



October 20-23, 2022 | Westin Boston Seaport District

10/21/2022

Peer to Peer Home Rentals - An Insurance Challenge

2:30PM - 4:30PM

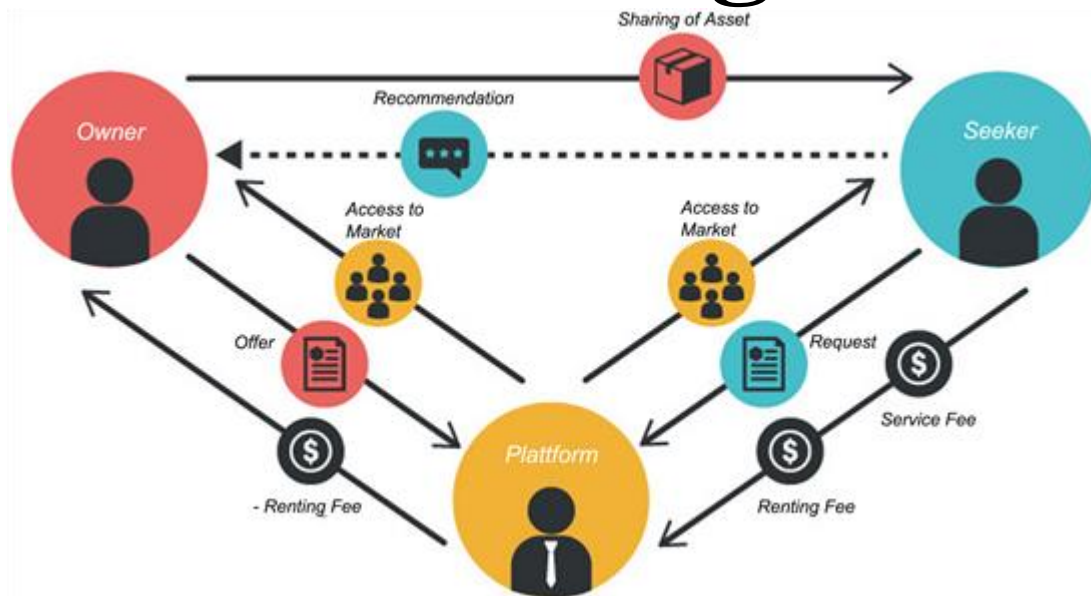
Ryan Bankas

CEUs: 2

Massachusetts Association
of Insurance Agents



Peer-To-Peer Home Rentals - An Insurance Challenge



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This material has been designed for use in training programs for insurance industry personnel. It is not intended to be used as a complete reference resource on the programs and coverages outlined herein.

The programs use “standard” policy forms and endorsements for the purposes of discussing the exposures to loss that may exist, some of the coverage options available to treat them, and to provide a framework for discussions with carriers you represent concerning the programs they have available.

Coverages, rules and materials presented during this program may differ from those used by individual insurance companies. Contact individual carriers for details about interpretations of their eligibility requirements, particular insurance contracts and rates.

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EXPOSURE IDENTIFICATION

What is Peer-to-Peer Rental?

- A peer-to-peer home rental (sometimes called home hosting or home sharing) is an **online marketplace for vacation and business rentals** that **link owners ("hosts")** with unused lodgings or bedrooms **to rent with users ("guests") seeking to rent the space, typically on a short-term** (i.e., less than 30 days) basis.
- This is an example of the sharing economy movement (also known as collaborative consumption).

Community Considerations - Is This a Business?

- **Insurers and municipalities typically consider home hosting to be a business.**
- **More cities are requiring home hosts to procure business licenses and purchase separate insurance liability policies.**

Insurer's Risk Exposure

- The home hosting companies are transferring their risks to the host, placing the responsibility for insuring those risks on the host.
- The homeowners' insurer bears the losses for which it may not be collecting an adequate premium, since it is not aware of these business-related activities.
- Insurers are asking more questions on their HO applications regarding this burgeoning loss exposure.

