

Protecting your belongings as a tenant - Contents Insurance



Should I get contents insurance?

While the lessor may have insurance to cover the building itself, in the event of a natural disaster, their insurance cover will not extend to your personal belongings such as your electronics, furniture, clothing and jewellery, and any white goods like fridges or washing machines.

Contents insurance allows you to recover some or all of the costs of replacing any items that are damaged or destroyed in the event of a natural disaster like a flood, fire or storm; and therefore, reducing your out of pocket costs in the event of a natural disaster.

However, it is important to note that just like with other types of insurance, there are often exclusions and conditions that you must read through and understand before purchasing contents insurance.

Understanding your risk

A good way of deciding what kind of events you need to be covered for is understanding your risk while residing at the rental premises.

While not all disasters can happen to everyone, depending on your location, you may be more likely to experience certain natural disasters.

If you live near a water source, it may be important to insure your belongings for water related disasters such as floods and tsunamis. Whereas, if you live in an area prone to low rainfall or droughts, it may be necessary to insure your belongings for fire.

The following are some useful tools that are helpful in understanding your risk:

- [Find your local council](#) – look up your local council for information about weather warnings, preparedness, and where to go in the event of a disaster;
- [Check your flood risk](#) – consider whether the rental premises were affected by any historical floods, or whether the premises are located within a flood zone;
- [Check your bushfire risk](#) – look up the potential for bushfires to take hold in your suburb and do damage should there be any bushfires in your area; and
- [Check the weather in your area](#) – so you are aware of any warnings that may apply to you before and during a disaster.

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Who's who?

A **lessor** is the person who gives a tenant the 'right to occupy' a residential premises. Lessors often employ real estate agents to manage premises on their behalf.

A **provider** is a person who provides rooming accommodation to residents.

Tenants Queensland (TQ) is a specialist community and legal service which has been providing services to and representing the interests of residential renters in Queensland since 1986.

QSTARS is a program providing specialist advice and support to renters, funded by the Qld Government, delivered by TQ

The **RTA** is the government authority that manages rental bonds, provides forms and information, conducts dispute resolution and investigates complaints of unlawful conduct under tenancy laws.

The Tribunal or **QCAT**, hears and makes binding decisions about residential tenancy disputes.



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How do I decide what level of cover I need?

Insurance Terms	What to think about:
Replacement value of your personal belongings (Sum Insured)	<p>Whether you would like cover that will offer you “new for old”, and has a more expensive premium</p> <p>OR</p> <p>Whether you would like cover that takes into account the depreciated value of your items, and has a cheaper premium</p> <p>The Insurance Council of Australia provides a sum insured calculator that you can use to determine the estimated cost of replacement for your items. If you would like to be more specific, you can always edit the contents and their value after the estimate has been provided. This list can also be presented to your insurer.</p>
Temporary accommodation	Whether you would be able to afford temporary accommodation if you need to vacate the premises.
Natural disaster risks	The potential disasters that may occur at the premises.
Monthly premium	<p>Whether you can keep up with the monthly premium to ensure that you do not lose access to your policy.</p> <p>Whether you would rather have a lower excess but a higher monthly premium or whether you would rather have a higher excess but a lower monthly premium</p>
Exclusions	<p>Any extra cover you may need for particular disaster events or items that are not automatically included in the contents policy e.g. accidental damage cover or flood damage cover.</p> <p>Also think about whether you need to add cover for a laptop, jewellery or phone, as these are items that are often not automatically included.</p>
Policy limits	Think about whether the policy places a monetary limit for certain items e.g. if there is a limit of \$500 for jewellery and the actual value of your jewellery is \$1500, you will need to pay \$1000 out of pocket to replace your jewellery

What additional benefits are available when a disaster occurs if I have contents insurance?

Besides getting assistance to replace your personal belongings, there are some additional benefits to having contents insurance, though they can vary between insurers:

- Removal of your damaged items from the rental premises
- Cover for any spoiled medication or food
- Money to supplement your living expenses
- Cover for your contents while you move from one home to another
- Temporary accommodation
- Storage costs for undamaged items following an insured event
- Damage to the lessor’s property

The following are some benefits that you can likely expect to pay an extra amount for:

- Injury to your pet dogs or cats
- Accommodation for your dogs or cats
- Personal valuables like phones, cameras, laptops or bicycles
- Accidental damage by spillage, dropping or knocking over your personal belongings

What if I need to store my contents at a different location?

