



RentCover Report – we've got you covered

Welcome to the second edition of RentCover Report in what has already been an incredibly busy start to 2008!

At a time when there is a huge focus on property markets around Australia with issues of affordability and the tightening rental market garnering much media attention we are constantly looking at the impact on property owners and renters with a view to the role insurance has in minimising risk for our customers.

In this edition, we uncover some fine print that's been catching out renters, show you how you can benefit from our partnership with Veda Advantage and look at how our new RentCover*Platinum* policy has already proved its worth for one lucky customer!

As part of our profile series, we'll find out what makes Senior Account Manager Lushanti 'Lush' Edirisinghe tick!

We hope you enjoy this edition of RentCover Report and look forward to keeping you up-to-date with industry news and events throughout the year.

We'd also welcome your feedback and are interested in hearing about any of your ideas for issues you would like to see covered in RentCover Report. Please email your suggestions to marketing@ebminsurance.com.au.

Sharon Fox-Slater

General Manager, RentCover

RentCover goes platinum!

Ask any jeweller about platinum and they will tell you it represents three words – no, not 'I love you' – rather, rarity, purity and strength.

And, these are also the cornerstone qualities of EBM's new RentCover*Platinum* policy.

The latest addition to the RentCover suite of products has been specifically designed to provide comprehensive insurance cover for single dwelling investment properties.

RentCover*Platinum* combines landlords' insurance with defined events home and contents insurance – and combines all the tenant related features of RentCover*Ultra* with building and contents cover.

The new policy provides cover for damage to the building and/or contents through a range of defined events including fire or explosion, storm or rainwater, glass breakage, fusion, theft and malicious acts by intruders and water damage from burst pipes or overflowing sinks.

EBM Insurance Brokers General Manager, Sharon Fox-Slater said RentCover*Platinum* was a welcome addition to the products on offer by EBM's



successful RentCover division.

“This policy has been designed to deliver a high level of cover so clients have peace-of-mind that their investment property is protected,” said Ms Fox-Slater.

“It also provides a 20% cost saving over taking out separate policies,” Ms Fox-Slater said. “And we’ve already had a really positive reaction from clients who are telling us it makes good sense and is a simpler way of ensuring they’re covered.”

Just recently, EBM Insurance Brokers received their first RentCover*Platinum* claim.

The initial claim for \$5,000 was to cover loss of rent and some minor damage to the property including holes in the wall and staining on the carpet.

While the claim was being processed, the tenants vacated the property and there was then a house fire – the cause of which could not be determined and arson was not ruled out – which caused over \$150,000 in damage, effectively writing the property off.

A new claim was filed.

The very relieved owners were glad to have taken out a RentCover*Platinum* policy which meant they were covered for repairs to the severely damaged house and the loss of rent they incur while the property is being repaired.

For more information on RentCover*Platinum* call 1800 661 662 or visit www.rentcover.com.au. For full details of cover you should read the Product Disclosure Statement.

EBM adding value with ntd

EBM Insurance Brokers and National Tenancy Database (ntd) have combined forces to continue helping agents reduce tenant related risks.



The acquisition of ntd by Veda Advantage – the largest and most sophisticated provider of business intelligence in Australia and New Zealand – presents great opportunities to all members as ntd continues to innovate the delivery of information to real estate agents Australia-wide.

The ntd provides authorised agents with access to in excess of 1.4 million individual tenancy files along with millions of public records and commercial credit files at the touch of a button.

Agents all around Australia have been using ntd for more than 20 years to conduct thorough checks on tenants prior to leasing a landlord’s property.

Through this partnership, ntd is offering EBM’s Authorised Representatives and Distributors a special, ongoing reduced rate of only \$9.90 per search for enhanced searches (covering both tenancy and public record information).

The database provides tenancy information that is based on both positive and negative reports by licensed property managers, allowing informed decisions about the suitability of a tenant to be made. The result is that agents are able to minimise clients’ exposure to destructive or financially insecure tenants.

EBM Insurance Brokers Managing Director Jeff Adams said they were really pleased to be continuing this partnership with ntd.

“Providing good insurance services is about identifying and minimising risk,” said Mr Adams. “This allows us to add value to our clients and assist them in minimising the risks involved in the rental market.”

Agents can access the ntd system 24 hours a day, 7 days a week via www.ntd.net.au, so when agents assess a

prospective tenant for a property that is covered by a RentCover policy they know they are truly doing their best for the landlord.

If you would like further information about ntd you can email info@ntd.net.au or simply call 03 8629 1682 to speak with one of ntd's experienced operators.

Insurance woes in the rental squeeze

There have been many cautions in the media about being under-insured or even un-insured. Even those landlords who have taken out adequate insurance in good faith may still find themselves completely exposed in the fine print - begging the question, "are you sure you're insured?"



There are a number of companies who have fine print clauses in their insurance policies that void landlord policies when the original lease period has expired and fallen into month by month continuance.

