

scheer tips



terri **scheer**

URGENT — CONTACT DETAILS REMINDER

All mail including application forms, claims, remittance advices etc should be mailed to GPO Box 1619, Adelaide SA 5001 or faxed to **1300 370 874**.

Please ensure your database is updated to reflect the above as redirections will shortly cease. Thank you.

A new way to use an axe!

A claim paid by Terri Scheer up to the maximum policy benefit for damages is just another reason Landlords need to ensure they have adequate insurance. In this claim, a tenant's partner trashed the property causing extensive damage and leaving the landlord with an untenable property.

A devastating situation unfolded when this tenant had just met her new boyfriend. One night, neighbours reported a disturbance and upon investigation, it was found that the tenant's boyfriend and his associates had taken to the house with axes and log splitters, leaving no wall, door or window undamaged. The result of this was a severely damaged, untenable property and a very upset landlord.

Luckily this landlord had protected their investment with a Terri Scheer Landlord Preferred Policy and was able to claim the maximum policy benefit for Malicious Damage to the building of \$45,000 together with lost rent as a result of this damage. The total claim was \$48,984.

Unfortunately for the landlord, their Building Insurance policy excluded cover for malicious damage by tenants and therefore was out of pocket some of the repair costs. This example is an unfortunate situation where the Landlord thought they had appropriate insurance but found out the hard way.....when it came time to rely on their policy!

Comments from Carolyn

As we come to the end of another financial year, many landlords will be collating receipts for expenses that can be claimed as a tax deduction. Landlord insurance is one such expense that is fully tax deductible under current tax laws, and, which provides peace of mind in circumstances like the one detailed above.

Insurance for anything is generally considered a grudge expense; it's not something you buy and can touch and feel. The value of insurance is only ever realised when you need to make a claim and then that premium payment can be worth it's weight in gold.

How to overcome the "it won't happen to me" mindset is the challenge of any insurer. Sharing stories such as the one above can help. It might not happen to everyone, but it will happen to someone and what if that someone was you, or one of your landlords and they weren't insured? No one could have foreseen the incident above at the time the tenant was selected nor necessarily during a routine inspection - a fit of anger and suddenly the house is untenable.

If you find your landlords are reluctant to consider insurance because they consider you their insurance policy, feel free to share the story above. In fact, so long as you acknowledge where you obtained the information (to protect you against giving advice), use any of the stories we give you in Scheer Tips - we're here to make your life and your landlords' life, as simple as possible.

World Cup Fever is here - cheers to the Socceros and to a month of long, late nights.

Carolyn

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.

Turn a tenant's dark side into \$10,500



Terri Scheer Risk Management Award

Win your share of \$10,500 in prizes by protecting your client's investment

terri scheer
Landlord Insurance Specialists

We are proud to announce and would like to congratulate the **winners** of the **Terri Scheer Risk Management Award** for **May 2010**.

The Real Estate offices who arranged the most **Landlord Preferred Policies** for the month of May 2010 and have each won a \$200.00 VISA Voucher are;

NSW/ACT

-David Woods - Village Quay Real Estate

SA/NT

-Josie Auricchio - LJ Hooker West Lakes

WA

-Lisa Cutri - Rentwest Solutions

-Lyn Coulter - Leasing Property WA

-Jeff Arbon - Fruit Property Applecross

-Vanessa Madden - LJ Hooker City Residential.

VIC/TAS -Rosey De Goede - Domain Charter Group Pty Ltd

QLD -Kylie Jackson - Metrocity Realty

The Real Estate offices who arranged the most **Scheer Short Stay policies** for the month of May 2010 and have each won a \$200.00 VISA Voucher are;

NSW/ACT

-Surawong Winyawonk - Oaks Group Goldsbrough

QLD

-Lee Hansen - Q Resorts - Central Apartments

-Kim Kokegei - Esplanade Realty

Tenant Hardship

Jessie Webster, Business Relationship Manager, Victoria

In the past we have provided many stories about the rise in absconding tenant claims, how landlords don't understand why they need to be covered and how landlord Insurance can help when an unforeseeable occurs. One thing we'd like to add to that is the number of tenant hardship claims we have received of late. Some examples of claims for tenant hardship may be:

- Tenants losing their job, leaving the tenant in a position where they can no longer afford to pay the rent,
- Tenants on the lease who are a couple but decide they no longer want to be together therefore leaving one of the tenants unable to pay rent alone,
- Tenant being deemed too ill to live in the property,
- Or even the times when there has been a death in the tenant's family and the tenant can no longer stay in the property and pay rent.

There are many different situations that can occur leaving the tenant unable to pay rent and that is where our tenant hardship benefit under loss of rent can help.

As long as the tenant goes to court and is awarded a release from their lease obligations (or hardship order) the landlord can claim up to 4 weeks loss of rent over and above the bond. It is obviously a very awkward situation for you (as a Property Manager), the landlord and sometimes an embarrassing situation for the tenant. It's peace of mind to know when you take out a Landlord Preferred Policy with Terri Scheer, help is at hand.



**Place cover online at
www.terrischeer.com.au**

Some Points to Consider

Dehran Rendall, Business Relationship Manager, Queensland

When your landlord chooses to shop around for a landlord insurance policy, they should ensure that they obtain as much information about the various policies as they can to ensure they make an informed decision when purchasing. This will also help ensure they don't get caught out when they make a claim!

The more questions asked, the better! An informed landlord will be able to make a decision on which insurance provider to insure with. Some questions landlords might ask are:

Do I have a waiting period?

Some insurers will have a 'waiting period' just after you take out the cover; meaning you can not submit a claim during that period. Find out whether this is the case with the policies you're researching (and if so, how long is that wait?)

Am I covered if the tenants are on a periodic lease?

Ever wondered what may happen if you can't get your tenant to sign another lease agreement once their fixed term has expired? Will your landlord insurance policy cover if the tenant falls into arrears whilst on a periodic lease?

Am I covered for damages to the home?

Should the tenant cause malicious damage to your house (punch holes in walls and doors, spray engine oil all over your carpets, cut holes in your lino etc) are you covered for those damages AND the rent lost whilst the property is being returned to a condition in which you can lease it out again?

What about accidental damage?

If the tenants accidentally damage the building whilst they are moving furniture around and knock a hole in the wall, or accidentally spill nail polish on your carpets...are you covered?

Can I use the bond towards reletting expenses?

A rental bond is collected for the purpose of providing some financial protection for the landlord if the tenant breaches their Tenancy Agreement. So, let's say the tenant has abandoned the property and evidently hasn't cleaned up - carpets are dirty and there is rubbish left behind, oh and they didn't pay their rent! It is at this time that the bond plays an important role. Are you allowed to use the bond for reletting expenses, or do you need to forfeit that as a policy excess?

Can the Property Manager submit a claim on my behalf?

Most landlords would not have the information needed to submit a claim, so it would be easier if the insurer would allow your Property Manager to deal with the claim on the your behalf.

How long will I need to wait for a claim payment?

It is important for landlords to receive their claim payment promptly – find out what the average wait time for a claims payments are.

By asking the above questions should help landlords decide which policy would best suit their needs and which they would benefit the most from in any situation.

Of course, the landlord could always contact a specialist insurer who offers a policy which has been tailored for the unique risks associated with owning a rental property.....Terri Scheer Insurance.