

MULTI-HOUSING NEWS

THE NEWS AND INFORMATION SOURCE FOR THE MULTI-HOUSING PROFESSIONAL

ELECTRONICALLY REPRINTED FROM SEPTEMBER 2006

SOLUTIONS

First Advantage SafeRent Delivers Top Renters Insurance Enrollment for Alliance Residential

By Diana Mosher, Editor-in-Chief

Even in luxury properties, many renters live paycheck to paycheck. "Tragically, if a renter causes damage of \$25,000, he's responsible. All of a sudden, he has this liability and no way to pay it," says Nevel DeHart, executive vice president of First Advantage SafeRent in Rockville, Md. "The management company can either get them on a payment system or sue for something they're not going to get. Meanwhile," DeHart adds, "there are units to repair and bills to be paid."

While leasing agents don't technically sign tenants up for renters insurance, they do need to make renters know that having it is mandatory and that they need to sign up before they sign the lease. According to DeHart, getting leasing agents to embrace this process has been easier said than done because the perception, especially in a down market, has been that prospective tenants will balk at this added expense and will take their business elsewhere.

With these challenges in mind, Alliance Residential Company, a manager of over 100 apartment communities and 36,000 units in 10 states, enlisted the assistance of First Advantage SafeRent, whose turnkey resident liability insurance program can make 100 percent enrollment a realistic goal. RegistryTLC is comprised of three programs designed for high resident participation: Renters Advantage Policy (a liability insurance program with an easy enrollment process); the Community Blanket Policy (a property insurance policy covering the apartment community against resident-caused property damage due to specified perils); and

Renters Insurance Select (a full renters insurance policy including resident liability and contents coverage).

According to satisfied clients, such as Alliance Residential Company in Phoenix, Ariz., what sets First Advantage SafeRent's offerings apart from other renters insurance options are its supporting programs aimed at streamlining implementation and garnering full resident participation. The program provides brochures, a website and fact sheets; educational materials and on-site training for leasing and maintenance teams; customer and resident service nationwide; and account management support including marketing plans, results monitoring and executive reviews.

Site managers and leasing agents learn how to deliver the message to renters—before they sign a new lease or renew an existing one—that they must opt for renters insurance or provide proof of liability coverage. Victoria Orłowski, vice president of southwest operations for Alliance Residential Company in Phoenix, admits she was skeptical when she began working with First Advantage SafeRent in 2004.

"We were the first company in Phoenix to implement the program," Orłowski, who manages about 8,000 units at 26 properties in the Southwest, says she would have loved to have all of her residents covered by insurance that was verifiable, but the market wasn't really conducive to rent growth, let alone charging renters insurance. "It was definitely a little bit of a slower start for us to get this implemented. But First Advantage SafeRent had some great reps who spent a ton of time with us working through the logistics of the program. Their continued sup-

port—and a large fire we had at a site—made me a true believer in this renters insurance thing," says Orłowski. "We fully implemented it on all of my assets in 2005 and now it's common practice." Alliance continues to move forward with new sites in multiple markets.

According to Orłowski, her associates think the system is very convenient. The premium is included in the rent, so it's easy to administer and the advantage of one-stop shopping is appealing. "We've also used case studies showing examples of fire and water damage: the renters' items are covered, our items are covered. Clients are thrilled. We actually have clients now that are up to 80 percent penetration on their assets of verifiable insurance on their units," explains Orłowski. "They've been able to go back to their insurance carrier and have had premiums or deductibles reviewed for reductions because they have proof that the residents are insured."

However, in order to be successful with any renters insurance program, continued training is essential to keep up with the typically high turnover of leasing agents. Alliance Residential provides classes, some of which are online, almost every month. "First Advantage SafeRent has helped us with that, and completed classes with us," says Orłowski. "We've also made laminated cards for maintenance associates to keep on golf carts that help them identify when to file a claim. When they walk the apartment on move-out, they make a note of needed repairs, hours of labor and cost of materials. First Advantage SafeRent actually pays the claim. We reduce our term costs, because we code that money to offset those expenses."