

Comments from Carolyn

February already; the Christmas holidays are almost a dim memory.

I was fortunate to have spent some time at the beach, on South Australia's beautiful Fleurieu Peninsula. The long white sandy beaches and sparkling blue water are wonderful for helping you relax and recharge your batteries.

My family and I stayed in two holiday homes during two separate short breaks and also visited some friends who were also enjoying a couple of weeks at the beach. Each of the three holiday homes I encountered were very comfortably set up for people to really enjoy a home away from home. I couldn't help but wonder though whether the properties were insured for holiday letting or whether they were insured with a standard home/contents policy.

Unlike hotel rooms where it would be very difficult to walk out unnoticed with a plasma tv under your arm; holiday homes could very well be a target for thieves. Holiday homes are not always tenanted and so sit vacant, sometimes for weeks at a time - it would therefore be very prudent for landlords to protect their property with a policy specifically designed for holiday homes.

The Terri Scheer Short Stay Policy provides cover for holiday homes which can help ensure the owners' valuable assets are still there for them to enjoy when it's their turn to have a holiday. With the holiday season just ending it's would be a good time to remind your owners of the availability of holiday home insurance. Ask your Terri Scheer Business Relationship Manager for details. Easter will be on us before we know it - another prime time for holiday makers.

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 Carolyn Majda - carolynm@terrischeer.com.au if you need further advice.



The innocence of a candle

Rhianna Willis, Claims Officer

One dark muggy night in Queensland, a tenant decided to turn out the lights and light a candle for a cooler atmosphere. Later, they got up from their cosy cushion and made their way to the kitchen 'just for a moment' to make a nice refreshing drink. Suddenly the telephone rang and, unbeknown to the tenant, a strong gust of wind came from the slightly ajar window and blew the curtain toward the very small flame of the candle and set it ablaze. The tenant then walked back into the room, to now find the corner completely on fire.....

Thankfully, the landlord as a responsible owner had taken out insurance on their valuable investment and all costs for this event were covered. The carpet and curtains were covered by the contents section of our Landlord Preferred policy for accidental 'fire damage', and the walls and ceiling damaged by the fires smoke covered by their building insurance (body corporate). Fortunately, the damage was only limited to the one room, however still amounting to thousands of dollars.

Just another example of a completely innocent action causing such severe damage that no one could have predicted... certainly not the landlord or the Property Manager.

Are your landlords and tenants ready for a storm?

Julie Mathews, Business Relationship Manager, Queensland

With the recent storms we've experienced in the Northern states, and with the risk of more to come, it is imperative that landlords and tenants are prepared for the storm season.

We have provided a simple checklist below that could be included with your next newsletter or end of month statements as a reminder for both landlords and tenants. You could also take the opportunity to audit your landlords' files to make certain they have building and contents insurance in place.

Storm Preparation Checklist

- ◆ Trim tree branches clear of the house
- ◆ Remove or secure outdoor furniture, toys, pool equipment and potted plants
- ◆ Keep the roof and guttering clear of any leaf litter and debris
- ◆ Have a battery operated radio and torch on hand
- ◆ Invest in a first aid kit and keep well stocked
- ◆ Keep mobile phones charged
- ◆ Have a list of emergency numbers available, including the State Emergency Services (SES)
- ◆ Ensure landlord, contents and building insurances are up to date.

This information is meant as a guide only. For comprehensive information regarding storm preparation, please contact the relevant organisation in your State/Territory.

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.



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February 2009

Legal Liability - Who is responsible?

Gaynor Megaw, Business Relationship Manager, New South Wales

Who is responsible if a tenant or tenant's guest trips on a loose piece of carpet or floor tile and injures themselves in a fall? Who covers the medical bills and the expense for not being able to go to work?? What if they also hit their head against a wall and do not recover? Scary thought.

This unfortunate accident is just one of many unforeseen scenarios that could happen at any investment property. It's quite likely there would be a liability suit against the landlord by the tenant which could result in the court awarding them a large payout, not to mention the cost of the legal fees!

