

INSURANCE: Are you adequately protected?

Residential property investors should periodically review all their insurance policies to ensure they are adequately protected, as events in Christchurch have shown. While the main focus has been on issues with building and land insurance, there's a lot more for owners to consider.

As major residential property managers in the city, Quinovic have commissioned expert advice to help investors in Christchurch and around New Zealand navigate the insurance minefield. Following on from last month's newsletter, we urge all owners to think about insurance for Contents, Landlord Protection and Loss of Rental.

Always obtain several quotations and make sure you fully understand the cover that you are being offered.

Important insurance-related issues include:

1. Damage done by tenants. Ask your insurance provider how they handle such a claim when damage exceeds the value of the bond (a maximum of 4 weeks rent); and
2. Activities undertaken by tenants: In some cases activities of tenants have resulted in insurers declining claims. As well as illegal activities, this can apply to activities that could be deemed to be commercial, eg you know your tenant makes a small living from building furniture in the garage and a fire occurs as a result of this activity. Ask insurers how they would treat this and what information must be disclosed in order to ensure adequate cover.

Insurance types include:

Contents Insurance: This is designed to cover chattels, floor coverings, drapes, blinds, white ware, light fittings etc ... any of the landlord's removable assets. Ask your insurer whether fixed flooring, such as tiles or linoleum, is considered part of the Property cover.

Ask for definitions used by the provider and always declare that the property is for rental.

Landlord Protection Insurance: Most insurance providers have packaged Property and Contents insurance and added cover such as Loss of Rentals insurance. These 'packages' are worth investigating, but are not always better than individual cover policies as they often have limitations on sums insured and set excess levels, etc.

Loss of Rental Insurance: There are two types of cover – the loss of rental income from a disaster and the loss of income from a tenant running away from their lease, intentional damage by a tenant, and several other types of loss caused by the tenant or a guest of the tenant. While this type of insurance is worth investigating, it may seem an expensive component of your cover.



DON'T OVERLOOK THE FINE PRINT

Insurance documentation is full of fine-print. For any type of cover, make sure:

- You get a full copy of the insurance policy, not just a summary.
- All information on the policy schedule is accurate and understood.
- You get a revised copy at the time of every renewal, especially if there have been any changes.
- Policies include acknowledgement of any mortgagee or interested party.

Seasons Greetings from Quinovic

Quinovic management, franchise owners and staff extend our best wishes to our valued clients and prospective clients for a happy and relaxing festive season. We look forward to assisting you to maximise the value and return from your investment in 2012.

Christmas/New Year rents schedule:

All rent payments will continue to clear in 5 working days during the holiday season, at which point Quinovic pays them to the owner. The payment (and funds clearance) schedule is:

Rent paid by tenant on Dec 20 (funds cleared & paid to owner Dec 29); Dec 21 (Dec 30); Dec 22 (Jan 4); Dec 23 (Jan 5); Dec 24 (Jan 6); Dec 28 (Jan 6); Dec 30 (Jan 10); Dec 31 (Jan 11); Jan 4 (Jan 11).

*Rents processed on Jan 6 will include rents due on Dec 27 & 28, and rents processed on Jan 11 will include rents due on Jan 3 & Jan 4.



Chance to play Golf in a Pro Am

The Quinovic Waikanae Golf Pro-Am 2012, opener to the Pro Am series, is coming up on 1st February 2012. As major sponsor of this event we invite our clients who would like the opportunity to play in this tournament to register their interest with their local Quinovic Principal. This is your chance to play with a golf professional in the season opener.

Entrants need to be a registered member of a NZ Golf Club and on handicaps of under 24 for men and under 36 for women, and each team will be assigned a pro golfer. Contact your local Quinovic Principal to register your interest by supplying your name, Golf Club and NZ GA registration number to enter the draw for the limited number of positions available.

A WORD FROM OUR CLIENTS

"I would like to thank you and your team for the fantastic service you have given my family and I over the past 3 years. It is so nice to have a landlord who remembers that we are human beings too and who treat us with respect." - M Chatterton