Risk Management & Insurance Matters

Steps to determine the home hosting exposures and possible insurance coverage:

- Step #1 - identifying the loss exposures and potential claims scenarios with the ISO homeowners HO 3 form
- Step #2: An overview of the protection offered by some of the home hosting organizations
- Step #3 - Specialized ISO HO endorsements
- Step #4 - an exploration of other risk management techniques

ISO HO 3 - Exclusions & Limitations

ISO HO Definitions

THE ISO HO '91 POLICY – “Business” Definition

2. "Business" includes trade, profession or occupation.

THE COURTS - 1991 Business Elements

Two elements are necessary to a business pursuit at the time of the occurrence:

1. The activity must be **continually or regularly** conducted, **and**
2. The activity must also be engaged in with a **profit motive**.

ISO HO 2000 - 2011– “Business” Definition

3. "Business" means:

- a. A trade, profession or occupation engaged in on a **full-time, part-time or occasional basis**; or

- b. Any other activity engaged in for money or other compensation, except the following:**

- (1) One of more activities, not described in (2) through (4) below; for *which no "insured" received more than \$2000 in total compensation for the 12 months* before the inception date of the policy;
- (2) *Volunteer activities* for which no money is received other than payment for expenses incurred to perform the activity
- (3) Providing *home day care services* for which no compensation is received other than the *mutual exchange* of such services; or
- (4) The rendering of *home day care services to a relative* of an "insured".

ISO HO 2022 “Business” Definition

3. "Business" means:

- a. A trade, profession or occupation engaged in on a **full-time, part-time or occasional basis**;

- b. The leasing of the mineral rights of an "insured location";

- c. "Home-sharing host activities"; **or**

- d. Any other activity engaged in for money or other compensation, except the following:** (exceptions are identical to the HO '00-'11 with an increase from \$2,000 to \$5,000 in paragraph (1))

ISO HO - All Editions

DEDUCTIBLE

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I that exceeds the deductible amount shown in the Declarations.

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:
 - a. The **dwelling** on the "**residence premises**" shown in the Declarations, including structures attached to the dwelling; and
 - b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
2. We **do not cover** land, including land on which the dwelling is located.

No "business" exclusion or limitation applicable

COVERAGE B

ISO HO '91 Edition

ISO HO '00 & later editions

COVERAGE B – Other Structures

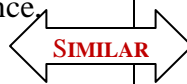
We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This **coverage does not apply** to land, including land on which the other structures are located.

We do not cover other structures:

1. Used in whole or in part for "business"; or
2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage **will not be more than 10% of the limit of liability that applies to Coverage A**. Use of this coverage does not reduce the Coverage A limit of liability.



B. Coverage B – Other Structures

1. We cover **other structures on the "residence premises"** set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

2. **We do not cover:**

- a. Land, including land on which the other structures are located;
- b. **Other structures rented** or held for rental to any person not a tenant of the dwelling, **unless used solely as a private garage;**
- c. Other structures from which any "business" is conducted; or
- d. Other structures used to store "business" property. **However, we do cover** a structure that contains "business" property **solely owned by an "insured"** or a tenant of the dwelling **provided that "business" property does not include** gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

3. The limit of liability for this coverage **will not be more than 10% of the limit of liability that applies to Coverage A**. Use of this coverage does not reduce the Coverage A limit of liability.

HO '91 Editions

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. **The special limit for each numbered category below is the total limit for each loss for all property in that category.**

8. **\$2,500** on property, on the "residence premises," **used at any time or in any manner for any "business" purpose.**

9. **\$250** on property, away from the "residence premises," **used at any time or in any manner for any "business" purpose.** However, this limit **does not apply to loss to adaptable electronic apparatus as described in Special Limits 10. and 11. below.**

10. **\$1,000** for loss to **electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance,** if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power.

Electronic apparatus includes:

- a. Accessories or antennas; or b. Tapes, wires, records, discs or other media; **for use with any electronic apparatus.**
- b.

