

VIZANCE

Vacation Rental Guide

Short-term rentals like Vrbo and Airbnb are all the rage for vacation accommodations. Here's what you need to know:

Thinking About Renting From Someone?

- Verify the reputation of the owner by checking out prior guest reviews and landlord ratings before booking.
- Ask your personal insurance advisor about how your personal belongings and liability are covered while at the vacation rental. Personal property coverage may be limited when away from your primary home, but can be expanded by an "All Risk" endorsement when available. More importantly, expanded liability protection while traveling can be obtained with a cost-effective personal umbrella policy.
- Make sure the vacation rental itself is properly protected by obtaining proof of insurance from the owner. Why should you be concerned with the owner's insurance? If you or one of your family members is injured on the property due to the owner's negligence, they will be held liable and will need proper protection to remedy the situation. Not all home insurance coverage is created equally, and vacation rentals need a specific type of policy. It's important to ensure they have sufficient liability protection, no less than \$500,000.

Thinking About Renting Your Home To Others?

- Secure a personal umbrella policy. Should your guests be injured on your property, those related costs could fall back on you as the property owner. If the renter files a lawsuit against you, the cost of hiring a lawyer to defend you can run into the thousands of dollars, and that's even before any legal settlement is made. Protect yourself and your assets by securing additional liability protection with a personal umbrella.
- Consider the number of days you will be renting your home. In some cases, a standard home insurance policy may cover an occasional short-term rental with prior notice. However, a traditional home insurance policy is not designed to insure the risks associated with renting your home to others long term. In order to provide proper liability coverage and protect yourself from things like property damage caused by tenants, theft of property and loss of income due to cancellations, you will need to secure specific insurance protection, either on a short-term or long-term basis.
- Aside from insurance concerns, you will also want to be knowledgeable on the following: taxes on your income, legal restrictions when renting your home, neighborhood issues, and township/city/county/state regulations for rentals.

