

**COST ACTION C17: FIRE LOSS TO HISTORIC BUILDINGS
WORKING GROUP 3: CULTURAL AND FINANCIAL VALUE**

28th, 29th October 2004 Se/cost17/minuteswg304octeng2

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Minutes and Report from Working Group 3 meeting, Paris, 28-29 October 2004

Participants:

Kerstin Westerlund	Sweden	(Chair)
Dietmar Wohltan	Austria	
Andre De Nayer	Belgium	(Day 2)
Galina Mileva	Bulgaria	
Petar Hristov	Bulgaria	
Valentin Vladimirov	Bulgaria	
Kalle Reivila	Finland	
Simon Singer	France	
Jury Minin	Israel	
Einar Karlsen	Norway	
Josip Korosec	Slovenia	
Mariana Llinares Cervera	Spain	
Helene Hanes	Sweden	(Day 2)
Steve Emery	UK	
Ingval Maxwell	UK	

Invited Experts

Seppo Pekurinen	Federation of Finnish Insurance Companies, Finland
Marianne Joubert Delage	Mairie de Paris Direction des Finances, France
Ivar Clausen	Opus arkitekter, Norway
Bo Palmqvist	Legal, Finance and Administrative Services Agency, Sweden
Monica Ekwall	St Erik Forsakring, Sweden
Ian Wainwright	Ecclesiastical Insurance Group UK

Place: Organised by Simon Singer, the meeting took place in the Hotel De Ville, Paris, Salon de Cariatides. Members were welcomed by the Deputy Mayor of Paris, Christophe Careshe.

Purpose of the Meeting

The main purpose of the meeting was to discuss and get new knowledge and information about:

- Principles about the insurance companies approach to cultural heritage and the possibilities for change
- The ethical aspects of loss recovery including its impact on authenticity

Minutes of Previous Meeting.

The minutes of the previous meeting were read and agreed as a true account

Presentations.

The following presentations were given:

The Insurance Policy of the City of Paris

Marianne Delage-Joubert (Charge'e de Secteur Assurances), France

Marianne Delage-Joubert gave a presentation on the work undertaken by her new team which was set up as a result of an awareness of the increased risk at local and national level.

The awareness at national level has been demonstrated by the new 'Kouchner Law' requiring medical practitioners to take out liability insurance. Public awareness of risk has been raised by the fire in the historic 'Parliament of Bretagne' in 1994 which was partially burnt and needed restoration over 10 years at a cost of 56m Euros.

In Paris recent disasters demonstrate new risks such as the fire which broke out in storage facilities in La Villette. These facilities were owned by the city and let to a number of different occupiers. The fire was caused by an arson attack, but damages could not be claimed against the criminal because he was insolvent. The occupiers instead successfully sued the City of Paris for 26m Euros.

The second example involved the storms of 1999, which caused 35m Euro worth of damage to parks and buildings in Paris. Finally the terrorist attacks in Madrid reminded Paris of the threats it also faces.

An audit of practices was undertaken in 2003, which revealed that the City of Paris self-insures the major risks it faces, including historic properties. However some policies had been purchased on an ad-hoc basis. Over the last ten years insurance policies and self-insured claims in the City cost 100m Euro. 75% of this expenditure was in self-insurance expenses. 60m Euro was related to the two examples mentioned above.

The new team has centralized all the City insurance issues to:

1. determine the overall insurance policy of the City
2. centralize all insurance purchasing
3. Offer technical support to all the other departments of the City.

The policy of self-insurance has been adopted wherever possible with unnecessary policies being terminated. Where risks were deemed non self-insurable, such as motor insurance and medical liability, a Europe wide purchasing procedure is being adopted.

Where there are extraordinary risks, mainly general liability and property, Paris will be subscribing to an 'Umbrella Insurance' or second line insurance. This insurance will pay on claims between 10m Euro and 25M Euro. The City will pay the first 10M Euro and amounts over 25m Euro. The budget for insurance will increase from 1.8m Euro in 2004 to 3.8m Euro in 2005.

