



## Landlords Tip Information Sheet

**A standard building (home & contents) insurance policy may cover your tenanted building for fire and storm damage etc. However, it will not cover your losses relating to rent default and malicious damage caused by the tenant.**

### What can Landlords Insurance cover?

You can select from the following covers:

#### ✓ Buildings and Contents

You may rent out your property unfurnished. However, there are still content items you need to consider when insuring your rental property e.g. contents include carpets, curtains, split system air conditioners and internal blinds. In a claims settlement the Insurer may apply depreciation to some items. Refer to the Product Disclosure Statement for full details. *You must advise us if you store any Contents at the situation that are not for the Tenants use.*

#### ✓ Loss of Rent

Loss of rent cover applies when the building is unable to be lived in after damage to the building. This can include, water damage, fire damage, malicious damage and other events listed in your policy wording. Cover also applies when damage to other property located near your property is damaged and access to your building is prevented.

#### ✓ Rent Default and Theft by Tenant

Provides protection if your tenant(s) fails to pay rent in accordance with their rental agreement. Theft of any part of your buildings or contents by tenant(s) is covered.

#### ✓ Liability

Covers you for the amount you are liable to pay following an injury suffered on your property, including any legal costs you have to pay in relation to the injury.

### The automatic benefits of a Landlords Insurance Policy covers:

#### ✓ Deliberate or Intentional or Malicious Damage

This cover protects you against a conscious or reckless act of the tenant(s) in altering or damaging your property without your permission, such as unapproved renovations, holes in walls and other deliberate or intentional damage.

### Tips to ensure you get the best outcome from your Landlords Insurance Policy.

#### Am I required to have a rental/lease agreement in place?

Yes - Rent default claims require you to have a current written lease or rental agreement in place.

#### Am I required to collect a bond?

Most policies stipulate your policy will operate on the basis that you have collected at least four weeks rent as a bond.

#### What if I rent my property out on a short term basis?

Not all policies cover you if your property is rented on a short term basis.

You need to contact us immediately if your property is used for short term rentals and we have not been advised of this previously.

#### What if my property becomes unoccupied?

Some policies reduce your coverage under the policy if your buildings have not been lived in for a stipulated period of time, others cease cover altogether.

*You **must** advise us immediately if your premises will be unoccupied for more than 60 days to ensure cover continues.*

#### What are some of my responsibilities as a landlord?

- ✖ Maintenance, wear and tear are still the responsibility of the landlords.
- ✖ You may find that poor housekeeping or unhygienic living habits by your tenant(s) can cost you \$\$.
- Ensure regular inspections are carried out on your property and reports are provided to you.

**Maintenance, wear and tear and poor housekeeping are not covered by insurance and are the responsibility of the landlord.**

See over ➡



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### What is wear and tear, tenant neglect, poor house-keeping and unhygienic living habits?

Wear and tear generally occurs over a period of time and may cause damage due to constant usage. An example is floor boards that may have scuff marks due to regular usage.

Tenant neglect, poor housekeeping or unhygienic living habits include:

- ✗ Damage to the property caused by the tenant(s) pets
- ✗ Marked, scuffed & dirty walls
- ✗ Stained, dirty carpets
- ✗ Rubbish left at the property
- ✗ Property that has not been cleaned
- ✗ Oven/stove that have food splatter, baked on grease – not cleaned
- ✗ Food/oil splatter on ceiling/walls in kitchen Smoke/cigarette stains/smell on walls

### What do I need to provide at claim time?

- Date and time of loss
- Cause of loss
- Tenant or Third Party details (if applicable): name, address and contact number Property Agent contact details
- Police details (if applicable)
- Inventory of Contents owned by you for use by the Tenant

### If Rent Loss/Default:

- Copy of the bond refund application/receipt
- Ingoing and Outgoing inspection reports
- If re-let:- tenant(s) new rental agreement
- Copy of quotes/Invoices of all expenses
- Copy of court bond/authority determination
- Copy of notices/leave arrears and letters issued to the tenant
- Photos of any damage, prior to repair
- Confirmation of what the strata have covered if applicable
- Copy of the rental ledger

### When do additional and multiple excesses apply?

Additional excesses may apply for the following claim types:

- an earthquake
- tsunami
- vandalism or malicious acts by tenant or visitor
- deliberate or intentional acts by tenant or visitor
- theft by tenant
- rent default
- accidental damage by tenant(s).

### Multiple Excesses

Multiple excesses may apply when there are a number of separate identifiable events. Where there are multiple areas of damage (e.g. malicious or deliberate) and we cannot clearly identify each as a separate event, a common sense approach needs to be adopted in the application of excesses. For example, if someone walked from room to room intentionally damaging the walls, this would still be considered a single event regardless of there being multiple rooms damaged. If the malicious damage was caused over a period of time, multiple excesses apply.

For more information contact us:

### PCIB - Peter Collins Insurance Brokers

Unit 24, Commercial Court  
130 Kingston Road  
Underwood Qld 4119

PO Box 381  
Springwood BC QLD 4127

Phone: 07 3808 3425

Email queries: [admin@pcibroker.com.au](mailto:admin@pcibroker.com.au)

**[www.pcibroker.com.au](http://www.pcibroker.com.au)**

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At PCIB we are passionate about providing you with **the right cover at the right price** to give you the peace of mind that you have made the right decision for your insurance.