



LANDLORD'S INSURANCE

If you own an investment property, by its very nature you probably won't be around it often to see if it is protected against any unforeseen damages or destruction. Quite simply, Landlord Insurance is vital for all investment property owners, to safeguard you from an extensive list of potential adverse events including loss of rent, theft or burglary, accidental or malicious damage and so much more.



Who is it for?

Anyone who owns an investment property that is rented out should consider Landlord's insurance. Without Landlord's insurance, you could lose your valuable investment if it's damaged or destroyed. You could also lose income from rent if you're unable to rent it out during repairs, or if your tenants get evicted or break their lease.

Landlord's insurance policies can differ in that some will only cover you for a selection of scenarios. Your **Resilium Adviser** will be able to outline the kind of Landlord's Insurance that will best suit your particular needs.



What does this insurance cover?

A typical Landlord's insurance policy will cover the building's permanent fixtures and fittings against unforeseen damage or destruction. It also offers the option of insuring your belongings or contents that reside in the building, such as furnishings and home appliances.

Landlord's insurance policies will generally offer protection against:

- ▶ Fire
- ▶ Water damage
- ▶ Vandalism and theft
- ▶ Electric motor burnout for appliances up to 15 years of age
- ▶ Lease break (when the tenants leave the premises before due date)
- ▶ Natural disasters
- ▶ Civil unrest and rioting
- ▶ Building cover for: pipes, cables, fixed appliances like dishwashers and air conditioners; Gas of plumbing systems; fixtures and fittings (except for carpets, loose floor coverings, curtains and internal blinds; exterior blinds and awnings; and some external structures.
- ▶ Liability coverage, which protects you from legal responsibility in case of an unforeseen accident where a person sustains an injury at your rental property
- ▶ Up to an additional 15% of the building's total sum insured, to cover demolition and removal of debris, and architects and engineering fees
- ▶ Optional Cover
 - » Tax audit cover (cover options of \$2,000 or \$5,000)
 - » Cover for loss of rent or an absconding tenant.



What usually isn't covered?

While all policies are different, this policy typically does not cover:

- ▶ Damage from tenant carelessness or neglect.
- ▶ For rust, corrosion, gradual deterioration or wear or tear.
- ▶ If your home is unoccupied for 90 continuous days.
- ▶ There are some other exclusions which your Resilium Adviser can explain and in addition, there is typically a deductible/excess.



Case Study:

Illustrating the benefits of Landlord's insurance

Isabel and Scott bought an investment property in Brisbane and they relied on the rent to cover their mortgage repayments. They rented the property to tenants who ended up causing extensive damage to the property's walls, floor coverings and doors. The tenants also vacated the property with 3 month's rent in arrears. As the property needed extensive repairs, which would take many weeks to rectify, Isabel and Scott had to not only come up with the money for the repairs but also for the mortgage payments which had previously been covered by the rental income.

Thankfully, Isabel and Scott had Landlord's insurance in place which included a 'rent default' option. Their insurance cover allowed them to claim the property's repair costs and missing rent. This in turn meant they didn't have to default with their bank on re-payments and the property was able to be repaired quickly so that new tenants could move in.

This material contains general information only and may not suit your particular circumstances. The precise coverage afforded is subject to the statements and information in the relevant Product Disclosure Statement (PDS) and the terms and conditions of the insurance Policy when issued. Before deciding to acquire any insurance product, you should obtain and consider the relevant PDS or Policy wording available by contacting our office.

FOR MORE INFORMATION CONTACT US TODAY

Kelley Goldstraw has worked in the insurance industry for over 12 years. At Goldstraw Insurance you can trust our experience and knowledge to find the right insurance options for your personal or business needs.



Kelley Goldstraw

Goldstraw Insurance Partners

T: +61 0499 506 666

E: help@goldstrawinsurance.com.au

W: www.goldstrawinsurance.com.au