

# Best Practice for Success

## Landlord Property Insurance – Shop for Rates every Few years!

by Jeff Zank, ARM®, President Rancho Property Works LLC, Property Manager, Instructor, Consultant and Investor

This is a continuation of my series on best practice for success where I discuss best practices in residential property management. True story – I take over management of several homes for nice owner. I am introduced to the Insurance representative for the homes Insurance policies who within a few days sends the invoices for the policies as they all are expiring at the same time. I look at the coverage and costs for these newer homes and was shocked at how expensive they were, about \$2,000 per home per year! So, I asked some insurance industry contacts I have to bid for these nice homes. The end result was I was able to get new policies, with the same or better coverage, for less than half what the old policies where. Discussed with my owner and we moved the landlord policies for all homes to the new company saving the owner thousands of dollars in expenses resulting in more positive cash flow for the properties. And I was able to spread the renewal dates around so they don't all hit at the same time. Wow, does my new owner like me now!

Here's another example of paying attention to details. Never assume that the policies in place have decent coverage when values are up and always shop for rates at take over and every few years thereafter so as to ensure owners are not overpaying. Your owner may be able to save some expenses increasing cashflow as a result.

If you, your friends or family need an experienced property manager that pays attention to details like insurance rates in the residential rental market, please contact me.