

Coverage for renting out your home

Vacation home? Income property? Here's how to insure it

Homeowners + Renters Insurance

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There are many reasons you might want to rent out your home on either a short- or long-term basis. Depending on the rental scenario, your standard homeowners policy may not cover losses incurred while your home is rented out, and you may require a more specialized insurance policy. So, whether you own a second home that you lease to tenants, want to rent out a spare bedroom in your house periodically through Airbnb, or make a little extra cash renting out your beach cottage the weeks you're not using it, the first step should be to call your insurance professional.

Short-term rentals/Primary residence

If you are planning to rent out all or part of your primary residence for a short period of time, for instance, a week or several weekends, there will likely be two insurance scenarios.

1. Some insurance companies may allow a homeowners or renters policyholder a short-term rental—assuming they have notified the company. Other insurers will require an **endorsement** (or rider) to the existing insurance policy in order to provide insurance coverage.
2. If you plan to rent out your primary residence for short periods on a regular basis, to various “guests.” this would constitute a business. Standard homeowners insurance policies do not provide any coverage for business activities conducted in the home. To be properly covered you would need to purchase a business policy—specifically either a hotel or a bed and breakfast policy.

Long-term rentals/Second home

If you are planning to lease your home to one person or a couple or family for a longer period of time, say six months or a year, you will likely need a landlord or rental dwelling policy. Landlord policies generally cost about 25 percent more than a standard homeowners policy to pay for increased protections. If you are regularly renting out a vacation home or investment property, this would also require a landlord or rental dwelling policy.

Landlord policies provide property insurance coverage for physical damage to the structure of the home caused by fire, lightning, wind, hail, ice, snow or other covered perils. It also offers coverage for any personal property you may leave on-site for maintenance or tenant use, like appliances, lawnmowers, and snow blowers.

The policy also includes liability coverage; if a tenant or one of their guests gets hurt on the property, it would cover legal fees and medical expenses.

Most landlord policies provide coverage for loss of rental income in the event you are not able to rent out the property while it is being repaired or rebuilt due to damage from a covered loss. This coverage is generally provided for a specific period of time.

Renters insurance

As the landlord, your coverage is only on the structure itself and your financial interest in it. Your tenant’s personal possessions are not covered under your policy. In order to avoid disputes arising from damage to the renter’s belongings, many landlords require a tenant to buy renters insurance before signing a lease.

Next steps: [Learn more about peer-to-peer home rentals.](#)

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