



# Maryland

INSURANCE ADMINISTRATION

## Sharing Economy FAQs

June 18, 2020

### **What is ridesharing?**

Ridesharing is the term used to describe when a person receives payment for driving someone for a fee. Ridesharing services are usually arranged through an on-line application which is created by a Transportation Network Company (TNC) such as Lyft, Sidecar and Uber.

### **Can my insurer drop me if I drive for a ridesharing company?**

That depends on the terms of your automobile insurance policy. It is important to truthfully answer all questions asked by your insurer and to advise of any changes in your personal situation, including that you drive for a ridesharing service. Failing to do so may result in denial of a claim or cancellation of a policy. It would be best to speak with your insurer or insurance producer (also known as an agent) and let them know how you are using your car. They will be able to advise you on coverages and any exclusions that may apply.

### **What type of policy do I need to have if I am a driver for a ridesharing company (TNC)?**

Your personal automobile policy may not provide coverage in the event you are legally responsible for damage or injuries to another, including your passengers. Your personal automobile policy may also not cover damage to your vehicle that happens while you are operating on the ridesharing app. Contact your insurer or insurance producer to find out what coverages are available for ridesharing and to determine if you need to purchase commercial automobile liability insurance.

### **What is homesharing?**

Homesharing, or peer-to-peer home rental, is when a homeowner rents a room or their home to a stranger via an app or a website like Airbnb, VRBO, Roomorama and HomeAway.

## **Do I need to inform my homeowners insurer if I use my home for homesharing or peer-to-peer rental?**

Regularly renting out all or part of your home for a fee may be considered a home-based business. Your homeowners policy may not cover damage to your home or the items in your home caused by a paying guest; and may not protect you from liability if a guest suffers an injury. You should talk to the homesharing service and your insurer or insurance producer to determine if additional liability coverage or special landlord insurance is needed. Some homesharing companies offer host protection guarantees to cover disputes between owners and renters. The Maryland Insurance Administration does not regulate homesharing facilitators like Airbnb, etc.

## **What type of policy do I need if I want to share my home?**

Consult with your insurer or insurance producer to analyze your risks and determine what type of coverage is needed to protect your personal property, liability, and your business activities.

## **I am considering renting out my summer property in Ocean City. Will my homeowners insurance cover me?**

If you decide to rent out your vacation home for part of the year, the insurance policy on your second home may not cover damage that occurs while the home is being rented out.

## ***I booked an Airbnb for an upcoming vacation. Will my homeowners insurance policy extend coverage to the property?***

Read your rental contract closely to determine what your responsibilities are and what coverage is available from the property owner and the peer-to-peer company. Consult with your insurer or insurance producer to determine if your policy provides coverage for damage that may occur at the rental property.