

A note from Terri

I am delighted to announce the management team which will take the business forward once I leave at the end of June. Terri Scheer Insurance Brokers will be managed by Tony Box, General Manager—Business Services and Carolyn Majda, General Manager—Insurance Services.

Both Tony and Carolyn have been at Terri Scheer Insurance Brokers for a number of years and during that time have worked closely with me in the day to day operation of the business.

Many of you will have met Tony or Carolyn and will know that they are very passionate about the service we provide to both Property Managers and Landlords. Together, they will ensure the high service standards continue so that doing business with Terri Scheer is always scheer simplicity.

Next month, a new column 'Comments from Carolyn', will be appearing here, so keep an eye out for that.

As the 30th of June is fast approaching, I wish to take this opportunity to thank you for the friendships and the support you have given me since I opened the business in 1995. I wish you all great health, wealth and happiness.

Terri

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 - 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.

Accidental Damage vs Wear and Tear

Some landlords have unrealistic expectations that their property will remain in exactly the same condition at the end of the lease as when tenants first move in. The reality is though, that wear and tear on a rental property will occur over time.

Landlords should expect a level of wear and tear on their rental property while it is being tenanted.

It is important to understand the difference between accidental damage and wear and tear. While tailored landlord insurance may cover claims for accidental damage, wear and tear is generally excluded and cannot be claimed.

Accidental damage is defined as being caused by a sudden and unexpected event, this might include spilling red wine on the carpet. In contrast, wear and tear accumulates over time.

An example might be carpets. Depending on the quality of the carpet, its life span could be five to seven years. This means that if a tenant has been in the property for a number of years, you can expect there to be signs of foot traffic and flattened or bare patches.

In insurance terms the carpet has not been damaged accidentally or maliciously, but may be in a reasonable condition given the tenant's time in the property.

It's like living in your own home – over time there will be signs you have lived there, but this wear and tear cannot be claimed on insurance.

One of the main reasons landlords confuse wear and tear for accidental damage is because after leasing their property they often don't see it again until the end of the rental agreement. This is why it is important to carry out regular inspections and advise Landlords on the property's upkeep.

Examples of accidental damage

- ◆ Spilling red wine on carpet
- ◆ Hole in the wall caused by tenant moving furniture
- ◆ Cracked floor tiles after a heavy saucepan is dropped

Examples of wear and tear

- ◆ Foot traffic marks on carpets
- ◆ Scuff marks on floor coverings
- ◆ Minor scratches/scuff marks on paintwork
- ◆ Dirty hand marks on curtains/blinds
- ◆ Grease accumulated in the stove range hood filter



It's nearly tax time again...

Julie Matthews
Business Relationship Manager, Queensland

Under current tax laws landlord insurance is tax deductible for investors, and with end of financial year fast approaching now is the ideal time to get your landlords insured.

Audit your rental portfolio and encourage those uninsured landlords to place cover now. Organise to arrange and pay the insurance prior to 30 June 2008 to ensure the landlord receives our bonus offer of three months insurance - that's 15 4 12!!!!

For further information on this, or to request a copy of a mail-out letter that can be sent to your un-insured landlords, please call your local Terri Scheer office.

A perfect solution

Gaynor Megaw,
Business Relationship Manager, New South Wales

Property Managers often have frustrations with insurance claims taking weeks or months to process. We hear of extra excesses being placed on certain areas of the claim, claims not being covered under a periodic or continuing agreement and many times hear of wasting time sitting on hold trying to contact their landlords insurer and then not being able to lodge the claim on behalf of their landlords.

At Terri Scheer, we offer the **perfect solution** to end these frustrations.

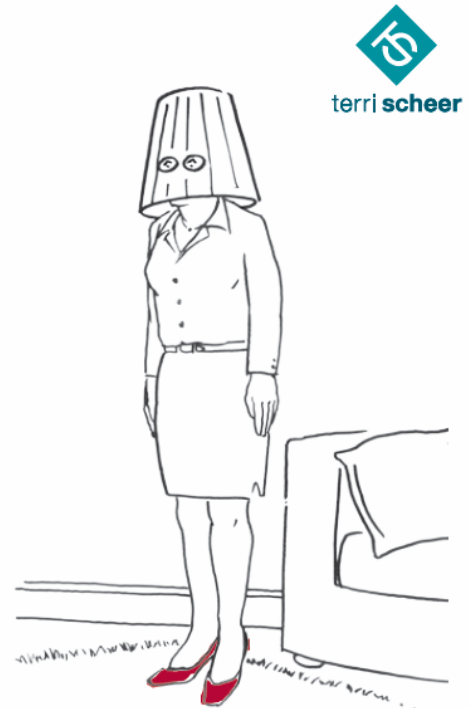
Imagine if all of your Landlords were covered by Terri Scheer?

As a Distributor of Terri Scheer you are able to transfer your Landlords' current policy to Terri Scheer prior to the renewal date by sending a letter (found on your risk management tools CD) telling the Landlord that their insurance is due shortly and that you would like to transfer the policy to Terri Scheer Insurance Brokers, a company that specialises solely in landlord insurance.

Naturally, landlords have the opportunity to decide where their policy is held and they can notify you if they do not wish their policy be transferred. Then prior to the renewal date, provide us with the renewal notice including the landlords contact details to enable us to ensure the policy is placed with no gaps in cover. Please note, if there are any restrictions or special conditions placed on the policy by the previous insurer, these will be taken into consideration (ie imposed excesses).

You then have confidence of knowing that your Landlords will have an efficient claims team who can process and pay the claims without having to refer to their underwriter for approval, thereby reducing the time that the landlord or tradesperson is waiting for their payment.

Terri Scheer has a dedicated claims officer for each state, meaning the same person will assist with the claim from start to finish.



Get 15+12
Because you can't watch
your property 24/7.

BONUS Three months with a
12 month Landlord Insurance policy

For terms and conditions, visit www.terrischeer.com.au

Insurance makes life a lot easier

Jessie Webster, Business Relationship Manager, Victoria

When speaking to Property Managers we often hear that many of their landlords are under insured (or have no insurance at all!). This becomes a major problem should an insurable loss occur and there is no insurance policy to recover from. If a quality Insurance policy is in place you can be sure a quick and effortless claims process is ahead of you.

Terri Scheer has an in house claims team that processes your claim from the time to lodgement through to final payment. We have relationships with assessors who are required to meet service standards with regards to the time taken to assess the loss and provide their reports. Turnaround times for claims where all the relevant documentation is provided on submitting the claim is often under two weeks.

Many landlords look to their property manager as an insurance policy, however, there is only so much you can do to stop a claim from occurring. It's the unforeseen that can't be prevented. A real life example we've had was a relationship that ended and to spite the tenant, her partner set fire to the couch which caused damage to the landlord's contents.

Having landlord insurance will help get the property back to a tenatable state allowing the property to be relet as soon as possible with minimum contribution from the landlord.

For assistance with your next claim, please contact our Claims Department on 1800 804 016.

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