Seminar lesson plan and class activities

Insuring yourself in the 'sharing economy'

Consumer Action

Insurance Education Project
www.insurance-education.org

Insuring yourself in the 'sharing economy'
Seminar lesson plan and class activities

Lesson purpose:

To help those who earn income through the sharing economy to understand the potential property and liability risks, determine their insurance coverage needs and protect their assets.

Learning objectives:

By the end of the lesson, participants will understand:

- What property and liability risks exist for participants in the sharing economy
- What coverage is provided by the major P2P platforms
- What your personal insurance needs and options are
- Where to get more information

Lesson duration:

2 hours

Materials:

For instructor:

- *Insuring yourself in the 'sharing economy'* (guide)
- *Questions and answers about insurance in the 'sharing economy'* (backgrounder/Q&A)
- Visual teaching aid (PowerPoint presentation with instructor's notes)
- Lesson plan, including activities, answer keys and resources (pages 3-24)
- Class evaluation form (page 25)

Instructor will also need:

- A computer and projector for the PowerPoint presentation (the PowerPoint slides also can be printed on transparency sheets for use with an overhead projector); and
- An easel and pad, or a whiteboard, and markers.

For participants:

- *Insuring yourself in the 'sharing economy'* (brochure)
- We've got you covered…or do we? (exercise) (1 page)
- Risky business (exercise) (2 pages)
- Class evaluation form (1 page)

Optional:

- *Tax basics for earners in the 'sharing economy'* (brochure)
- Printout of the PowerPoint presentation

Lesson outline:

- Welcome and training overview (5 minutes)
- The ‘sharing economy’ (10 min)
- *We’ve got you covered…or do we?* exercise (10 min)
- Homesharing (15 min)
- Ridesharing, carsharing and on-demand delivery (15 min)
- On-demand services (10 min)
- P2P marketplaces (10 min)
- Dos and don’ts (10 min)
- *Risky business* exercise (15 min)
- Insurance resources for sharing economy earners (5 min)
- Questions and answers (10 min)
- Wrap-up and evaluation (5 min)

Instructor's notes:
This training module consists of a brochure/guide (*Insuring yourself in the 'sharing economy'*); a trainer's manual (backgrounder) written in Q&A format; a lesson plan with class activities; and a PowerPoint presentation. It was created by the national non-profit organization Consumer Action to be used by non-profit organizations providing consumer education in their communities. (A second brochure, *Tax basics for earners in the 'sharing economy,'* is available for you to provide to participants, but it is not covered in this training.) The entire module can be found online at http://www.consumer-action.org/modules/insurance_sharing_economy.

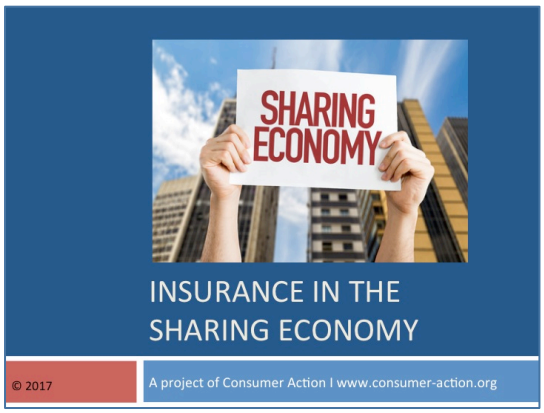
Before conducting the training, familiarize yourself with the fact sheets, the lesson plan (including activities) and the PowerPoint visual teaching aid.

The PowerPoint presentation contains notes for each slide (appearing below the slide when in Normal view or Notes Page view). These notes offer detailed information about the items appearing on the slide. The learning objectives for each section, along with key points and questions to generate discussion, are included in the lesson plan, as are indicators telling you when to move to the next PowerPoint slide.

Why Adults Learn, a PowerPoint training for educators, provides tips for teaching adults and diverse audiences—it will be helpful to you even if you have taught similar courses before. The slide deck is available at http://www.consumer-action.org/outreach/articles/why_adults_learn/.

WELCOME AND TRAINING OVERVIEW (5 minutes)

➡**SLIDE #1** (onscreen as participants arrive; direct early arrivals to begin reading the brochure/guide)

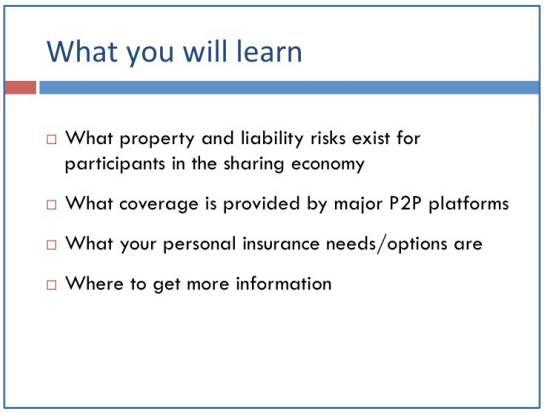


Welcome participants and introduce yourself.

If you have a small group, you can ask individuals to introduce themselves (or, if time permits, ask them to pair off with someone seated near them and then introduce each other to the group) and tell you what they hope to get out of the training. In a larger group, invite a few volunteers to share their expectations. On your whiteboard or easel pad, jot down some of the specific things participants mention. You can come back to this at the end of the class to make sure you've covered these points. (This activity is designed to serve as a brief icebreaker. It will also give you an idea what participants' expectations and needs are.)

Review the contents of participants' packets. Ask the class to take a look inside their packets and make sure they have all the materials needed.

➡**SLIDE #2**



Present the learning objectives of the training.

By the end of the lesson, participants will understand:

- What liability risks exist in the sharing economy
- What coverage is provided by major P2P platforms
- What your personal insurance needs/options are
- Where to get more information

THE 'SHARING ECONOMY' (10 minutes)

Learning objective: Understand what the "sharing economy" is, the potential liability and property risks of participating, and the protections provided (or not) by individual and platform-provided insurance.

Key points (slide 3-5):

- The "sharing economy" shifts the exchange of goods and services from business-to-individual to peer-to-peer.
- The sharing economy exposes participants to certain risks, including liability for property damage or injury to others and property damage or injury to oneself.

Questions to generate discussion:

- Do you participate in the sharing economy? How? Have you ever had an insurance claim related to your participation? How did that turn out?
- If you earn money through the sharing economy, do you understand how you are covered—or not—by your own (personal) insurance and/or any insurance offered by the platform you use?

Note: When generating discussion, allow a moment or two for participants to respond. You can jot down responses on your easel pad or whiteboard.

➡SLIDE #3

Introduction: The sharing economy offers a lot of advantages for participants, including more options for filling a need and more opportunities to make money. But this new P2P marketplace isn't without its risks. To protect yourself, you need to be aware of the potential losses (risks), whether the insurance coverage you have would or would not cover your claims, and what you can do to protect yourself.

Go over slide notes.

