

Special Edition

5<sup>th</sup> April 2013

Dear Owners and Investors,

This is a quick email today, on a really important subject - INSURANCE! For those of you with unit in strata buildings, the body corporate does cover the building and common areas. They also cover the public liability - but this essentially stops at the front door.

Personally, Ramon and I in the 13 years (yes, it has crept up from 12 years oh so quickly) have claimed twice for contents damage - both due to hot water tanks bursting and damaging the kitchen and flooring. Malicious damage, rent default - well none of us have claimed this since we have been doing this - think it is because the meek mild St George's Terrace secretary is a distant memory. In her place is a really scary property manager. Over all our tenants, in all these years we have had to go to court ONCE to get a Warrant of Possession, I think that is pretty good going.

In the past few years the premium to have Landlords Cover has sky rocketed, and I am sure there are a few of you that have let this lapse. If it were just a case of the contents cover, the rent default, the malicious damage, accidental damage, or the loss of rent even - then we would think about not having contents insurance.

The only reason we have contents insurance for our strata units is just one simple thing - PUBLIC LIABILITY. The body corporate insurance liability cover stops at the front door. I will give you a very basic example. If a person walks through the car park and slips over and breaks their leg, they will try to sue the body corporate insurance - and we as owners are all covered by this policy.

If this same person goes into your unit, be it a tenant, invited guest or even a contractor and they slip over and break their leg inside your unit - they will try to take action against you personally. The body corporate insurance will not cover you at all. I haven't had this happen, but I don't want to take the risk so we insure.

I know that some of the policy renewals have been for \$1000 and over, which is just ridiculous. I am continually looking for options to keep the insurance down and have come across EBM Insurance Brokers. We have just received our renewal for a duplex pair at Bruce Highway. Last year it was \$2100, and this year it was going to \$3100 - there goes the cocktail money for the next cruise. One of our clients found these, and I don't know how they do it but we got a premium with QBE for just over \$1700.

If you have a rental property, be it a house, duplex or block of units I would give Kaila a call on 1800 661 662 to see what she can do. I have "saved" close to \$10,000 in insurance by changing over some of our policies but believe it or not - they are with the same insurance company we already had the policies with. Diamond Princess here we come very soon - did I mention that I love to cruise?

I have attached flyers on their Landlords policy. It is \$285 at the moment - see the email below for more details.

Now to finish off with a tenant story. We have been doing the rent reviews, and the letters have been done up for the tenants. I still have a few to go, so if I haven't been in touch I will do these in the next week for you. I may be this really scary property manager on the outside, but scratch the surface and you will come across feathers - I am such a chicken at times.

I had Maureen go around to all the complexes to hand deliver the increase letters to the tenants. I could have taken the easy option and put a stamp on the envelope and put them in the mail - but then you can bet there will be ones saying they never got the letter and disputing the increase. Instead we take the letter to the front door and either slip it under the door, or leave it on the screen for them. This way, we know it has been delivered. That is about as brave as we get though - so cue the Pink Panther music and put the imagination goggles on. You get out of the car, creep up to the front door, slip the envelope under the door and then run before they can get the envelope and call you back! I did it last time, but Maureen got that job this time. I still got the phone calls as the letters were opened up and generally the tenants were understanding.

We had some Indian Taxi drivers living at a unit at Palm Trees. They left some time ago and another Indian tenant - who doesn't drive a taxi moved in. I received a call from a Policeman and as soon as they say I am from Cairns Police Station - I start to wonder who has done what. This Policeman was chasing one of the old Indian Taxi drivers, but was told by the new Indian that they had moved out some time ago. The Policeman was wondering if I had any idea on where they had moved to or if I had any other contact number. I love to help our boys in blue, so I said I would call him back in five minutes I just had to make a call.

We have another group of Indian Taxi drivers at another complex and they all know each other. I called and I told well, a little white lie. I said that I had some mail for the other tenant, and did he know where he was. Indian Taxi Driver Number one had gone back to India, but was coming back to Cairns next week and was going to be staying at his unit - another Indian in the unit won't make any difference. Indian Taxi driver Number Two said that I could drop off the mail for Indian Taxi Driver Number One and he would pass it on.

I then called back the Policeman and told him to go to that unit next week and he should have his man!! Ten minutes later Indian Taxi Driver Number Two rings again asking what mail there was - well actually there wasn't any so I had to switch back to white lie mode and say it was just junk mail from a place selling lottery tickets so I threw it in the bin! The Big Man in the Sky won't mind a white lie for the right reason.

I will write more next week as the market for rents are getting oh so much better. I just rented a bedsit for \$170 per week - never have we done this before and I am super happy.

Hope you are all happy and well in your world.

Linda

‘The current standard RentCover Ultra premium in QLD is \$285’, **‘This is the current premium but subject to change in accordance to the underwriters instructions’.**

If the rent is under \$1,000 per week and the owner does not require cover for Malicious Damage to lose items (furniture) then the standard premium would apply

Please find attached the information brochures for our RentCover policies, as well as a copy of the Product Disclosure Statement and Financial Services Guide.

There is 2 different types of flyers for the RentCover policy, so you can decide whether you want to send both or just one, whichever you prefer.

I have also included some information on our TenantCover Policies – I forgot to ask you whether you would be interested in these policies also for your tenants, to cover their contents up to \$25,000. The information is there, if you use it – Great, if not - no problems!

I can also arrange for hard copies of the flyers to be sent out to your office, should you wish to have some on hand for new clients or mail outs. Be sure to let me know if you would like some.

If you have any further queries, please don’t hesitate to contact me