



Is your rental property income sufficiently protected?

Owners of rental strata properties need to ensure they take out insurance to cover landlord's fixtures and fittings, rent default and public liability for inside their lots / units.

Strata Insurance provides cover for a range of circumstances specifically related to living in a strata community, including:

- Public Liability – covers legal liability of Owners Corporations Contents – covers common contents such as appliances, equipment, furniture, fittings and works of art in any common area for which the Owners Corporation is responsible.
- Fidelity Guarantee (optional extension) – protection for the Owners Corporation against fraudulent embezzlement or fraudulent misappropriation of the Owners Corporation's funds and tangible assets.
- Office Bearers (optional extension) – protects members of the Owners Corporation committee where liability has arisen from an alleged or wrongful act, omission or breach of duty.

Lia de Sousa, General Manager, Strata at Whitbread, says, "Many people are not aware that Strata Insurance does not cover owner's fixtures and fittings such as carpets, blinds, light fittings and public liability inside their lots/units."

Owners Corporation managers warn that if owners do not take out appropriate insurance covers such as Landlords and Contents Insurance, then as a property owner, they could expose themselves to a significant loss or a public liability claim.

For example, if a visitor slipped inside your lot/unit and was hurt, the injured party might decide to sue the Owners Corporation to cover their medical expenses. In this instance, the Owners Corporation could say they are not responsible as the incident took place on private property. The owner of the lot/unit – the landlord – may be held liable.

In another scenario, a pipe bursts in a property and damages the carpets and walls. The strata policy will cover the damage to the walls however the carpet being classified as a content item is the responsibility of the property owner.

The owner would need to make a claim under their Landlords Insurance. Landlords Insurance should offer protection in these circumstances, as long as the cover has been extended appropriately.

Please call us on 1300 424 627 if you would like to find out more about how you can protect yourself with Landlord Insurance.

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