Airbnb's AirCover Protection: What It Covers (and Why It's Not Insurance)

By Nick Massey, Chief Sales Officer, Proper Insurance

Is Airbnb's AirCover enough insurance for hosts?

No—AirCover is Airbnb's host protection program, not an insurance policy. It doesn't replace a Homeowners policy or a dedicated short-term rental policy. Coverage is capped, conditional, and controlled by Airbnb, with real gaps around exclusions, filing deadlines, and claims outside the booking window. Hosts who want reliable protection need a policy that names them—not Airbnb—as the insured.

What Airbnb's AirCover Actually Covers

AirCover for Hosts consists of two very different protections.

HOST DAMAGE PROTECTION

Up to $3,000,000

Not insurance—Airbnb's own words. A program Airbnb self-funds and self-administers, with no licensed carrier standing behind the number.

HOST LIABILITY INSURANCE

Up to $1,000,000

Real insurance, underwritten by a licensed carrier—but a single group policy covering every host on the platform, not a contract naming any one host as the insured.

Where Airbnb AirCover Falls Short for Hosts

Coverage is conditional, not contractual

With insurance, coverage is defined by contract. With AirCover, Airbnb controls the claim and decides whether to pay it.

Real gaps around exclusions, deadlines, and the booking window

AirCover typically won't respond to claims filed past its deadlines, damage outside the booking window, or losses that fall into its exclusion list—which Airbnb itself says isn't fully published.

It doesn't replace a Homeowners policy

Per the Insurance Information Institute (March 2026), standard Homeowners policies typically don't cover Commercial activities, including short-term renting. Hosts who don't disclose Airbnb activity to their insurer risk having claims denied—even ones unrelated to a guest stay.

Is AirCover Worth It? What the $3M and $1M Numbers Actually Guarantee

A coverage limit and a guaranteed payout are not the same thing—and the two AirCover numbers aren't even the same kind of protection.

The $3 million figure has been formally challenged as unlicensed insurance

In 2026, Virginia's Bureau of Insurance challenged Airbnb's Host damage protection program directly, arguing it functions as insurance offered without a license—because Airbnb self-funds and administers it, with no licensed carrier behind the number. Airbnb's own defense: the program "is lawful and is not—and has never been—insurance." Whichever side is right, that's Airbnb's own description of what the $3 million actually is: a maximum it might choose to pay, not a contract it's bound to honor.

The $1 million figure is real insurance—for the platform, not the host

Unlike Host damage protection, Host liability insurance is underwritten by a licensed carrier. But it's a single group policy covering every host on the platform, not a contract naming an individual host as the insured. Effective March 1, 2025, hosts with six or more active Airbnb listings may see it apply only as excess coverage—responding only after the host's own insurance is exhausted first.

AirCover vs. Short-Term Rental Insurance: FAQs

Does AirCover replace short-term rental insurance?

No. AirCover is Airbnb's platform protection program, not an insurance policy. Airbnb states directly that AirCover isn't insurance, and hosts remain responsible for their own coverage. With insurance, you are the policyholder and coverage is defined by contract; with AirCover, Airbnb controls the claim and coverage is conditional.

Is Homeowners insurance enough for Airbnb?

No. Standard Homeowners insurance is built for personal, non-Commercial use. The Insurance Information Institute confirmed in March 2026 that standard Homeowners policies typically don't cover Commercial activities, including short-term renting.

Is AirCover legally considered insurance?

It depends which half. Host liability insurance is underwritten by a licensed carrier and regulated as insurance. Host damage protection is not—and in 2026, Virginia's Bureau of Insurance formally challenged it as an unlicensed insurance product for exactly that reason. Airbnb disputes the characterization and maintains the program has never been insurance. Either way, no independent carrier stands behind the $3 million figure.

About Proper Insurance. Since 2014, Proper has specialized in short-term rental insurance, writing more than 200,000 policies across all 50 states and Washington, D.C. The Proper Policy is a Commercial Homeowners policy backed by Lloyd's of London and Concert Specialty, with in-house underwriting and claims—exclusively endorsed by Vrbo, and part of Specialty Program Group, a HUB International company.

Coverage descriptions are intended for general informational purposes only. The specific circumstances of any loss, along with your policy's terms, exclusions, conditions, and limitations, determine whether coverage applies. Nothing here alters, expands, or overrides the terms of an actual insurance policy. AirCover details reflect Airbnb's published program terms and publicly reported regulatory information as of September 2026; Airbnb updates its policies frequently and the Virginia matter referenced above was still pending as of this writing, so confirm current terms directly with Airbnb.

Adapted from "Airbnb's AirCover Protection: What It Covers (and Why It's Not Insurance)," proper.insure/blog/airbnb-aircover-protection, and "Can I Be an Airbnb Host in Virginia?," proper.insure/blog/can-i-be-an-airbnb-host-in-virginia