



<http://understandinsurance.com.au/types-of-insurance/landlord-and-renters-insurance>

Landlord and renters insurance

If you own a rental property, or you are a tenant, you may need different insurance products than normal home and contents policies.

Landlords should consider how they can protect their premises, its assets and the income they receive from their tenants.

Renters are not covered by their landlord's insurance policies. Insurers offer products designed for renters, including low-cost policies.

Renter's and tenant's insurance

When you are renting, the owner of the property you are living in is responsible for damage or loss to the building and fittings, but you are responsible for your own possessions – such as your clothes, furniture, electrical goods, books and other valuable belongings.

When a disaster occurs, tenants are often the ones to lose everything and miss out on compensation.

Renter's insurance is a form of contents cover designed for people living in rented properties.

It protects against financial loss from specific risks such as fire or burglary, or against accidental loss or damage. It can also cover you for accidental damage to fixtures and fittings of the property that you are renting, or provide financial cover for legal liability [<http://understandinsurance.com.au/types-of-insurance/landlord-and-renters-insurance>]. It may also cover your possessions when you move between properties.

This type of policy varies between insurers, so it is worthwhile comparing policies to find the features that best suit your needs.

You can find a calculator to help you work out the value of your contents here.

To find an insurer that offers these types of policies, visit www.findaninsurer.com.au [<http://www.findaninsurer.com.au>]

Low-cost renter's insurance

Many insurers offer low cost contents-only insurance policies to protect your possessions against the two biggest risks of living in rented or share accommodation – fire and theft.

It can be quite limited in its cover, and it is important to understand your policy to make sure you are not underinsured – that is, that your insurance covers the replacement cost of all of your possessions.

As with all contents policies, large-value items – such as expensive jewellery or artwork – should be specifically added to your inclusions or insured separately, which can raise the cost of your insurance.

Landlord insurance

Landlord insurance protects the investment that a landlord has made in a rental property. Cover can be purchased for the building, contents or rental income, or any combination of these. Cover for loss of rent is not always included in a landlord policy and may be added as required.

Many landlords are investors who have invested in property to supplement their incomes or support self-managed super funds. Landlords who are borrowers have obligations to their lender, with payments typically met through the collection of rent on the mortgaged property.

Landlord insurance policies are available however some insurers are offering the policy with an adjustment to the Tenant Default component, read the Product Disclosure Statement (PDS) for further detail.

To find an insurer that offers these types of policies, visit www.findaninsurer.com.au [<http://www.findaninsurer.com.au>]

Covering missing rent

Landlord insurance can cover the loss of rent that you might experience because damage has left your property unable to be leased.

If missed rental payments will cause you financial stress, look for a condition in your insurance policy that will cover you for missed rental payments.

Landlord insurance may protect you from loss of rent due to tenant hardship, which occurs when a court awards your tenant a release from their obligation to pay rent for a certain period of time due to hardship (for example, if they are unable to work due to injury or illness).

Another option under landlord insurance policies includes covering your legal expenses if you have to take action against a bad tenant.

Specialist landlord insurance providers will sometimes even include the cost of replacing locks on the property if your tenant has vacated the premises and has not returned the keys.

Short-stay landlord insurance

If you are a landlord of a short-stay rental property, such as a holiday rental, and your property is professionally managed, you can get a short-stay landlord policy which covers situations unique to holiday properties.

These can include the death or serious illness of a guest and consequent difficulty in subsequent rentals, and failure to give vacant possession when a short stay tenancy is complete.