If the Landlord does not have adequate Legal Liability cover or no cover at all, they could be in serious financial difficulty.

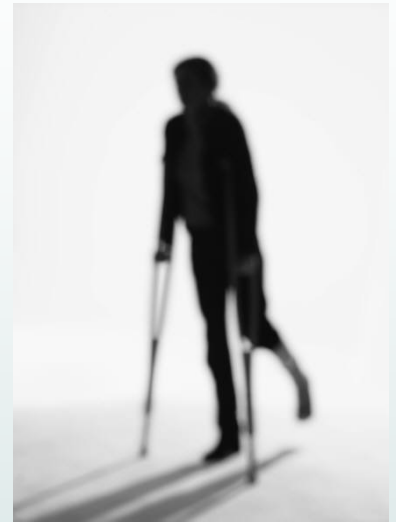
All of the Terri Scheer Landlord insurance products contain Legal Liability cover up to \$20 million to cover such situations.

Landlords have a legal responsibility (or duty of care) to their tenants to ensure they maintain their investment property in reasonable condition at all times. However there may be times when something may occur "out of the blue" which can cause death or bodily injury to other people or damage other people's property for which the Landlord may be deemed legally responsible.

This is what insurance is all about - covering those times when the unexpected occurs.

The Property Manager also has an assumed duty of care to the Landlord to inform them of the unique risks involved in leasing their property and the availability of insurance to cover such risks; in particular, to cover their legal liability.

Landlords trust that their Property Manager will professionally manage their property in all aspects including risk management and by offering this service to your Landlord could make the difference to obtaining their new business or not by showing that you do care and have the option available.



Insurance a must!

Tim White, Business Relationship Manager, Victoria

As a landlord you can be exposed to unique risks and losses which can occur at anytime.

Property Managers will always endeavor to minimise these risks, though sometimes they are out of their control.

When selecting the best tenant for your property, they only know their history; they cannot see their future and a change in tenants circumstance could result in substantial financial losses for landlords.

Sometimes changes in circumstances will cause tenants to damage the rental property, leave without paying rent and the property in a mess.

It does happen - even some good tenants can go bad!

The global economic crisis has added to these risks with many companies being forced to budget and cut their spending and even worse, cut jobs. This puts all workers at risk - including your tenants.

These risks can be covered by a Terri Scheer Landlord Insurance product; Landlords should make the smart choice to protect their valuable investment with a Terri Scheer Landlord Preferred Policy which provides cover for Loss of Rent, Malicious and Accidental Damage to Building and Contents by tenants, Legal Liability and Tax Audit (plus Domestic Workers Compensation in WA).

Is it too late to take out insurance?

Stephen Blair, Business Relationship Manager, South Australia

Many landlords don't organise landlord insurance at the time when the tenant(s) first occupy their investment property, either because they forget or because of the additional expense. It may not be too late!

A landlord with tenant(s) who have a consistent rental payment history and have not breached the Residential Tenancies Act rental agreement terms and conditions of paying rent in the past two calendar months can take up the Terri Scheer Landlord Preferred policy with full policy benefits.

Even landlords with tenant(s) who have fallen into rent arrears and have breached the rental agreement terms and conditions of paying rent in the past two calendar months can take up a Terri Scheer Landlord Preferred Policy in accordance with the Arrears Clause on page 59 of the PDS. The policy will commence **with cover limited to Contents** (excluding malicious damage) and Liability to Others.

Once the tenant(s) subsequently pays all arrears of rental payments and maintains a rental payment history that does not allow for the issue of a breach/vacate notice for a period of two consecutive months following the payment of all arrears, full policy coverage will automatically apply from the end of that two month period.

All landlords considering taking out the Terri Scheer Landlord Preferred Policy for their investment property with tenant(s) who have been in rent arrears should contact their local Terri Scheer office to confirm how the rent arrears clause could apply to their policy.

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