# Homeowners Insurance Doesn't Cover Short-Term Rentals

*By Justin Brodin, Chief Marketing Officer, Proper Insurance*

*Does a Homeowners policy cover Airbnb or short-term rentals?*

No—most standard Homeowners insurance does not cover short-term rentals like Airbnb or Vrbo. The moment you accept paying guests, your property is treated as a business, which triggers the business activity exclusion in a standard Homeowners (HO) policy. That exclusion can be used to deny even ordinary claims—fire, storm damage, or theft—once a home is used as a vacation rental. To protect your property, liability, and income, you need specialized short-term rental or Commercial Homeowners insurance built for guest-related risk, property entrustment, and lost income.

## Airbnb Insurance Compared: What Each Policy Type Actually Covers

*How The Proper Policy stacks up against Homeowners insurance, an HO home-sharing endorsement, and Landlord insurance across the exposures short-term rental hosts actually face.*

| Coverage | The Proper Policy | Homeowners Insurance (HO) | HO + Home-Sharing Endorsement | Landlord Insurance (DP) |
|---|---|---|---|---|
| Property | ✓ | × | ! | ✓ |
| Damage, theft, and vandalism by a guest | ✓ | × | × | ! |
| Liability on premises | ✓ | × | ! | ✓ |
| Liability off premises | ✓ | × | × | × |
| Replacement costs | ✓ | ! | ✓ | ✓ |
| Loss of income | ✓ | × | ! | ! |
| Liability for amenities | ✓ | × | × | ! |
| Vacancy | ✓ | × | × | × |
| Invasion of privacy | ✓ | × | × | × |
| Airbnb squatter | ✓ | × | × | × |
| Bed bugs | ✓ | × | × | × |

✓ Covered · ! Limited or conditional · × Not covered

## The Two Gaps That Cost Hosts the Most

**Guest-caused damage**

A Homeowners policy has no way to recover for accidental, intentional, or malicious damage by a paying guest. The coverage built for it is Property Entrustment—found on a Commercial short-term rental policy, with no sub-limit on guest-caused damage up to your policy limit.

**Lost rental income**

A Homeowners policy has no loss of income coverage, and "loss of use" is not the same as lost revenue. Loss of Business Revenue pays the actual revenue lost while a covered loss keeps your property unlivable, up to the limit you choose.

THIRD-PARTY PERSPECTIVE — INSURANCE INFORMATION INSTITUTE

Per the Insurance Information Institute, operating a short-term rental in a residential property is generally considered a commercial use, so standard Homeowners policies are typically not designed to respond to losses from hosting activity.

## Airbnb & Homeowners Insurance FAQs

**What insurance do you need to run an Airbnb?**

Running an Airbnb is a business, so you need Commercial insurance—not a standard Homeowners or Landlord policy. Insurance written for short-term rentals combines the strengths of Homeowners, Landlord, and Commercial coverage into one form.

**Does Airbnb AirCover replace Homeowners insurance for hosts?**

No. Airbnb AirCover is not insurance and does not replace a Homeowners or short-term rental policy. It provides limited, discretionary protection during Airbnb stays only—with no coverage for your building and no replacement of lost rental revenue if a claim shuts your rental down.

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**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.*

Adapted from "Homeowners Insurance Does Not Cover Airbnb," proper.insure/blog/does-homeowners-cover-short-term-rentals