

Comments from Carolyn

I have been fortunate to meet some wonderful property managers over the past month as I've travelled around the country. I've spent time in New South Wales, Queensland and Western Australia and next week will be in Melbourne.

It's fascinating hearing your first hand experience of property management in the current economic climate - no matter which state I'm in, the stories are much the same.

Sadly, a common theme that seems to be on the rise is the death of a sole tenant. Landlords often don't consider the impact that would have on their rental income and the unfortunate thing that occurs in many of these situations is that the tenant is not found for some time after their death which causes issues over and above the loss of rent is damage needs to be repaired.

One property manager I met in Perth last week makes a habit of calling her more elderly tenants on a weekly basis just to check that they're okay. It doesn't take long and she's then assured that the tenant is indeed okay and of course the tenant loves the fact that she gets a regular phone call given that she's no relatives nearby.

People rent for many reasons and sadly many tenants, particularly in large unit complexes are quite isolated from people, despite living in very close proximity to one another. Although it's not a situation any landlord or property manager would like to have to face, knowing that Terri Scheer provides cover for loss of rent in the event that a tenant under a sole tenancy dies is some comfort. I'll be back with some cheerier thoughts next month.

Carolyn

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 otherwise you might be at risk of providing advice.

Please contact Carolyn Majda - carolynm@terrischeer.com.au if you need further advice.

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.

Landlords caught out with packaged insurance products

Dehran Rendall
Business Relationship Manager, Queensland

Recent feedback that is consistent among many Property Managers is the state of the economy and the subsequent impact on the rental market. It's no secret that rents have been increasing rapidly of late and these increases have created considerable strain for many tenants. As a result, many tenants are breaking their lease as they are unable to meet their lease obligations. On a number of occasions I have been told stories of tenants going to court to claim hardship and being released from their lease obligations due to their financial position.

Over the last few months we have seen a steady increase in the number of loss of rent claims being lodged and landlords' reliance on their insurance is becoming more apparent. With high inflation, the consequences of any expense can be a major set back for any landlord without adequate landlord insurance.

At a recent meeting with a Property Manager I was told of a scenario where a Landlord had suffered a loss of just over \$3,000 due to their tenant defaulting. The property manager contacted the Landlords insurer (a bank) only to find that they would be looking at a payout figure of around \$800 (loss minus the bond and minus the applicable excess). The Property Manager contacted the landlord and told them of the situation when the landlord remembered they had a policy with Terri Scheer. The Property Manager then called our office, submitted the claim and we paid the owner the full 6 week benefit (\$3000) for loss of rent minus their \$180 excess.

Needless to say, the owner has now cancelled their bank policy and will be using the Terri Scheer policy only from here on.

Many landlords have opted for the 'packaged' landlord insurance policies provided by their bank or other financial institutions, but generally, these providers combine the building and landlord insurance into one policy. Often without taking the time to compare policies, landlords opt for this option to save a few dollars or because they believe it's an easier process and provides the same coverage, but rarely are they happy when they need to make a claim. It's a good idea for your landlords to compare policies before making the decision to purchase, they might not be as lucky as this landlord!

Landlord insurance is STILL all we do

Melissa Walkington
Marketing Co-ordinator

Although our name has changed slightly, our specialisation in providing premium insurance products for Landlords of professionally managed residential rental properties remains the same.

For over 12 years, Terri Scheer has been exclusively selling landlord insurance. Throughout this time we have become increasingly familiar with the real risks landlords face and have used this to make adjustments to our product (or created a new one!!) to ensure our products cover those risks.

We believe that selling something you believe in is extremely important, this is why all of our staff are trained and have specialist knowledge and exceptional service standards to ensure that when your clients contact us, they are grateful of the referral to such a professional company.

If you would like a Terri Scheer Business Relationship Manager contact to provide you with an update on our products and how we can service your landlords, give your local office a call and our friendly team will be happy to arrange a meeting.

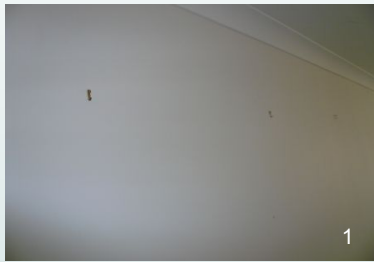


Had damage to a wall lately?

Rhianna Willis, Claims Officer

There is often confusion about which type of wall damage is claimable under our policies. Wall damage can vary from marks, scuffs and scratches to indents, patch ups and holes.

As soon as damages are discovered, always take clear photographs of the damages. The insurer can sometimes assess smaller damage claims (two or three walls damaged only) based on photos, however where there is uncertainty, high estimates (over \$2000) or if too difficult to assess from photos only, we have the opportunity to appoint a professional loss adjuster to inspect the damages first hand. Here are some comparisons:



- 1. Hooks in walls** (not claimable) – this is not deemed as an ‘accidental’ or a ‘malicious’ act and is considered normal living habits. Cost should be deducted from the tenant’s bond.
- 2. Marks on walls** (scuffs, scratches, scrapes, etc.) – this is a combination of tenants poor living habits and wear & tear which are specifically excluded under the policy. This is the tenant’s responsibility and can be taken from their bond.
- 3. Indentations in walls** – could be viewed as an accidental event, however you must consider whether the repair cost exceeds the accidental damage excess applicable in your state.



- 4. Deep gauges** – this again could possibly be an accidental event, perhaps a slightly more costly repair, but again, “does the excess exceed this single repair cost?”
- 5. Patched up walls** (poor job by tenant) – when it is of substantial size, this may be evidence of large damage and could be considered as either accidental or malicious damage (each claim is based on its own merit).



- 6. Large holes in walls** – This is typical of accidental or malicious damage (the circumstances of the individual claim will generally dictate which category the damage falls in to. Any accidental damage is subject to an excess per event of damage (capped at 2 per claim) whereas all malicious damage is grouped together with the application of just one excess). Where there are more than two or three of these types of damage in the property, we would most likely choose to appoint a loss adjuster – please contact our office immediately. If damage is repaired and we have not had the opportunity to inspect it first or have not been given very clear photos to review, then your claim may be reduced.

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