Slide notes: The "sharing economy" is characterized by the connecting, via the internet, of individuals with something to offer (goods or assets to sell or rent) with individuals who want what they are offering. Rather than renting or buying from established businesses that own (or hire) the money-making assets, this system is all about the direct exchange between individuals. Other names for the sharing economy include the peer-to-peer, P2P or peer economy; the "gig" economy; the "collaborative" economy; and the "on-demand" economy. Some people refer to the transition to this new economic model as the "uberization" of the marketplace, a word derived from the name of the "disruptive" (displacing established competitors) ridesharing business Uber.

Note: New types of P2P services are cropping up all the time. Each different type of sharing exposes you to potential liability and personal risks, which you should consider and protect yourself against before participating. In most cases, your risks and insurance considerations will be the same when engaging in money-making activities as a non-employee (independent contractor or business owner), regardless of whether you do so through a "sharing economy" intermediary (platform) or not.

➡SLIDE #4

Go over slide notes.

Slide notes: The personal nature of peer-to-peer transactions might make it easy to forget about the business side of buying, selling or renting. This includes how to protect yourself should anything go seriously wrong. Whether you're renting your home to a traveler, making extra cash giving rides in your car, getting paid to do a household project or selling something you made, you need to make sure you have the insurance coverage necessary to allow you to take advantage of the sharing economy without taking on significant financial risk.

What are some of the potential risks a participant in the sharing economy might face? These include damages to your own property; damages to others' property; injuries you cause to yourself or your guest, passenger, client, customer or third party; and injuries to you or others caused by your guest. (Examples are provided in subsequent slides.)

➡SLIDE #5

Go over slide notes.

Slide notes: For most people, insurance is vital protection from the potential for financial ruin caused by accidents and other hazards that could be extremely expensive to recover from. This protection is every bit as vital to those who make money in the sharing economy. In fact, it may be even more important because these people are opening themselves up to different and/or more frequent opportunities to inflict or suffer damage, injury or other losses. If you already have renters/homeowners insurance or auto insurance, you might think you're protected when you earn money by offering your home, car or services to others. But you probably aren't. That's because insurance companies issue and price policies based on the likelihood that they would have to pay a claim. The likelihood of a claim increases when you, the policyholder, undertake money-making activities with your insured assets. A personal (non-business) policy is not priced to justify the added risk to the insurer. For this reason, the vast majority of personal home and auto policies exclude business activities from covered losses.

In some cases, the company that provides the platform for individuals to connect and transact (Uber, Airbnb, TaskRabbit, etc.) provides insurance to participants. Amounts, exclusions, claims processes, etc. vary from company to company, and can change at any time. Some companies, like HomeAway and VRBO, sell insurance to participants. And other companies do not provide or offer any insurance at all. The first thing you should do before using any P2P platform is check the company's insurance offering, if any.

Following is an overview of the risks individuals participating in a particular sharing economy activity should consider, what insurance the largest company(ies) in that segment of the sharing economy offer their participants (verified in early 2017), the availability of individual coverage from insurance companies, and whether there are risks or insurance issues that *users* of the services (those paying, not earning) should be aware of.

WE'VE GOT YOU COVERED…OR DO WE? EXERCISE (10 minutes)

Assign participants to work on the true-or-false exercise on page 18 of the lesson plan. Ask for volunteers to share their answers. (Answer key is on pages 19-20.)

HOMESHARING (15 minutes)

Learning objective: Be aware of the potential risks associated with renting out all or part of your home and understand how to protect yourself.

Key points (slide 6):

- Homesharing refers to the rental of all or part of your home, typically for a short period, through one of a number of online services that connect prospective guests and hosts.
- The risks of homesharing include damages to or theft of your or others' property and injuries to you, your guest(s) or others.
- Your personal homeowners or renters insurance probably won't cover your claims if you rent out your home or space more than occasionally.
- Homesharing platforms might offer or provide some coverage, but coverage (which can change at any time) typically has limits and exclusions that could leave you financially responsible for some losses.
- While most homeowners carry dwelling insurance, most renters don't—a big mistake considering the low cost of a policy and the crucial protection it provides.
- Whether you are the host or the guest, the best way to be sure you're covered is to ask your insurance company/agent before you rent.

Questions to generate discussion:

- What do you think would be the greatest benefit of renting out your home or a room in it? What do you think would be the greatest risk?
- Have you ever rented out your home or space through a homesharing platform? What was your experience? Would you do it again? Why or why not?
- Are you confident that your own insurance or that of the homesharing platform would cover a claim if you had one? Why or why not?
- Why do you think so many renters do without renters insurance? What would you say to convince a renter of the need to purchase renters insurance?

➡SLIDE #6

Introduction: Many travelers today are opting to stay in a private home rather than a hotel, and many hosts are eager to welcome these paying guests. While the "host" and "guest" labels make these deals seem more like a simple arrangement between friends, many of the same risks associated with any business rental agreement exist. Before you rent out your home, you need to be aware of what could go wrong and how—or *if*—you would be covered by insurance for any injuries, damages or theft**.**

Go over slide notes.

Slide notes: Homesharing refers to the rental of all or part of your home, typically for a short period. Through homesharing platforms (websites and apps) such as Airbnb and VRBO, prospective guests can browse available accommodations, make their reservation and, in many cases, pay their bill. Whether you're renting out your entire home or just a room, you should be prepared for the potential risks:

1) *Damages to your property:* These can be intentional, such as theft or vandalism. Or they can be accidental, such as carelessly

starting a fire, leaving the bathtub running so that it floods your home or allowing a burglar to enter through an unlocked door.

2) *Liability for your guest's injuries:* A fall due to slippery stairs, a drowning in an unsecured pool, or a scalding because your hot water is set too high can all become lawsuits.

3) *Damage to your guest's or someone else's property or injury to another person caused by your paying guest:* Things like your guest's off-leash dog knocking over the neighbor's barbecue and starting a fire or your inebriated guest hitting another tenant are a couple of examples of how your paying guest's actions could come back to haunt you.

Your personal renters/homeowners insurance policy: If you have renters or homeowners insurance, it might cover you if you only occasionally rent out your home. But even here, your insurer might require advance notice or the purchase of an "endorsement." (An endorsement, or rider, is a written addendum to an insurance policy that alters the policy's coverage, terms or conditions.) If you rent out your space more frequently, your insurer could consider it a business and require you to purchase a hotel/bed and breakfast policy or a landlord's policy. The best way to avoid an uncovered loss is to consult with your insurance company or agent before inviting a paying guest into your home.

Insurance coverage from the homesharing platform: If you use a homesharing platform, the company might provide you with some protection. For example, according to the company website on 4/10/17, Airbnb provides Host Protection Insurance (https://www.airbnb.com/host-protection-insurance), which provides $1 million in primary liability coverage for a third-party bodily injury or property damage claim related to an Airbnb stay. Examples of covered claims the company offers are: a guest suing their host after breaking their wrist in a fall in the home; a guest suing the host and the host's landlord after injuring himself on a broken treadmill in the apartment building gym; and a resident suing a host and the owner of the building when a short-term guest drops his suitcase on the resident's foot in the building lobby.

