



COVID-19 FAQs for Landlords

As the rapid spread of Novel Coronavirus (COVID-19) continues to cause significant disruptions globally, we at Aon recognise our critical role in managing the impact on our customers.

The implications for landlords and tenants continue to rapidly evolve, therefore we have provided answers to the following most frequently asked questions in relation to your coverage. Please note given the fluidness of the situation, these responses may change, and we will keep you regularly updated. We hope this assists in these uncertain times.

Q. What occurs if following unemployment due to COVID-19, tenant wants to break their lease due to financial hardship?

A. Coverage may be available under the rent default section based on hardship, but the normal rules of termination will apply subject to the policy terms and conditions and coverage limits.

Q. Can rent default be claimed if the tenant is unable to pay rent due to COVID-19?

A. Yes, this is claimable under the rent default section of the policy. Please refer to the Landlord Insurance PDS.

Q. Can a shortfall be claimed if you and your tenant mutually agree to a reduction in the weekly rental payments?

A. No, the difference in weekly rent is not claimable as this is a mutual agreement between you and your tenant.

Q. Can rent default be claimed if you and your tenant mutually agree upon a suspension of their rental payments?

A. No, as this is a mutual agreement between you and your tenant.

Q. Are there any restrictions in place should a landlord wish to take out a new Landlord Insurance policy that might cover a COVID-19 related event?

A. From **5pm AEST, Friday, 3 April 2020**, CGU will not be able to offer 'Rent default and theft by a tenant' cover on new policies. The cover will remain on all existing policies.

CGU is committed to helping customers through this difficult period, so we will continue to offer cover for Contents, Loss of Rent and Liability on new Landlord Insurance policies.

Insurance is intended to protect customers from unforeseen events. During this difficult economic period, it is likely that some tenants will struggle to meet their rental payments and that cover for 'Rent default and theft by a tenant' is not unforeseeable and therefore it is not appropriate to offer this cover on new Landlord Insurance policies.

This will continue until further advised.

Q. If a tenant were to die inside a leased property from COVID-19, will Landlord Insurance cover a forensic clean and property fumigation?

A. No, however clean-up costs up to the bond amount are permitted as per your lease agreement for reletting expenses.

Q. In the case of a death of a tenant due to COVID-19, how long will rent default cover apply for if the property remains vacant?

A. Landlord Insurance is available to cover the loss of rental income due to the death of a tenant provided that tenant was the only person named on the lease. The policy will pay up to 15 weeks rent with a six-week reletting period. Please note that a \$12,000 maximum limit applies.

Q. It may be the case that COVID-19 may cause a decline in the demand for rental properties. If the tenant's lease is about to come to an end and I am unable to secure another tenant due to lack of demand in the rental market, will losses be covered?

A. No, the policy does not respond to rental market fluctuations.

Q. If the tenant advises the agent/landlord of a trip overseas and then abandons the property following country lockouts and falls into rental payment arrears, how will insurance respond if it is deemed a claimable event?

A. This is claimable under the rent default section of the policy. Please refer to the Landlord Insurance PDS.

Q. What is the claims process should I need to make a claim?

A. We have a 24-hour claims hotline. Please call 1800 105 900 to lodge your claim over the phone.

In these uncertain times you may have questions that have not been addressed above. Aon and CGU are here to support you, so if you require any further assistance regarding your policy, please don't hesitate to contact the details below.

> Contact us today!

1800 105 900

aon.com.au/realestate

Landlord Insurance is arranged by Aon Risk Services Australia Limited ABN 17 000 434 720 AFSL 241141 as agent for the insurer, Insurance Australia Limited ABN 11 000 016 722 AFSL 227681 trading as CGU Insurance. If you purchase this insurance, we will receive a commission that is a percentage of the premium. Further information can be found in our FSG which can be provided upon request.