11. **\$1,000** for loss to **electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance,** if the electronic apparatus:

- a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
- b. Is away from the "residence premises"; and**
- c. Is used at any time or in any manner for any "business" purpose.**

Electronic apparatus includes:

- a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or other media;
- for use with any electronic apparatus.**

HO '00 & '01 Editions

3.Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. **These special limits do not increase the Coverage C limit of liability.**

h. **\$2,500** on property, on the "residence premises", **used primarily for "business" purposes.**

i. **\$500** on property, away from the "residence premises", **used primarily for "business" purposes.** However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below.

j. **\$1,500** on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category j.

k. **\$1,500** on electronic apparatus and accessories **used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle".** The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k

Any Electronics

Business
Electronics

HO 2011 Editions

C. Coverage C – Personal Property

1. Covered Property

We cover personal property owned or used by an "insured" **while it is anywhere in the world. After a loss and at your request**, we will cover personal property owned by . . .

3.Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. **These special limits do not increase the Coverage C limit of liability.**

h. **\$2,500 on property, on** the "residence premises", **used primarily for "business "purposes.**

i. **\$1,500 on property, away from** the "residence premises", **used primarily for "business" purposes.**



However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:

- (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
- (2) In or upon a "motor vehicle".

j. **\$1,500 on portable electronic equipment** that:

- (1) Reproduces, receives or transmits audio, visual or data signals;
- (2) Is designed to be operated by more than one power source, one of which is a "motor vehicle's" electrical system; and
- (3) **Is in or upon a "motor vehicle".**



k. **\$250 for antennas, tapes, wires, records, disks or other media that are:**

- (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
- (2) **In or upon a "motor vehicle".**



HO 2022 Editions

C. Coverage C – Personal Property

1. Covered Property

We cover personal property owned or used by an "insured" **while it is anywhere in the world. After a loss and request**, we will cover personal property owned by . . .

3.Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. **These special limits do not increase the Coverage C limit of liability.**

h. **\$3,000 on property, on** the "residence premises", **used primarily for "business "purposes.**

i. **\$1,500 on property, away from** the "residence premises", **used primarily for "business" purposes.**



However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:

- (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
- (2) In or upon a "motor vehicle".

j. **\$2,000 on portable electronic equipment** that:

- (1) Reproduces, receives or transmits audio, visual or data signals;
- (2) Is designed to be operated by more than one power source, one of which is a "motor vehicle's" electrical system; and
- (3) **Is in or upon a "motor vehicle".**



k. **\$300 for antennas, tapes, wires, records, disks or other media that are:**

- (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
- (2) **In or upon a "motor vehicle".**



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ISO Property Not Covered 2022

4. Property Not Covered

We do not cover:

a. **Articles separately described and specifically insured**, regardless of the limit for which they are insured, in this or other insurance

b. **Animals, birds or fish**

2022
Amendment

f. **Property of:**

- (1) **A "home-sharing occupant";**
- (2) **Any other person occupying the "residence premises" as a result of any "home-sharing host activities";** and
- (3) Roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";

New 2022

g. **Property in:**

- (1) **A space while rented or primarily held for rental to a "home-sharing occupant"; or**
- (2) Subject to Paragraph g.(1), an apartment regularly rented or held for rental to others by an "insured", except as provided under E.9. Landlord's Furnishings under Section I – Property Coverages;

New 2022

h. **Property used primarily for "home-sharing host activities";**

i. **Property rented or held for rental to others off the "residence premises."**

j. **"Business" data, including such data stored in:**

- (1) Books of account, drawings or other paper records; or
- (2) Computers and related equipment.

We do cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market;

2022
Amendment

j. **Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds**

Additional Coverages 2022

9. Landlord's Furnishings

We will pay up to **\$3,000** (*\$2,500 previous editions*) for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for **loss caused by a Peril Insured Against in Coverage C, other than Theft.**

SECTION I

COVERAGE D – LOSS OF USE

D. Coverage D -- Loss of Use - The limit of liability for Coverage D is the total limit for all the coverages in 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use below.

