

DAY 1

## HISTORIC BUILDINGS AND INSURANCE

Insurance conditions - a part of the Norwegian philosophy



# PRESENTATION

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Principal of Opus arkitekter as npa, situated in Haugesund on the western coast of Norway

Has specialised in the impact of general insurance conditions on historic buildings

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.



## PHILOSOPHY

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

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 rebuilding cost . **Additional costs rendering from building techniques or equipment being irrational by modern building standards are not included.**

What is the meaning of **the equivalent - or essentially equivalent ?**

**Additional costs rendering from building techniques or equipment being irrational by modern building standards are not included.**

How will this condition affect historic buildings?



# THE LEGAL SIDE OF INSURANCE

Andreas Arntzen, book title "Forsikringsrett" 1993

## 1. -the equivalent - or essentially equivalent

- The cost to rebuild or to repair is normally based on **new** materials with the same quality as they were in in the building before the damage.
- The reason for using **equivalent** in stead of **new**, is the consideration to antiquarian buildings and other buildings which represent a special value because of their age.

Arntzen page 168

Here we find the basic consideration to all historical buildings. But his book does not follow up this intention directely.



## 2. Additional costs rendering from building techniques or equipment being irrational by modern building standards are not included.

- This is a very categoric formulation which has to be interpreted and practiced with care.
- The **irrational** has to be weighed against aesthetical, architectural and environmental conditions

Arntzen page 171

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.



**First**

A building tradition which is obligatory by law is not irrational.

**Second**

Even if the building tradition is non obligatory, aesthetics can be given priority over modern building standards.

**Third**

High costs and high quality must not be mistaken as irrational



## The insurance does not cover artistic embellishment

- The meaning of this standard condition 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.

## ANTIQUARIAN STANDARD AND AESTHETICS

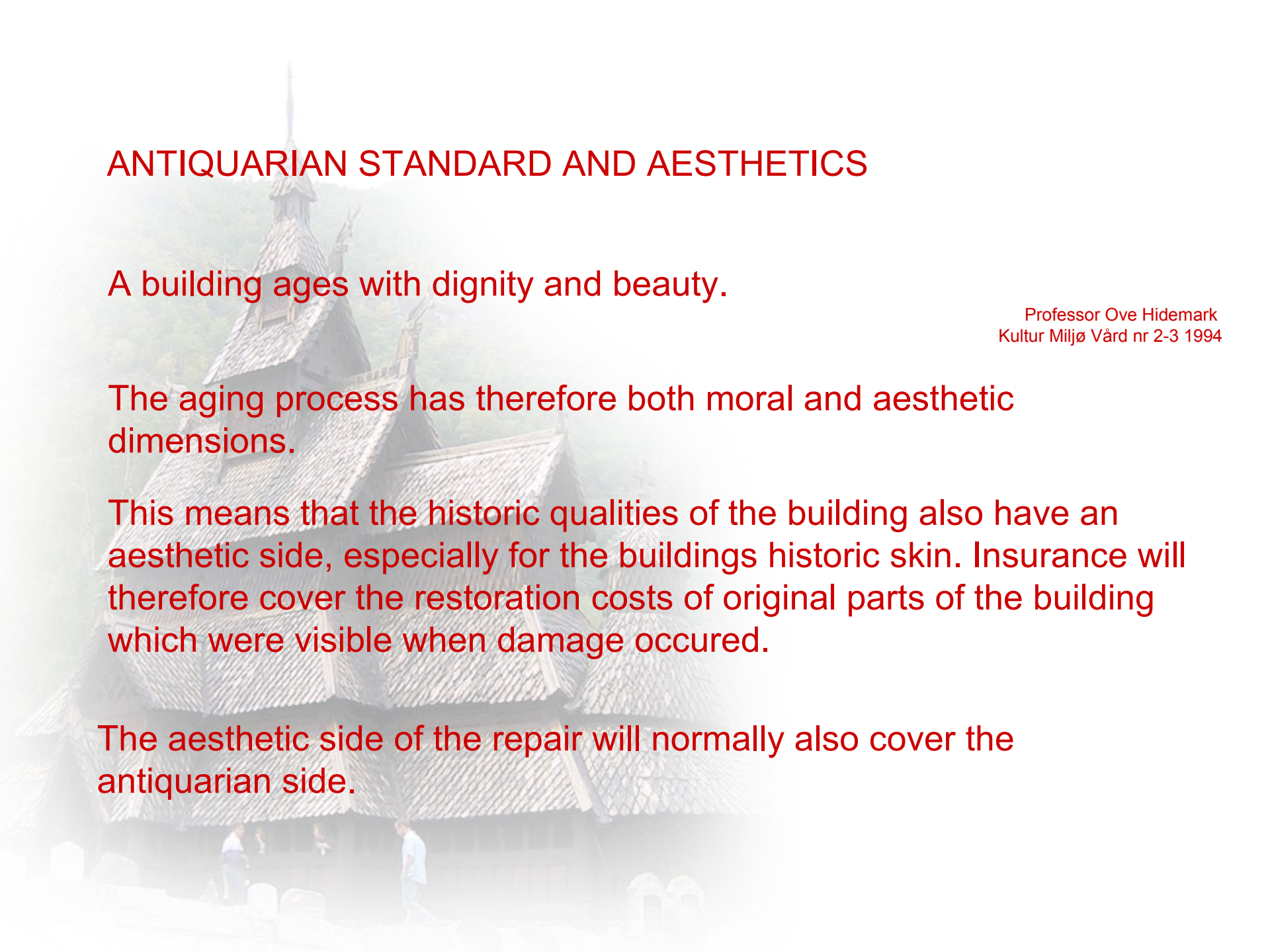
A building ages with dignity and beauty.

Professor Ove Hidemark  
Kultur Miljø Vård nr 2-3 1994

The aging process has therefore both moral and aesthetic dimensions.

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.





## OBLIGATORY ORDERS GIVEN BY LAW

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



The End