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HOME SHARING

Home sharing is simply where homeowners (hosts) rent part or all of their home to a guest for a fee, much like a hotel or bed and breakfast. Currently there are several websites that facilitate these types of transactions such as Airbnb, Roomorama and HomeAway. However, when an individual begins using a residence as a commercial property, such as through a home-sharing arrangement, additional insurance risks exist that may not be covered under the standard homeowners insurance policy.

What are the risks to home owners?

Both guests and hosts could incur costs if a guest vandalizes the property or gets injured. As a host, your homeowners, condo or renters insurance policies are not designed to cover accidents arising from property rental and your insurance company may deny coverage for any resulting claims. As a guest, depending on the length of stay or whether your arrangement allows you to temporarily store your belongings at a residence, you may want to take steps to insure your property. Your own homeowners or renters insurance policies may offer some insurance coverage, but you should check with your insurance agent to confirm whether your belongings would be covered under such an arrangement.

A home-sharing rental arrangement may be considered a violation of local zoning or housing laws and regulations, such as city or county codes or ordinances. Even if you have not violated any law, you may have to hire legal counsel to resolve any violations.

How can I protect myself as a host?

Homeowners insurance policies vary, but usually exclude or provide very limited coverage for homeowners who rent out a room or their home. If you rent out a room or your entire home for profit, your insurance company could claim you are essentially running a hotel or bed and breakfast and deny coverage. A renters or condo insurance policy is subject to the same limitations as a homeowners insurance policy. If you choose to work with a company to find a renter under the company's home-sharing arrangement, you may want to ask about the company's insurance coverage for your home to repair or replace any damage caused by the renter. Some companies provide host protection insurance with coverage up to \$1 million if a third party claims bodily injury or property damage against you as a host. This liability insurance coverage is secondary and only applies after your primary home or renters insurance policy either

settles or denies a claim. Without liability insurance protection from the home-sharing company, your homeowners, condo or renter's insurance policy might leave you without coverage for damage or injuries caused to your renter.

If you only occasionally rent a room or your house, your homeowners insurance company may be willing to provide an endorsement to protect you. However, if you plan to frequently rent out a room or house, then you may want to consider purchasing a landlord policy (also known as landlord property insurance or rental coverage for landlords). A landlord insurance policy may be an option to cover your home, structures on the property, property contents that you own (such as appliances and furniture), lost rental income due to building damage, legal fees and liability protection. Your insurance agent can provide guidance on the best type of insurance coverage for your needs.

Persons with disabilities may request materials be presented in an alternative format by contacting the ADA Coordinator at (602) 364-3100. Requests should be made as early as possible to allow time to procure the materials in an alternative format.
