



CASTLE ACRE



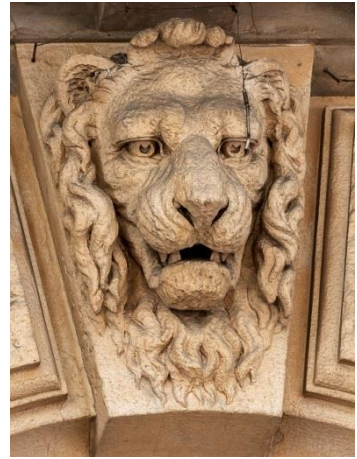
A Guide to Insuring  
Listed Buildings

# How do you Insure the Special Character of an Historic Building?

It is a great privilege to look after and live in a listed or historic building but it does also impose some legal and financial burdens on owners.

When you repair, restore or reinstate a building which has special architectural value you are often required by law to use specialist material and may need to employ skilled crafts people rather than a standard builder to reinstate what has been lost or damaged; inevitably this adds significantly to re-build costs.

So how do you protect one of your most important personal investments?



## Risk of Underinsurance

In complete contrast to modern buildings the re-build cost of a listed building will far outweigh the market value of a property in many parts of the country. In spite of this a number of owners still base their insurance value on the mortgage value of a property (usually the minimum insurance requirement for a modern building).

Estimates for the number of listed and period properties in the UK that are undervalued and underinsured vary from 50% - 80%.

### **What is the impact on you if you listed home is underinsured?**

Underinsurance has very little impact until you need to make a claim. This is after all when insurance matters most; then the consequences are serious.

If you have undervalued the re-build value of your property your insurer is entitled to apply an average. This means they can reduce their settlement by the equivalent percentage that the building was underinsured by. If this happens you will not receive the full cost of reinstatement.

## Accurate Building Surveys

In an effort to establish the correct rebuild value some owners use the Royal Institute of Chartered Surveyors Building Costs Information Service which provides calculations for re-build value. The BCIS values are accurate but are calculated to meet modern standard construction costs and the service is not suitable for older non-standard construction. In fact the BCIS website states

*' Houses which are not of modern materials and are required to be reinstated exactly are outside the scope of the guide'*  
Building Costs Information Service BCIS

If you are considering the re-build value of a listed building for insurance it is essential to think about what the real costs of materials and work would be if staircases, iron framed windows, fireplace surrounds and other decorative details had to be reinstated following a fire or flood, this is in addition to the architectural structure and garden.

Most brokers and insurers would advise employing a professional surveyor to assess the re-build value. The surveyor needs to be knowledgeable about listed and historic buildings. At Castleacre we only recommend surveyors who have the relevant experience.



## Finding an Insurer that Understands Listed Buildings

Look for an insurer that understands heritage buildings, especially as they will often employ their own surveyor at no cost to you. This allows them to assess the risk accurately and provides a reliable re-build valuation.

Insurance policies for heritage buildings are usually more expensive than an off the peg policies but it is very reassuring to know that you are properly covered. Once you have agreed a value the best insurers will guarantee to rebuild regardless of the final bill.

## How can a Specialist Broker help?

Insurance brokers are knowledgeable about the whole market.

They should offer impartial advice on which insurers provide the best protection for listed buildings and which insurers have a good record on claims. They will look at the detail of the policy wording and compare the pros and cons of different policies.

They can find tailored insurance that meets your requirements. A specialist broker understands the unusual risks that a listed building can be exposed to such as fire risks relating to wood burners, open fires and large open roof spaces and the consequences of damage to the internal features, such as panelling and plaster work. They advise on how to address these risks.

A broker will also assist you through the claim process, acting as your advocate and working with the insurer to make sure that your home is reinstated quickly.



# CASTLEACRE

## Castleacre are independent insurance brokers

We

- ✓ review your existing buildings insurance to help you determine if you already have the right cover in place for your home
- ✓ work with specialist independent valuers to help you obtain a re-build value for your historic building
- ✓ if you need alternative cover we review the insurance market to find the best policy for your needs
- ✓ offer 24/7 access to you own dedicated broker for all queries, from valuations to claims
- ✓ take care of you in the event of a claim. We deal with the insurer and act as your advocate to achieve a swift settlement
- ✓ are transparent about fees or other forms of remuneration

# Insurance Advice

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