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In arranging this policy Aon has a binder agreement with Insurance Australia Limited (ABN 11 000 016 722 AFSL 227681) trading as CGU Insurance under which we are authorised to commit Insurance Australia Limited to providing cover without reference to them. When acting under a binder we will be acting under an authority given to Aon by the insurer and will be effecting the insurance contract as agent of the insurer and not as your agent. Any information provided about this policy is general in nature and does not take into account your particular objectives, financial situation and needs. Before making a decision, you should carefully consider all information provided to you. Our binder arrangements with the insurer are such that we remain your agent in the handling of any claim.

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Landlord's Insurance

Rental properties can bring several unique risks and challenges when you're a landlord. Whether it's your own property or you're managing it on behalf of the property's owner, you need to be appropriately protected against anything that might go wrong.

What does Landlord Insurance cover?

Landlord Insurance can cover your property for damage as well as any loss of income you might sustain while the property is out of action.

Cover benefits through Aon

The Landlord Insurance arranged through Aon includes: ¹

- Rent default
- Loss of rent
- Damage or theft of contents by tenants
- Damage by pets to building and contents
- Liability cover
- Flood
- Clean up costs associated with illegal drug production

Why Aon?

Industry expertise

We have over 40 years of experience in Australia's real estate industry and are endorsed by the Real Estate Institute of Australia, Real Estate Institute of Queensland and Real Estate Institute of Western Australia.

Our claims handling process

We have a 24/7 claims hotline. As your insurance broker, we will assist you through the claims process and help you to make a claim.

How much does it cost per year?²

ACT	\$332.66	SA	\$290.26
NSW	\$359.43	TAS	\$288.61
NT	\$331.03	VIC	\$298.01
QLD	\$315.62	WA	\$285.03

Need insurance for your building too?

If you need building insurance as well, please give our friendly team a call on 1800 105 900.

Frequently asked questions

Does the rent have to be up-to-date at the inception of the policy for me to have rent default cover?

Yes, there must be no rental arrears for the four weeks prior to inception of the new policy.

Do I need a tribunal order to make a claim?

No.

[Apply now](#)

aon.com.au/landlord
1800 105 900

More about the cover¹

Rent default up to \$12,000 per claim \$100 excess	Can cover you for your tenant leaving without notice, failing to pay the rent or refusing to leave when served with eviction notices.
Loss of rent up to 52 weeks or up to \$50,000	Can cover situations where the building can't be lived in after damage or loss. This could be a pipe in the washing machine bursting and flooding the apartment, a house fire or a tree collapsing on your house, forcing the tenants to move out for repairs.
Damage by tenants up to \$50,000 \$100 excess per event	Can provide cover to assist you repairing malicious damage caused by tenants such as holes punched in walls or doors pulled off hinges. Accidental damage is covered for loss caused by tenants to carpets, curtains and internal blinds.
Theft by tenants up to \$50,000	Can cover theft by your tenants or their visitors.
Contents up to \$50,000 \$100 excess per event	Can provide cover for your Contents such as carpets, curtains, light fittings and other furnishings for fire, theft, burglary, storm and water damage in addition to deliberate, accidental and malicious damage.
Damage by pets up to \$2,500 per claim	Can provide cover for your building and contents for accidental damage or loss caused by a tenant's or visitor's pet/s.
Liability up to \$20M per event	Can cover claims made against you for injury suffered on your property. Liability can include costs awarded against you and legal costs you may have to pay.
Flood cover	Flood cover can provide protection in the event where normally dry land is covered by water that has escaped or been released from the normal confines of any lake, river, creek or other natural water course or any reservoir, canal or dam.
Illegal drug production up to \$20,000 per event	Can cover clean-up costs if buildings or contents suffer chemical contamination as a result of the manufacturing, storage or distribution of any controlled drug.
Legal costs	Can provide cover up to \$1,000 per claim, relating to rent default and theft by a tenant.

More about the policy benefits¹

Rent default due to departure of a tenant without notice.	Up to 6 weeks
Rent default where notices have been issued.	Up to 15 weeks including re-letting period
Rent default following court eviction.	Up to 26 weeks including re-letting period

¹Subject to full policy terms, conditions and exclusions.

²Pricing correct as of 10/09/2019. Pricing is subject to change at any time.

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