Airbnb also offers a Host Guarantee program, which protects hosts for up to $1 million in damages if their places or possessions are damaged by a guest. There are exclusions (for example, valuables aren't covered), and Airbnb encourages hosts to review and understand the terms of their own personal insurance policy and to be aware that not all personal policies will cover property damage or loss caused by a guest renting your space. While Airbnb offers its users some protection, other companies may offer less coverage or none at all. (Some, like VRBO and HomeAway, offer paid insurance policies to participants.) A company's insurance policies and practices are voluntary and can change at any time.

Some experts recommend only opening your home to guests who can prove they have their own homeowners, renters and personal liability insurance. Then, if your property were damaged, you could file a claim under *their* policy (if their coverage extends to such types of claims). This provides an added—but not guaranteed—source of protection. (Be aware that this might not be an option if you have guests from other countries.)

When you're the renter: Before renting someone else's home, you should investigate how you would be covered if you damaged the property or were responsible for someone else getting hurt while staying there. Your own homeowners or renters policy will probably cover a claim against you for damage you cause and may also provide you with liability coverage in the event of accident or injury. But because policy terms vary, the best way to be sure is to ask your insurance company/agent before you rent.

RIDESHARING, CARSHARING AND ON-DEMAND DELIVERY (15 minutes)

Learning objective: Be aware of the potential risks associated with using your personal vehicle to earn money and understand how to protect yourself.

Key points (slides 7-9):

- The sharing economy offers a variety of ways to earn money using your personal vehicle.

- Personal auto insurance policies do not typically cover claims related to business use of a policyholder's vehicle.
- The platforms through which you earn money with your car might offer some insurance coverage, but coverage (which can change at any time) typically has limits and exclusions that could leave you financially responsible for some losses.
- State law determines licensing and insurance requirements and may influence the coverage offered by P2P platforms.
- The best way to find out if your current personal auto policy will cover you while using your vehicle to earn money is to ask your insurer/agent.
- Insurance companies are introducing new auto insurance products to meet the needs of sharing economy earners.

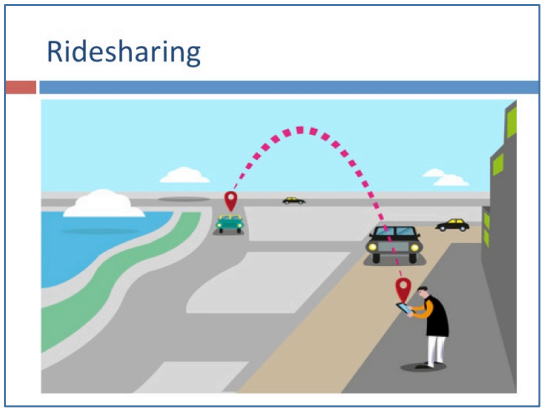
Questions to generate discussion:

- Do you use your car to earn money? Why or why not?
- Are you confident that your own insurance or that of the ridesharing/carsharing/delivery platform would cover a claim if you had one? Why or why not?

➡SLIDE #7

Introduction: There are many ways to earn extra money—or even your living—with your personal vehicle. While it can seem like an easy way to put some cash in your pockets, using your car or truck for business can leave you exposed to liability claims, lawsuits and uncovered damages. Before you use your car to make money, you need to be aware of what could go wrong and how—or *if*—you would be covered by insurance for any injuries, damages or theft**.**

Go over slide notes.



Slide notes:
Ridesharing refers to paid car rides you arrange through a mobile app—like a P2P taxi service. The two best-known ridesharing companies are Uber and Lyft. Passengers log in to a downloaded app and summon a car driven by someone who has signed up to provide paid rides in his or her personal vehicle. Payment is processed automatically through the app, and drivers and riders can rate each other after drop-off. As a rideshare driver, your odds of getting into an accident increase with the added hours/miles on the road. And because you have a passenger in your car more often, the potential costs of an accident go up (i.e., there's a greater chance that you will be sued for causing injury to someone in your car). Here's how insurers and rideshare companies address the risks:

Your personal auto insurance policy: As is the case with renters/homeowners insurance, the typical personal auto insurance policy is not designed or priced (underwritten) for commercial activity. That means that your claim might be denied and/or your policy canceled if you use your car to make money and your insurer finds out. You might think it's worth the risk—you can always go out and get another policy, right? But drivers whose insurance has been cancelled are considered "high risk," and your future premiums could be much higher.

Insurance coverage from the ridesharing platform: Uber and Lyft both provide some insurance for participants. However, the companies still require drivers to have their own personal insurance policy. For insurance purposes, the rideshare timeline is divided into three periods: Period 1 is when you are logged in to the app and waiting for a ride request; Period 2 is when you have accepted a ride request but don't have

the passenger in your car yet; and Period 3 is when you have a passenger in your car. Both Uber and Lyft provide primary liability coverage for drivers during Periods 2 and 3. (Primary means that this coverage applies first, before any coverage under a personal policy.)
According to the companies' websites on 4/10/17, Uber (https://www.uber.com/drive/insurance/) and Lyft (https://help.lyft.com/hc/en-us/articles/213584308-Insurance-Policy) provide $1 million in primary liability coverage in case your passengers sue you. They also provide $1 million in uninsured/underinsured motorist injury coverage, which covers bodily injury to anyone in the vehicle caused by someone without any or adequate insurance. Their contingent collision and comprehensive coverage pays for damage to your vehicle during Periods 2 and 3, but only if you also have this coverage on your personal auto policy (and you will have to pay the company's "deductible"). The rideshare company's insurance—not your own personal policy—applies during these times. (If you have a commercial policy or personal policy that provides coverage for ridesharing, the rideshare companies' coverage might kick in only if/when you've exhausted the limits of your own policy.) **SEE BROCHURE/GUIDE FOR EXAMPLES.**

During Period 1, when you are logged in and waiting for a ride request, Uber and Lyft provide much lower—contingent (secondary) in some states, rather than primary—liability limits: $50,000/$100,000/$25,000 (bodily injury up to $50,000/individual/accident with a total of $100,000/accident and up to $25,000 for property damage, but only if your personal policy denies your claim). Some states, including California and Colorado, have made primary liability insurance during Period 1 a legal requirement. In response, Uber and Lyft made their driver liability coverage "primary" (the one that pays first) in those states in order to comply. The companies provide no collision coverage during this period. When the app is off, you would, of course, have no insurance coverage from the ridesharing companies. The exact types and amounts of coverage can vary across companies and can change at any time. **SEE BROCHURE/GUIDE FOR EXAMPLE.**

To fully protect yourself at all times, you would need your own insurance policy that would allow you to participate in ridesharing (in other words, the insurer wouldn't cancel your policy if it found out you were taking paying passengers) and fill in the coverage gap in Period 1. Without it, in an accident that is your fault, you would have to pay for repairs and your own medical bills out of pocket and would be responsible for any liability claims that exceed the rideshare company's lower Period 1 coverage limits. As an independent contractor, you also would not receive any workers compensation or unemployment benefits if your accident made you unable or ineligible to drive. (Note: In no-fault states, your own insurer pays your damages regardless whose fault the accident is. But most states assign fault, and the at-fault party and his/her insurer are responsible for paying damages/claims.)