1. Additional Living Expense

If a loss covered under Section I makes that part of the “residence premises” where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you **and residents of your household wh**

New 2022

a. Your relatives; or

b. Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative;

so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under this Section makes that part of the “residence premises” rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

New 2022

However, we do not cover any fair rental value arising out of or in connection with "home-sharing host activities"

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

3. Civil Authority Prohibits Use

If a civil authority prohibits you from use of the “residence premises” as a result of direct damage to neighboring premises **by a Peril Insured Against**, we cover the loss as provided in 1. Additional Living Expense and 2. Fair Rental Value above for no more than two weeks.

4. Loss or Expense Not Covered

We do not cover loss or expense due to cancellation of a lease or agreement.

The periods of time under 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use above are not limited by expiration of this policy.

ISO SECTION II

ABSOLUTE BUSINESS EXCLUSIONS

Liability vs. Property

The HO policies, although providing a **limited amount of property coverage for business property**, intends to exclude the business liability exposure

An **even greater loss exposure concerns legal liability for a home-based business** since most HO policies **contain liability exclusions for business-related activities**

Personal Liability:

- Personal liability insurance is liability protection that **applies to activities and conditions at an “insured location”**
- **Primarily intended for personal (non-business) activities** of the named insured and members of the insured’s household **anywhere in the world**

6. "Insured location" means:

a. The "residence premises";

b. The part of other premises, other structures and grounds used by you as a residence;
and

(1) Which is shown in the Declarations; or

(2) Which is acquired by you during the policy period for your use as a residence;

c. Any premises used by you in connection with a premises described in a. and b. above;

d. Any part of a premises:

(1) Not owned by an "insured"; and

(2) Where an "insured" is temporarily residing;

e. Vacant land, other than farm land, owned by or rented to an "insured";

f. Land owned by or rented to an "insured" on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured";

g. Individual or family cemetery plots or burial vaults of an "insured"; or

h. Any part of a premises occasionally rented to an "insured" for other than "business" use.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

B. Coverage F – Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury". Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location", if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. Is caused by an animal owned by or in the care of an "insured".

SECTION II – EXCLUSIONS

E. Coverage E - Personal Liability And Coverage F - Medical Payments To Others

2. "Business"

a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed or implied to be provided because of the nature of the "business".

b. With respect to other than "home-sharing host activities", this Exclusion E.2. does not apply to:

New 2022

(1) The rental or holding for rental of an "insured location";

(a) On an occasional basis if used only as a residence;

(b) In part for use only as a residence, unless a single-family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

(c) In part, as an office, school, studio or private garage; and

(2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

<p>F. Coverage E—Personal Liability</p> <p>Coverage E does not apply to:</p> <p>1. Liability:</p> <p>b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts: (1) That directly relate to the ownership, maintenance or use of an "insured location"; or (2) Where the liability of others is assumed by you prior to an "occurrence"; unless excluded in a. above or elsewhere in this policy;</p> <p>3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion . . .</p> <p>4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:</p> <p>a. Workers' compensation law;</p> <p>b. Non-occupational disability law; or c. Occupational disease law;</p>	<p>G. Coverage F – Medical Payments To Others</p> <p>Coverage F does not apply to "bodily injury":</p> <p>2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:</p> <p>a. Workers' compensation law; b. Non-occupational disability law; or c. Occupational disease law;</p> <p>4. To:</p> <p>a. A "home-sharing occupant"; or</p> <p>b. Any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".</p> <div data-bbox="1354 848 1528 919" style="border: 1px solid black; background-color: yellow; padding: 2px; display: inline-block; margin-left: 100px;">New 2022</div>

ISO HO SECTION II

SECTION II - ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

Amended
2022

C. Damage To Property Of Others

1. We will pay, at replacement cost, up to \$5,000 (*\$1,000 previous editions*) per "occurrence" for "property damage" to property of others caused by an "insured".

