

**LANDLORD GUIDE**  
Best Practice  
Responsibilities  
Guide for Landlords



# Protection

A proactive approach can better protect what matters most.



# Landlord Responsibilities Guide

Needing to make a claim for damage to your home, for whatever reason, can be stressful. Vero understands this which is why we've put together an overview of what you need to do when it comes to making a claim under our landlord cover.

**First things first. Unfortunately things can go wrong with a tenanted property. Vero is here to help when you need to make a claim. You can count on us 24 hours a day, seven days a week or talk to your Broker who can work through your claim with you.**

## Claim Time

When it comes time to make a claim, you'll need to have supporting information and documentation to allow us to assess and process your claim as quickly as possible.

The type of information and documentation we will require is outlined more fully in the policy wording but it's important you've followed good business practice in the administration of your tenancy. There are also specific obligations in your insurance policy that relate to tenanted properties which you will need to comply with for your claim to be accepted.

Here are some examples of what we mean:

## Selecting your tenant

You or your property manager must take reasonable care in the selection of your tenants. This includes taking steps such as carrying out reference checks for each adult tenant before they move in. You will need to keep records of the checks and references you carried out to show you've followed good practice and exercised responsibility in selecting your tenant.

If you say, "They seemed OK to me, so I didn't bother with references" then it's likely your claim will not be accepted.

## Rent in advance

It's good practice for you to collect rent in advance at the outset – and throughout any tenancy. Although it's not a condition of your policy, it is in your best interest to do so.

The general practice is to collect two weeks rent in advance when the agreement is for the tenant to pay rent every two weeks or one week in advance if your tenancy agreement allows for weekly rental payments instead.

## Payment of bond

As a landlord, it's in your best interest to collect a bond from your tenants before they move in. If you collect a bond you will need to register it with the Tenancy Services. A bond will come in handy if you need to cover unpaid rent or any damage that your tenant may cause to your property.

The Tenancy Services website provides assistance in understanding your legal requirements relating to lodgement of the bond.

## Inspection of property

We require you (or your property manager if you have one) to carry out a complete internal and external inspection of the property at least every six months, or whenever there is a change of tenant. If you didn't undertake a formal inspection and tell us, "I just did a drive-by and it seemed OK", then it is likely your claim will not be accepted.

You will also need to keep photos and other evidence of the property inspections and give this to us before any claim under the policy will be accepted.

Regular property inspections are important as they provide an opportunity for you to identify as early as possible any damage a tenant may have caused to your property (thereby reducing the extent of damage). It's also good for you and your tenant to be in regular contact with each other to best address any concerns or issues you may have during the tenancy agreement period.

## Rent in arrears

Under your policy you (or your property manager if you have one) must actively monitor the rent payments from your tenants. If the rent is 10 days in arrears, you must provide a written notice requiring the tenant to pay the rent immediately. If you still don't receive the unpaid rent within another five days, you or your agent will need to personally deliver a second notice to the tenants requiring them to bring the arrears up to date. You will also need to find out at this time whether the tenants are still living at the home.

If you have loss of rent cover with us, and your rent is in arrears, we'll require copies of all correspondence sent

(including the date(s)) – and details of the steps you've taken to remedy the arrears if you wish to make a claim.

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.

The Tenancy Services website provides assistance in understanding the process that you need to follow when rent is overdue.

## Property managers or managing agents

If you've employed a property manager to act on your behalf in dealing with your tenant(s) you need to ensure that he or she adopts sound business practices including retaining information and documentary evidence in support of any claim you may wish to make.

If your property manager can't 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.

You are unable to delegate your responsibilities under the policy to a property manager. You need to ensure that all the conditions under your policy are being complied with and that the property is being properly cared for by your tenants and property manager. Remember though, you remain responsible even if you have an agent which is why we recommend giving your property manager a copy of the policy wording so they know what the conditions are that you need to comply with.

## Extra information

Malicious damage to your property, or tenants who pack up and leave in the middle of the night without paying rent owed to you, can be stressful personally and financially. It's important you understand your rights and responsibilities, and those of your tenants, under the Residential Tenancies Act 1986.

If you make a claim on your policy you will need to try to minimise the cost of your claim by taking steps to find alternative tenants as soon as you can. You should also make sure you retain as much of the bond as you are legally able to so that you can reduce your loss and so you don't waive any right of recovery against the tenant.

The Tenancy Services website has up to date information for landlords including advice around collecting rent, breaches by tenants, dealing with property managers and property inspections as well as your legal requirements.

You can find out more at [tenancy.govt.nz](http://tenancy.govt.nz)

If you have questions regarding your insurance, please contact your Broker or Vero on 0800 808 508, or email us at [contact@vero.co.nz](mailto:contact@vero.co.nz)

We're here to help you protect your asset.

*This notice is only a summary of some parts of the landlord cover that we provide. Please read the policy wording in full for details of cover and the express obligations, terms and conditions that apply to the cover. This information does not take into account any individual's personal circumstances and is not intended to be financial advice.*



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