



Society for
Historic American Homes

Historic American Home

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WHAT'S NEW

Come see us at the Historic Home Show.
January 28-29, 2017
Valley Forge Casino Resort Convention Center
King of Prussia, PA
www.HistoricHomeShows.com



Congratulations to Society member, John Harrington, for being awarded the inaugural Society for Historic American Homes / Leisa Collins Historic Home Restoration Award for the inspirational restoration of the Enos Kellogg House!

All about insuring your historic home

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Insuring historic homes is a topic that often doesn't get a lot of discussion, but I think most home owners instinctively know there are some unique challenges and issues facing both the insurance carrier and the home owner. To try and get a handle on the scope of what we face insuring our old houses, we sat down with Darin R. Checchia, Regional Vice President of Adjusters International/Basloe, Levin & Cuccaro to learn more.

We began our time with Darin by asking him about the biggest challenge faced by

home owners.

"It's replacement cost – it's nearly impossible to accurately calculate the true cost of replacement for a home like this. "You're dealing with someone who has a home that's two centuries old, and God forbid something should happen, it's really lost forever and can't truly be replicated." The home owner needs to consider their fidelity to the original structure. What do they want to rebuild in the case of a total loss? How will the property be restored in the case of a partial loss? "It's an incredible challenge.

And from the carrier's point of view, how do we handle this? Unless they bring in a consultant who spends a great deal of time looking at how we would rebuild this, there's a lot of risk."

To illustrate the magnitude of the complexity and costs insuring an old home, Darin gave us an example of a bed and breakfast that was a total loss. The policy was valued at \$1,000,000, but final replacement cost was actually closer \$4,000,000. Fortunately for the home owner, the policy was written with what's called unlimited guaranteed

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The Society would like to sincerely thank Darin Checchia for his time and sharing his expertise with us.

We'd also like to acknowledge Adjusters International/Basloe, Levin & Cuccaro. Darin R. Checchia is a specialist in property, business income and extra expense claims recoveries and a licensed public adjuster and has been instrumental in helping clients to recover from losses of virtually every type. ALBLC is part of Adjusters International -- the nation's

premier provider of integrated disaster recovery consulting services. They can be reached 24x7 at 877.482.1234.

Please feel free contacting Darin or his firm. They would be delighted to discuss your home and your insurance needs!

Insurance Cont.

replacement cost, but it's easy to see from this example the enormous risk posed to the insurance carrier.

The other challenge around something called ordinance or law coverage. Many historic properties are grandfathered in regards to what municipalities require for current safety, fire prevention or energy efficiency codes. In replacing or repairing a home, those codes upgrades would be in affect and could increase the cost to rebuild substantially. As Darin characterized it, "those costs could be astronomical."

There's another interesting potential issue for home

owners in dealing with a casualty loss that I doubt many of us have considered. If you've received grant money to preserve or restore your home, there is a possibility that the historic society or agency providing those grant monies may have secured an interest in the property. "This may not come out when an insurance application is filed. It's very different from pulling a deed and seeing a mortgage lien against the property."

We then asked Darin talk to the unique attributes of the historic home like ornate trim or decorative work that can't be easily replicated or found in stock build-

ing supplies. "Oh yea, both indoor and outdoor. You see ornate window trim, cantilevered stair landings in Dutch Colonials, complex trims on soffits and fascia, just to name a few. For example, you might have trim built-up to twelve layers of various crown mouldings, fascia, frieze boards and perhaps even cut from rare hardwoods. Then you need to consider the profiles. They were likely made from bits and die that will need to be recreated." Darin advised that if custom bits and die are created for a restoration, that the home owner secure them should they be needed for future restoration work.

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So the lesson to the homeowner is to thoroughly document their homes through photographs and measurements and to use this information to ensure they're getting an "apples to apples" policy that will allow for true replacement coverage. "Many homeowners tend to get insurance based on their purchase price. However, the market value is going to be far less than what the replacement cost will be." Do your documentation home work ahead of time to make sure you're covered. As Darin said, "it would be very wise."

