

From: S9(2)(a)
Sent: Friday, 13 July 2018 3:22 p.m.
To: Insurance Review
Subject: Unreasonable Interpretation of Policy Wording
Attachments: S9(2)(a)

Follow Up Flag: Follow up
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Hi,

My wife and I own an investment property which was recently left in a terrible state by a tenant. Amongst other things her dogs had urinated throughout the house forcing us to discard the carpet and underlay as well as replace the flooring in a 20m² room. We had insurance which covered the replacement of the carpet, flooring and insulation and Tower accepted our claim for this; however, we also claimed for loss of rent which was declined.

The relevant policy wording is as follows:

Loss of rent and landlord's contents and chattels

If **you** have selected this benefit and **your house** is let, lent, leased, rented or tenanted, **we** will pay **you**:• up to \$20,000 or six months' rent which is lost as a result of **your house** being made uninhabitable as a result of loss or damage for which a claim is accepted under this policy, or which is covered under **EQCover**. No loss of rent will be paid after repairs have been completed or **your** claim has been paid;• the **current value** up to \$10,000 for sudden and accidental physical loss or sudden and accidental physical damage during the **period of insurance** to **your** home appliances, furniture and chattels (including drapes) that are contained in **your house**.

Tower declined the loss of rent claim because they said 'uninhabitable' required "that the supply of water and/or electricity was cut off".

I find this an absurd interpretation in the context of Landlord's insurance. Clearly the property could not be let with a) Carpets soaked in dog urine, b) exposed flooring with chrySTALLISED dog urine, or c) a major room in the house no flooring, exposed joists and a fall of between 350cm and 500cm. I pointed out that, as far as a rental property is concerned, 'uninhabitable' should surely be the same as 'unlettable'. The person dealing with our claim sent the request for review but the claim was still declined.

I could not find the definition of 'uninhabitable' in the policy wording and I find it appalling that such an obscure and unreasonable interpretation of a key term can be applied during a claim assessment without at least providing that definition in the policy wording.

Regards,
S9(2)(a)