Generally speaking, your options for coverage are: 1) a commercial policy, but these are expensive; 2) a rideshare policy that covers all the rideshare periods (you'll be paying for duplicate coverage to some extent); 3) Period 1 coverage, which provides collision coverage that Uber/Lyft don't offer and could increase the liability coverage limits; or 4) a rideshare-friendly personal policy, which doesn't offer extra coverage but doesn't cancel or otherwise penalize you for being a rideshare driver.

Insurers are responding by offering new products for participants. Not all companies are on board yet, but, according to the NAIC, several insurers have developed hybrid products to fill gaps. Coverage types and limits vary. For example, The Rideshare Guy blog (www.therideshareguy.com) reports that some policies will even cover you during Periods 2 and 3 so you won't be subject to Uber's $1,000 and Lyft's $2,500 collision deductible.

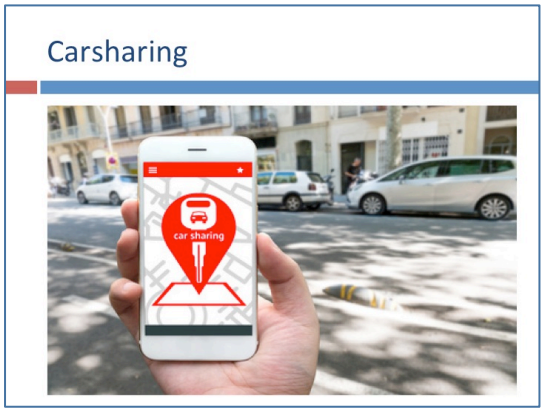
The best way to find out if your current personal auto policy will cover you while ridesharing is to ask. However, there have been reports from some consumers that their policy was canceled for either being open about ridesharing or for being secretive and getting found out. So the best time to get information is *before* you start driving for pay. If you've already started, you might want to first try to learn about your insurer's general attitude about ridesharing (for example, if it offers hybrid policies or if there are reports of it dropping rideshare drivers). An online search for the insurance company name plus "ridesharing" should be helpful. The RideshareGuy blog also gives a general idea of which companies insure rideshare drivers, and provides a list of insurance company offerings for rideshare drivers by state (http://therideshareguy.com/rideshare-insurance-options-for-drivers/). NerdWallet's *Rideshare Insurance for Drivers: Where to Buy, What It Covers*

(https://www.nerdwallet.com/blog/insurance/best-ridesharing-insurance/) is a similar resource. While your choices, if any (availability varies by state), may be limited, you should shop around when possible, just as you should for all insurance. Be aware that if you get into an accident during Period 1 and contact your insurance company (you would contact Lyft or Uber during Periods 2 and 3 unless you had a commercial or ridesharing personal policy), the representative will most likely ask you if you are an Uber or Lyft driver. If you haven't disclosed your ridesharing activity, your claim could be denied and/or your policy dropped. If you lie, you are committing insurance fraud. (Several states *require* you to tell your personal auto insurer and anyone involved in the claims process whether or not you were logged into a ridesharing app and available for hire at the time of the accident.)

When you're the passenger: View Uber's (https://www.uber.com/drive/requirements/) and Lyft's (https://help.lyft.com/hc/en-us/sections/203021527-State-City-Driver-Requirements) driver requirements so that you understand how you are being protected and can make a decision about using such services. Among other qualifications, both Uber and Lyft require that drivers be over 21, be licensed for at least one year with a clean driving record, pass a criminal background check and have insurance. They also have vehicle requirements related to safety, comfort and overall condition. Both Uber and Lyft give passengers the opportunity to rate their drivers. In theory, this should help weed out unsafe drivers, but the system would not necessarily benefit you if you were one of the driver's first passengers.

➡SLIDE #8

Go over slide notes.



Slide notes:
When you're the car owner: Peer-to-peer carsharing services such as Getaround, Turo (formerly RelayRides) and JustShareIt enable car owners to rent out their vehicle to someone who needs one. Like Uber and Lyft, the services typically provide some insurance to participants. But many of the same caveats apply: Coverage may differ among companies and you should understand your personal insurance company's stance on carsharing before you participate. Your personal policy will almost certainly not cover you while your car is being rented, and the insurer may drop you or raise your rates if they learn that you are renting your vehicle out. (California, Oregon and Washington, however, have passed legislation making it illegal for car insurers to drop customers solely for sharing their cars through P2P services.)

Learn more in ValuePenguin's "How Car Sharing Affects Your Auto Insurance" (https://www.valuepenguin.com/how-car-sharing-affects-your-auto-insurance) and in NerdWallet's comparison of P2P car rental services (https://www.nerdwallet.com/blog/insurance/car-sharing-insurance/). The *New York Times* article "Airbnb Is Popular, but Renting Out Your Car? That's Another Story" (https://www.nytimes.com/2017/06/02/your-money/airbnb-is-popular-but-renting-out-your-car-thats-another-story.html) presents some real-life carsharing cautionary tales.

When you're the renter: When renting a car from a peer-to-peer carsharing service, unless specifically excluded, you should be protected by your own auto insurance just the way you would be when renting from a traditional car rental agency. The major P2P car rental companies also provide supplemental (secondary) coverage, which would be primary coverage for renters who don't have their own auto insurance. Learn more in WalletHub's "Car Sharing Insurance: For Zipcar, RelayRides, and Others" (https://wallethub.com/edu/car-sharing-insurance/13783/). If you'll be using a credit card to pay for your rental, check with your credit card company to see what additional rental car coverage is provided—usually some damage and theft coverage, but not liability. Get coverage information directly from the credit card issuer, in writing. Learn more at the Insurance Information Institute's "Rental Car Insurance" page (http://www.iii.org/article/rental-car-insurance)

and in CreditCards.com's "Renting a car? Know whether your card adds insurance" (http://www.creditcards.com/credit-card-news/car-rental-insurance-coverage-1273.php).

➡SLIDE #9

Go over slide notes.

Slide notes:
The limitations of personal auto policies apply to any type of commercial activity. That includes making deliveries, whether for a service such as DoorDash, Postmates, UberEats or Amazon Flex, or for the local pizza parlor.

To ensure you're protected, find out what insurance, if any, the company provides its drivers. For example, in early 2017, Amazon Flex was offering couriers $1 million in primary liability coverage, $1 million in uninsured/underinsured coverage and $50,000 comprehensive and collision coverage (*if* you already have some amount of comprehensive/collision coverage on your personal policy) while delivering packages, picking up packages and returning undelivered packages. (New York drivers don't qualify for Amazon Flex's insurance coverage because they are required to carry their own commercial insurance.) Of course, Amazon Flex coverage can be changed or canceled at any time. Other companies that connect delivery customers and drivers may offer less—or no—coverage.

Be aware that rideshare insurance, if you buy it, may not necessarily cover you for delivery driving—ask about delivery-specific insurance products, or products that cover you for ridesharing *and* delivery driving if you do both.

ON-DEMAND SERVICES (10 minutes)

Learning objective: Be aware of the potential risks associated with contracting to perform chores, errands and projects for others and understand how to protect yourself.

