

## TENANT LIABILITY INSURANCE

# Program Overview for Property Managers

### HOW IT WORKS

A Tenant Liability Insurance Program makes it easy to successfully manage a resident insurance requirement, which ultimately reduces owner risk and increases profitability. Here is how it works:

1. Update your lease to require all residents carry a minimum level of liability insurance
2. At lease signing or renewal, the tenant/resident has two options to satisfy the lease requirement:

#### OPTION A:

##### **Resident obtains renters insurance via third party and shows proof of coverage.**

Having renters insurance not only meets the lease requirement, it also protects the resident's personal belongings.

**COST: Depends on provider**

#### OPTION B:

##### **Enroll resident in Tenant Liability Insurance via AppFolio.**

This is an easy and low cost way to meet the lease requirement, but resident's personal belongings are not protected. Resident pays the monthly premium together with rent.

**COST: \$9.50 per month**

### PROGRAM DETAILS

- ▶ **No setup costs; no minimum usage**
- ▶ **No deductible**
- ▶ **\$9.50 per unit** enrolled, per month (charged to tenant)
- ▶ **Policy covers up to \$100,000** of accidental tenant-caused damages resulting from:
  - › Fire
  - › Explosion
  - › Riot or Civil Commotion
  - › Backup or Overflow of Sewer, Drain, or Sump
  - › Smoke
  - › Falling Objects
  - › Water Damage
- ▶ **Underwritten by Great American Insurance Group**, "A+" rated by AM Best and Standard & Poor
- ▶ **Easy to use**; enroll tenants right from the tenant record. Instant coverage, no individual underwriting process, each enrolled unit is simply added to your commercial policy.
- ▶ **Same great AppFolio support:**
  - › Dedicated team to help you roll out lease requirement
  - › Sample lease addendum and marketing materials provided
  - › In the event that you have a claim, we help you with that process too

### BENEFITS

#### PROPERTY MANAGER

- ▶ Easy to track & manage
- ▶ In event of incident, removes friction between you and tenants/owners to pay for damage
- ▶ Great way to differentiate your company and attract new owners

#### OWNERS

- ▶ Reduces risk of costly tenant-caused damage to property
- ▶ Prevents claims on building insurance policy, which can result in rate increases or policy cancellation
- ▶ Prevents out of pocket repair expenses, which impact cash flow

#### TENANTS

- ▶ Provides residents with additional options
- ▶ Allows your tenants an easy and low cost way to meet mandated insurance requirements
- ▶ Protects against large accidents that could impose huge financial stress