

INSURANCE

INSIGHTS

001 | DECEMBER 2024



emerre &
hathaway
insurance brokers

RENTAL PROPERTY DO'S AND DON'T'S



Investing in rental property can be advantageous, but it may also come with unexpected pitfalls. To ensure you are covered in the event of a claim, it is important for you or your Property Manager to follow these simple steps.

- Have a tenancy agreement in place and make sure you obtain great written references for every adult tenant.
- Inspect the insured property, internally and externally, every 3 months and upon every change of tenants. Keep records of these checks.
- If you use a Property Manager, it is recommended that you give them a copy of your policy wording so they know the conditions they must comply with.
- If the insured property becomes vacant, please remember to notify us with 90 days of vacancy.
- Understand both yours and your tenants' rights and responsibilities, under the Residential Tenancies Act 1986.

So, what does landlords extension* cover?



Cover for accidental damage and loss of rent

If your rental property is accidentally damaged and your tenants can't live there, your policy can pay to repair the damage and cover the rent you may lose during the repairs.



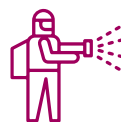
Contents cover for landlords

If you provide items for your tenants to use while they live there, such as dishwashers and other whiteware or furniture, cover for your landlord's furnishings is included.



Loss of rent

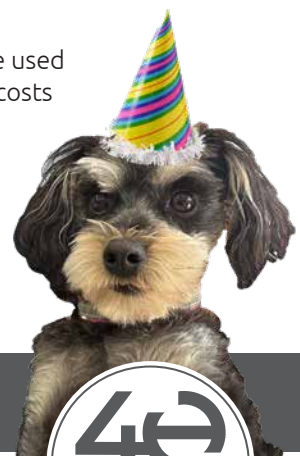
We can arrange additional cover to protect any rent you may lose if your tenants leave without giving the required notice or need to be evicted for non-payment of rent.



Methamphetamine decontamination

Landlords extension can be used to cover decontamination costs caused by the storage, contamination and the resulting clean-up cost, so your rental can be occupied again.

** T&C's apply, please carefully check your policy wording.*



Meet Billie, our lively office mascot! Always up for treats and belly rubs. Billie is a regular fixture in the office, brightening everyone's day

It's a well-known fact that insurance premiums have gone up

Over the past 2 years, New Zealand, and Gisborne in particular, has been hit with severe and frequent weather bombs. In addition, rising inflation has pushed building and construction costs through the roof.

With the everyday cost of living putting the squeeze on Kiwi pockets, it's no surprise that many shop around for a better deal at renewal time.

While a cheaper premium might catch your eye, it's a classic case of situational irony—where saving a few bucks upfront can lead to pricey surprises when it comes time to make a claim. That bargain premium might just leave you out in the cold when you need coverage the most!

With over 40 years of claims handling experience, Emerre & Hathaway have been fine-tuning our expertise so that when life throws a curveball, we're here to help you knock it out of the park. Our friendly, local claims team gives you the confidence that, come what may, we've got your back.

We advocate for our clients, not the insurance companies, so you can trust that you're getting specialised, unbiased support every step of the way.

Emerre and Hathaway are proud to back our community and our clients.



EMERRE & HATHAWAY CLAIMS TEAM

Personal property insurance policies

The 2023 Auckland storm and Cyclone Gabrielle continue to influence the market for home and contents insurance policies in New Zealand. These weather events rank as the second and third largest insurance events in the nation's history. The latest statistics, published on 1 March 2024 by the Insurance Council of New Zealand, are:

- Auckland storm: 59,067 (57,205 in September 2023) claims totalling \$1.958 billion (\$1.84b in September 2023)
- Cyclone Gabrielle: 58,347 (55,607 in September 2023) claims totalling \$1.790 billion (\$1.66b in September 2023)

The attention of insurers is now moving beyond changes to their reinsurance arrangements and pricing. Insurers are using comprehensive land data to identify individual properties that are exposed to natural disaster events. This means, for example, a house at the flood prone end of the street could be difficult to insure and attract a much higher premium than a similar house at the elevated end of the street.

The frequency and costliness of natural disaster events in New Zealand have been on the rise. To put the scale of the

Auckland storm and Cyclone Gabrielle into perspective, the average large storm or flood event typically costs insurers less than a tenth of the costs associated with each of the February 2023 events.

The magnitude of these events, occurring within weeks of each other, has drawn the attention of global reinsurers. Consequently, premiums across the country have increased to offset the paid claims and higher reinsurance costs.

For instance, as mentioned earlier in this commentary, one insurer's 2024 reinsurance premium exceeds \$2 billion annually.

New Zealand isn't the only country facing such challenges. Other countries are experiencing catastrophic weather and fire events, resulting in premium trends that are similar to what we are experiencing.

Emerre & Hathaway are here to help.

For expert insurance advice call us free on 0800 428 429

MEET THE DIRECTORS



Darryn Emerre

021 214 1900

✉ darryn@ehinsurance.co.nz



Andrew Willock

027 227 6174

✉ andrew@ehinsurance.co.nz



Stuart Harbottle

021 076 6192

✉ stuart@ehinsurance.co.nz



Glen Hannah

027 819 9022

✉ glen@ehinsurance.co.nz