



A note from Terri

It has been a busy month working with Treasury on refining ASIC's view to real estate agents and landlord insurance.

Clearly, ASIC intend landlords to be able to have their insurances managed by their property manager without fear of persecution under the Financial Services Reform.

Information regarding this was recently emailed to property managers and posted to principals, so make sure you have a read, if you haven't already.

As always, our advice is uncomplicated, accurate and 'scheer simplicity'.

We would like to take this opportunity to thank you for your continued support of our company. We've had a great year and could not have done it without your support. We're sure both you and your Landlords have also benefited from the 'scheer simplicity' business model and being able to arrange insurance again!

I wish you and your families a Merry Christmas and look forward to being of assistance to you and your clients in 2007.

Best wishes,

Terri



Keep up to date with your arrears notices

With the festive season fast approaching, we're sure it's all too familiar to hear that tenants would rather buy that something special for their children or loved ones at Christmas than pay their rent on time.

Please ensure that especially over this time where we have public holidays and festivities that you keep on top of sending your vacate/breach notices.

If the tenant defaults and it results in a claim, where notices have not been served or acted upon as provided for under the Act, then we will not pay for any arrears that have accrued up to the time the tenant departs the property.

Where vacate/breach notices have been served late, the claim may be reduced.

Do yourself and your Landlords a favour, keep up to date with issuing of these notices.

Attention: Principals and Property Managers!

Did you know that if you insure your own rental property with Terri Scheer, you are now entitled to a discount?

Principals or Property Managers self managing their own property are now entitled to our Principal or Property Managers discount. Principals and Property Managers receive discount when purchasing the Terri Scheer Landlord Preferred policy or Landlord Residential Building policy.

The property must be listed under the name of the real estate agency you are working for (regardless of whether it is actually managed by the office or self-managed) and will only apply whilst you are working in the real estate industry.

The discount also applies when a Property Manager has a property in another state or location being managed by another real estate office.

This discount is exclusive to Property Managers and Principals.

In addition to this, if you have three or more properties insured with the Terri Scheer Landlord Preferred Policy, you also qualify for a \$20 multiple property discount per policy, and that's on top of your already reduced premium!

Sound good? Why not treat yourself this Christmas, protect your investment property with the Terri Scheer Landlord policies.

Please feel welcome to contact our office for further information.

Terri Scheer Insurance Brokers
102 The Parade
Norwood SA 5067
Ph: 08 8132 3100
Fax: 08 8363 3811
www.terriscbeer.com.au

Terri Scheer is happy to provide you with this information. However, if you would rather not receive future issues please let us know and we will delete you from our distribution list.



Merry Christmas

From all the staff at Terri Scheer, we wish you and your family a very Merry Christmas and a safe and happy new year.



Why Insure My Rental Property?

Andrew Ashurst
Business Relationship Manager
Queensland

Recently at information sessions we held in Brisbane and the Gold Coast, we mentioned some examples of Insurance claims we had heard about, and one we have dealt with. The response we got from Property Managers was that they'd like to be able to share these stories with their uninsured landlords.

Below, we have listed these claims that may highlight to Landlords the risk of having inadequate insurance or heaven forbid, no insurance at all to cover their rental property.

With malicious damage claims tripling in the last 5 years and the cost of insurance claims on the rise, why would they be willing to take the risk of such a big exposure?

Case 1: Recently, Terri Scheer Insurance Brokers dealt with a malicious damage claim on the Sunshine Coast. This claim amounted to \$35,000 and comprised of the following:

- Malicious Damage by the tenant to the carpet due to saturated urine plus treatment to the floor underneath the carpet
- Malicious damage by the tenant to the building itself for a cost of \$22,000
- Loss of Rent for arrears totaling \$2,562
- Loss of rent for repairs to the property dragging out to 10 weeks, \$4,800
- Accidental Damage by the tenant to the Landlords contents items

Case 2—Legal Liability: A tenant was awarded \$1.2 Million when she injured her back after tripping on a hole in the carpet of the property she tenanted.

She fell in the hallway and landed on the bathroom floor sustaining serious injury. The interesting thing about this case was that a mat had previously been placed over the hole, though on the day in question it was removed to be aired which then resulted in the tenant tripping.

The assessed damages in this case included loss of future earnings, past and future care, interest and special damage and came to a total claim of \$1,248,402.00.

Case 3—Fire Damage & Loss of Rent: There was a recent case on the Northside of Brisbane where a tenant burnt down a rental property in fear for her life. The tenant had been behind in her rent to the amount of \$1,800 and was scared that her spouse would find out about the arrears. Her partner had just been released from jail for assaulting the lady in question and in fear, the lady panicked and set fire to the property in the hope that her spouse wouldn't find out about the rental arrears.

The damage amounted to over \$30,000, and disappointingly, the damage wasn't covered by the Landlords insurer as the fire was proven to be started with intent.

Had this Landlord protected their rental property with the Terri Scheer Landlord Preferred and Residential Building Insurance policies, they would have been covered for Malicious Damage by the tenant to the full sum insured of the building as well as loss of rent.

Terri Scheer Insurance Brokers take pride in knowing we can assist with the provision of insurance cover to protect Landlords from the unpredictable.

Lost management of a rental property?

Whether you lose management due to sale of the property, the landlord has moved in or they may have taken over management, please remember to advise our office that you no longer manage that property.

By using the no longer managed form provided on our 'risk management tools CD', you are providing us all the necessary information to either cancel the policy and issue a refund or confirm with the landlord their new arrangements.

You might like to add this process onto your 'final checklist' to ensure you remember.

Where a refund is due, this is normally issued within 14 days of our office receiving this notification.

Accidental Damage Excess

Accidental damage has usually attracted an excess for each event being claimed. We are pleased to announce that a claim for accidental damage will now be subject to a maximum of 2 excesses per claim, even if multiple accidental damage events have occurred. This only applies where the repair cost for each event exceeds the policy excess for accidental damage in your state/territory. Damages that fall below the policy excess are unable to be considered. Determining if damage is considered as accidental or otherwise will still be subject to our standard claims processing criteria. Please feel welcome to contact our friendly claims team on 1800 804 016 for further details or claims assistance.

We are happy for you to use any of the information provided to you in scheer tips for your own newsletter. You should however, acknowledge that the information was provided by Terri Scheer Insurance Brokers otherwise you might be at risk of providing advice. Please contact Carolyn Majda - carolynm@terrischeer.com.au if you need further advice.

