



**Residential Landlord**  
**Risk Management & Best Practices**

Please review the below recommendations from Safeguard Insurance when renting a home to others. This is meant to be a general guide to in developing practices that will help prevent insurance claims and possible litigation.

**1) Rental Application and Pre-Screening**

We recommend you obtain a written rental application from each prospective tenant. At the minimum, contact the prior landlord to verify payment history and property condition upon vacancy. You may also want to consider running a credit report and criminal background check. Websites like landlordstation.com and e-renter.com offer various report options ranging from \$20 to \$30 per background check.

**2) Lease**

It should go without saying, but use written lease agreement with every single tenant. The lease should clearly spell out: monthly rent, lease term, deposits, penalties for late payments, renewal options, use and occupancy expectations, your rights of entry and inspection, allowable rent increases and compliance with state law regarding evictions. Having everything in writing and signed by the tenant makes your position much more enforceable should your relationship with the tenant become adverse.

**3) Renters Insurance.**

Your dwelling fire landlord policy covers liability claims for bodily injury and property damage that occur on the premise. Requiring your tenant to have their own liability coverage can help reduce your exposure if there is a liability claim caused solely by a negligent act of the tenant. Renters insurance also provides coverage for the tenant's personal belongings and loss of use, neither of which is provided by your landlord policy.

**4) Pets**

Most insurance companies have a list of unacceptable dog breeds that include, but are not limited to: Rottweiler, Pit-bull (or staffordshire terrier), Chow, Akita, Doberman Pinscher, Bull Mastiff, Canis Presario and Wolf hybrids. Unfortunately these breeds tend to have an adverse dog bite claim history. If the tenant's dog bites someone on the premises you could be held liable for the injuries. Consider carefully the types of pets that you will allow on the property. Besides the liability exposure some pets can cause substantial damage to the property, especially carpet and landscaping. Your landlord insurance does not coverage damage caused by pets.

**5) In-Home Business**

You should clarify with your tenant, in writing, what is an acceptable use of the premises. We have seen claims caused by tenants running a business in the home such as: unlicensed day care, cabinet shop, outside catering service, photography studio, pool cleaning service (with associated hazardous chemicals) and even a pet sitting service. An in-home business may present a substantial premises liability exposure to you, the property owner. Make sure your tenant discloses any possible business use to you. We recommend you discuss the possible business liability exposure with your agent.