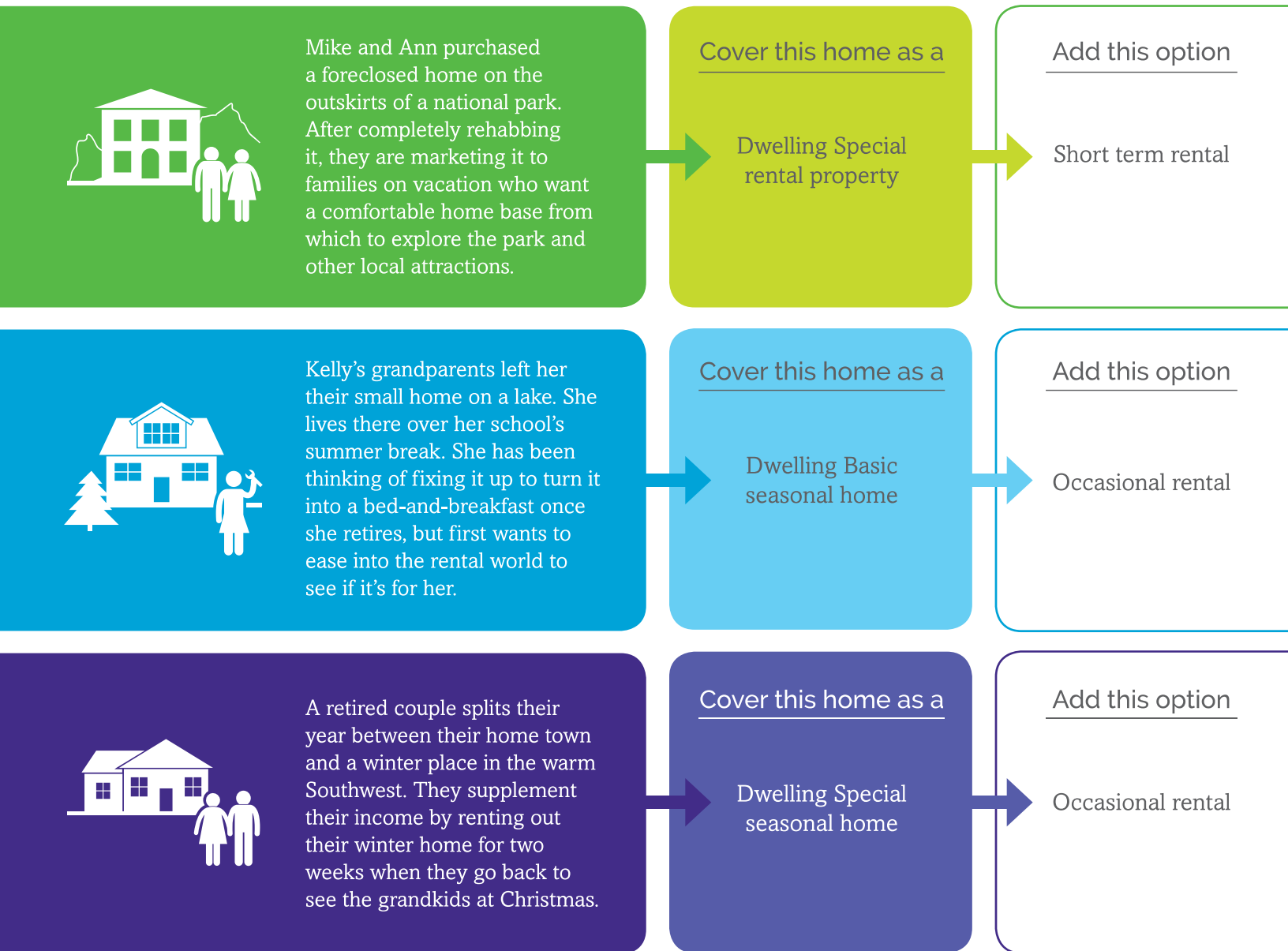


# Help a customer insure a vacation rental, like Airbnb or VRBO...and find a new market for yourself.

What are your options when a customer tells you about putting their home or rental property on Airbnb or VRBO? HO-3 coverage typically excludes rentals, and most actual rental property policies require or assume a 12-month lease. The small scale rules out a commercial policy, too.

