

## LexShare<sup>SM</sup> HOME Rental Coverage Essential Protection for the Sharing Economy



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.

Airbnb alone facilitated approximately 6 million home rental nights from 550,000 listings in 2013;<sup>1</sup> counting beds on offer, Airbnb is already the fifth-largest hotelier in the world, with an estimated one million listings at the end of 2014.<sup>2</sup>

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<sup>®</sup> Homeowners Insurance: LexShare<sup>SM</sup> 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.

The sharing economy, marked by peer-to-peer rental of everything from homes and condos, to cars and bikes, is on the rise. The consumer peer-to-peer rental market is reportedly worth more than \$26 billion.<sup>3</sup>

### Highlights

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.

<sup>1</sup> Airbnb is Inc.’s 2014 Company of the Year, Inc., [www.inc.com/magazine/201412/burt-helm/airbnb-company-of-the-year-2014.html](http://www.inc.com/magazine/201412/burt-helm/airbnb-company-of-the-year-2014.html).

<sup>2</sup> Inside Airbnb’s Grand Hotel Plans, *Fast Company*, [www.fastcompany.com/3027107/punk-meet-rock-airbnb-brian-chesky-chip-conley](http://www.fastcompany.com/3027107/punk-meet-rock-airbnb-brian-chesky-chip-conley).

<sup>3</sup> Peer-to-Peer Rental: The Rise of the Sharing Economy, *The Economist*, [www.economist.com/news/leaders/21573104-internet-everything-hire-rise-sharing-economy](http://www.economist.com/news/leaders/21573104-internet-everything-hire-rise-sharing-economy).

# LexShare<sup>SM</sup> HOME Rental Coverage

## Essential Protection for the Sharing Economy

### Welcome Coverage Extensions

With LexShare HOME in place, home or condo owners participating in the sharing economy have expanded coverage right where they need it. The following scenarios illustrate how LexShare HOME's added coverage can prove pivotal:

- A tenant hosts a large party at the vacation home leased for the week via a home sharing website. Revelers caused substantial damage to the Landlord's Furnishings. With LexShare HOME, the homeowner is covered for damaged household furnishings up to the Limits of Liability.
- A tenant steals personal property from a room in the "residence premises" of the insured homeowner. With LexShare HOME, theft for such property is covered under the policy.
- A tenant is injured after capsizing the homeowner's jet ski, which was stored at their lakefront rental property. LexShare HOME responds to defend and indemnify the homeowner in the ensuing liability lawsuit up to \$100,000 and pays up to \$10,000 to repair or replace the watercraft.

- **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.

LexShare HOME gives homeowners peace of mind that their rental property — whether rented online or via traditional real estate brokers — is well protected from damage or theft by tenants.

- **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<sup>®</sup> Homeowners' Insurance — each enhancement is designed to help consumers keep pace with the fast-moving risks of today's world. Additional endorsements include: Lex CyberSafety<sup>SM</sup> Coverage, Upgrade to Green<sup>®</sup> Residential, Eco-Homeowner<sup>®</sup>, Mandatory Evacuation Response Coverage, and LexElite<sup>®</sup> Pet Insurance.

### To learn more:

Contact Carla Eiring, Business Development Director, 813 222 4832, [carla.eiring@aig.com](mailto:carla.eiring@aig.com)



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