Key points (slides 10):

- The sharing economy offers many opportunities to earn money using your personal skills and time to complete chores, errands and projects for others.
- Personal homeowners/renters and auto insurance policies do not typically cover claims related to business activities.
- The platforms through which you get "gigs" might offer some insurance coverage, but coverage (which can change at any time) typically has limits and exclusions that could leave you financially responsible for some losses.
- The best way to find out if your personal insurance policy(ies) will cover claims by or against you is to ask your insurer/agent.
- Most renters do not purchase renters insurance—a big mistake considering the low cost of a policy and the crucial protection it provides.

Questions to generate discussion:

- What kinds of tasks/project do you think you would be qualified to perform for pay? What do you think the risks of using your skills for P2P gigs could be?

➡**SLIDE #10**

Introduction: What could be simpler than providing your labor for pay—it's what employees do every day. But there's a big difference between being an employee and being an independent contractor, or freelancer. Unlike employees, those who go it alone do not have an employer to take financial responsibility for any damages, injuries or other losses they cause to someone else on the job. Using your time and skills to earn money can be a great way to make a living or make ends meet, but you have to understand what could go wrong, if and how you would be covered, and what you can do to make sure you don't put your financial wellbeing in jeopardy every time you accept a gig.

Go over slide notes.

Slide notes: Another name for the "sharing" economy is the "gig" economy, which comes from the entertainment industry, where a "gig" is a short, one-time professional engagement. Probably the best known of these "gig" intermediaries is TaskRabbit, which connects people who need chores, errands and projects done with freelancers who can do them—sometimes the same day. Taskers, as those getting gigs through TaskRabbit are called, set their own schedule and rates. Those looking to hire someone choose a tasker through the app based on expertise, pricing, availability, etc. Payment is processed through the app. You might wonder what could possibly go so wrong with a "gig" that it might put your financial wellbeing in jeopardy. Consider what could happen if you were hired to put together some bookshelves and you accidentally toppled the completed seven-foot shelf onto the client's home theater system and/or nearby sleeping child.

Your personal auto/renters/homeowners insurance policies: Generally speaking, if you injure someone or damage something while hired for work, the liability claim would not be covered by your own renters or homeowners insurance policy because personal insurance policies don't cover business activities. In order to be protected, you would have to have the appropriate business insurance policy, or you would be forced to rely on the coverage—if any—provided by the company that brokered the gig. (Be aware that even if the homeowner's or renter's own personal insurance policy covers the losses to the policyholder that you caused, the insurer could come after you for reimbursement.)

Insurance coverage from the sharing platform: TaskRabbit is not the only platform of its kind, and new ones sprout up all the time. While many of these companies offer some amount of insurance, the limits, deductibles, exclusions and claims process will vary. And some platforms might provide no coverage at all. It's crucial that you understand what, if anything, is covered so that you avoid putting your personal assets on the line as the result of an uncovered claim against you. And remember, regardless of the insurance coverage the company may provide, you could still be sued (either in addition to the company, because the company's coverage has denied the claim or because the losses exceed the company's coverage limit).

When you're the client: You might be covered for damage or injuries caused by the person you hire under insurance or a "guarantee" provided by the company that brokered the gig. For example, under the TaskRabbit Happiness Pledge (https://www.taskrabbit.com/pledge), the company will compensate clients up to $1,000,000 per loss for property damage as the result of a tasker's negligence or up to $10,000 for theft of property by a tasker, or up to $10,000 for bodily injury sustained by a user and caused by another user. Claims have to be filed within 14 days of the task and not fall under the laundry list of excluded losses. This coverage is secondary, which means that it would kick in only after your own insurance pays up to its limits or denies the claim. Check with the company you use to hire someone regarding the coverage it offers users, if any. If the person you hire gets injured in your home as a result of negligence on your part, your homeowners or renters insurance should cover the claim. That's also true if, say, your dog bites someone while being walked on leash by your DogVacay sitter, assuming there was negligence on the sitter's part.

While most homeowners purchase insurance because it is required by their mortgage lender or they have a significant amount of home equity to protect, the majority of renters don't have coverage. Renters insurance can typically be had for as little as $15 per month for a basic policy. If you don't have homeowners or renters insurance, you could be left holding the bag if the claim isn't covered by someone else's insurance (the company that connected you with the worker or the person you hired, for example). If you are a renter, your landlord's insurance policy does not cover *your* personal property or liability claims against you.

P2P MARKETPLACES (10 minutes)

Learning objective: Be aware of the potential risks associated with making, storing and selling your own products to others and understand how to protect yourself.

Key points (slides 11):

- The sharing economy offers many opportunities to earn money selling things you make or renting out personal belongings.
- Personal homeowners/renters insurance policies do not typically cover claims related to business activities.
- The platforms through which you sell or rent things typically do not offer any coverage for liability claims resulting from your sales/rentals.
- The best way to find out if your personal insurance policy(ies) will cover claims by or against you is to ask your insurer/agent.

Questions to generate discussion:

- If you were to make and sell something online, what would it be? What liability risks, if any, do you think you would be exposing yourself to? Would it be worth it? How could you protect yourself?

➡SLIDE #11

Introduction: Selling things you make, or renting out your possessions to others who need them temporarily, has become very popular. According to Etsy, the most well-known online marketplace for creators to sell their wares, the site has 1.8 million active sellers selling 45 million items to 29.7 million active buyers. No doubt that the vast majority of these transactions go smoothly. But sellers would be wise to protect themselves against what could go wrong—both after sale and before it.

Go over slide notes.

Slide notes: A P2P marketplace is an online venue for connecting people who need/want something with people who have things to sell and/or rent. For example, Etsy is a well-known P2P marketplace for homemade goods, from clothing, jewelry and soap to décor, furniture and toys. The platforms for lending/borrowing or renting things such as tools and sports equipment are much smaller, but they do exist.

Your personal renters/homeowners insurance policy: Examples of what could go wrong when you sell your wares include a baby choking on loose threads from the crib quilt you sewed, someone having a severe allergic reaction to the undisclosed metal you used in the earrings you made, or someone's dog getting sick from the biscuits you baked. Injuries to buyers are not the only risks. For example, your garage burning down because the laser equipment you use started a fire, or the UPS driver tripping on your carpet as he picks up the orders you're shipping out, are other "perils" (insurance company

lingo for risks). Examples of what could go wrong when you rent out your equipment include someone falling off your ladder because of a broken step or someone getting a head injury because your helmet was ancient and no longer protective. Generally speaking, you are not covered for claims against you resulting from business pursuits (selling or renting products, belongings, etc.). It's possible that, depending on what you are selling or renting and how often you are doing it, the insurance company that carries your homeowners or renters policy would add a rider to provide such coverage. But it's also very possible that it wouldn't, and that you would have to purchase a business and/or product liability policy. (Product liability insurance protects a company against liability claims or suits for bodily injury or property damage arising from the manufacture or sale of the company's products. Learn more at The Balance: https://www.thebalance.com/product-liability-insurance-462597.) As always, the best way to be sure about what you need is to consult with your insurer and be upfront about what you are selling or renting, to whom, how often, what special equipment you might be using to produce products in your home, inventory you store, visits onto your property by delivery services or hired help, etc.

