

Tenants vs. landlords - who covers what?

It is important that tenants and landlords understand the insurance implications involved in their lease agreement, and who is responsible for what.

Generally, tenants are liable for their contents insurance, while landlords are liable for the insurance of the property.

What this means is that should the geyser burst, for example, and damage a fixed carpet and some of a tenant's belongings, the landlord is only liable to replace the geyser and the carpet, but is not required to compensate the tenant for contents damage, says Bertus Visser of PSG Insure.

A landlord has no insurable interest here as it isn't known what the value of a tenant's contents is; how many laptops, etc. are on the property, nor is it a landlord's responsibility to know. Visser says a tenant's belongings are his or her own concern.

From start to finish, a tenant must insure contents against theft or natural disaster or geyser bursts, etc. Tenants need to advise their insurer of the new address as soon as it changes, to ensure adequate cover of contents housed at the right property. Making sure the value of all the contents is at a realistic replacement value is also the tenant's responsibility.

"Also remember not to insure only selective items, as this will result in you being viewed as underinsured at claims stage, resulting in your claim potentially only being partially settled," he says.

It is very important for tenants to notify landlords if they foresee any issues on the property, such as a faulty window. Should a break in occur, anything stolen won't be covered by the landlord. Identifying faults beforehand can not only prevent burglaries or problems on site, but also protects a tenant's deposit from being deducted for repairs once the lease expires.

If a tenant injures themselves on the property because of falling down the stairs, for example, the landlord will only be liable if the stairs were not properly maintained.

If a landlord lives on the same property (perhaps it is a shared house, or tenants occupy a granny flat), the same conditions apply. "A landlord is only liable for the structural insurance on the property and not the contents belonging to the tenant on site," Visser concludes.

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