The City of Paris is looking at the risk data available for historic buildings as these present extraordinary risks, by:-

- Preparing a database containing the type of building, the size and the level of fire protection. Gathering the information is difficult because of the large numbers of buildings (8500), the spread of information around parts of the administration and the differing formats that the information is in.
- Evaluation of each of the premises, taking into consideration the extraordinary and unique value of buildings such as the Hotel de Ville and the Eiffel Tower, the cost of

reconstruction with their special architectural requirements and the overlap of economic, social and cultural functions of Parisian properties. The value of these properties is difficult to measure given their diversity and the risk incurred by the City being an owner and landlord.

The City of Paris is looking at what type of insurance protection should be provided for the historic properties. When making an assessment of the amount the City can self-insure for, consideration must be given to-

- The maximum ability of the City to finance the rebuilding of damaged properties in a reasonable timeframe and its ability to raise the minimum necessary resources.
- The delays Parisians are willing to accept.

If the City of Paris cannot bear all the risks, it will self insure part of them and try to re-insure the rest at a reasonable cost. This will most likely be an ‘umbrella insurance’ as previously described. It is realised that insurance will never cover the totality of the risk and some of it will remain uninsurable. While there might be some insurance cover, to some extent, historical property is by definition irreplaceable.

In discussion *Valentin Vladimirov* stated that there were two things to be considered, the “material value” and “spiritual value”. The cost of rebuilding could be estimated scientifically, but the spiritual cost would be impossible to estimate. If a building were to be destroyed by fire a gap would appear in the history of the city, and in the emotional state of the inhabitants. Much more detail would be required to enable rebuilding a copy of the original. More money would be needed for non-destructive surveys to be made so that the methods of construction and materials could be recorded. Previous investigation is important, as is compiling data on available ancient techniques, along with a combination of modern techniques.

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Ecclesiastical Insurance

Ian Wainwright, Chief Surveyor, UK

Ecclesiastical Insurance group (EIG) was established in 1887 by church people to insure churches and church related property. It is now a medium sized, independent UK insurer, predominantly transacting property and liability insurance business. It has a turnover of €525M, with 1200 employees. There are operations in UK, Ireland, Canada, Australia, New Zealand, Holland and the Mediterranean. The Head Office is in Gloucester, UK.

Ecclesiastical Insurance’s traditional core market is the Anglican Church – they have a 94% market share in the UK (15,500 buildings). Other specialist niches include Education (70% market share), the Care and Charity Sectors and heritage buildings.

Risk Management is a process which seeks to identify measure and manage all potential risks and hazards facing an organization or business. These can be both physical and financial. It considers the likely impact on the business or organization and seeks to eliminate, substitute, transfer or reduce to an acceptable residual level.

Insurance is a risk transfer mechanism for businesses and organizations. It introduces the concept of a common fund and provides a degree of certainty in the event of a loss. It operates within a strict legal and regulatory framework. Insurers will themselves wish to identify and measure the risks and hazards introduced by the business or organization under consideration. It involves an assessment of the risks and hazards presented and seeks to remove, substitute, transfer or reduce to a manageable residual level. This is achieved through Survey, Loss Prevention and Control. EIG provides risk management advice to clients through a team of 50 Risk Control Surveyors/Engineers. This includes advice on fire prevention, security, health and Safety, disaster recovery planning and other natural hazards.

Causes of fire recorded by EIG are:-

- 60% Arson
- 20% Contractors
- 10% Electrical
- 10% Other Causes

EIG provide guidance notes and technical advice sheets dealing with common issues. It is crucial that Ecclesiastical fully understands the risks and exposures underwritten. EIG assists in arranging insurance contracts and promotes risk management principles to clients and customers. This enhances our profile, assists in reducing losses and establishes long term customer relationships.

Valuations are provided on all buildings but particularly heritage buildings. Valuations are either based on Reinstatement/rebuilding cost or First loss/agreed value. They take into account the use of historic materials and construction techniques, in addition to legal and regulatory requirements, and those of the various heritage bodies.