We then spent a little time discussing special considerations for furnishings and appliances. "It's something that should be considered. For example, if you have a decorative theme, with a lot of antiques, it should all be documented, have a paper trail of costs even to include interior design fees. Standard policies give you a percentage of the value. With a cash value policy, you'll typically see 50%. If you opt to insure it with a replacement cost endorsement, that may up that percentage to 70-75%. If you're not properly insured on the house, you're probably not properly insured on your personal property."

We also learned there are some surprising nuances to covering personal property. For example, if you conduct any kind of business at your property, per-

haps as a wedding venue, sublimits may severely limit the value of that personal property because it has been deemed to be business property. "Unfortunately if you don't have an insurance background, these aren't questions that are asked by consumers. There are a lot of different things like this that people need to consider and there needs to be better communication between the insurers and the customers. However, there are a lot of agents who don't put in the time in these special circumstances and there are a lot of policy holders who are concerned about all these types of things driving up the cost of their premiums."

So what does a home owner need to know to make sure they're picking the right agent or carrier?

"First, find an agency or brokerage with experience insuring old homes and one that offers a wide-range of sophisticated carriers that can handle these types of programs and risk. Also, the home owner may not realize how much information is critical to convey, however that responsibility ultimately falls on the insurance agent or broker – so a good dialog is important. It's a win-win if there's good communication on both sides." While a properly vetted policy may indeed cost the home owner more, they'll have the

ability to see and consider a comprehensive insurance product that fully protects their unique home.

Darin felt the internet was the best place to start the search for an insurance agent. Home owners can also reach out to state insurance associations for help. You can also look at insurance companies and then identify a local agent who works with that carrier or seek out a broker to work for you in identifying the appropriate programs.

In wrapping up our conversation, Darin said "a historic home doesn't necessarily mean a large home or an expensive home, but it is going to be more expensive to rebuild than the standard square foot cost in either a partial or total loss. Partial loss can often be more complicated, such as in a case where undamaged portions of the house are required to be brought up to modern code. There are so many things to be considered. And communication - it's critical to have good communication and to find someone willing to do an inspection, get the photographs and documentations and to help get the right kind of program for you."

***"A house
is no
home
unless it
contains
food and
fire for
the mind
as well
as the
body"
Margaret
Fuller***



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Nail Chronology for dating early American homes

HAND-WROUGHT NAILS ... TYPES COMMONLY USED IN 17th, 18th, 19th c. AMERICAN BUILDING CONSTRUCTION

HAND-WROUGHT NAILS ... TYPES COMMONLY USED IN 17 th , 18 th , 19 th c. AMERICAN BUILDING CONSTRUCTION				CAST-IRON NAIL	
Used where head must be flush to receive planted trim, i.e., stair framing	"Sharp" point	"Flat" point	T-head often made by hammering sides of a rose head	"gate" broken off here after casting	"parting joint" is on diagonal corners; may have "flash" of seeping molten metal between moulds.
	"Flat" points made in two weights: "fine drawn" and "strong"	"Sharp" point		round shank for metal roofing	Cast-iron nails appear in 18 th c. English hardware catalogs. Usage seems to have been limited to New England and Canadian Maritime provinces. Tentative availability dates: c.1770 - c.1820's

General Purpose Nails: for framing, lathing, and most concealed work, sometimes for hinges, or where head was used for decorative effect. Other shapes were available for special purposes, i.e., clasp nails, boat nails, coffin nails, etc. Wrought nails continued to be used long after the introduction of cut nails, but generally such use was limited to situations where their superior clinching ability was needed (i.e., batten doors).

"Sprigs" and "Brads": These names were often confused, or used inconsistently; but they generally refer to headless, or L-head or T-head nails. Smaller sizes were usually called "sprigs," c. 1/2" to 2", usually sold by quantity. Larger sizes were usually called "brads," 4d to 24d, usually sold by weight. These nails were generally used for trim with heads countersunk and puttied; also used for flooring. Other characteristics of hand-wrought nails: shanks usually taper on both faces; iron fibers run length-wise; lack of uniformity (especially heads).