems more important than ever that the insurance industry should be encouraged to use the guidance in formulating the products it has on offer.

The title of the guidance, *Insuring Historic Buildings*, is obviously aimed at catching the immediate attention of the core audience. But the text deals with a wider range of property including ancient monuments and unlisted buildings in conservation areas. Throughout the document historic property is variously described but there don't seem to

be any references to the new regime proposed in the draft Heritage Protection Bill. Obviously, these will take a while to become totally current, but thought may need to be given to the issue now to make the Guidance a bit more resilient to impending change.

We are not convinced that the draft Guidance adequately reflects the balance to be struck between the scope of cover (and thus the premium to be paid) and the nature of the reinstatement after damage. The draft Guidance makes great play of full reinstatement as if this were a *sine qua non*. While it correctly approaches the difficulties inherent in terms of cost per square metre, assessing in advance the relative importance of historic features, the likelihood of damage to them and the cost of reinstatement element by element is a difficult and costly task, unlikely to be carried out in other than the most important cases and where it is in the clear interests of the owner to ensure it is done. In our experience the scope of a reinstatement is much more likely to be based on the extent of the cover. We think it is unusual for LPAs to insist on full like-for-like reinstatement if insurance does not cover it and probably not usual for it to be a requirement of a policy either. We have no data on the use of s54 notices and s47 action following inadequately insured events. Regardless of the correctly stated threat of this in the draft Guidance, we suspect that many LPAs avoid their use in all but the most high profile cases and we are not sure that cover specifically for this is obtainable. Some of our members report no difficulty in getting insurers to agree to full reinstatement. Others feel that loss adjusters are likely to respond only to the wording of the policy and not be sympathetic to any negotiations with the LPA on the scope of restoration. We think this may be any area for further examination.

There is only a passing reference to the building regulations and this is in terms of modern requirements. We think this needs a bit of expansion as often reinstatement of historic fabric cannot fully comply, such as in timber-framed structures. It is possible for waivers to be obtained from LPAs to optimise results and reference might perhaps be made to this.

All in all we think this will be a useful document and support its development and publication.

Yours sincerely

A handwritten signature in black ink that reads "James Caird". The signature is written in a cursive, slightly slanted style.

James Caird  
Consultant Consultations Co-ordinator