EIG are recognized for their expertise in church and heritage property. EIG agree sums to be insured at the outset so that under insurance conditions are removed. This avoids disputes over sums insured at the time of any loss. EIG then gain greater customer satisfaction and obtain the requisite level of premium for exposures underwritten.

EIG has developed close working relationships with a range of UK public, private and charitable organisations including:

- English Heritage (EH)
- Society for the Protection of Ancient Buildings (SPAB)
- Council for the Care of Churches (CCC)
- Engineering and Physical Research Council/UK Climates Impact Programme (EPSRC/UKCIP)
- Fire Protection Association (FPA)
- Building Research Establishment (BRE)

Working with other organisations in the protection of cultural heritage provides a consistency of approach. It involves a range of disciplines, so improves knowledge and understanding and leads to the development of new ideas.

The results of any research, which can be easily and cost effectively implemented, is published in clear, concise and easy to understand guidance to Practitioners and Managers of historic buildings.

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Insurance conditions - A part of the Norwegian philosophy

Ivar Clausen

Ivar Clausen is an architect and Engineer, the principal of Opus arkitekter as npa, situated in Haugesund on the western coast of Norway. He has practiced for the last 25 years as a historical building surveyor in the event of damage caused by fire, water and natural perils such as storm - and flood damage. He has specialised on the impact of general insurance conditions on historic buildings.

Norway has developed a single set of insurance conditions for both historic and “non historic” buildings. There are no special insurance conditions for historic buildings.

The purpose of insurance is to cover the owners’ economical loss after damage has occurred. Standard conditions stipulate that additional costs due to building techniques or equipment being irrational by modern building standards are not included. A building with a full insurance is covered for what it would cost on the day of damage to rebuild the equivalent - or essentially equivalent - building at the loss site.

The meaning of the equivalent - or essentially equivalent and how this condition affects historic buildings can be found in the book entitled ”Forsikringsrett” 1993, by Andreas Arntzen; The equivalent - or essentially equivalent is the cost to rebuild or to repair, and is normally based on new materials with the same quality as they were in the building before the damage. The reason for using equivalent instead of new is out of consideration to antiquarian buildings and other buildings which represent a special value because of their age. This is the basic consideration for all historical buildings, but his book does not follow up this intention directly.

The statement ‘Additional costs rendering from building techniques or equipment being irrational by modern building standards are not included’ has to be interpreted and practiced with care. Irrational has to be weighed against aesthetical, architectural and environmental conditions. I feel there is an intention to include historic buildings in this, but a lack of clarity in these and following statements makes it less straight forward to apply in practice. Firstly, a building tradition which is obligatory by law is not irrational. Secondly, even if the building tradition is non obligatory, aesthetics should be given priority over modern building standards. Thirdly, high costs and high quality must not be mistaken as irrational

The meaning of the standard condition ‘The insurance does not cover artistic embellishment’ is limited to the artistic part of the embellishment, not the embellishment itself. To reach an artistic level, the embellishment has to be a result of original and individual work of spirit, typical for the artist. It is only the additional costs in accordance with the artistic part which are excluded from the insurance cover. (Arntzen page 178). For instance: If a ceiling is decorated by Edvard Munch, the insurance will cover the repainting of the ceiling as a copy. But the insurance will not cover the loss of the inherent value of the original painting.

The aging process has both moral and aesthetic dimensions. Professor Ove Hidemark Kultur Miljø Vård nr 2-3 1994 stated “A building ages with dignity and beauty”. This means that

the historic qualities of the building also have an aesthetic side, especially for the buildings historic skin. Insurance will therefore cover the restoration costs of original parts of the building which were visible when damage occurred. The aesthetic side of the repair will normally also cover the antiquarian side.

Additional expenses due to obligatory orders given by law are covered up to the limitations given in the standard insurance conditions. The Insured can determine the actual sum for his building, but Obligatory orders concerning cultural demands, can only be given for listed buildings.

