

## What a week it was!

*My diary of the week ending 20 October.*

**Day one**— awaiting a response from Mark Hoffman QC after his review of our 'Distributor model' to ensure compliance with the legislation (ASIC Class Order CO 05/1070) to clarify conflicting information which concerned some members of the Real Estate Industry.

**Day two**— confirmation from the QC, the ASIC Class Order allows Real Estate Agents to 'arrange' insurance AND make payment on behalf of their landlords when they are appointed as a distributor AND the Terri Scheer 'scheer simplicity' distributor model is compliant.

**Day four**— The Honourable Chris Pearce MP formally responds confirming ASIC has advised him that the term 'dealing' should be given its full meaning as: "*Subsection 766C(2) states that 'arranging for a person to engage in conduct that constitutes dealing in a financial product also comprises dealing in the particular financial product'. Therefore, ASIC's view is that real estate agents may receive and pay insurance premiums on behalf of clients and be protected by the relief in Class Order 05/1070.*" This confirmed the distributor model we have used for almost a year is compliant with the legislation. We are ecstatic with this news and the fact that, again, we can show our commitment to your industry and make insurance as easy and practical as possible.

**Day five**— nervously, I prepare for the 2006 Telstra Business Women's Awards. This year, as a finalist in the Westpac Business Owner Award and Australian Government Business Innovation Award. I was absolutely thrilled to be announced the winner in both categories! My thought was 'this week just can't get any better', until ... I was announced the 2006 Telstra South Australian Business Woman of the Year. To receive this award is an amazing honour and recognises the achievements of not just myself but so many people who have shared in my life. Celebrating this award with my family, staff and friends will be one of my cherished memories.

I wish to thank all of our clients for their continued support of the company and product as I look forward to attending the National Business Women's Awards being held in Sydney in December.

## Communicating with your Landlords about Landlord Insurance

Julie Matthews  
Business Relationship Manager  
Queensland

As a Property Manager, you have a duty of care to inform your clients of the availability of landlord insurance. It is vital they are aware of the unique risks inherent in owning a residential rental property, and that they are aware that landlord insurance is available and protects against some of these risks.

The best time to approach your owners about the availability of landlord insurance is when you are initially discussing your services with them (the appraisal). Most Landlords would contact more than one Real Estate Agent to appraise their property and if you give prospective Landlords all the information about services you offer and provide them at this time, it could just be the difference that makes them choose you over another Property Manager.

It also demonstrates your commitment to them to be able to provide information relevant to their situation and the added bonus is that you can even help to arrange the insurance for them!

Once you have signed up the Landlord, you can again remind them of the availability of Landlord insurance and as a Distributor of Terri Scheer, you have the authority to arrange the insurance on their behalf. You can assist them with the completion of the Landlord Preferred application form or alternatively forward a completed Request for Cover form to our office should they not be present with you.

If they should choose not to take out landlord insurance and decline the offer for you to arrange it for them, refer them to the Terri Scheer Landlord Insurance Information Pad, and have the Landlord sign off stating you have advised them of the availability of landlord insurance and they have chosen to 'opt out' and make alternate arrangements.

***This provides written record that you have fulfilled your duty of care as their property manager and advised them of the availability of Landlord protection insurance.***

If you would like any further information, please contact your local Terri Scheer office and a Business Relationship Manager will schedule a time to meet with you.

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*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.*

## Congratulations, winners of the REISA Awards for Excellence for Property Management

**Small Agency:** Brock Harcourts Salisbury

**Large Agency:** Toop & Toop & Elders City Plus

**Property Manager:** Kim Hodgkinson, Delfin Realty

Well done to all the winners! Terri Scheer Insurance Brokers were proud to sponsor the awards for excellence in Property Management

## Are you prepared for bush fire season?

Stacey Kilmister  
Business Relationship Manager  
Western Australia

Do you and your landlords have appropriate insurance cover - to avoid severe financial loss in the event of a disaster this bushfire season?



At this time of year it is good planning to consider your home and contents insurance. An insurance policy forms an integral part of risk mitigation to protect your valuable assets. With the bushfire season upon us now is the time to re-assess the value of your home and your contents. Together with hazard reduction programs, householders should ensure they have purchased sufficient insurance to cover the replacement cost of property.

Householders should consider undertaking a detailed review of their insurance needs, especially the cost of replacing all property contents inside and outside of the home. This can be done by undertaking a room-by-room evaluation and inventory. Free calculation guides are available on most insurance websites.

Householders that live in a high risk bushfire area should consider obtaining a quote for the cost of a complete rebuild of their property, this can be sought from a registered builder. High risk bushfire areas are those that are located close to a national park or have had bushfire warnings in the last 5 years.

The social and economic costs are potentially enormous if a complete loss occurs. Underinsurance is still a major problem in Australia with an estimated one-third of households underinsured.

It is very important that householders know and understand what they are and are not covered for under their particular insurance policy. Policyholders should be aware of any exclusions and ask their insurer or insurance broker to clarify if they have any queries. Policyholders need to ensure they have the right policy to suit their needs.

For information on how to prepare and act when your home is threatened by a bushfire, Emergency Management Australia has produced a series of action guides and advice on how to deal with various disasters. For more information visit [www.ema.gov.au](http://www.ema.gov.au)

Note: Information retrieved and used with permission from the Insurance Council of Australia

**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 - [carolynn@terrischeer.com.au](mailto:carolynn@terrischeer.com.au) if you need further advice.**

## Do I have to refer three insurance providers?

Lisa Heffernan  
Business Relationship Manager  
New South Wales

The answer is simply "NO".

There has been a lot of misconception within the Real Estate Industry with the understanding that you have always had to refer three providers to your landlords when giving them information with regards to insurance.

In fact, there is nothing specified in the Stock and Station Business Agents Act to say, "An agent must provide three different company brochures when giving out landlord insurance information".

Under ASIC Class Order 05/1070 "General Insurance Distributors" (effective 31/10/05) the relief recognises that in securing the services of a property manager, the landlord is contracting the real estate agent to deal with the affairs of his or her investment, and that this consent extends to arranging appropriate insurance on the landlords behalf. While the relief does not allow real estate agents to give advice on insurance it is much easier to adopt one insurance provider who provides a quality product simply because when handing out multiple brochures to a landlord the first question you would generally be asked is "Who offers the best cover"? This is of course getting into the area of providing financial advice for which you are not authorised to do so. Once your landlord has done their comparisons under the Distributor Authority you can simply place cover for your landlords once they wish to do so.

As a distributor with Terri Scheer Insurance Brokers you can be confident in knowing that you are dealing with not only the national leaders in the provision of tailored insurance services for owners of professionally managed rental properties but also a company totally committed to exceptional customer service.

So when you're next handing out landlord insurance brochures to your landlord, consider Terri Scheer Insurance Brokers.