2. We will not pay for "property damage":

- a. To the extent of any amount recoverable under Section I;
- b. Caused intentionally by an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or

e. Arising out of:

 **A "business" engaged in by an "insured";**

(2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or

(3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This exclusion e.(3) does not apply to a "motor vehicle" that:

- (a) Is designed for recreational use off public roads;
- (b) Is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

ISO HO Home Sharing Endorsements

THIS ENDORSEMENT WAS WITHDRAWN IN THE 2022 EDITION. THESE EXCLUSIONS ARE INCLUDED IN THE FORM

HO - 3 Home-Sharing Host Activities Amendatory Endorsement ([HO 06 53](#))

- This endorsement, designed for the HO-3 form, stipulates that the standard HO form is not intended to cover home sharing activities.
- From the insurer's perspective, such activity is typically considered a business loss exposure and not one designed for a standard HO risk.

HOME SHARING AMENDATORY ENDORSEMENTS

Endorsement Title	Endorsement Number	Applicable HO Form
Home-Sharing Host Activities Amendatory Endorsement	HO 06 52	HO 2
Home-Sharing Host Activities Amendatory Endorsement	HO 06 54	HO 4
Home-Sharing Host Activities Amendatory Endorsement	HO 06 55	HO 5
Home-Sharing Host Activities Amendatory Endorsement	HO 06 56	HO 6
Home-Sharing Host Activities Amendatory Endorsement	HO 06 58	HO 8

Policy Amendments:

The endorsement amends the following sections of the HO 3:

- Definitions
- Section I—property coverages
- Section I—perils
- Section II—exclusions

DEFINITIONS

A. The following definitions are added:

1. "Home-sharing host activities" means:

a. The:

(1) Rental or holding for rental; or (2) Mutual exchange of services; of the "residence premises", in whole or in part, by an "insured" to a "home sharing occupant" through the use of a "home sharing network platform"; and

b. Any other related property or services made available by an "insured" for use during such:

(1) Rental; or (2) Mutual exchange of services; **except** those property or services provided by another party

2. "Home-sharing network platform" means an online-enabled application, web site or digital network that:

a. Is **used for the purpose of facilitating**, for money, mutual exchange of services or other compensation, the **rental of a dwelling or other structure**, in whole or in part; **and**

b. **Allows for the agreement and compensation** with respect to such rental to be transacted **through such online-enabled application, web site or digital network**

3. "Home-sharing occupant" means a person, other than an "insured", who:

a. Has **entered into an agreement or arranged compensation with an "insured"** through the **use of a "home-sharing network platform"** for "home-sharing host activities"; **or**

b. Is **accompanying or staying with a person described in Paragraph 3.a.** of this provision **under such "home-sharing host activities"**.

3. "Business" means:

a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or

➔ b. "Home-sharing Host activities" or

c. Any other activity engaged in for money or other compensation, except the following:

- One of more activities, not described in (2) through (4) below; for which no "insured" received more than \$2000 in total compensation for the 12 months before the inception date of the policy;
- Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity
- Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
- The rendering of home day care services to a relative of an "insured".

DEFINITIONS

C. In this Policy, the terms:

1. Roomer;
2. Boarder;
3. Tenant; or
4. Guest;

do not include a "home-sharing occupant"

Section I—Property Coverages

SECTION I – PROPERTY COVERAGES

C. Coverage C – Personal Property

Paragraphs f. and g. of 4. Property Not Covered are replaced by the following:

We do not cover:

f. Property of:

- ➔ (1) A "home-sharing occupant";
- ➔ (2) Any other person occupying the "residence premises" as a result of any "home-sharing host activities"; and
- (3) Roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";

g. Property in:

- ➔ (1) A space while rented or primarily held for rental to a "home-sharing occupant"; or
- (2) Subject to Paragraph C.4.g.(1), property in an apartment regularly rented or held for rental to others by an "insured" except as provided in E.10. Landlord's Furnishings under Section I – Property Coverages;

The following provision is added to 4. Property Not Covered:

- ➔ We do not cover property used primarily for "home-sharing host activities".

