

INSURANCE | PROPERTY & CASUALTY

Homeowners Insurance Vs. Vacation Rental Insurance



What does your policy really cover?

If your primary residence is damaged during a storm or if a delivery person slips on your walkway and is injured, you can generally rely on your personal homeowners insurance policy to cover the cost of repairs or the cost of defending yourself against a personal injury lawsuit.

When you enter into an agreement with friends, relatives, or strangers to lease your vacation home as a short-term rental, your homeowners policy is unlikely to provide protection against losses related to your renters' stay.

That's because homeowners insurance is intended for personal risk management; insurance companies view your vacation rental activity as a business activity. As such, you need commercial insurance coverage in order to protect yourself and your property from the unique risks associated with your rental business.

Following, you'll find a side-by-side comparison highlighting key coverage differences between standard homeowners insurance and vacation rental insurance. Reviewing these distinctions can help you make informed decisions to better protect your investment.

Is your coverage leaving you vulnerable if something goes wrong?

Coverage Type	CBIZ Vacation Rental Insurance Policy	Typical Homeowners Insurance Policy
• Property protection for damage caused by renters	✓	X
• Protection for owner-occupied properties	✓	✓
• Liability coverages related to rental activities	✓	X
• Liability protection for when renters' injuries or losses relate to rental amenities (ie. pools, hot tubs, lakes, exercise equipment, small watercraft)	✓	X
• Property manager included as additional insured at no added cost	✓	X
• Business income and extra expense coverage	✓	X

There are significant differences between homeowners policies and commercial vacation rental insurance coverage. Standard homeowners insurance may not provide the level of protection required for vacation rental properties, potentially leaving you exposed to personal liability.

- CBIZ policy also includes replacement cost coverage for your building and its contents, protection for unattached structures, and coverage for sewer and drain backups.

- CBIZ policy includes coverage for medical expenses, the cost of defending the policyholder against lawsuits, personal and advertising coverage, and up to \$1 million per occurrence/\$2 million general aggregate protection. (Higher limits available)

With CBIZ, safeguarding your vacation rental property is straightforward and reliable. ***Connect with a trusted advisor for a no-obligation consultation and risk assessment.***