Insurance coverage from the sharing platform: It's possible that the platform you use might offer some type of insurance or guarantee for things like undelivered orders or damaged or stolen rental equipment. But you're unlikely to get any liability coverage through an intermediary. If someone is going to sue for damages or injury caused by something you produced or rented to them, you or your insurance will almost certainly be on the hook.

When you're the buyer: As always, try to do business with trusted merchants. If you are considering purchasing or renting from an unfamiliar person or company, check online reviews and do an internet search to learn as much as possible before making a transaction. Be aware that just because people who sell or rent things to the public *should* have liability insurance doesn't mean they do. That could leave you (and/or your insurer) holding the bag if you were to suffer injuries or damage.

DOS AND DON'TS (10 minutes)

Learning objective: Understand the general steps to take to ensure you have appropriate insurance coverage and avoid unnecessary risks when participating in the sharing economy.

Key points (slides 12-14):

- There are steps you can take to protect your assets when participating in the sharing economy.
- Your insurer is the best source of information on the protection you have versus the protection you need.
- State law could have a bearing on such things as insurance and licensing requirements, tenant rights, etc. that would be of importance to sharing economy earners.
- Understand the protections offered, if any, by the sharing platform you use, and check back regularly for changes.
- Be proactive, honest, specific and thorough!
- Without sufficient and appropriate coverage, your current and future earnings and assets could be seized to satisfy a judgment against you.

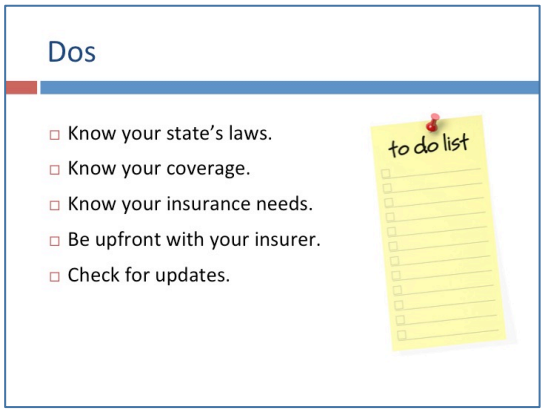
Questions to generate discussion:

- Do you think that someone without significant assets needs insurance? Why or why not?
- Do you use your insurance agent or company as an information/advice resource? Why or why not?
- Is there any way to eliminate, or insure yourself for, all risks?

➡**SLIDE #12**

Introduction: While the topic of insurance can sometimes be complicated, the most important steps toward protecting yourself are pretty simple, including: Be proactive, and be upfront with your insurer.

Go over slide notes.

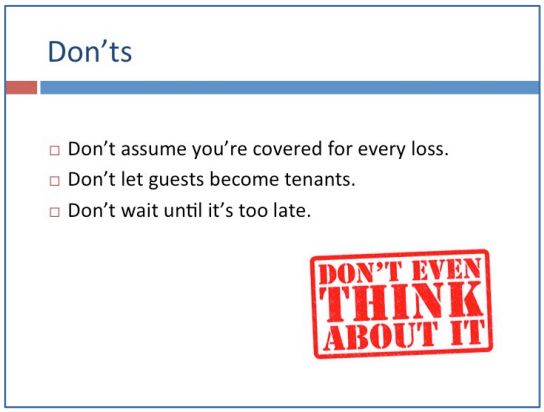


Slide notes: Whichever side of the sharing economy you are on, there are precautions you should take to protect yourself and your assets. Consider these things before you participate:

- **Do know your state's laws.** For example, some states, such as New York, require ridesharing and delivery drivers to have a commercial insurance policy, and might require a commercial driver's license. To find out exactly what your state requires, contact your state's insurance department (http://www.naic.org/state_web_map.htm) and department of motor vehicles (http://www.dmvusa.com/). If you do not comply with licensing requirements, your insurer could deny your claim and/or you could be prosecuted if you were to get into an accident.
- **Do check with your insurer to confirm what is covered and what isn't.** For example, if you've dropped collision and/or comprehensive coverage on your own personal auto policy, you may not be covered if the auto you rent through a P2P carsharing platform is stolen or damaged. If you don't own a car, some experts recommend that you purchase non-owner liability insurance for added protection.
- **Do consider *all* types of insurance you might need.** Although it has been challenged legally, generally speaking, the companies that provide the technology to connect you to your passengers, clients or customers treat workers as independent contractors rather than employees. As an independent contractor, you wouldn't be eligible for workers compensation if you got hurt while performing your work, or for unemployment insurance if your gigs dried up. You would also be responsible for your own health insurance.
- **Do be honest** with your insurance company or agent about your plans to make money in the sharing economy. This will help you avoid an uncovered loss or the cancellation of your policy if, say, you tell them you only rent out your home a couple of weekends a year and they find out you have paying guests much more frequently.
- **Do re-read platform agreements and policies** regularly or, for infrequent users, each time you use the service (rent a home, etc.) since terms of use can be changed at any time.

➡**SLIDE #13**

Go over slide notes.



Slide notes:

- **Don't assume that you are covered for every type of loss.** Even if you have your own insurance plus some coverage through the sharing platform, damages that might not qualify as covered claims can also occur—a renter introducing bedbugs into your home, for example. Costly and/or inconvenient problems that are not typically covered by insurance are something to consider before participating.
- **Don't inadvertently allow your paying guest to establish tenant rights.** For example, in San Francisco, renters gain tenancy in an apartment by living there for more than 30 days. If

they decide not to leave after that, you would have to go through the formal eviction process to get them out of your home—even if they've since stopped paying rent. Check with your local rent board, housing rights center, Department of Consumer Affairs or similar agency to learn more about landlord and tenant rights and how to protect yourself before taking a long-term reservation.

- **Don't wait until after you have opened yourself up to liability** to find out what coverage you do—or don't—have.

➡SLIDE #14

Go over slide notes.

Slide notes: Whether you get customers, clients, passengers or renters through a sharing platform or you get them through word of mouth, by posting on a bulletin board (physical or electronic), leaving your card on doors, mailing out flyers, advertising online or any other method, you run the same risks of damage or injury—and potential repair cost, medical bill or lawsuit. As such, you have to deal with the same insurance coverage issues—specifically, that of your personal insurance policies not covering you for business pursuits. The only real difference when you cut out the middleman (Uber, Airbnb, TaskRabbit, etc.) is that you do not benefit from any insurance protection they might provide users of their platform. That makes it even more crucial for you to purchase the proper types and adequate amounts of insurance for the types of products and/or services you offer. Even though money might be tight, insurance is not the expense to cut (though it does makes sense to shop around). If you do not have significant assets, you might think that you couldn't lose anything in a lawsuit. But a judgment against you could result in your future earnings being taken to satisfy what you owe the plaintiff (the person or entity that sued you).

RISKY BUSINESS EXERCISE (15 minutes)

Assign participants to work on the scenarios on pages 21-22 of the lesson plan. (To save time, you can divide the class into groups and assign one scenario per group.) Ask for volunteers to share their answers. (Answer key is on pages 23-24.)

