Tenant Captive Training



TENANT LIABILITY IMPLEMENTATION

SCS

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CLAIMS PROTOCOL

- Filing a claim is simple! **Follow the Tenant Damage Protocol!**
- Complete the Property/Building Damage Report. *(available on the SCS Safety Portal > Incident Forms)*
- The HR & the Safety & Compliance Manager will email claims@riveroakrisk.com with the claim details (using the report and any supplemental documentation provided by the Property Manager)
- River Oak will supply a Notice of Loss form and begin collecting all of the information necessary to determine whether the claim is covered. Supplemental information and pictures may be required – take down as much info on the initial report form first (attach pictures!).
- Sedgwick, a licensed third-party claims administrator will make determinations as to whether the submitted claims are reimbursable under the policy.
- HR & the Safety & Compliance Manager will handle communication with our Business Commercial Policy as needed in correlation to River Oaks.
- River Oak Risk will be working along with Sedgwick and the property manager during the claims process.
- This is a reimbursement program. SCS will pay to repair the damage and the captive will reimburse S.C. Swiderski.

- All questions during a claim or this process in general should be directed to the Director of HR & Administration (Nicole Blum) and the Safety & Compliance Manager (Dale Bergman).

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What's Covered?

Tenant-Caused losses Resulting from:

- Fire
- Smoke
- Explosion
- Water Damage
- Backup or overflow of sewer, drain or sump
- Sprinkler leakage
- Freezing of plumbing, heating, or air conditioning
- Discharge or overflow from appliances
- Weight of Tenant contents
- Riot or civil commotion
- Collapse of the building (if caused by something above)

*Tenant displacement due to damage is not covered by this coverage.

REPORTING / PREMIUM PAYMENT

- At the beginning of each month, Jerry (Accounting) will supply River Oak Risk with rent rolls for the previous month that show:
  - Which tenants are enrolled in the program at each property, and the amount of fees charged.
  - It is critical this fee is assigned to new and renewal tenants.
- Each property will receive an invoice from the insurer corresponding to the rent rolls for the previous month. Accounting will handle the payment to River Oaks.
- Premiums will be paid to the insurer and the insurer provides coverage to the unit.

TENANT COMMUNICATION

Building Protection Fee What a Tenant Needs to Know

As a benefit to you, we are not requiring you to buy insurance and will instead charge a $12 Building Protection Fee as additional rent to help defray the cost of damage you and other tenants may cause to our property. This Building Protection Fee does not provide you with any type of insurance including personal property or personal liability protection which is covered in a renter's insurance policy. Even though you are not required to do so under the terms of your lease, you should consider whether you want to purchase renter's insurance on your own to insure your personal property and to protect yourself from liability to third parties (including us).

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TENANT COMMUNICATION

- The explanation to the tenants is simple!
  - We charge $12 per month Building Protection Fee instead of requiring insurance.
  - Tenants are not required to but can still purchase renter's insurance to protect their personal property and to insure themselves against liability to third parties. This is highly recommended.
    - Personal property insurance is available for individual tenant policies (on their own accord):
      - Habitat Specialty 970-852-0938 (flyer sent with training)
      - Many times, available through their car insurance carrier.
  - **INTERNAL NOTE ONLY:** This program is **not insurance** for the tenant. This is not issued to the tenant. Think of this as an umbrella policy SCS is taking out on themselves due to tenant insurance gaps and tenants are just funding this by paying the fee.
  - Building Protection Fee will be GL Code 2190.

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LEASE CHANGES CONTINUED

Building Protection Fee Language

Owner charges a monthly Building Protection Fee instead of requiring Resident to purchase renter's insurance. Resident agrees to pay $12 per month as a Building Protection Fee. This Fee is to be paid as additional monthly rent. The Building Protection Fee is used to help protect our assets, including real, improved and personal property owned or managed by us against certain damage caused by a Resident. This Fee offers no protection for Resident's personal property or third-party liability. You should consider purchasing renter's insurance to protect yourself from financial loss and third-party liability. By providing 30 days written notice to Resident and waiving the Building Protection Fee, we may require Resident to purchase a renter's insurance policy in the future which provides a minimum of $100,000 liability insurance for any injuries or damages caused by Resident.

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LEASE CHANGES

- All tenants who sign a new lease or receive a renewal offer after May 1st will sign the lease with the new, Building Protection Fee Addendum.
- For those tenants, no insurance will be required and the $12 per month Building Protection Fee will be charged each month with rent.

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OVERVIEW

- Multifamily properties typically require tenants to purchase a renters insurance policy as a condition of the lease, meaning leasing agents and property managers have to check insurance certificates and verify that tenant's get and stay insured throughout the life of the lease. We did not actually require this yet but were moving towards this in the next few months.
- Under this new system, every tenant which signs a new lease or renews their lease will pay a Building Protection Fee each month with rent and the renters insurance requirement will be waived.
- That Building Protection Fee will be paid each month to an insurance company that will insure the units for tenant-caused losses.
- After the program is fully implemented, 100% of the units will be insured and there will be no need to chase insurance certificates.

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