


# Impact of COVID-19 on Landlord Insurance

 Update: 28th March 2020

Australia and the world are experiencing unprecedented events as Covid-19 reshapes our society and economy. Many of us are going through tough times and we understand there is uncertainty regarding what lies ahead.

SGUA would like to assist by clarifying the following frequently asked questions. We will update these FAQs as and when the situation develops.

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## Will SGUA cover me for a tenant failing to pay rent due to the COVID-19 pandemic?

Yes, if you have a policy in place with tenancy default covers, we will treat this as a tenant default claim. Every claim will be assessed by our team who will provide you with the feedback on the status and progress of your claim. All claims are subject to the policy terms, conditions, limits and exclusions.

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## What happens if I change the conditions of the lease agreement?

If the rent-payable amount is reduced, should the tenant default on payment, the policy would respond based on the latest rental, in this case the reduced rental amount. The difference between the original rent and the newly agreed reduced rent is not covered as this is an agreement made between the client and the tenant and is not a default. If the owner agrees with the tenant to stop collecting rental payments, SGUA would not cover this as rental default as it is an agreement made between the client and the tenant.

In either case, the changed economic climate does not change the terms and conditions of the policy and current Residential Tenancies Act requirements regarding mitigating losses resulting from tenants defaulting.

The expectation is for landlords to continue following the procedures on sending relevant timely notices to a defaulting tenant. We are aware that states are taking measures to prevent tenant evictions. We are monitoring this and will provide an update as we become aware of any changes.

## Would suspension of routine property inspections affect my policy?

No, this would not affect your policy. We want to ensure the safety of everyone and if the situation deems unfit for yourself/your property manager to enter a premise this will not be necessary. SGUA encourages owners and real estate agents to find alternative methods for conducting inspections remotely, such as through a pre-recorded, guided walk through or a real-time video call.

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## Will the claims process change during the pandemic?

No, our claims process remains exactly the same. Our dedicated claims team is well equipped to handle all enquiries and process all claims sent through. You may lodge claims on our claims portal here: [www.sgua.com.au/submit-a-claim](http://www.sgua.com.au/submit-a-claim)

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## What happens if my tenant loses their job due to the Coronavirus?

If your tenant loses their job you need to monitor their rental payments, if they stop paying rent you need to follow the terms and conditions of our policy and the Residential Tenancies Act. We understand these are unprecedented times, however we are bound by the current tenancy laws. We are aware that states are taking measures to prevent tenant evictions, we will continue to monitor as this unfolds and provide updates as it progresses.

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## What happens if there are delays in Tribunal/ Court hearings?

We will still cover you during this period of delay subject to the policy limits applicable.



**We understand these are trying times for our community. SGUA are here to support our partners and clients, please reach out to us should you need to on 1800 355 559 or email us at [admin@sgua.com.au](mailto:admin@sgua.com.au).**