

# scheer tips



terri **scheer**

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## Encourage Landlords to Compare!!

Jessie Webster, Business Relationship Manager, Victoria

We often have Property Managers ask us how to encourage landlords to take out a specialised Landlord insurance policy. It is normally because the landlord has a policy with their bank, or are insured with the same company they have their car and home insurance with and don't consider other options when they need landlord insurance.

Obviously we are not allowed to compare our policy with others available in the market, however can certainly point landlords in the right direction and tell them what to look for when considering landlord insurance. It's even easier now with the new policy benefits for landlords to see the differences.

7 questions to ask your insurer :

- Can I claim if my tenants are on a periodic lease agreement?
- Can I retain the bond for re-letting expenses?
- Does my policy cover for change of locks when an eviction occurs?
- Does my policy cover for Deliberate damage by the tenant, tenant's family, tenants invited guests or an unknown person?
- What value are my contents covered up to?
- Can you claim the legal costs incurred for the time your Property Manager spends at the tribunal?
- What are the excesses for the following:
  - Loss of rent?
  - Malicious Damage?
  - Accidental Damage?

## Comments from Carolyn

Our Terri Scheer Business Relationship Managers often hear comments from Property Managers about how undervalued they feel property management is.

Well, we at Terri Scheer think you're roles are very important and we certainly value the service you provide to your landlords, so much so in fact, that we will only provide our landlord insurance policies to landlords who choose to have their property managed by a real estate agent or on-site manager. Our policies are written to work with the Residential Tenancies Acts and because Property Managers adhere to the guidelines of the Acts, the risk to the insurer is much less, meaning we can keep our premiums to around the cost of one week's rent.

As a proud sponsor of the Real Estate Institute of Australia and the Real Estate Institute of South Australia it is really pleasing to see the focus being placed on property management and the desire to lift its importance within the real estate industry - after all, you are managing an investment worth hundreds of thousands of dollars.

We encourage Property Managers to be involved with their Real Estate Institutes; find out about membership benefits and training opportunities provided and attend property management functions - your support will help create a really strong network and give you a louder voice.

We look forward to seeing you at one of the REI events soon.

*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 Belinda Butler [belindab@terrischeer.com.au](mailto:belindab@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.*



## Theft – are you keeping accurate records?

Megan Hicks, Claims Officer

Too often we hear about tenants moving out and the Property Manager finds at the final inspection that curtains, cabinets, electrical items or other items of the landlords property are gone, nowhere to be seen. This issue is paramount when renting out fully or partly furnished properties.

When it comes time for Property Managers to submit a claim for theft, they are often left having to work out the make and model of items and estimate the replacement costs. It is for this reason we have compiled a list of documents to assist Property Managers in this situation in order to speed up and help maximise the landlords claim.

We advise Property Managers to keep the following documentation which is required to be submitted for theft claims:

- Inventory list of items left at the property for the tenants use
- Make and model numbers of items
- Photos and or video of items
- Police report number for the missing items
- Purchase receipts and/or instruction booklets as proof of ownership

Should you need to submit a claim for theft and are unsure whether a particular item or event is covered, please contact our claims team on 1800 804 016.

## Did you know—Legal Liability

Brad Yen, Business Relationship Manager, New South Wales

The Body Corporate generally has a duty to provide insurance for all buildings in a strata scheme. The building cover usually includes cover for the structure of the buildings, common property fixtures, fittings and legal liability. However what is frequently overlooked by landlords is the liability exposure to the owner of individual Strata units. As an owner of a unit in a Strata complex, you generally are not insured for events which may happen inside the unit or for grounds which are not common areas ie a fenced backyard.

The Terri Scheer Landlord Preferred Policy further compliments Strata insurance overcoming any likelihood of a gap in coverage as it provides cover for a Landlord's Legal liability.

## Don't lose a cent on rent!

Dehran Rendall, Business Relationship Manager, Queensland

Tenants breaking their lease have become a more common occurrence of late. Whether it be due to job losses, marriage break ups or tenants buying their own property, loss of rent claims being lodged with Terri Scheer have risen by over 20% in the last year. The average dollar value of these claims has increased by over 40% in value.

If tenants break their lease and don't fulfil their rent obligations, either until a new tenant is found; or their lease expires, the lost rent can be claimed under our Landlord Preferred Policy.

Loss of rent cover also extends to instances where the tenant has defaulted on rent and been evicted, failed to give vacant possession, passed away (under sole tenancy), left the property uninhabitable due to malicious damage or has been released from their lease obligations by the tribunal for hardship.

Regardless of which state the property is in, your landlord only needs to make 1 claim for around \$3,500 in a 10 year period to exceed the amount they have paid for landlord insurance premiums in that 10 years. As you can imagine, very often we have claims that exceed \$3,500 and many Property Managers would agree it's likely that a landlord could suffer a loss in a 10 year period.

Given these factors, it is important that your landlords are aware of the risks in owning a rental property and informed that landlord insurance is available. Especially, when the annual premium is usually less than a weeks rent and is 100% tax deductible under current tax laws.

Please note, each claim is subject to policy requirements and policy limits.



## WA Legislation Update

New legislation brought into effective from the 7th of August 2009, requires all investment and residential properties to have RCD safety electrical switches fitted. All leased properties must have them fitted prior to a new lease being signed.

For full details, contact REIWA.