

# A TALE OF TWO INSURANCE POLICIES: LANDLORDS' VS. BUILDING INSURANCE

With so many personal insurance products available, it's no surprise that many landlords get confused about the type of insurance they need to protect their investment property. To assist you in understanding the difference between an insurance policy designed specifically for landlords and a general building policy, consider this landlord's experience.

**Need more information?**  
Call your agency's Aon representative

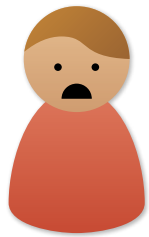
People always say that you can't go wrong with investing in property. So in 2002, Jason bought his first investment property and engaged a property manager. Soon enough a young professional couple moved and Jason was enjoying the financial rewards of his investment.

Late last year, the tenants began missing rent and despite the property manager issuing notices and chasing payments, the tenants weren't coming good. It turned out that one of the tenants has moved out and the remaining tenant is struggling financially and emotionally.

When the property manager went to the premises further to the notices, he discovers that the tenant has taken off leaving the apartment damaged and owing six weeks of rent.

It is now up to Jason to recover his losses.

## If he had a building policy...



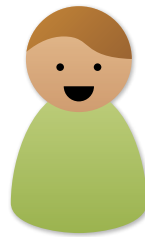
A standard building policy will not usually cover:

- Rent default when the tenant leaves without notice
- Loss of rent when the property can't be rented out
- Damage caused by the tenant or their visitors.

Jason learns this when he submits his claim.

Unfortunately, the bond is not enough to cover the six weeks of missed rent, the cost of fixing up the apartment for re-letting and the lost rent between tenants.

## If he had a landlords' insurance policy...



A landlords' insurance policy covers events not usually recoverable under standard building and/or contents policies, including malicious damage, loss of rent and rent default.

In the above scenario, Jason's claim is accepted by his insurer.