INSURANCE RESOURCES FOR SHARING ECONOMY EARNERS (5 minutes)

Learning objective: Be aware of the various resources available for learning more about insuring yourself appropriately when participating in the sharing economy.

Key point (slide 15):

- There are many resources that provide free information about the potential liability and property risks and insurance options for sharing economy participants.

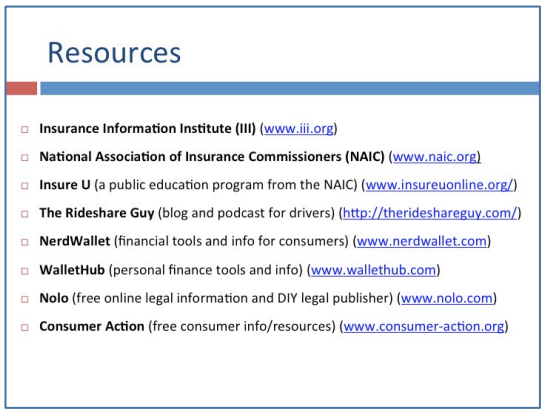
Questions to generate discussion:

- What websites to you visit for general consumer information? Why?
- Where do you turn for insurance-related information and advice? Why?

➡SLIDE #15

Introduction: In addition to giving you access to the platforms that connect sharing economy participants, the internet also offers countless resources for learning how to reduce your risks and insure yourself adequately. Here are just a few of the helpful resources you can find online.

Go over slide notes.



Slide notes:

- **Insurance Information Institute (III)** (www.iii.org)
- **National Association of Insurance Commissioners (NAIC)** (www.naic.org)
- **Insure U (a public education program from the NAIC)** (http://www.insureuonline.org/)
- **The Rideshare Guy (blog and podcast for drivers)** (http://theridesharegeuy.com/)
- **NerdWallet (financial tools and information for consumers)** (www.nerdwallet.com)
- **WalletHub (personal finance tools and info)** (www.wallethub.com)
- **Nolo (free online legal information and DIY legal publisher)** (www.nolo.com)
- **Consumer Action (non-profit provider of free consumer information and educational resources)** (www.consumer-action.org)

QUESTIONS AND ANSWERS (10 minutes)

Preparation: Review the brochure/guide and the trainer's manual (backgrounder/Q&A). Open the floor to questions.

WRAP-UP AND EVALUATION (5 minutes)

➡SLIDE #16

See page 25 of this lesson plan for the course evaluation form and instructions.

Thank participants for attending. Ask them to take a few minutes to fill out the evaluation form that is in their folders and leave it in a large envelope you provide or face down on a table at the front or back of the room. If you will be conducting other trainings at a future time, announce that now.

We've got you covered…or do we? (exercise)

Choose "True" or "False" for each of the statements based on your knowledge of insurance and the sharing economy.

1) By law in most states, the intermediary company (platform) that connects you with your passengers, clients or customers must provide at least $250,000 dollars in liability insurance for all users. **True / False**

2) If you have personal homeowners or renters insurance, you are covered for claims arising from using your home as a short-term rental as long as you rent out only a portion of the home and remain on the property with your guests. **True / False**

3) Though they offer relatively low liability limits, personal insurance policies typically cover at least some claims arising from part-time business pursuits. **True / False**

4) A rideshare insurance policy covers you when you earn money with your car, whether you are making deliveries, taking passengers or renting out your vehicle. **True / False**

5) Regardless of how you use your vehicle to make money, your claim will be denied and your personal auto insurance policy canceled if your insurer finds out. **True / False**

6) Your homeowners or renters insurance covers you for liability claims arising from items you make and sell in or from your home as long as sales do not exceed a certain dollar limit per year (amount varies from insurer to insurer). **True / False**

7) The best way to find out if your personal insurance policy will cover you while participating in the sharing economy is to ask both your insurer/broker and a "user services" representative from the sharing platform. **True / False**

8) In most cases, the insurance coverage provided by the sharing platform is adequate and quick to approve covered claims. **True / False**

9) As long as you have the appropriate insurance for your business pursuits through the platform and/or your own purchased policy, you cannot be sued *personally* for a covered claim. **True / False**

10) Independent contractors who get work through a sharing platform qualify for workers compensation and unemployment insurance through that company, but at a lower level of benefits than the company's full-time employees. **True / False**

Answer key: We've got you covered…or do we?

1) **FALSE:** While most states do require rideshare companies (i.e., Uber and Lyft) to provide a certain amount of insurance for users, not all states do, and the required limits vary ($100,000 is the bodily injury liability insurance requirement in many states). Other (non-rideshare) intermediaries that connect participants in the sharing economy typically are not required by law to provide insurance for their users. Those that do offer some coverage may not offer all of the protection that you should have. It's safe to assume that you would need to purchase your own insurance policy to provide you with the protection you should have when engaging in business pursuits.

2) **FALSE:** While many personal homeowners and renters policies do cover policyholders for claims arising from a roommate situation (a long-term tenant sharing the home with you), they typically don't cover claims arising from the short-term rental of your home to multiple parties, even if you stay in the home. However, you would have to check with your insurer to know for sure what is and isn't covered. To avoid having a claim on your personal homeowners or renters policy denied, you should be honest with your insurer about how often you have paying guests and where you live while they are in your home. You may have to purchase an appropriate business policy (landlord or bed-and-breakfast, for example) to be covered.

3) **FALSE:** Personal insurance policies typically do *not* cover claims arising from business pursuits, regardless of the coverage limits or whether your business pursuits are full- or part-time.

4) **FALSE:** Policies that cover you while taking paying passengers in your car do not always cover you when using your car for other business pursuits, such as earning money making deliveries or renting your car out to strangers. To be sure you have the appropriate coverage, you should consult with your insurer and be straightforward about the different ways you use your car.

5) **FALSE:** Your insurer can deny a claim under your personal auto insurance policy if the loss was the result of business activity, but the company may not be able to cancel your policy if you were renting your vehicle out to others; in California, Oregon and Washington, it is illegal for auto insurers to drop customers solely for sharing their vehicles through P2P carsharing services. Drivers in other states, or those who use their car for other business pursuits, whose insurance has been cancelled are considered "high risk," and their future premiums can be much higher. It's best to research your insurer's attitude toward using your car for business and secure the appropriate coverage.

6) **FALSE:** Homeowners and renters insurance policies typically do not cover you for liability arising from business pursuits, regardless of the amount of your sales. When making/selling things, you typically need a product/general liability policy to protect you from claims of injury or damage caused by you and/or your goods.

7) **FALSE:** The best source of information is your insurer or broker. While a representative of the sharing platform may be able to answer questions about the company's insurance coverage, he or she will not be able (or willing) to comment on your personal insurance policy. If you want to research your insurer's attitude toward "sharing" before you make contact, you can start your research by doing an online search for the type of activity/business you're interested in plus the name of your insurance company to get an idea if it offers such policies/protection.

8) **FALSE:** Insurance provided by the platform, if any, typically isn't adequate to protect you for all the potential perils and/or at a high enough dollar amount to protect your assets and future earnings. Also, these protections tend to have more exclusions (claims that aren't covered) and more strict claims processes (requiring a claim to be filed within 14 days, for example) than you are likely to see in a policy you shop for and purchase yourself.

