

Why purchase Rent Guarantee and Legal Expenses Cover?

Many landlords enjoy successful relationships with their tenants, however for those that do not, becoming involved in a legal dispute can be a costly and frustrating prospect.

Latest figures from the NLA show that nearly three quarters of landlords have experienced rental arrears. The research shows that 28% of landlords have seen an increase in the number of tenants struggling to meet rental payments. Rental arrears is more common during a recession as redundancies occur and tenants' financial stability changes. Even those tenants who have the best references can fail to pay the rent owed, due to sickness, redundancy or a relationship breakdown. With tenant disputes taking an average of 6 months to resolve and monthly rents increasing could you afford for your tenant not to pay you rent? Many landlords have mortgages on their rented property and these payments must be met. With DAS Rent Guarantee and Legal Expenses Insurance we can ensure that you will not be left out of pocket and your property will not be put at risk.

Just look what Protection you could have with Europe's' leading Legal Expenses Insurer:-

Rent Guarantee & Legal Expenses cover up to £50,000 per policy.

- **Rent Arrears:**
We will pay any unpaid rent to the landlord should the tenant refuse or is unable to pay their rent until vacant possession of the property is regained.
- **Property Damage Cover:**
We will protect the landlords' legal rights after an event which caused physical damage to the property providing the amount in dispute is more than £1000.
- **Eviction Of Squatters;**
We will protect the landlords' legal right to evict anyone in the property who has not got the landlords permission to be there.
- **Repossession:**
We will protect the landlords' legal rights in trying to gain possession of the property that they have let. The landlord must give the correct notices telling him or her they want possession of the property. If after vacant possession your property needs damage repaired to enable you to re-let it, we will pay 50% of your rent arrears for a maximum of 3 months or until the property is re-let, which ever happens first.
- **Rent Recovery:**
We will protect the landlords' legal right to recover any rent the tenant owes the landlord for the property.
- **Legal Defences:**
We will defend the landlords' legal rights if an event arising from letting the property leads to them being prosecuted in a criminal court.
- **24 Hour Helpline**
We provide a 24 hour helpline, 7 days a week to provide you with confidential legal advice on any personal matter, also included is a Counselling Helpline, Domestic Helpline and advice on any personal Tax and Contract dispute matters
- **Storage and Hotel Costs:**
We will pay £10 per day for a maximum of 4 weeks for the storage of your personal belongings whilst we attempt to regain your property. We will pay up to £150 per night for a maximum of 30 days whilst we attempt to regain your property.

CLAIM SCENARIOS

Claim Scenarios

Damage to the Property

When our insured returned to the UK after working abroad, she found her tenant had left the property at the end of the agreed rental period but had caused considerable damage to the property. The cost of the damage was estimated at nearly £2,900. She asked us to help.

What we did:

We first appointed enquiry agents to find the tenant, who had not left a forwarding address. We then presented the insured claim which was denied by the former tenant. We instructed solicitors, but before the matter came to court, the former tenant made a satisfactory offer to settle the claim. Our client accepted the offer. We paid over £700 in legal costs.

Claim Scenarios

Getting Possession and Recovering Rent Owed

Our insured told us that his tenant would neither pay him rent nor leave the property at the end of the rental period.

What we did:

We appointed a lawyer on behalf of our insured who took action to recover the unpaid rent and remove the tenant from the property. The case went to court where the tenant offered to pay the overdue rent in instalments. The appointed lawyer rejected this offer and the tenant agreed to pay all of the rent he owed and to leave the property at the end of the rental period. We checked that the tenant had left the property as agreed and we paid over £1,100 in legal costs.

Claim Scenarios

Rent Arrears

Our insured decided to expand his buy-to-let portfolio. Once he had acquired and developed the perfect property, he signed a 6 month tenancy Agreement with some new tenants he found.

A few months into the agreement our insured went in to inspect the property's condition. Upon inspection our insured discovered extensive damage to the fixtures and fittings.

Our insured gave his tenants a months notice to vacate the property. However, when he went to collect the keys from the tenants on the last day of the tenancy, he was shocked to find the tenants had made no effort to leave the property and also refused to pay rent. Our insured contacted us to make a claim.

What we did:

We assigned our team of solicitors to start legal proceedings against the tenants. During this time we paid the insured the lost rent for the period the ex-tenants remained in possession. Once the ex-tenants had been evicted our insured repaired the fixtures and fittings. We also paid the insured half of the lost rent until the property was in good enough condition to be re-let.