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Insurance for Historic or Listed Buildings

D. Wohltan, Funk International, Austria

Many insurance companies are unaware of the complexities involved in insuring listed buildings. There is a great responsibility to preserve and protect buildings for future generations and the consequences of under-insuring a listed building by not having a proper valuation and protection need to be understood.

Insurance basics.

Property Insurance can be arranged to cover;-

- physical damage to the structure, fabric and external features of a building or structure
- contents insurance or stocks insurance covering items not permanently fixed to the building including furnishings, and personal possessions
- fine arts (works of art, collections etc.) – see also homepage <http://www.icom.org/trafic.illicite.html>
- belongings to guests or visitors
- gardens and ornaments insurance to cover statuary or soft landscape
- cash (regular and in transit)
- software & data
- non licensed-vehicles or machines
- cost of replacing locks and keys
- temporary cover for historic building works and conversions - insurance clauses included in any building contract need to be closely studied
- engineering insurance to cover damage or loss of mechanical systems such as lifts, boilers, ventilation systems and lifting equipment (also under earth like sprinkler systems, heating, air-conditioning etc.)
- contractors AR-insurance
- debris removal coverage, usually at least 10% of sum insured
- insurance against terrorism up to 100m Euros because of high premiums

Business Interruption Insurance

Consequential loss insurance or loss of profit insurance provides cover for loss of revenue from visitors or rent and other consequential financial loss such as temporary relocation, removal and storage costs. As with property insurance all locations should be included

Public/Third Party Insurance (TPI)

A proper description of the business is crucial (events, exhibitions, office, etc.) TPI provides cover for claims for damage to persons or property, made by employees, visitors and neighbours, contractor or subcontractor risks; tenant-risks; vehicles on site; custody (items worked on etc.) environmental risks, pure financial loss risks, risks arising from rental aspects and should include radioactive clauses.

Special insurance issues on historical buildings.

Total reinstatement provides a level of cover which in the case of total destruction should enable the owner to completely rebuild to the same design quality and style but in accordance with current legislation. Similarly, in the case of partial loss, it enables the repair and rebuilding of the damaged and destroyed parts. Often it is discovered that many larger properties are insured for their market value and not the reinstatement cost. Modern material clauses enable reconstruction to the same design but using modern and more readily available equivalent materials. Therefore cover should compensate for full cost of repairs to scheduled monuments and listed buildings, also for buildings in conservation areas, where all repair and replacement work would usually be required to match the existing in material and detail.

First loss and agreed value insurance provides cover to the largest single risk which may be represented by the largest building within a group or the most vulnerable part of a single building based on a single event. If the value of the reinstatement or rebuilding exceeds the value of cover, recompense may be limited to value of the lesser. A similar principle may be applied to irreplaceable works of craftsmanship or artistry which are deemed to be part of the building fabric. In such cases, an agreed value may be covered which might reasonably reflect the cost of a contemporary replica.

Indemnity cover provides enough money to build a modern replacement building in the event of total or near total loss. Once again, complications will occur in the case of partial loss whereby statutory requirements may impose the need to reinstate on a 'like for like' basis, in which case the full cost is very unlikely to be covered.

Average cover limits final payment to an agreed proportion of the actual total value of cover compared to the full reinstatement value. In effect, this would leave the building knowingly under-insured

No rebuilding insurance is an option with certain monuments, where reinstatement would detract from the historic value and if commercial value is not significantly affected, there may be little point in reconstruction.

Perils- All risk or nearly equivalent. Depends on the amount of premium a client is prepared to pay.

Valuations

Value needs to include not only the cost of reconstruction but also allowances to build to current legislation, inclusion for demolition, temporary site works and clearance, professional fees, VAT, plus any other directly related expense. The value must be calculated to cover a loss on the last day of the insurance cover, plus any inflation which may occur in the time taken to establish and complete a contract for reinstatement.

Reasonably accurate figures may be produced by calculations based on costs per metre cube and cost modelling with professionals and valuations should be updated annually or, if an inflation provision is in-built, every five years.

Permanent records of the building to aid reinstatement like photographs, cross-referenced to scaled plans, ideally drawn cross-sections and elevations should be included or better a photogrammetric survey.

