

# Airbnbs need to be properly covered

South African Airbnb hosts welcomed [almost 400,000 guests between 1 January and 31 December 2016](#), and with peak tourism season here, Marike van Niekerk, legal and compliance manager at MUA, says it is vital for all property owners to have adequate insurance in place.



Marike van Niekerk, legal and compliance manager at MUA

“Homeowners need to be aware that the risk of short-term rentals are much higher for the insurer. Normal personal short-term insurance policies will, in these types of situations, either exclude or limit cover.”

Van Niekerk explains that it is also very important to have appropriate legal liability cover in place to avoid facing excessive claims for injuries to the guests who have rented your property. “Although Airbnb provides the host with protection cover, this policy primarily covers the host and landlord against third party liability claims for guests that suffer injury or property damage during their stay. This cover is capped and there are exclusions applicable. It is therefore crucial for the landlord to know exactly what is excluded under this protection cover.”

## Compliance

While normal home contents policies cover malicious and accidental damages to property, Van Niekerk further advises that claims for theft or malicious damage of household contents can be rejected if there are no signs of forced entry. She adds that when hosts decide to rent out their property on Airbnb or the like, they need to inform their broker. “In addition to legal liability and home contents insurance, your broker will be able to advise on any other or additional cover that you may need.”

Van Niekerk goes on to highlight the importance of complying with local authority requirements. "Some properties must be appropriately zoned for rental purposes and in some cases require consent from the local authority. Be sure that smoke detectors are working, fire extinguisher are in place and serviced and that regular property maintenance checks have been conducted."

Lastly, she says that screening guests by conducting thorough credit checks will help to further mitigate the risks associated with renting out one's property to strangers. "Refunds for reservations and cancellation fees payable by paying guests will not be covered in terms of your general personal insurance policy," Van Niekerk concludes.

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