

Sharing Economy Exposes Summer Travelers to Insurance Risks

As the U.S. summer travel season peaks, consumer use of sharing platforms continues to climb. Global revenue from sharing services will hit \$335 billion by 2025, according to PricewaterhouseCoopers.

In addition to home and ride-sharing, consumers are now renting and sharing everything from cameras to golf clubs. With nearly 75 percent of Americans vacationing this summer, the District's Department of Insurance, Securities and Banking (DISB) advises consumers to understand the insurance risks of the sharing economy.

Welcome Home

- **Purchase the right coverage.** Regularly renting out rooms for a profit may be considered a home-based business. As many homeowners policies won't cover property damage caused by or injuries to a paying guest, hosts should talk to the home-sharing service and their own insurance agent to determine if additional liability coverage or special landlord insurance is needed. Some home-sharing companies offer host protection guarantees to cover disputes between owners and renters.
- **Ask for proof.** Consider only renting to guests who show proof of homeowners, renters or personal liability insurance. If a guest damages rented property, hosts may be able to report a claim on the guest's policy.
- **Review your personal policies.** Consumers staying in accommodations secured through a service such as Airbnb or VRBO should confirm their homeowners, renters or personal liability insurance policies offer protection for potential damages to the rental property. If not, make adjustments as needed.
- **Check the terms of use.** Home-sharing user agreements change often. Read the fine print every time.

Taken for a Ride

- **Ask your insurer.** Before contracting as an Uber or Lyft driver, consumers should consult their insurer. Personal auto insurance typically excludes coverage for business use or when drivers are "available for hire."

- **Review the company's policies.** Some ride-sharing companies provide primary insurance. Uber and Lyft also offer contingent collision and comprehensive coverage that takes effect when the driver accepts a ride request or has a passenger in the vehicle. However, drivers must elect to purchase and add these coverages to their personal auto insurance. Some personal auto insurers may not offer the additionally required insurance.
- **Fill the gap.** Several insurers offer products to fill coverage gaps for ride-share drivers. Premiums, type of coverage, limits and availability varies by state and by insurance company. Insurance providers can answer specific questions about what is and is not covered.
- **Research before riding.** Before accepting a shared ride, know the extent of protection in the event of an accident. Most ride-sharing companies have liability policies to cover any passenger injuries. If injured while riding, report a claim with the driver's insurer and the ride-sharing company's insurer and let them sort it out.

Goods & Services for Hire

- **Require a security deposit.** When lending goods such as high-fashion clothing or a bicycle, get a security deposit to cover any losses. Capture photos and other information in a home inventory.
- **Make sure it works.** Consumers can be held liable for renting out items that are known to not work properly. A homeowners policy may not cover the transaction because payment was exchanged for rented goods.
- **Know who's paying.** Are you hiring a stranger to help with home cleaning, moving or other tasks through sites such as TaskRabbit? Find out whose insurance covers what. The service may offer a guarantee, but often it is secondary to any insurance or policies the consumer already has in place.

If you have concerns about insurance coverage visit DISB at disb.dc.gov or call 202-727-8000.

About DISB

The mission of the D.C. Department of Insurance, Securities and Banking is two-fold: 1) protect consumers by providing equitable, thorough, efficient, and prompt regulatory supervision of the financial services companies, firms, and individuals operating in the District of Columbia; and 2) develop and improve market conditions to attract and retain financial services firms to the District of Columbia. Visit us online at disb.dc.gov. This information is courtesy of Insure U from the National Association of Insurance Commissioners (NAIC).

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