D. Coverage D – Loss Of Use

Paragraph D.2. Fair Rental Value is replaced by the following:

2. Fair Rental Value

If a loss covered under Section I makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

- ➔ However, we do not cover any fair rental value arising out of or in connection with "home-sharing host activities".

Payment will be for the shortest time required to repair or replace such premises

Section I—Perils

SECTION I – PERILS INSURED AGAINST

A. Coverage A – Dwelling And Coverage B – Other Structures

Paragraph A.2.c.(3) is replaced by the following:

(3) Theft:

➔ **(a) If such loss arises out of or results from "home-sharing host activities";**

or

(b) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied

Paragraph A.2.c.(4) is replaced by the following:

(4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if:

- ➔ **(a) The loss arises out of or results from "home-sharing host activities";** or
(b) The dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

B. Coverage C – Personal Property

Paragraph B.8. is replaced by the following:

8. Vandalism Or Malicious Mischief

➔ **This peril does not include loss caused by vandalism or malicious mischief to property arising out of or resulting from "home-sharing host activities"**

Paragraph B.9. is replaced by the following:

9. Theft

a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

b. This peril does not include loss caused by theft:

- (1) Committed by an "insured";
- (2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured";
- (4) That occurs off the "residence premises" of:
 - (a) Trailers, semitrailers and campers; (b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or (c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 90 days immediately before the loss; or

➔ **(5) If such loss arises out of or results from "home-sharing host activities"**

SECTION II- Exclusions

SECTION II – EXCLUSIONS

Exclusion E.2. is replaced by the following:

Coverages E and F do not apply to the following:

2. "Business"

a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

 **b. With respect to other than "home-sharing host activities", this Exclusion E.2. does not apply to:**

(1) The rental or holding for rental of an "insured location":

- (a) On an occasional basis if used only as a residence;
- (b) In part for use only as a residence, unless a single-family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
- (c) In part, as an office, school, studio or private garage; and (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

MEDICAL PAYMENTS - Exclusions

Exclusion G.4. is replaced by the following:

Coverage F does not apply to "bodily injury":

4. To:

 **a. A "home-sharing occupant"; or**

b. Any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location"

ISO HO Home Sharing Endorsements

HO-3

Broadened Home-Sharing Host Activities Coverage

[\(HO 06 63\)](#)

- This endorsement, designed for the HO 3 form, expands property and liability coverage for those insureds engaged in home sharing.
- From the insurer's perspective, such activity is typically deemed to be a business loss exposure and not one designed for a standard, unendorsed homeowners risk.
- **This endorsement is intended to bridge this coverage gap for insureds who rent out their home, in whole or in part, under peer-to-peer home sharing arrangements.**

BROADENED HOME SHARING HOST ACTIVITES COVERAGE ENDORSEMENTS

Endorsement Title	Endorsement Number	Applicable HO Form
Broadened Home-Sharing Host Activities Coverage Endorsement	HO 06 62	HO 2
Broadened Home-Sharing Host Activities Coverage Endorsement	HO 06 64	HO 4
Broadened Home-Sharing Host Activities Coverage Endorsement	HO 06 65	HO 5
Broadened Home-Sharing Host Activities Coverage Endorsement	HO 06 66	HO 6
Broadened Home-Sharing Host Activities Coverage Endorsement	HO 06 68	HO 8

The endorsement amends the following HO sections of the policy.

- Definitions
- Section I—Property Coverages
- Section I—Perils Insured Against
- Section I—Conditions
- Section II—Exclusions
- Section II—Additional Coverages
- Section II—Conditions
- Sections I and II—Conditions
- Personal Injury Coverage (if applicable)


DEFINITIONS

The following three definitions are added. The definitions are identical to those that we reviewed under the previous endorsement Home-Sharing Host Activities Amendatory Endorsement (HO 06 53)

The three new definitions include the following.

