

31st July 2020

## IMPORTANCE OF LANDLORD INSURANCE

Landlord insurance is a type of insurance policy designed to help financially protect landlords for some of the common risks associated with renting their investment property.

Just like we protect ourselves with life and income protection insurance and our home with building and contents insurance, it is important to adequately protect your investment property.

Many landlords assume nothing untoward will ever happen to their rental property. Unfortunately, this is not always the case.

Unexpected events do occur, with even the most well-meaning tenants defaulting on their rent or accidentally damaging the property.

Whilst you can check your tenants rental history, you cannot predict the future which may include your tenant losing their job, suffering a long term illness or being unable to earn income or suffering a relationship breakdown. All common occurrences which can affect the tenants ability to pay rent.

When taking out a policy, it is important to confirm the below items are covered.

### 1. Damage

Malicious or intentional damage to the property by the tenant and / or their guests. You will be able to claim any costs associated with repair of the damage caused via either the tenant or their guest.

### 2. Rental Loss Or Default

Reimburses the landlord for any rent the tenant does not pay and the associated costs to evict them if necessary. This included any application fees to the tribunal, costs to prepare the claim and the Property Managers time to represent you at court.

### 3. Liability Cover

Covers when the tenant or their guests injure themselves on the property (ie..a faulty light switch).

### 4. Burglary

Theft of items or damage during a break in.

### 5. Contents/Fixtures

There are some items that are not always covered by building insurance such as carpets or bathroom accessories so having some contents cover is an extra measure of protection.

Other items to which can be recovered from Landlord Insurance:

- \* Damage caused by a tenant's pet.
- \* Re-letting expenses after a claim or rental loss.
- \* Removal of tenant's goods after a claim on rental loss.
- \* Change of locks after a claim on rental loss

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