



News release

Insurance Council
of Australia

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Short-term holiday rental hosts warned not to risk being uninsured

As hundreds of thousands of Australians head away for the Easter break, the Insurance Council of Australia (ICA) is warning short-term holiday rental hosts not to place their most valuable asset at risk.

The attraction of earning extra income from short-term holiday rental is financially appealing, but for the uninsured it could lead to disaster.

Almost 500,000 Australian hosts have listed their property on short-term holiday rental platforms since 2016 and Easter and Christmas are particularly popular times to list a home.

However, hosts who offer their properties on short-term holiday rental platforms are most likely not protected for any damage caused by their short-term tenants under their home and contents insurance.

Most insurers regard short-term holiday rental as a commercial use of a property or a business activity.

A home building or contents claim incurred while a property is being rented by short-term tenants may be declined, leaving the host financially liable and potentially vulnerable to financial loss.

Some insurers have responded to the increasing popularity of short-term holiday rentals by offering specialty policies for hosts who self-manage their property.

Cover like this can be tailored to the number of nights the property is rented and the daily cost can be as little as the price of a take-away coffee.

It can cover paying guest-related accidental or malicious damage, theft or attempted theft, personal liability if a guest is injured, identity theft, and strata property damage.

Short-term landlord insurance policies are also available to cover a professionally managed property.

Hosts considering short-term holiday renting should:

- Check their building and contents insurance policy details prior to advertising on short-stay holiday rental platforms. If the policy doesn't cover short-term rental look for a specialty policy at findaninsurer.com.au that protects both home and contents while paying guests are staying.
- Not rely solely on the rental platform's host protection insurance as there may be gaps in the cover offered.
- Be aware that home insurance includes public liability coverage, however, the commercial activity of short-term holiday stays may invalidate this cover for some claims.
- Reduce the risk of theft by removing valuables during the short-term stay.
- Check strata rules, tenancy agreements and local council laws because these may prohibit short-stay holiday rental.
- Ensure their property is safe and secure.

Quote attributable to Andrew Hall, CEO ICA:

Short-term renting is a legitimate and attractive activity that turns many homeowners into short-term landlords, but it's vital that they do this properly and have insurance cover for the unexpected.

The Insurance Council is aware of frightening stories of hosts returning after short-term paying guests have departed to find their house stripped of possessions or significantly damaged.

Short-term rental landlords wouldn't leave home without locking their property – this Easter they mustn't leave home without the right insurance cover.