



NW Insurance Council

CONSUMER ALERT

Contact:

Kenton Brine, President
Sandi Henke, Deputy Director
NW Insurance Council
Phone: (800) 664-4942

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kenton.brine@nwinsurance.org
sandi.henke@nwinsurance.org
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Thinking of renting out your home to make extra cash? Better check your insurance policy first

BOISE, ID, September 23, 2019– If you’re planning to rent out your home, either on your own or through a mobile app, two important steps are necessary before you start: Find out if your city or neighborhood has placed restrictions on short-term rentals, and contact your insurance agent immediately to make sure you’re covered for damages caused by renters.

Renting out your home is just one of many ways to supplement income through today’s growing “sharing economy.” But more cities are starting to pass measures that place limits on short term rentals. Recently, the Mayor of Boise, Idaho proposed restrictions to regulate short-term rentals in the city. Other cities around the country have also included safety and tax regulations for such rentals.

Also, don’t assume your standard [Homeowners Insurance](#) provides coverage from damage caused by renters. Personal insurance policy contracts for homes and vehicles typically exclude coverage for business use, so if you’re regularly renting out space in

exchange for money from renters and earning an income, separate insurance is required in case there is damage to your property or possessions while it is being rented by others.

“Insurers have worked with their policyholders in recent years to develop policies that provide unique coverage for the business use of personal homes and vehicles, offering people the chance to take advantage of today’s sharing economy,” said Kenton Brine, president of NW Insurance Council. “But it is important for people who are thinking about renting space – whether it’s a room, a condo or apartment, or an entire house, and whether it is on your own or through a mobile app like Airbnb – to contact your insurance agent or company and make sure you have the right insurance coverage.”

Mobile apps such as Airbnb and HomeAway do offer host protection coverage, but in many cases the coverage is case specific and considered secondary, requiring that a claim be filed with a personal insurer first and having that claim denied before host protection coverage begins.

Last year, a Seattle resident who rented out his home through a popular mobile app experienced a host’s worst nightmare when the renter had a house party, resulting in an 18-year-old being shot and injured along with property damage.

If you are currently, or considering, using your home or vehicle to make extra money, be sure to talk with your insurance company representative now to understand your liability risks and options before proceeding. In most cases, coverage is available – but it is not included in a standard homeowners policy, so you’ll need an endorsement or a separate policy.

For more information about insurance coverage and the sharing economy, contact NW Insurance Council at (800) 664-4942 or visit www.nwinsurance.org.

NW Insurance Council is a nonprofit, insurer-supported organization providing information about home, auto and business insurance to consumers, media and public policymakers in Washington, Oregon and Idaho.

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