**American Modern® has a solution for you.** Cover the property as a Dwelling Basic or Dwelling Special risk, and modify it to allow for shorter stays. It's very easy and requires no extra work by you or the property's owner. Here are some examples of when it can apply:



# Quoting is easy.

Just ask 2 questions, then make a yes or no choice.

## 1 What is the occupancy?



**Rental property** –  
revenue-generating property  
occupied by a tenant with a lease

OR



**Seasonal risk** –  
part-time residence used less  
than 5 months per year

## 2 How will the home be protected?

Dwelling Special offers comprehensive coverage and replacement cost settlement for a rental or seasonal. There is no age limit but condition restrictions will apply.

**Dwelling  
Special**

OR

**Dwelling  
Basic**

Dwelling Basic offers named peril coverage and ACV settlement for any occupancy. There is no age limit and condition requirements are looser.

## Modify the occupancy

**A For rental property**, add the Short Term Rental option. It modifies the policy to permit rental terms of less than 3 months.

On the Discount/surcharges screen, under the dwelling section, select **Yes** for the question “Will the lease terms for this dwelling be less than 3 months?”

A

Dwelling 1:  
Will the lease terms for this dwelling be less than 3 months? \*  Yes  No  
Does the applicant live within 100 miles of the property? \*  Yes  No  
Is the property managed by a property manager? \*  Yes  No

**B For a seasonally used home**, add the Occasional Rental option. It modifies the policy to cover infrequent rentals. There is no defined term.

On the Discounts/Surcharges screen, under the dwelling section, select **Yes** for the question “Will the dwelling be occasionally rented to others?”

B

Dwelling 1: :  
Will the dwelling be occasionally rented to others? \*  Yes  No  
For the length of time the applicant has owned the dwelling, how many days has it gone uninsured? \*   
Under Construction or Major Renovation? \*  Yes  No

The dec page will list the modified coverage. There is no special reporting to do or additional form to sign. Just book the policy and your customer is protected.

# Help a customer insure a vacation rental, like Airbnb or VRBO...and find a new market for yourself.

The new “sharing economy” is changing the options for where to stay on a trip or a get-away. Internet platforms, such as Airbnb or VRBO, make it easy to advertise a home for rent, or even just a single room, on a short-term basis. American Modern® makes it just as easy for you to insure these spaces. Here are some ideas for getting into this growing market.

The opportunities are all around you. Here's how to grab them.



To do some prospecting, just go online, find vacation rentals in your area, and call the owner for a quick chat.



Get to know local realtors and property managers. They will know about local properties that are frequently rented.



Run an ad promoting your ability to properly insure vacation rentals in your area's tourism magazine or sports team program (homes in college towns are ideal for fall football game visitors).



If someone in your office is tech savvy, try a few Google ads for key words like “vacation rental insurance” and target it to ZIP codes near you.

## ? Questions you need to be prepared to answer

### **What about protection programs offered by Airbnb or a similar company?**

A customer may tell you that they do not need special coverage from you because they are covered by, for example, Airbnb's Host Guarantee or Host Protection Insurance. However, those kinds of coverage typically only cover the property during an actual rental, leaving the dwelling exposed between renters. These kinds of special coverage are not a replacement for more traditional property insurance. You should review the terms and conditions of these kinds of coverage to be ready to explain how your recommended policy complements that coverage.

### **What happens if there is a loss but no short-term coverage?**

There is a possibility that a claim could be denied if the property owner misrepresented the actual occupancy, or did not inform you of a change from when the property was originally insured. There is also the possibility of an E&O issue on your end. All of this can be avoided easily with the simple occupancy modification. You can do it in under a minute.



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