In a tight rental market fuelled by increasing land and home prices and low rental vacancies, people renting are often forced into extending their lease indefinitely, without necessarily committing to a new fixed period.

Nationally, house prices have increased an average of 12.3% in the 12 month period between December 2006 and December 2007 which is forcing many to rent for longer periods than perhaps previously anticipated.

And for those already renting, with weekly rental costs increasing an average of 12% in the 2006-07 financial year, looking for somewhere else to rent at a lower rate is proving near impossible, with a national vacancy rate of just 1.9%.

This means people coming to the end of a lease period who are faced with an inevitable price hike may opt for a month by month arrangement until they can find somewhere else.

When a lease period expires and simply continues on a month to month basis, the lease goes into what is called 'continuance'. Sounds simple enough, but this seemingly effortless progression can spell the silent end of insurance protection for an unsuspecting landlord.

"After their six month or twelve month lease, tenants will often simply roll over onto a month by month situation and think nothing of it," said EBM Insurance Brokers General Manager Sharon Fox-Slater.

"But come claim time, these landlords, who have been paying premiums and think they are fully insured, might find themselves completely unprotected," said Ms Fox-Slater.

Some landlord policies have a condition that there must be a fixed term lease in place at the time of loss, rendering the policy null and void during a periodic tenancy.

EBM Insurance Brokers RentCoverUltra and RentCoverPlatinum policies have no clauses nullifying a progression from a lease term to a month by month arrangement and in this situation there is still protection under these policies.

"Our goal has always been to offer simple policies that are user-friendly to consumers," Ms Fox-Slater said. "We understand that there are many situations in which a fixed-term lease is not suitable to be renewed and customers should not be penalised for market or even personal conditions."

For more information about the RentCover range of products call 1800 661 662 or visit www.rentcover.com.au. For full details of cover you should read the Product Disclosure Statement.

Source: Australian Bureau of Statistics, House Price Indexes: Eight Capital Cities, Dec 2007
Source: Real Estate Institute Australia

EBM makes it easier to get on the tools

In most states in Australia, to protect consumers, builders cannot legally apply for building licences or quote on jobs without being covered by the appropriate insurances.

Securing that cover can be a case of easier said than done, with builders facing numerous frustrations such as long time delays, the requirement for bank bonds or guarantees, re-arrangement of finances and restrictive caps.

In response, EBM Insurance Brokers, in collaboration with builders, created BuildCover – a tailored domestic warranty insurance policy which helps overcome those frustrations and gets them to work faster.

And it's never been more attractive than now. With a booming building industry and the related forces of demand and supply the numbers of builders wanting to enter the market is on the increase.

According to latest figures from the Australian Bureau of Statistics, the number of building home approvals increased 6.2% in the quarter ending December 2007 since the same period last year.

And for those Western Australians and Queenslanders waiting up to two years to complete a single storey home, there is seemingly never enough manpower.

“EBM wanted to make it easier for builders looking for adequate cover. In this industry time is money, and in the past, long waiting times have meant long periods of not being able to work and earn an income” said EBM Insurance Brokers Managing Director Jeff Adams.

“We worked closely with the industry in developing this product and continue to work with them to ensure BuildCover remains appropriate and relevant for builders,” said Mr Adams.

Like all EBM's policies, the key has been to keep it simple.

BuildCover promises no need for bank guarantees or bonds, no financial restructuring, flexible caps and most importantly, fast turn-around.

In addition to domestic warranty insurance, EBM Insurance Brokers also provides other speciality insurances required by builders including owner builder warranty insurance for those building their own homes, contract works insurance to cover contractual requirements, public liability insurance and structural defects insurance.

For more information about BuildCover call 1800 800 544 or visit www.buildcover.com.au.

Source: Australian Bureau of Statistics, Building Approvals Australia, December 2007

Meet a member of the RentCover team...

Lushanti Edirisinghe, more commonly known as Lush, joined EBM Insurance Brokers in October 2005 and currently works as a Senior Account Manager in the RentCover team. Based in Melbourne, Lush oversees a team of Assistant Account Managers who look after accounts in Western Australia, Victoria, Queensland, the Northern Territory, South Australia and Tasmania.

For those of you who work closely with Lush, you'd recognise her for her



vivacious laugh.

Here are some other things:

1. What do you like most about your position at EBM? I like that I am constantly busy and working closely with the staff. I enjoy being able to help them develop their skills. And the clients, I enjoy servicing the clients as well.
2. What do you find most challenging in your role? Managing all the different personalities!!
3. When not at work I... am shopping, everyone knows that! or trying new restaurants, I love trying different places. I also enjoy going to the movies and spending time with friends.
4. If I had a three week holiday planned, I would... spend it cruising the Greek Isles.
5. I like to splurge on... shoes and handbags, clichéd but true! I love shopping!
6. One piece of advice that stays with you? That has to be 'Do it right the first time!'

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