



The RentCover Report

Industry News and Views from EBM

January 2012

RentCover Report – we've got you covered

Happy New Year and welcome to the first edition of RentCover Report for 2012, bringing you a snapshot of the latest industry news from around the country.

A new year offers fresh challenges, new opportunities and often includes the decision to invest in new property purchases, so in this edition we look at 'proof of insurance' which many banks require before they will approve finance.

If your clients have treated themselves to a new boat or pleasure craft you will also want to check out how EBM's exclusive products can help protect that investment.



We also hear from a Nerang property manager who shares her experience about what could have been an expensive fiery disaster, if not for an easy EBM RentCover solution.

I hope you enjoy this edition of RentCover Report and looking forward to bringing you more insights next month.

Sharon Fox-Slater

General Manager, RentCover

News in brief...

According to the **Real Estate Institute of Australia's (REIA) Real Estate Market Facts** report, rents for three bedroom houses remained unchanged in most Australian capital cities during the September 2011 quarter. Perth and Darwin were the only capital cities to record increases of 2.6% and 0.9% respectively.



Don't delay...the \$10,000 **Queensland Government Building Boost Grant** ends on 31 January 2012. If you are in the market to buy or build a new home, you can find out more about the scheme at <http://boost.treasury.qld.gov.au>.

A recent global survey by workplace solutions provider Regus has found that **Australians are some of the world's hardest workers. The survey of 12,000 people showed that** 41 per cent of Aussies work between nine and 11 hours every day, compared with 38 per cent of workers globally, and nearly three-quarters of Australians take work home at least once a week.

Have a say...the **New South Wales Government** has announced a **review of the State's strata and community title laws** launching an online community consultation forum to give individuals and businesses an opportunity to voice their opinion. The consultation period will close on 29 February 2012 and comments can be made at www.openforum.com.au.

Former Australian Federal Police Commissioner Mick Keelty will head an **inquiry** into the **Margaret River bushfires** which destroyed 41 homes and burned out more than 3,400 hectares of land just before Christmas. The Insurance Council of Australia estimates for insurance bill from the fires will run to more than \$40 million.

Sources:

Media release: *September quarter records decrease in median price*, Real Estate Institute of Australia (released 14 December 2011)

Media release: *Have your say on strata and community laws*, NSW Minister for Fair Trading Anthony Roberts (released 15 December 2011)

Queensland Government website

An important note about ‘proof of insurance’

Investing in property can be a good move – but obtaining finance and meeting deadlines for different documentation can also make it a complex and stressful process.

Purchasers can make it easier for themselves and their banks by thinking ahead on items like Certificates of Currency required by many banks.

This proof of insurance is often part of the package of documents required by lenders before they will issue a mortgage on any property – and EBM is obliged to provide the mortgage provider with accurate and compliant information.

"That means we can't issue a Certificate of Currency, noting that the policy is paid until the policy is paid for in full, and the funds have cleared through EBM's accounts," said EBM General Manager RentCover Sharon Fox-Slater. Many financial institutions may not accept these so it is important to ensure that there is enough time to allow payment and for them to clear to avoid delays with settlements.

"An insurance policy only becomes effective after payment has been received in full by the insurance company – so it would be false to provide a Certificate of Currency, noting that the policy is paid, on the basis of credit card details or a Bpay receipt number," she explained. "Purchasers need to allow the time required for the funds to arrive and clear in the EBM account.

"If the Certificate of Currency were to be issued and we had noted that it was paid while payment remains outstanding, and the property burns down, there is technically not a paid insurance policy in place – which is not a good situation for anyone involved!

"We don't like to disappoint clients, but simply can't provide a Certificate of Currency before their payment has been finally processed, even though they might have a deposit receipt.

"The simple answer is to allow just a little more time for this part of the process to be complete."

To find out more, please call 1800 661 662 to speak with an EBM representative.



Why landlord's insurance is a sure bet

In this month's reader contribution we hear from Gill, at Nerang Property Management in Queensland, who shows us that landlords insurance can make property rental a smoother ride for both the landlord and tenant!

Gill tells us about an ideal tenant who came with excellent references, maintained the freshly renovated two-bedroom townhouse to a high standard and always paid the rent on time.

One night, she got up to attend to something in the kitchen and accidentally and unknowingly knocked a candle over onto a lounge chair.

By the time the tenant returned to the lounge-room, discovered the chair was alight and put the fire out, a hole had been burnt in the carpet and smoke had escaped up the staircase to damage the second floor paint work.

"The tenant was not insured and there was some question about whether the damage would be covered by body corporate insurance or the owners' EBM RentCover policy," explained Gill.

"EBM advised that the damage would be covered by its policy and all I needed to provide were quotes to clean and repair the blinds, repaint the property and replace the carpet.

"As a property manager, I was relieved to be able to call the owners to advise them that their unit would be looking new again very shortly. They were happy and the tenant was relieved to pay only a \$100 excess!"



Don't leave shore without EBM on board!

There are half a million registered vessels around the country and plenty of Australians who will be spending time on the water this summer.

Pleasure craft come in all shapes and sizes – from dinghies and yachts to jet-skis or luxury launches – and have become a mainstay of our Aussie lifestyle.

EBM Managing Director Jeff Adams said that while the great majority of boating activities were enjoyed without incident, data from the National Marine Safety Council (NMSC) showed more than 3,000 marine incidents were reported every year.

EBM developed PleasureCraft insurance to provide owners with peace of mind because buying and maintaining a boat can be a significant investment for families.



PleasureCraft Insurance covers boat hulls and motors, as well as equipment, accessories and trailers, against accidental loss or damage. It also protects owners against legal liability for third party injury or accidental damage, with a specific extension available for waterskiers.

More information about PleasureCraft Insurance is available by calling 1300 INSURE or visiting www.ebminsurance.com.au.

New year, new stories to share - \$100 for every story published

Did you or your customers have an interesting, unusual or quirky experience over the festive season?

If so, we'd like to hear all about it and are willing to pay \$100 for any stories chosen to appear in future editions of the RentCover Report.

The topic is up to you but it should be of interest to other property managers and landlords. It might be an account of an unusual claim; a property management experience that was out of the ordinary or a useful tip to kick off the new year.

EBM will select stories for publication and reserves the right to edit content supplied. Anonymous contributions will not be considered.

So act now, get tapping on that keyboard and email your story to marketing@ebminsurance.com.au with "RentCover Report story" in the subject line.



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