Valuations of antiques and works of art

The cover provided is for an agreed value and depreciation following insured damage is also included. For example: a painting is valued at \$50.000. On being damaged, it is restored but the re-valuation is at only \$25.000. The financial loss of \$25.000 would be paid by insurers.

Future concepts

Funk provides the adequate insurance cover for historic buildings to preserve and conserve the historic, architectural and archaeological interest of the building.

At first *Funk* wants to try some pooling of heritage-insurance premiums nationwide as premiums tend to decrease according to a larger number of risks (risk-sharing) large estate owners and public entities which do not insure the properties as a consequence of very high premiums can then afford the money to preserve listed buildings

Funk as a special broker of the European insurance industry is in the position to head a European-wide pooling of heritage-insurance premiums

The European heritage-network should profit from that action if they want to insure their properties adequately.

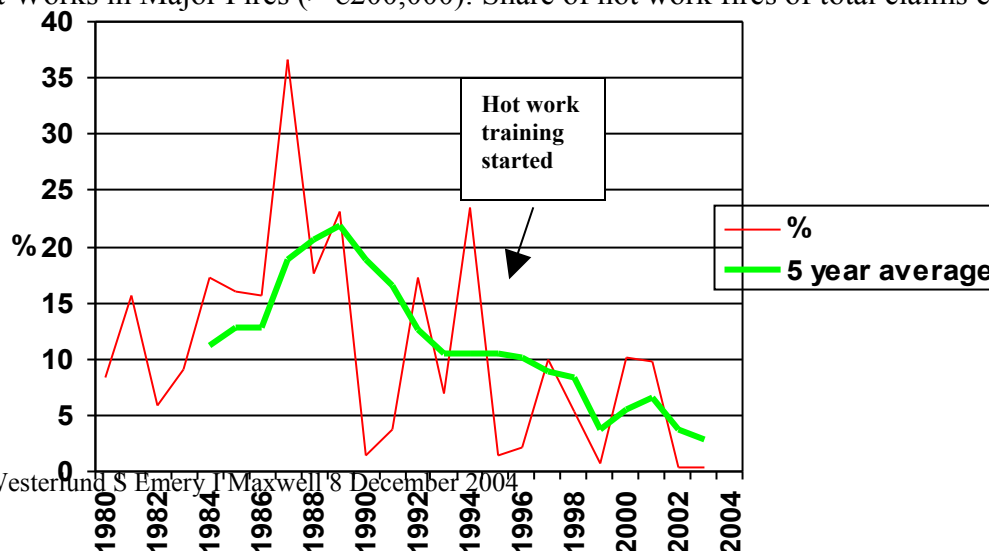
Finland Insurance Issues

Seppo Pekurinen and Kalle Revila

There are 49 insurance companies in Finland.

An effort is being made to change the way that people think about risk management. The techniques are very high, but costs still escalate, being 103 milj Euro in 2004. (167 big fires) The way forward seems to lie in education. Major church fires have fallen in Finland because of guidance given, with hot work accidents down to 2% due to this education.

Hot Works in Major Fires (> €200,000): Share of hot work fires of total claims expenditure:



Kalle Revila announced that cooperation now exists between the National Board of Antiquities, the Finnish Loss Prevention Council and the Fire Brigades. Guidance has been updated and will be published in 2005, with funding by the National Fire Protection Association.

Cooperation between the Federation of Insurers and the Federation of Municipalities (about 400) has led to the development of a standard proforma for use when tendering for insurance, so that mistakes can be avoided. Under Insurance can also be avoided by making sure that bids take into account the full rebuilding costs.

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Insurance of State Buildings in Sweden

Bo Palmqvist, Kammarkollegiet

Sweden is the only country in Europe where the state has an insurance agency. The 309 different Swedish authorities must use the state system, they are forbidden by law to use private companies.

The internal insurance system assists authorities with their risk management. The aim of the insurance system is to enable the authorities to take out the policies they either need or are required to have. Risk management is intended to reduce what is known as risk cost. The agency has tried to keep the system simple to reduce costs.