- (1) "Home sharing host activities"
- (2) "Home sharing network platform"
- (3) "Home sharing occupant"

3. "Business" means:

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
-  b. **"Home-sharing Host activities"** or
- d. Any other activity engaged in for money or other compensation, except the following:
 - One of more activities, not described in (2) through (4) below; for which no "insured" received more than \$2000 in total compensation for the 12 months before the inception date of the policy;
 - Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity
 - Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - The rendering of home day care services to a relative of an "insured".

DEFINITIONS

C. In this Policy, the terms:

1. Roomer;
2. Boarder;
3. Tenant; or
4. Guest;

do not include a "home-sharing occupant"

Section I—Property Coverages

B. Coverage B – Other Structures

With respect to the coverage provided by this endorsement, Paragraphs B.2.b. and B.2.c. are replaced by the following:

2. We do not cover:

b. Other structures rented or held for rental to any person **other than a:**

➔ (1) **"Home-sharing occupant"; or**

(2) Tenant of the dwelling;

unless used solely as a private garage;

c. Other structures from which any "business" is conducted, except structures used primarily for "home-sharing host activities";

C. Coverage C – Personal Property

Paragraph f. of 4. Property Not Covered is replaced by the following:

We do not cover:

f. Property of:

➔ (1) A **"home-sharing occupant"; (2) Any other person occupying the residence premises" as a result of any "home-sharing host activities";** and

(3) Roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";

D. Coverage D – Loss Of Use

With respect to the coverage provided by this endorsement, Paragraph D.2. Fair Rental Value is replaced by the following:

➔ **2. Lost Rental Value Of "Home-sharing Host Activities"**

If an "insured" has entered into a contract or agreement with another person through the use of a "home-sharing network platform" for "home-sharing host activities" for a specified period of time, and either:

a. A loss covered under Section I makes that part of the "residence premises" used for such "home-sharing host activities" not fit to live in during the period of time specified in such contract or agreement; or

b. The "insured" or such other person cancels such contract or agreement, provided such cancellation takes place:

(1) During the period of time a National Weather Service hurricane watch or hurricane warning is in effect for any part of the state in which the:

(a) "Residence premises" is located; or (b) Person entering into such contract or agreement with the "insured" resides; or

(2) Within 24 hours of the termination of such hurricane watch or hurricane warning described in Paragraph b.(1) of this provision;

we cover the lost rental value of the "home-sharing host activities" specified under such contract or agreement, less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest period of time agreed upon for "home-sharing host activities" under such contract or agreement.

Section I—Property Coverages

E. Additional Coverages

Paragraph E.10. Landlord's Furnishings is replaced by the following:

10. Landlord's Furnishings

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage C, other than Theft.



This coverage includes, but is not limited to, loss to appliances, carpeting and other household furnishings which results from "home-sharing host activities".

This limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

This coverage does not increase the limit of liability applying to the damaged property.

Section I—Perils

SECTION I – PERILS INSURED AGAINST

B. Coverage C – Personal Property

With respect to the coverage provided by this endorsement, Paragraph 9.b.(3) is replaced by the following:

9. Theft

b. This peril **does not include loss caused by theft:**

(3) From that part of a "residence premises" rented by an "insured" to someone other than:

(a) Another "insured"; or



(b) A "home-sharing occupant".