In the event that you need to store your items at a storage facility, it’s worth contacting the insurer to check that your items will continue to be covered for the same amount, and that your items will also be covered under the policy while you are in the process of securing other rental premises.

It is also important to let the insurer know if you are ever between addresses, or if you have changed address so that they can ensure the continuation of your contents cover even after a change of circumstance.

A natural disaster is due to occur in two days. Should I purchase contents insurance before it occurs?

Most insurance policies do not cover losses for events that occur within 72 hours of purchasing the contents policy.

This means that if a disaster is likely to occur in the next 48 hours and you would like to purchase contents insurance, be mindful that your claim is likely to be refused by the insurance company if the event occurs before 72 hours have lapsed.

You may also find that the insurance company is unwilling to refund you for any amount you have paid to purchase the policy, as the 72 hour time limit is usually made available when you are purchasing a contents policy.

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When can my insurance claim be refused, and who do I speak to if I have a complaint?

The insurer should provide you with the reason for their refusal of your claim.

Your claim may be rejected by the insurer in the following circumstances:

- Intentional or accidental non-disclosure of your risks or a change in your personal circumstances
- An exclusion in the policy that you are not covered for
- A failure to pay your monthly payments, resulting in a cancelled policy
- Fraud

If you disagree with the insurer's reason for the refusal, you are encouraged to engage with the insurer's Internal Dispute Resolution (IDR) service by making a complaint to the insurer. If you are unable to find the insurer's details to make a complaint and they are a member with the Australian Financial Complaints Authority (AFCA), you can find their details using the [AFCA search tool](#).

If you and the insurer are unable to come to an agreement, you can make a complaint about the insurer to [AFCA](#), which is an External Dispute Resolution (EDR) service. AFCA is an independent and free service, and their decisions are binding on the insurer, though you are not required to accept the decision if you choose not to.

Remember that you have **two (2) years** from when you receive an outcome to your complaint from the insurer to lodge a complaint with AFCA, so it is better to apply to AFCA as soon as possible.

Help is available

Like with disasters, preparedness is key. It is better to purchase contents insurance after having carefully considered your personal circumstances and after having compared various insurers and receiving all the information you need.

If you find it all a bit confusing, it's a good idea to seek legal advice or ask the insurance provider any questions you may have and make notes that include the date and any details of what was discussed.

Tenancy Facts

Tenancy facts information for renters are available at www.qstars.org.au

Tenancy Facts include:

- Renting in Queensland
- Starting a tenancy
- Rental bonds
- Rent and other charges
- Entry and privacy
- Repairs and maintenance
- You want to leave
- Lessor ends the tenancy
- Resolving tenancy disputes
- Tenancy databases

Further help

Tenants Queensland

Tenants Queensland (TQ) is a specialist community and legal service which has been providing services to and representing the interests of residential renters in Queensland since 1986. QSTARS is managed by TQ and delivered in collaboration with partner organisations.

For administration issues contact TQ on 07 3832 9447 or visit www.tenantsqld.org.au

Queensland Statewide Tenant Advice and Referral Services (QSTARS)

QSTARS provides specialist tenancy advice, advocacy support and referral for Queensland renters.

Contact QSTARS for tenancy advice on: **1300 744 263**

Open Mon – Friday 9am – 5pm
(extended hours to 7pm on Tuesdays and Wednesdays)

Visit www.qstars.org.au for more information and to access tenancy fact sheets and videos.

Residential Tenancies Authority (RTA)

The RTA is the government authority. RTA tenancy forms are available online at www.rta.qld.gov.au or call 1300 366 311

The Queensland Civil and Administrative Tribunal (QCAT or the Tribunal)

To find your local Tribunal (except for Brisbane QCAT sits in the local Magistrates Court) or get QCAT forms visit www.qcat.qld.gov.au or call QCAT on 1300 753 228

Translating and Interpreting Service (TIS)

If you need an interpreter let us know when you call, or call the TIS translating and interpreting service on 131 450 so they can help you contact our service.

Disclaimer: This factsheet provides information only and is not intended to provide legal advice.