

LandlordPlan
Plan



Best Practice Responsibilities



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Introduction

The purpose of this notice is to outline some of our requirements with regard to information and documentation needed to support claims that are made under the LandlordPlan policy.

Important Note: this notice includes some excerpts from the LandlordPlan Policy Document. However, this is only a summary of some parts. You should make sure you read the policy in full.

What is required of you as a Landlord?

For claims to be considered under the LandlordPlan policy you are required to provide all supporting information and documentation that we ask for. Please refer to Claims Condition 1c, on page 12 of the policy.

You may, for example, be asked to provide written evidence to establish to our satisfaction that you have followed good business practice in the administration of the tenancy. Please refer to Policy Conditions 5-9, on page 10 of the policy relating to:

- Selection of tenant(s)
- Rent in advance
- Payment of Bond
- Inspection of property
- Rent in arrears

Some examples of the sort of things we will expect to see, if you do make a claim, are as follows:

Example 1 – Selection of Tenant(s)

Condition 5 states:

“You must exercise all due care in the selection of any tenant(s) and must obtain satisfactory references prior to the commencement of the Tenancy Agreement.”

We will be asking for the details of the references obtained and you will need to show us that you followed good practice and exercised responsibility in the selection of your tenants.

If you say “They seemed OK to me, so I didn’t bother with references” it is likely your claim will not be accepted.

Example 2 – Rent in advance

Condition 6 states:

“You must collect the amount equal to at least two weeks rent in advance.”

We will need to see evidence, such as a receipt for the initial rent payment, bank statements, and/or a rent book, to establish that you collected two weeks rent in advance at the outset and continued to do so.

If you say that you did not collect any rent in advance or you do not have satisfactory proof that you collected rent in advance, then it is likely your claim will not be accepted.

Example 3 – Payment of bond

Condition 7 states:

“You must collect the amount equal to at least two weeks rent in the form of a Bond which must be registered with Tenancy Services.”

We may ask to see a copy of the receipt and documentation from Tenancy Services to support your claim.

If you have not collected a bond, or if you have but have not lodged it with Tenancy Services then it is likely your claim will not be accepted.

Example 4 – Inspection of property

Condition 8 states:

“At 6 month intervals, or sooner if there is a change of tenant(s), you must complete an internal and external inspection of the property.”

We will therefore be asking you to provide us with evidence of property inspections made in the period before any malicious damage or theft of property was discovered.

If you did not make a formal inspection and say, “I just did a drive-by and it seemed OK”, then it is likely your claim will not be accepted.

Example 5 – Rent in arrears

Condition 9 states:

“You must monitor rent on a daily basis with written notification being sent to the tenant(s) when the rent is 10 days in arrears. If rent is not received then a second letter must be personally

delivered to the tenant(s), at which point in time it must be ascertained whether or not the tenant(s) is/are currently residing in the residence.”

We will expect you to produce copies of all correspondence and evidence of the date(s) sent when you make a claim in relation to events 4 or 5.

When asked for supporting documentation, if you say, “I rang and left a message” or “I don’t have copies”, then it is likely your claim will not be accepted.

Your other responsibilities

This notice has outlined just five policy conditions and what we require of you. The policy contains other conditions and requirements. The onus is on you to satisfy us that all policy conditions have been met.

Property managers

Where you have employed a property manager to act on your behalf in dealing with the tenant(s), you need to ensure that your property manager has business practices that will enable you to provide all required information and documentary evidence in support of any claim.

If the property manager cannot provide you with the evidence required to establish that all the terms of your policy have been complied with, then your claim will not be met.

Conclusion

As outlined, you are responsible for following good business practice and for providing all information and documentation we reasonably require in support of any claim. If you fail to provide this information and documentation then it is likely your claim will not be accepted. Therefore, it is very important you regularly review your practice(s) to ensure that you meet all policy conditions and ensure you will be able to provide information and documentation we require in the event that you make a claim.