



November 2008

RentCover Report – we’ve got you covered

With the festive season almost upon us, we give you a warm welcome to the November edition of RentCover Report.

As the year draws to an end, it will no doubt be one to forget for many investors who have seen share portfolios and superannuation nest eggs decline in value over the past 12 months.

Property investors haven’t been spared the pain either. According to recently released figures, the price index for established houses in Australia’s eight capital cities decreased 1.8% in the quarter to September 30 2008.¹



This month, the Melbourne Cup again proved itself once again as ‘the race that stops a nation’ and, in this edition we take a look at EBM’s unique cover for horses – EquineCover.

We’ll also share details of a recent claim where running a bath got out of hand and proved the importance of having adequate insurance for both owners and tenants, take a look at how the corporate reporting season can be a good time for landlords to reassess their insurance needs, and meet Vanessa Sutton as part of our Staff Profile series.

As always, we are keen to hear your opinion about RentCover Report so please send any thoughts to marketing@ebminsurance.com.au.

Sharon Fox-Slater
General Manager, RentCover

Running bath leads to overflow of troubles

A recent claim lodged with EBM Insurance Brokers in New South Wales has highlighted the importance of adequate cover for both owners and tenants – albeit in a unique way!



¹ Source: Australian Bureau of Statistics, House Price Indexes: Eight Capital Cities, Sep 2008.

A unit in an apartment complex in New South Wales was occupied by a tenant and insured by the owner with EBM Insurance Brokers under a RentCover*Ultra* policy. The property was also managed by a property management company.

The tenant of the apartment in question decided to run a bath, but while the tub was filling, fell asleep.

While the occupant slept, the water level rose, overflowing throughout the bathroom spreading to nearby rooms and eventually seeping through the floor and into the unit below.

The water not only damaged the carpet in the unit and the tenant's personal belongings, but also the ceiling, paint, carpets and the personal possessions of the occupant in the unit below.

Unfortunately, the tenant in the unit below did not have personal contents cover, nor did the owner have landlord's contents cover – leaving them both unprotected.

EBM Insurance Brokers General Manager Sharon Fox-Slater said this situation highlights the importance of adequate cover for both tenants and owners.

“In this situation we have a case of one owner being covered, and one owner having no protection at all,” Ms Fox-Slater said. “With RentCover*Ultra*, the owner of the unit is protected against the damage from their tenants' actions.

“The unprotected owner of the unit below has no such protection and therefore would have to rely on more complicated, costly and drawn-out proceedings to attempt any form of compensation.”

Ms Fox-Slater said this case also demonstrates the importance of insurance for tenants as well.

“Although they were completely innocent in this case, the tenant in the apartment below has now sustained significant loss,” she said.

“If they had TenantCover in place to protect their possessions, they would have had a simple recourse to recover from the loss or damage caused to their possessions.”

For more information about the RentCover range of products including TenantCover and RentCover*Ultra*, call 1800 661 662 or visit www.rentcover.com.au.

EquineCover one for the stayers

With Victoria's Spring Racing Carnival again attracting large crowds and interest from around the country, the spotlight returned to Australia's horse industry this month.

The glitz and glamour of the Melbourne Cup is just one part of a large and growing interest in horses. Not only is horse racing the second most highly attended sport in Australia just behind Australian Rules Football, it continues to increase its popularity.²



² Source: Australian Bureau of Statistics, Sports and Physical Recreation: A Statistical Overview, Australia, 2008, released 03/10/2008.

Although the racing carnival and ‘the race that stops the nation’ serve to boost the profile of equine culture, it presents just one facet of this large and growing multi-billion dollar industry, with the number of horses in Australia is now estimated to be 1.2 million.

This time last year however, the horse industry was suffering from the outbreak, and subsequent efforts to eradicate Equine Influenza (EI). On 30 June this year the Rudd Government declared Australia officially free from EI – making it one of the few countries in the world to eradicate the disease.

EBM Insurance Brokers Managing Director Jeff Adams said EI still serves as a reminder of the value of maintaining appropriate insurance for horses, ponies and related assets.

“EBM recognises that horses are extremely valuable assets to our clients and their businesses,” Mr Adams said. “It was important that EquineCover was developed by people who understand the unique risks associated with horses and the value of the equipment associated with them.”

EquineCover provides extensive cover over the life of a horse, including the event of death by accident, sickness or disease and humane destruction by a veterinarian.

The policy also provides cover for theft and Australia-wide transit and includes options to cover saddlery, harnesses, horse drawn carriages, and other accessories. It also covers personal liability for the owners of horses anywhere in Australia up to \$10 million.

For more information about EquineCover call 02 8224 3999 or visit www.equinecover.com.au

Property Investors take stock of insurance needs

With many body corporates and owner corporations around the country holding their Annual General Meetings (AGM) at the moment, it is a good time for property investors to make sure they are informed about the insurance status of their investment property.

AGMs offer the chance for investors to ask a range of questions relating to the management of their investment property, and the operation of the management company itself.

Questions about insurance policies covering investment properties are particularly important, so investors can ensure they understand the cover that is in place and whether it provides the level of cover they desire for their individual property.



With regards to insurance, there are minimum requirements for owner corporations set out in state government legislation such as the *Owners Corporations Act 2006* in Victoria and the *Strata Titles Act 1985* in Western Australia.

Typically the minimum requirements cover reinstatement and replacement insurance of buildings on common property, and public liability insurance for the common property.

However, EBM Insurance Brokers General Manager Sharon Fox-Slater points out that an owner corporation taking out insurance doesn’t preclude the need for individual owners to look at insuring their own property as well.

“Whilst the building may be insured, the property owner is still responsible for insuring internal fixtures and fittings and any general contents in the property,” Ms Fox-Slater said.

EBM offers landlords tailored protection with products like RentCover*Ultra* which provide comprehensive cover for fixtures and fittings as well as contents.

Just some of RentCover*Ultra* features include cover against malicious damage or theft by tenants, accidental damage to both building and contents including unauthorised home alterations, and cover against unpaid rent in many situations such as breaking of leases and default (up to 52 weeks depending on circumstances).

“It’s an important time of review and investors should take steps to insure their assets individually for their own piece of mind,” Ms Fox-Slater said.

Meet a member of the RentCover team...

This month we meet Melbourne-based Vanessa Sutton, who has been with EBM Insurance Brokers as an Assistant Account Manager for almost a year.

As well as handling the processing required for client’s accounts, Vanessa is responsible for assisting clients with their queries and building and maintaining relationships with both clients and agents.



Here are a few other things you might not know about Vanessa:

1. **What do you like most about your position at EBM?** I like the variety in my role. I’m always learning something new and dealing with different situations and clients. It’s important to me to know that when I finish dealing with a client, they are happy and I’ve answered all of their queries sufficiently.
2. **What do you find most challenging in your role?** The most challenging part of my role would be learning and applying processing tasks that are not required to be done on a regular basis.
3. **When not at work I...** really love spending time with my three year-old son, entertaining, helping my partner with renovations, having dinner with the girls or barbecues and I always enjoy a cocktail or two.
4. **If I had a three week holiday planned, I would...** take a cruise around the Greek Islands and travel through as much of Europe as time allowed.
5. **I like to splurge on...** I think the main thing I find myself splurging on is my son, shoes and clothes.
6. **One piece of advice that stays with you?** Always treat others how you would like to be treated.



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