

Single Family Rentals Frequently Asked Questions

What is the Property Damage Loss Waiver[®] Program?

The Property Damage Loss Waiver[®] (“PDLW”) program is a corporate-Single Family owner/manager based property damage liability program. The Property Damage Loss Waiver[®] option enables residents to receive \$100,000* of property damage liability protection. PDLW is an innovative risk management tool option designed to fulfill residents’ contractual obligations specified in their lease agreement. The Property Damage Loss Waiver[®] option is a way for the resident to meet the indemnification obligation under the lease. Residents agree to indemnify and hold the single family housing owner harmless for damages or losses negligently caused through their actions.



What does the Property Damage Loss Waiver[®] Program provide?

The PDLW option is a unique program that provides protection for financial responsibility if a resident negligently causes damages/losses to the single family dwelling.

The program addresses five ‘perils’ for negligent resident-caused losses. They are: fire, smoke, explosion, water discharge, and sewer back-up. These five perils account for the majority of resident-generated losses. Protection for a single occurrence is up to \$100,000*. Under the program, damages are paid in priority – to the owner/manager for damage to the single family (housing community) home and then to impacted residents up to \$10,000 for their personal property damage/loss, if monies remain available.



What does it mean to indemnify the single-family owner/manager?

Indemnification is a term that means if a loss occurs, a party who sustains the loss (the owner/manager) should be restored to a financial position approximately the same as if the loss did not occur – no better or no worse – by the resident who negligently caused the loss/damage.

Does the Property Damage Loss Waiver Program[®] protect the resident’s property?

The Property Damage Loss Waiver[®] option protects the resident’s personal property if the following occur:

First – the loss submitted by the single family owner/manager was negligently caused by a resident who participates in the PDLW program;

Second – the loss involved any of the above five covered perils for loss;

Third – the single family home loss is less than the \$100,000* PDLW program limit and the program limit has not been exhausted by the owner/manager’s loss. If the limit has not been exhausted, the personal property contents of the residents impacted by the loss may be protected up to a maximum of \$10,000 per unit.



Please Note: The property damage loss waiver program does not protect for theft, burglary, vandalism, bodily injury or personal injury.

How is 'traditional renters insurance' different?

The Property Damage Loss Waiver® option is offered as a single family corporate owner/manager based program. It is not a traditional renter's insurance policy sold to the resident. The insurance coverage commonly referred to as an HO-4 policy, or renter's insurance, is coverage purchased by the resident, in their name. The policy typically covers the resident's personal belongings, and liability coverage. HO-4 policies additionally can be customized to cover various perils, or 'risks', and broadened to include damages that were not caused by the resident. For each level of coverage needed, insurers set rates. Total premiums for HO-4 policies depend upon coverage selections, credit score and the loss history of the resident.



Is the Single Family Home Owner/Manager selling insurance?

No.

Why should a resident want to participate in the Property Damage Loss Waiver Program®?

The Property Damage Loss Waiver® program is an easy way to meet the single family owner's/manager's requirement. Residents who elect to participate in the PDLW program satisfy the lease requirement. They indemnify the single family owner/manager against the property damage or loss they are negligently responsible for causing within the single family rental dwelling, subject to a limit of \$100,000.* There is no additional application form to complete, nor quotes to obtain. The resident simply selects the PDLW option. No further notices are sent. There is no need to worry about keeping the program protection in place.



The Single Family home owner/manager requires residents to indemnify the owner/manager against losses they negligently cause. Residents have choices. A resident can choose not to participate in the Property Damage Loss Waiver® program. For residents to indemnify the owner for any losses, they must then provide proof of insurance through their own renter's insurance HO-4 policy. This proof of insurance is a certificate provided by any insurance company the resident chooses. The requirements are contained in an addendum to the lease agreement. A certificate from an insurance carrier must cover those requirements. A certificate must also show effective and expiration dates. Costs for an individual renter's insurance policy will be based upon the insurer's rates.

The Property Damage Loss Waiver® program meets all of the Single Family owner's/manager's requirements. A traditional renters HO-4 policy also meets those requirements and provides additional coverage plus customizable options for additional costs. The choice ultimately is the resident's decision on how to best comply with the owners'/managers' requirement.

* Losses are subject to a \$250 deductible



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