



Essential Protection for the Sharing Economy



By Herb Decuers, *Underwriter* Insure Response, LLC

The home and condo rental market is booming, and peer-to-peer leasing is leading the charge. With the rise of the home sharing economy and online services such as Airbnb, HomeAway, and FlipKey, it is easier than ever for home and condo owners to earn rental income and for "guests" to land accommodations that fit their needs and budgets.

While home (and room) sharing can be lucrative for homeowners, it exacerbates the typical homeowners risks. Recognizing this, Lexington Insurance Company has introduced the latest in its series of enhancements to LexElite® Homeowners Insurance: LexShareSM HOME Rental Coverage (LexShare HOME), explicitly designed to respond as the sharing economy reshapes the home and condo rental market. LexShare HOME extends homeowners protection expressly where short- and long-term landlords need it - providing coverage certainty with an expanded definition of "residence premises" and raising the roof on protection for losses from property damage, theft, and more.

Key coverage highlights include:

- A broad definition of "residence premises" that eliminates any grey areas in coverage for primary and secondary rental properties, and expressly encompasses both short- and long-term rentals regardless of whether they are secured through online peer-to-peer websites or traditional real estate brokers.
- Protection for rental of other structures on the "residence premises," such as a converted garage apartment - deleting the exclusion of other structures rented or held for rental in the standard homeowners policy.
- Increased coverage for damage to landlord's furnishings, including appliances, carpeting, and other household furnishings, in each apartment on a "residence premises," eliminating the \$2,500 coverage cap in a standard homeowners policy.
- Enhanced protection for personal property, tripling - or more - the standard Special Limits of Liability in key areas. For example, LexShare HOME provides limits of \$10,000 on watercraft of varying types; \$5,000 for loss by theft of jewelry, watches, precious, and semiprecious stones; \$7,500 for loss by theft of silverware, goldware, platinumware, and firearms; \$7,500 on property used primarily for "business" purposes; and \$4,500 on trailers or semitrailers as well as \$4,500 on certain electronic apparatus and accessories.
- Coverage for theft of personal property from that part of a "residence premises" rented to others.
- \$100,000 Watercraft Liability coverage for certain watercraft rented to others, such as jet skis, small sailboats and powerboats, canoes, kayaks, and rowboats. Standard homeowners policies provide no coverage whatsoever for watercraft rented to others.
- Express coverage for tenant-caused damage to trees, shrubs, plants or lawns on primary and secondary rental properties.

LexShare HOME Rental Coverage is the newest addition to Lexington's suite of enhancements to LexElite® Homeowners' Insurance - each enhancement is designed to help consumers keep pace with the fast-moving risks of today's world. Additional endorsements include: Lex CyberSafetySM Coverage, Upgrade to Green® Residential, Eco-Homeowner® Mandatory Evacuation Response Coverage, and LexElite® Pet Insurance.

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The **Non-standard Homeowners or Rental Dwelling** is available all states except Hawaii. To learn more visit [Big "I" Markets](#) or contact Herbert Decuers at hdecuers@insureresponse.com.

1 Airbnb is Inc.'s 2014 Company of the Year, Inc., www.inc.com/magazine/201412/burt-helm/airbnb-company-of-the-year-2014.html.

2 Inside Airbnb's Grand Hotel Plans, Fast Company, www.fastcompany.com/3027107/punk-meet-rock-airbnb-brian-chesky-chip-conley.

3 Peer-to-Peer Rental: The Rise of the Sharing Economy, The Economist, www.economist.com/news/leaders/21573104-internet-everything-hire-rise-sharing-economy.

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