

Insurance for renting out your holiday home

Holiday homes

A holiday home is usually a secondary residence used for holidays. Holiday homes have different risk profiles to the houses we spend our day to day lives living in, so usually can't be covered under standard house and contents policies. Because of this, many insurers offer policies specifically for holiday homes

Renting out your holiday home

If you decide to rent your holiday home out to tenants, you'll need to tell your insurer and check whether you'll still be covered for any damage done during the rental period. This is because most holiday home policies assume that the only people using them are the owners and visitors of the owners. If you don't tell your insurer you have paying guests and something goes wrong, you may find that you're not covered.

TIP



Check out our disclosure guide to understand what you need to tell your insurer about you, your house and your contents:
<https://www.icnz.org.nz/understanding-insurance/consumer-guides/>.

There may be an additional excess on top of your standard excess for damage caused by paying guests. If there is, it will be written in your policy schedule.

Home-sharing services (Airbnb, etc.)

If you have a holiday home, you may want to rent it out through a home-sharing service – such as Airbnb or Bookabach – to make some extra money. You may choose to just rent out one room, or you may want to rent out the entire house.

Inviting guests into your home brings added risk that something could go wrong. Inviting in people you don't know who are paying to use your property can be riskier than inviting over friends or family members. If you are going to use your holiday home to earn some money, it's important to talk to your insurer to understand how this may impact your insurance cover.

TIP



If you are renting your holiday home out permanently and don't intend to use it yourself, you may need a different type of policy that will cover you for natural disasters, as you may not be eligible for EQC cover for your holiday home. You may also want to take out income protection insurance for your holiday home business.

What am I not covered for?

Your policy probably won't cover deliberate damage caused by guests invited into your home, so make sure you've done your homework before agreeing to have visitors or paying guests.

Protecting your holiday home

1. If you're using a home-sharing service, check the reviews for your guests to make they have positive feedback.
2. Keep sentimental or expensive items locked away or remove them from the house while you have people staying.
3. Install smoke alarms according to the Fire & Emergency New Zealand guidelines and regularly test them to make sure they're working. <https://fireandemergency.nz/at-home/smoke-alarms/>
4. Take a security deposit from your guests to cover minor damage – like a broken window or damaged plates or glasses. This might mean you won't need to make a claim on your policy or, if you do, that you won't have to pay the excess yourself.
5. Check you don't have faulty appliances or dangerous or exposed wiring or heating devices that could start a fire.