The agency only insures for maximum loss, which for the National property Board is 27m Euro. A priority list of historic buildings is being made to give an extra maximum of 15-20m Euro. Further information can be found on the website: - www.Kammarkollegiet.se

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Insurance of Buildings owned by the Municipality of Stockholm Sweden,

Monica Ekwall, St Erik Forsakring

Monica Ekwall informed the group about two fires, the first being an incident in Stockholm City Hall, the second in Katarina Church.

Stockholm City Hall

Stockholm City Hall is important to the people of Sweden. It was built in 1923 by architect Ragnar Östberg and has two famous banquet halls – the Golden Hall and the Blue Hall, where the dinner for the Nobel Prize is held every year. Art is an integrated part of the building with frescoes by Prince Eugen, such as the golden mosaic. It is the Administration Office for the City and a symbol of Stockholm.

The City Hall had a serious incident recently when a tourist smoking in the tower, threw away a cigarette end and set fire to waste under the wooden floor. At the time there was a party in the Blue Hall and a guard noticed smoke. Another guard took two fire extinguishers in the elevator up to the tower to put out the fire. The Fire brigade was called and they found glowing wood underneath the copper plate. This could have become a serious loss, possibly the Maximum Estimated Loss scenario of 350 MSEK, (app. 35 M Euro).

As a result of this fire the following improvements were made to the fire safety provisions;-

- a fire alarm system was installed in the small towers
- no smoking signs were posted
- the number of tourists in the tower at the same time was limited
- there is always a guard in the tower when it is open to the public

The reinsurers wanted the copper plate exchanged to other materials which would provide better fire protection, but this was not allowed for aesthetic reasons.

Katarina Church

Katarina Church was built 1656-1695 by the famous architect Jean de la Vallée. After a fire it was rebuilt 1723-39 the church is an important part of the Stockholm skyline. It can be seen from far away. Katarina Church was virtually destroyed by fire in May 1990. It was insured by Skandia (present If) and has a church policy with special wording for culturally interesting buildings and inventory. The building definition included bells, organ, altar etc. The Estimated Maximum Loss value was questioned the year before the fire.

In the Loss adjustment process, a claim was filed and Skandia said they would pay, but a month later no money was paid, so the parish called Skandia, who said that they had not substantiated their claim. The parish did not understand this and had to ask for help from a consultancy. During loss negotiations it became clear that the representatives of Skandia didn't know their own wording – they claimed that the organ should be covered by the inventory sum insured, when it was covered by the buildings insurance.

The decision to rebuild the church was guided more by feelings because of its symbolic value and the skyline than logic because of its use. The tender process for reconstruction was to get a valuation of the inventory and to negotiate with the insurer to pay the sum requested.

There were several problems during these negotiations: - It was an EML breakthrough for Skandia, so negotiations had to be held with the reinsurers. There was no list of inventory, so interviews had to be held with church staff, many of whom were quite old. Many pieces of the inventory were impossible to value and replace. Members of the parish started to raise funds for the reconstruction before negotiations with the insurance company had been completed, which led to disagreements about how much the insurance company should pay. As a result of all the negotiations the Church was reconstructed with traditional material, using trees from the North of the country where slow growing makes them stronger, but using modern construction methods such as tower cranes.

The tower was fire separated and a fire alarm system was installed in all fire compartments. The new interior was acceptable to the parish and reconstruction was finished in 1995. All parties are now satisfied.

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When is the fire risk that big that the building should not be used at all or the use very restricted. Listing of Historic Buildings and Making Good after Fire Damage

Ingval Maxwell, Historic Scotland

Ingval Maxwell described how Scottish historic buildings are chosen for legislative protection through the process of Listing, noting that all buildings erected before 1840, the character of which remains substantially unimpaired are included. Later buildings are selected on the basis of their individual character and quality. Special regard is paid to;

- planned streets, villages of burghs
- works of well known architects
- buildings associated with famous people or events
- good examples of buildings connected with social and industrial history and the development of communications
- distinctive variations in design and use of materials
- good examples within individual building types and
- technological innovation.

