

Pets and Apartments: What you need to know from an insurance perspective

Part of your insurer's underwriting process is to check on your pet policy. And it's not a yes or no question. You will usually need to describe what pets you allow, what kind of security deposit or fees you charge, and how you deal with liability and damage issues. Here's what you want to know...

It's possible that your insurance, as a commercial residential complex owner, will reflect your increased liability exposure attached to allowing pets, but demonstrating an excellent loss-control plan could go a long way in keeping premiums down. Good risk-mitigation plans may include meeting the pet and evaluating both it and the owner, insisting on renter's insurance that adequately covers the pet owner's liability for injuries and damage caused by pets (a renter's umbrella policy might be necessary), establishing a pet security deposit that is sufficient to cover damage and lost income for the time it takes to deal with pet damage in a vacancy, and having clear, written agreements in the lease regarding noise, odor, damage, and pet behavior

Loss control ideas

Some landlords provide free pet-training guides that responsible pet owners enjoy and use to the benefit of the pets and the entire complex. Others insist on formal training on pet management specifically for multi-unit residences.

It may even be possible to exclude certain breeds that have been labeled "aggressive." However, the laws on excluding aggressive breeds may vary depending on your specific location, so it's important that you understand your own jurisdictions specific laws on this issue. Additionally, cats and other pets can spread disease and do greater damage than some dogs. As such, it's important to develop a rational policy when addressing these risks.

It may also be a good idea to keep vaccination records and photos of all pets on file, and landlords should inquire (and check) to see if the animal has any history of aggression. Furthermore, it may be an option to require that cat owners declaw their animals, and all pets should be neutered.

If the tenant is going to hire a pet-care service, such as a dog walker, the management company needs to be made aware of that, so put it in the lease. It's also important that management know about all pets and how they are kept during the day in case there is an emergency which requires entrance to a unit—for example, to deal with a plumbing leak or an electrical issue. The safety of maintenance workers must be taken into account.

Make sure your lease specifies the rules on non-owned pets. Sometimes, tenants will look after a friend or relative's pet for a short period. If they haven't paid a pet deposit or notified management about the animal's presence, you could have damage and liability exposures you don't know about and aren't prepared for.

Some complexes have a designated section that's appropriate for pets. That can work very well as long as standards are set in writing and enforced. Pets can enhance the social fabric of your residential community if they are handled properly. And their inclusion in your multi-unit dwelling doesn't have to mean expensive increases in your commercial insurance costs.

If you currently allow pets or are planning on becoming a "pet-friendly" apartment building or condominium, talk to your insurance agent about your insurance policies and risk management programs that contain your risk exposure. Your advisor may be able to recommend renters insurance and canine liability insurance solutions that can substantially improve your resident's protection as well.

Have a great pet story to share? Please do!

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