However, **we will not pay, under this Provision b.(3)(b), for loss by theft of:**

(i) Money, bank notes, bullion, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, platinumware, platinum-plated ware, coins, medals, scrip, stored value cards and smart cards;

(ii) Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps regardless of the medium (such as paper or computer software) on which the material exists; or

(iii) Jewelry, watches, furs, precious and semiprecious stones

Section I—Conditions

SECTION I – CONDITIONS

With respect to the coverage provided by this endorsement, Paragraph G. Other Insurance And Service Agreement is replaced by the following:

G. Other Insurance And Service Agreement

1. If a loss covered by this Policy is also covered by:
 - a. Other insurance, except insurance provided by a "home-sharing network platform", we will pay only the proportion of the loss that the limit of liability that applies under this Policy bears to the total amount of insurance covering the loss;
or
 - b. A service agreement, protection plan or guarantee, except a service agreement, protection plan or guarantee provided by a "home-sharing network platform", this insurance is excess over any amounts payable under any such agreement

2. Subject to Paragraph G.1., if, at the time of loss, there is:
 - a. Other insurance;
 - b. A service agreement;
 - c. A protection plan; or
 - d. A guarantee;

→ **provided by, on behalf of, or through a "home-sharing network platform" covering the same property covered by this Policy, this insurance is primary with respect to the amount due under such other insurance, service agreement, protection plan or guarantee.**

3. As used in this Paragraph G.:
 - a. A service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.
 - b. A protection plan or guarantee means a product provided by a "home-sharing network platform" which provides property damage protection for "home-sharing host activities", even if it is characterized as insurance

SECTION II- Exclusions

SECTION II – **EXCLUSIONS**

Exclusion E.2. is replaced by the following:

Coverages E and F do not apply to the following:

2. "Business"

a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

b. This Exclusion E.2. does not apply to:

(1) "Home-sharing host activities";

(2) With respect to other than "home-sharing host activities":

(a) The rental or holding for rental of an "insured location":

(i) On an occasional basis if used only as a residence

(ii) In part for use only as a residence, unless a single-family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

(iii) In part, as an office, school, studio or private garage; and

(b) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees

SECTION II- Additional Coverages *(excerpt)*

SECTION II – **ADDITIONAL COVERAGES**

With respect to the coverage provided by this endorsement, Paragraph C. Damage To Property Of Others is replaced by the following:

C. Home-sharing Host Activities Damage To Property Of Others

1. We will pay, at **replacement cost, up to:**

a. **\$1,000; or**

b. The **Home-sharing Host Activities Damage To Property Of Others Limit Of Liability** shown in the Schedule;

whichever is greater, per "occurrence", for "property damage" to property of others:

a. Caused by an "insured"; and

b. Arising out of "home-sharing host activities" . . .

SECTION II- Conditions

SECTION II – CONDITIONS

With respect to the coverage provided by this endorsement, Paragraph H. Other Insurance is replaced by the following:

H. Other Insurance

This insurance is:

1. Primary with respect to:

- a. Other insurance;
- b. A protection plan; or
- c. A guarantee;

provided by, on behalf of, or through a "home-sharing network platform" covering "home-sharing host activities".

2. Subject to Paragraph H.1., excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this Policy.

3. As used in this Paragraph H., a protection plan or guarantee means a product provided by, on behalf of, or through a "home-sharing network platform" which provides liability protection for "home-sharing host activities", even if it is characterized as insurance.

SECTION I & II- Conditions

SECTIONS I AND II – CONDITIONS

The following provision is added:

Home-sharing Host Activities Verification Requirements

With respect to "home-sharing host activities", we must be provided, as often as we reasonably require, with information concerning the number of:

1. Rental agreements or contracts entered into by an "insured"; and
2. Nights the "residence premises" was occupied, in whole or in part, by "home-sharing occupants".

PERSONAL INJURY COVERAGE

Personal Injury Coverage

If the Personal Injury Coverage endorsement is made a part of this Policy, Exclusion 1.g. is replaced by the following:

This insurance does not apply to:

1. "Personal injury":

g. Arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured". This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

This exclusion does not apply to:

(1) "Home-sharing host activities";

(2) With respect to other than "home-sharing host activities":

(a) The rental or holding for rental of an "insured location":

(i) On an occasional basis if used only as a residence;

(ii) In part for use only as a residence, unless a single-family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or (iii) In part, as an office, school, studio or private garage; and

(b) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

All other provisions of this Policy apply.