Frequently Asked Questions

Q1. What is a Rent Guarantee and Legal Expenses Policy for?

The policy will protect your property from squatters, property damage, non-paying tenants and much more; see policy **Key Facts** for more details.

Q2. What are the conditions that need to be in place before I can take out this policy?

In order to take out the Rent Guarantee and Legal Expenses policy you must have the following in place:

- A signed short hold, short assured or assured tenancy agreement
- A full credit check acceptable to the insurer including any county court judgements and bankruptcy's, written references from a previous Landlord/Managing agent, employer or other financial source.
- A full inventory of the property including photographs which have been signed by the tenant
- 1 months rent as deposit

Q3. Can I purchase a policy even if I already have a tenant in the property?

Yes, providing your tenant has the above in place, however there will be a 90 day exclusion on all claims.

Q4. Can I cover more than one property on a policy?

No, unfortunately the policy will only cover one tenancy agreement at a time, if the property has a number of flats, then a policy should be taken out for each flat in the property.

Q5. If my tenant moves out of the property and I discover the property has been damaged, would I be covered?

Yes, if your tenant has caused more the £1000 worth of damage we will start legal proceedings against the tenant in order to recover the cost of the damage. We will also cover 50% of your unpaid rent for 3 months so you may repair the damaged property, even if the amount of damage is less than £1000 you will still be entitled to 50% rent for 3 months or until the property is re-let which ever happens first.

Q6. If my tenant fails to pay the rent owed, will I have to wait for my claim to be settled before I receive the rent owed to me?

No, we understand as a landlord you have financial commitments that must be met, as soon as you advise us that the tenant is in arrears we will start claim proceedings and in most cases we will pay you the outstanding rent on a monthly basis, at no stage of the claim will you be out of pocket.

Q.7 Who is the Insurer?

The policy is underwritten by DAS Legal Expenses Insurance Company Ltd who are Europe's leading insurer of legal expenses.

Q8. How soon should I Claim and how do I Claim?

Before claiming the rent should be in arrears by one calendar month, please refer to full policy details for further information. Claims should be notified to the insurer within 90 days of the incident.

You must contact DAS with details of any claim as soon as possible and within 90 days of the incident happening. You can telephone 0117 934 0553 and the claims department will take the details of the claim. Lines are open 24 hours a day, 365 days a year. Calls may be recorded.

Alternatively you can email newclaims@das.co.uk, or write to:-

The Claims Department, DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol, BS1 6NH.

Q9. Housing Benefit and Rent Guarantee

In respect of tenants on housing benefits, all tenants on the tenancy agreement must have a successful credit check in place and be in receipt of partial housing benefit only. If during the Rent Guarantee policy period a tenant then becomes in receipt of full housing benefit, this will be acceptable until the policy expires, however the policy will not be renewed whilst the tenant is in receipt of full housing benefit.

Rent Guarantee and Legal Expenses

Key Facts

Rent Arrears	We will pay the rent arrears while your tenant / ex-tenant still occupies your property. If after vacant possession your property needs damage repaired to enable you to re-let it, we will pay 50% of your rent for a maximum of 3 months or until the property is re-let whichever happens first.
Rent Recovery	We will recover rent arrears from your tenants.
Repossession	We will cover your legal rights to get repossession of your Property
Property Damage	We will cover your rights to reclaim costs from your tenant if your property has been damaged, the extent of the damage must be more than £1000.
Eviction Of Squatters	We will assist in the eviction of squatters who occupy your property without your permission.
Legal Defence	We will defend you of any criminal prosecutions relating to the letting of your property and actions for unlawful discrimination.
24 Hour Helpline	We provide a 24 hour, 365 days per year telephone helpline to assist you with any personal legal matter including Tax and Contract Disputes advice, Counselling Helpline and Domestic Helpline.
Domestic Assistance	We can arrange to call out a contractor to fix the problem in the event of an emergency affecting the property, the contractors charges are your responsibility.
Hotel Costs	We will pay your hotel expenses while you try to get a possession order for your property so you can live in it. Cover is for up to £150 per day for a maximum of 30 days.
Storage Costs	We will pay to store your household possessions while you are unable to reoccupy your property. Cover is for £10 per day for a maximum of 4 weeks.

Please refer to policy document for significant exclusions or limitations