”Buildings” are defined broadly, so include for example, walls, fountains, sundials, statues, bridges, bandstands and telephone boxes.

Buildings on the lists are assigned to one of three categories according to their relative importance. Outstanding examples of any type of building, even if apparently modest or plain, can be highly graded (for example thatched cottages, rural mills containing machinery or industrial buildings). The categories are:-

- Category A
Buildings of national or international importance, either architectural or historic, or fine little-altered examples of some particular period, style or building type.
- Category B
Buildings of regional or more than local importance, or major examples of some particular period, style or building type which may have been altered.
- Category C (S)
Buildings of local importance, lesser examples of any period, style, or building type, as originally constructed or altered; and simple, traditional buildings which group well with others in categories A and B or part of a planned group such as an estate or industrial complex.

In Scotland there are currently (2004) c48.000 listed buildings of which 7.5% are Category A, 60% Category B and the remainder as Category C.

Listing and Building insurance

An owner is not required by statute to take out heavier or more extensive insurance cover for a listed building. As with other buildings, it is for each owner to decide what is appropriate or prudent to cover possible risks and to protect the value of an asset. Repairs to the fabric of a listed building and consequently insurance premiums, by virtue of the buildings age and character, may be more expensive than repairs to an equivalent modern building. The owner is not however obliged to insure against more risks than would be covered for any building of similar use or value.

Ingval Maxwell then presented the following extract from the “*Memorandum of Guidance on Listed Buildings and Conservation Areas 1998*” published by Historic Scotland:

“Guidelines for the Detailed Consideration of Listed Building and Conservation Area Consent Cases”

Section 3.0.0 Making Good Fire Damage

In choosing an appropriate level of insurance for a building, most owners will simply consider safeguarding the market value of the building as a financial asset. They will probably give little thought to how they may be required to make good damage caused by a fire. In the case of listed buildings and, to a lesser extent, buildings within conservation areas, an owner's freedom of action following a fire is limited by the legislation which seeks to protect the architectural and historic interest of these buildings. If a listed building or building within a conservation area is partially destroyed, demolition of the remains will require consent. If the remains of a listed building are to be kept and the damaged area replaced in a way which does not replicate exactly what was there before the fire, consent will again be needed.

In most cases of total loss, it is likely that the special interest of the building will be considered to have been irrevocably lost. Where this is so, the construction of a replica will probably serve little purpose and rebuilding in a different manner using different materials may be acceptable. However, if the building formed an integral part of a larger architectural entity such as a square or terrace, the exact reinstatement of at least the exterior will almost certainly be required.

Partial loss is much more common, and potentially more problematic. The extent to which full restoration can reasonably be required is a matter of judgment, based on a full and careful assessment of what constituted the special architectural or historic interest of the building. It is difficult to identify the point at which a building becomes so damaged that full reinstatement is not worthwhile. Clearly the type and extent of the damage and the importance of the damaged part to the overall architectural quality of the whole must be considered in each case and it is consequently impossible to provide hard and fast rules. In some instances it may be considered essential to reinstate fully even though a substantial proportion of the historic fabric has been lost. This may be the case, for example, where the damage affects a building of undoubted architectural quality or one which is symmetrical, and will almost inevitably be required where the damaged building forms part of a formal composition.

If the interior is almost entirely lost but the shell remains substantially intact, repair of the external walls and reinstatement of the roof to their appearance before the fire may be required but rebuilding of the interior in a different manner permitted. However, where fragments of the interior survive, replicating the lost elements may be encouraged in some cases and required in others. A great deal will depend upon the quality of the interior in whole or in part before the fire and the ability accurately to recreate it on the basis of surviving fragments of the built fabric, photographs and drawings. In general the reinstatement of interior spaces of acknowledged architectural merit will be sought where this is feasible. Certainly the destruction of

surviving, albeit incomplete, high quality decorative work to permit a refitting in a different style is most unlikely to be viewed favourably.

