

## Comments from Carolyn

Clichéd though it sounds, I can hardly believe Christmas is only weeks away, this year has flown past.

The year has been one of change for many of us - the economy has changed dramatically since the beginning of the year, affecting consumer confidence and all types of business and industry. At Terri Scheer Insurance we said goodbye to Terri in a wonderful farewell party in Port Douglas. Life here continues and I'm pleased to say that despite gloomy economic times and due in no small part to the loyalty and support shown by our Real Estate Agent Clients, we've had a great year of growth.

I've had the privilege of meeting some extraordinarily passionate business owners; dedicated to property management, growing their business and supporting their staff to achieve as the business achieves. I've been fortunate to present awards to the highest achieving property management people at the REIACT Awards for Excellence - a wonderful night that showcased the best in the ACT and provided entertainment that gave me goosebumps and brought tears to my eyes. A truly memorable evening and a credit to the indomitable Annie Gregg. My colleague, Tony Box, presented SA's best in property management with their awards in October, an event that Terri Scheer is very proud to be a sponsor of and which once again showed the passion for real estate which exists in South Australia.

Last month I attended the REINSW Women in Real Estate training day and was inspired by the words of Belinda Sullivan, CEO of The Eye Foundation and the current Telstra NSW Young Business Woman of the Year and impressed with the drive and achievement of D'Leanne Lewis who has twice been NSW Residential Salesperson of the Year and in 2006, the REIA Australian Residential Salesperson of the Year.

Real estate and in particular, property management is a vibrant industry that must survive because people always need somewhere to live. Terri Scheer Insurance is very proud to be associated with a profession that constantly seeks to improve the services it provides. All the finalists and category winners should be proud of the work they do. I certainly look forward to next year and seeing how the industry responds to the changing economic times.

Until then, have a wonderful Christmas with family and friends, feel secure in the knowledge that Terri Scheer Insurance is protecting you and your landlords over the Christmas period and that we'll be there for you again in 2009. Thank you to all of you for your loyalty and support again this year.



*Carolyn*

Carolyn Majda  
General Manager - Insurance Services

## A bonus for landlords placing cover online

When landlords apply and pay for cover online, they can save 5% on their premium for a new Landlord Preferred or Scheer Short Stay policy. Great news for them and you as it can also reduce the risk to your office by perhaps missing the due date if you have to wait until the property is tenanted to be able to make payment of the account. Many times the process of advertising and securing a tenant can take longer than our 30 day credit terms and this could risk the policy being lapsed.

Remember, each policy arranged by you or one of your landlords will entitle you to the referral fee.

## Don't forget your notices!!

Christmas is fast approaching and no doubt many of you are looking forward to some much needed and well deserved time off.

Unfortunately the work doesn't stop just because it's the festive season and from an insurance perspective, it is important that the relevant breach notices are still being issued to your tenants. For some, Christmas can be a stressful time and with the current economic climate, the pressures that people are facing may contribute to a bigger than normal arrears list.

Please keep in mind we require the relevant breach notices to support a loss of rent claim and we encourage you to issue these as per the requirements of the Residential Tenancies Act. Failing to do this may result in a refused or reduced claim.

For assistance over the Christmas break, please contact your local Terri Scheer office.

*The team at Terri Scheer wish you and your families a very Merry Christmas and Happy and Prosperous New Year*



*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.*

## Too much choice can be confusing...

Hayley Price & Anna Cook, Victoria

In recent years, many insurers have chosen to include a landlord insurance policy in their portfolio of products. Having so many policies available can be confusing for the consumer. It is a daunting experience for some owners investing in property for the first time who then have to tackle the task of looking into which insurance company (if any!) to insure with.

Are your landlords getting value for money?

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

### Do I have a waiting period?

Some insurers will have a period just after you take out cover where you can not submit a claim. 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 default in their rental payments and maliciously damage 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 landlords 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 claim payment is.

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

## Contents Cover – How important is it?

Amber Cauchi, Claims Officer

Often the importance of insuring contents items is overlooked by many Landlords, whether they own a partly or fully furnished property – that is, of course until the unfortunate happens....

A recent water damage claim through Terri Scheer highlights the importance of having adequate contents insurance. The loss to the landlord in this case exceeded \$25,000.

A high pressure water pipe which fed the apartments sprinkler system had burst, causing the roof to explode and resulted in water filling the apartment within minutes. The fully furnished property was damaged with knee high water streaming inside the whole home.

Can you imagine the extent of damage this would have caused?

This claim created losses for the landlord on two fronts:-

- ◆ Lost income while the property was being repaired
- ◆ Costs associated with replacing all the water damaged items

The extent of the damage exceeded everyone's expectations – beginning with \$5,000 to replace carpets, to \$6,000 to replace electrical items including TV's, stereo, fridge, washer and a further \$14,000 to replace other miscellaneous furnishings!!! In addition, the rent claimed was approximately \$1,800.

What a headache this situation could have been for any landlord, if not for the fact they were smart enough to insure their property. This situation certainly puts into perspective how much a totally unexpected loss could cost your landlord and how valuable our Landlord Preferred Policy could be.

*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 - carolynn@terriscbeer.com.au if you need further advice.*

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