



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? Add “review insurance” to your to-do list

BOISE, ID, December 18, 2020 – Vacation rentals are experiencing a recent surge in business, according to various news reports. People quarantined for months are now desperate to get away safely, and have turned to renting a cabin, house or apartment close to home yet far enough away to feel like a vacation.

If you’re planning to rent out your home to make some extra cash during these tough economic times, 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 company or agent immediately to make sure your policy provides coverage for damages caused by renters.

Renting out your home is just one of many ways to supplement income through today’s “sharing economy.” But more cities are changing laws and rules that place limits on short term rentals and new safety and tax regulations.

Also, don't assume your home's standard [Homeowners Insurance](#) or [Renters Insurance](#) provides coverage from damage caused by people who rent your space. 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 (or driving people in your car for a fee), separate insurance is required in case there is damage to your property or possessions while it is being rented by others.

“Insurers have responded to policyholders’ needs in recent years, developing policies that provide unique coverage for the business use of personal residences 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 may be considered secondary, requiring that a claim be filed with a personal insurer first and having that claim denied before host protection coverage begins.

If you are currently, or are 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 and affordable – but it is not included in a standard homeowners policy, so you will 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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