Where it may be acceptable to rebuild a partially damaged building in a different manner, it is essential that replacement respects the character of the surviving building. Proposals which are inappropriate in terms of design and materials should not receive consent.

The fact that the building owner may wish reinstatement, or the Planning Authority require it, should always be borne in mind. Immediately following the fire it is therefore important to sift carefully through the debris and set aside all items, no matter how small or damaged, which may assist reinstatement at a later date. In the case of buildings of outstanding architectural quality nothing should be removed until there has been a full archaeological survey of the interior and of the debris.

After the fire the building will need protection from the weather. Temporary propping and stabilisation of the structure may also be required. Both should be arranged speedily to avoid the risk of further damage to the fabric. A photographic record of the damage should be made. At the earliest opportunity, the Planning Authority and the Historic Buildings Inspectorate should meet to discuss and agree future action and should thereafter promptly advise the building owner what will be required of him.

(This extract is for reference only and should not be used in place of the published Memorandum of Guidance)

Discussion about How to Progress

A general discussion was held on how to progress the issues raised, with perhaps a 'Best Practice Guide' for insurance companies being produced. This should include:

- Awareness of cultural historical value and of the consequences of a fire
- Demand on the owner for protection
- Full value insurance when possible taking into consideration use of original material and constructions
- First Loss insurance which allows the owner to use the full insurance amount for part of the building
- Premiums based on facts as risk analysis and real reconstruction costs based on serious assumptions on what will be rebuilt after a fire
- Incentives as reduced premiums based on the level of protection

There are some key questions for better fire safety which should be put to the relevant parties as follow:-

For Insurance Companies:

- Better knowledge of the cultural value of historic buildings
- More contact with specialists on value and prioritisation of value.
- Special discussions with the owner about the historic building
- Knowledge of the law (Conservation Acts etc.) and how it relates to historic buildings
- Better knowledge of the real costs for reconstruction of historic buildings

These questions should ensure that insurance fees are based on:

- Sound statistical evidence
- The degree of protection required
- Historic value
- Knowledge of the desire to reconstruct with traditional materials after the fire
- A more exact estimation of the costs of reconstruction.

For Owners and Managers:

- Incentives to protect the building (technical and organisational) against fire.
- Agreement with the insurance company about what will happen after a fire
- A functional reporting system
- Education of tenants and other occupiers
- Proper documentation of the property is needed, with a copy held outside the building
- Safety during construction works
- Special registration of cultural historic buildings in the register of owners

For the Authorities:

- Demands for securing historic buildings
- Demands for the proper insurance of historic properties
- The priority, when it is possible to reconstruct using traditional materials, to tell the owner that they must reconstruct in this way.

Action Points

These issues above can be used as checklist for follow-up discussions in each country with the various insurance companies, owners of historic property and relevant authorities.

Many of the issues raised in the WG 3 Paris meeting will be of interest to the other Action Working Groups, so it is hoped to get some cross-over at the June 2005 Management Committee meeting in Scotland.

In the meantime it would be useful if all members of Working Group 3 could

- try to find contacts within insurance companies in their own countries and
- promote awareness of the problems,
- promote incentives for better fire protection
- promote awareness of reconstruction problems and costs
- talk to owners of historic properties

A list of countries with the institutions contacted should be produced so that this work is properly documented. Please send data to be added to WG 3 document 3.3.1 (Create contact with insurance companies.)

Members were asked to prepare a description in the form of a short note, from all countries about the insurance situation there, even if this is a personal opinion. Case studies are also required before March 2005.

If members have something to add to the first WG 3 documents (3.1 Cultural value and 3.2 Cultural value and economy) please inform the Chairman before end January 2005. After that

date the group will consider these sections as complete and concentrate work on the language and layout of the WG 3 Report, perhaps adding some illustrations.

The next meeting of WG 3 will deal with the Cultural Heritage aspects of risk analysis and loss recovery. Please inform the Chairman if you have some knowledge, thoughts, practical example or case studies to share with the group.

Kerstin Westerlund, National Property Board
Steve Emery, English Heritage
8 December 2004