

Electrical Safety – That Old Knob & Tube is a Hot New Topic

(Prepared for the Ontario Bar Association by Judith McTavish*)

The Electrical Safety Authority is receiving an increased volume of calls from lawyers, consumers and the media on the matter of insurability of properties with knob and tube wiring. In particular, purchasers or owners of older homes are finding that many insurers will not write or renew coverage on such properties. Since the cost of replacing a knob and tube installation can exceed \$10,000 this note is intended to provide lawyers with some practical guidance for advising clients.

The Electrical Safety Authority

The Electrical Safety Authority (ESA) is a not-for-profit corporation designated by O. Reg. 89/99 as responsible for electrical safety in Ontario. The legislation administered and enforced by ESA is the *Electricity Act, 1998* and the Electrical Safety Code, O. Reg. 164/99 as amended by O. Reg. 10/02. When Ontario Hydro was restructured into a number of separate companies in 1999, ESA assumed responsibility for the activities previously handled by the Ontario Hydro Inspection Department.

The Ontario Electrical Safety Code

The Ontario Electrical Safety Code (the Code) is revised on a four-year cycle. Most provisions of the Code currently in effect, came into force April 25, 2002. Each revision reflects advances in building technology, materials and processes and addresses areas of electrical risk identified through analysis of electrical incident statistics. The Code is not retroactive. This means the compliance of electrical installations is based on the Code in effect when the work was done. If repairs, alterations or additions are made to an electrical installation, these must comply with the Code in effect when the repairs, alteration or additions are made.

Knob and Tube Wiring

Is it Legal?

Knob and tube wiring was commonly used for electrical installations in both residential and business premises until the 1950's and it continues to exist in many properties throughout Canada. Since the Code is not retroactive, knob and tube wiring meets regulatory standards in Ontario.

Is it Safe?

Recently a number of insurers have refused new coverage for property with knob and tube wiring and some have refused to renew policies covering such properties. A similar issue arose in the mid-1990's and, at that time, the Insurance Bureau of Canada (IBC) issued bulletin AM 96-04. The bulletin stated:

Discussions with the Insurance Association of Ontario, Fire Departments and electricians confirm that 60 amp services and/or knob and tube wiring are not necessarily problems in themselves. They recommend inspection to ensure that the wiring is safe and adequate for the usage of the household.

The blanket refusal of some insurers to consider coverage for homes with 60 amp electrical service and/or knob and tube wiring is causing concern, particularly as there is no evidence to justify such practice.

ESA is not aware of any retraction of the IBC bulletin. ESA's position with respect to knob and tube wiring is that it presents no undue hazards as long as it is properly maintained and regularly checked to ensure no deterioration. Knob and tube wiring concealed in walls and floor spaces, supplying general lighting and receptacle circuits, is acceptable if proper overcurrent (fuse size) protection is in place, no additional outlets have been added so as to overload the circuit and the wiring, where visible, is in good condition.

In 2001 ESA issued its first report on Electrical Safety in Ontario (available on ESA's website). The statistics analyzed in that report do not indicate any reason for concern with knob and tube wiring that has been properly maintained and has not been inappropriately altered.

Does ESA Have Any Concerns About Knob and Tube Wiring?

Homes with knob and tube wiring may not have the electrical capacity for today's needs. As a result, unsafe practices may occur. These practices, which create potential electrical hazards, include:

- Improper use of extension cords instead of permanent wiring;
- Replacement of 15 amp fuses with 20 or 30 amp fuses;
- The addition of receptacles and outlets on existing circuits or improper connections to the knob and tube wiring which are most likely to occur when the work has not been done by a qualified electrician;
- Clipping the ground pin off power bars or electrical equipment so it will operate with the two pin receptacles used in knob and tube wiring;
- Incorrect replacement of two pin receptacles.

How Should I Advise my Clients?

While knob and tube wiring continues to be legal and ESA continues to consider properly maintained electrical systems with knob and tube wiring safe, your clients may want to have property with knob and tube wiring inspected either by a licensed electrical contractor, electrician or ESA. This can provide assurance on the safety of the electrical system and can give your clients an indication of whether the system is adequate for their anticipated needs.

If ESA conducts an inspection of knob and tube wiring, and the installation complies with the applicable requirements of the Code, a Certificate of Inspection will be issued. If it does not comply, ESA will issue a Defect Notice that identifies the facets of the installation that do not comply and provides a date by which defects must be corrected.

It is critical, however, that your clients understand that even with a Certificate of Inspection an insurer may refuse to insure a property with knob and tube wiring. Insurers establish their own criteria of insurability. ESA therefore strongly recommends that offers of purchase and sale of property be made conditional on the purchaser being able to obtain insurance coverage.

If a client's insurer refuses to renew coverage due to the presence of knob and tube wiring, ESA recommends that a Registered Insurance Broker be contacted for assistance in identifying an insurer willing to provide coverage for such properties.

For further information on electrical safety and the requirements of the Electrical Safety Code you can visit ESA's website at www.esasafe.com. To arrange an inspection by an ESA inspector contact the Customer Service Centre at 1-877-372-7233.

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