9) **FALSE:** The existence of insurance does not prevent someone from suing you. However, as long as the insurance covers the injured party's claim, there would be little or no reason for him or her to sue you personally. You are more likely to be sued if the insurance you have either denies the claim, or if it does not pay out enough to cover the entire amount. That is why it's important to have insurance that you can rely on, with "limits" high enough to cover very large claims. (Remember, even if you don't have significant assets now, you should maintain enough insurance to avoid having your future earnings and assets taken to satisfy a judgment.)

10) **FALSE:** As an independent contractor, you wouldn't be eligible for workers compensation if you got hurt while performing your work, or for unemployment insurance if your gigs dried up. You would also be responsible for your own health insurance. To be prepared for a loss of income, build up an adequate emergency fund and talk to an insurance professional about a long-term disability insurance policy.

Risky business (exercise)

For each of the following scenarios, identify ways the subject could have avoided the situation they are in and/or reduced their potential risk. What should he or she have done differently, and why?

1) After only a few weeks of driving for Lyft in San Francisco, Megan got into an accident that was her fault. As a result of the collision, Megan's passenger hurt her back, Megan broke her wrist, and the car sustained serious front-end damage. Megan has been with her insurer for nearly 10 years, and has a clean driving record. (Her only claim has been for damages to her car caused when a tree fell on it a few years ago.) Lyft's insurance agreed to cover the passenger's medical bills, but not Megan's. On top of that, she will have to pay Lyft's hefty $2,500 collision deductible so that her car can be repaired. When Megan contacted her own insurer to see if it would cover her medical bills, the company canceled her policy. What could Megan have done to avoid these expenses and the loss of her insurance? Why was Lyft willing to pay for the passenger's injuries and the car repairs but not Megan's injuries?

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2) Recently divorced, Jorge has been having trouble making his mortgage payments on his own. To help make ends meet, he rents out his home to travelers through Airbnb and stays in his brother's spare bedroom whenever his house is occupied. Things turned tragic recently, when one of Jorge's paying guests became paralyzed after jumping off the diving board into the home's inadequately filled pool. (Jorge left it only partially filled in order to save money on heating.) The guest filed a $2 million claim. Airbnb has covered $1 million of it under its Host Protection Insurance, but Jorge's homeowners insurance, which has a $1 million liability limit, has denied the claim based on business use of the property (rental activity is not covered under his personal policy). Now Jorge is being sued for the uncovered $1 million. What could Jorge have done differently to avoid this situation?

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3) Matt recently started delivering packages for Amazon Flex. Last week, he hit a parked car while delivering an Amazon package in Brooklyn. He was surprised to have the claim denied by both his own insurer and Amazon Flex. Why do you think the claim was denied by both insurers? What could Matt have done to better protect himself?

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4) After six months of retirement, Leona decided she needs to bring in a little more money each month to make ends meet. Rather than go out and get a regular job with a single employer, she decided to try to get short-term projects through TaskRabbit. Everything went well until she took a gig that required her to reorganize some large boxes of files. While pulling one of the heavy boxes down from a high shelf, Leona fell off the ladder, severely twisting her back. As she fell, she dropped the box onto the client's priceless collection of Fabergé eggs, smashing them to bits. Because the client was out of town while Leona was completing the project, he wasn't able to file a claim with TaskRabbit for the broken eggs until a few weeks after the incident. Leona was mortified to learn that not only had TaskRabbit denied the claim for the eggs, so had both the client's homeowners and Leona's renters insurance companies. On top of that, Leona is unable to work for a few months due to her injuries, and she has no workers compensation or unemployment income to help her make ends meet in the meantime. Why do you think all three insurers denied the claim for the broken artwork? What could Leona and/or the client have done to avoid having the claim denied? How could Leona have avoided losing the needed income?

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5) Zach makes small wooden rocking horses in his home garage and sells them on Etsy. One of his customers is now suing him, claiming that the rocking horse was shoddily constructed and unstable, and caused her toddler to tip over and suffer a concussion. Zach's homeowners insurance has denied the claim, leaving Zach on the hook for the legal expenses of the case and any resulting judgment against him. Why isn't the insurance company covering the claim? How could Zach have better protected himself?

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Answer key: Know your rights

1) Megan should not have started taking paying passengers until *after* she had determined how her insurer would respond to finding out she was providing taxi services, and after researching her options for obtaining the appropriate insurance coverage, either with her current insurer or a different company. Now that she has lost her insurance, she will most likely have trouble finding a reasonably priced new policy.

Lyft's collision/comprehensive coverage, which is primary but contingent upon the driver maintaining that type of coverage on their personal policy, paid for the damages to Megan's car because she met that requirement (we know this from the paid claim for damage done by a fallen tree). While it's a relief that Megan did not have to pay for all of the repairs out of her own pocket, it's possible that she could have purchased a policy that would have allowed her to avoid Lyft's large deductible.

While Lyft's insurance pays for passengers' injuries up to $1 million, it only pays for drivers' injuries if they are caused by an uninsured/underinsured motorist, which was not the case here. Megan's personal insurance wouldn't cover her injuries either, because they were sustained while she was providing taxi services (not covered by the personal policy she owned).

2) Jorge should not have started renting out his home until *after* consulting with his insurer about the coverage he would need for short-term rentals. Upon obtaining the appropriate insurance policy, he also should have discussed purchasing an umbrella policy to provide additional protection. If he had at least a $1 million limit on a policy he owned that covered short-term rentals, the guest's claim would have been covered.

As it stands, he is uncovered by his personal insurance, so must rely solely on Airbnb's coverage. While the company's $1 million dollar liability limit would be sufficient to cover most claims, in this case it is not. The guest's only option for getting the second million dollars is to sue Jorge and obtain a judgment against him. With that, the guest can take steps to seize Jorge's assets and/or future earnings.

Any home poses risks, but some pose greater risks than others. In particular, swimming pools, hot tubs, trampolines and certain other types of features and/or equipment can expose hosts to major claims for serious injuries or even death. Special care and precautions should be taken to avoid excessive risk and obtain adequate insurance.

To reduce his risk and inconvenience, Jorge might have considered renting out a room in his home (if he had an unused one) long-term to help make ends meet rather than renting the entire home to travelers. Generally speaking, insurance companies don't view having a long-term boarder while the homeowner/host still lives in the home the same way they view turning your home into a "hotel."

3) Matt's personal insurance didn't cover the claim because Matt was using his vehicle for business activities. Normally, Amazon Flex's $1 million in primary liability coverage, $1 million in uninsured/underinsured motorist coverage, and $50,000 in comprehensive and collision coverage (*if* he already had some amount of comprehensive/collision coverage on his personal policy) would have kicked in to cover the damages to both cars. But New York drivers—remember, Matt hit the car in Brooklyn—don't qualify for Amazon Flex's insurance coverage because the state requires them to carry their own commercial insurance. This situation drives home the point that states can establish their own laws and insurance requirements, which supersede the standard policies/protections provided by a sharing company. It's very important to understand your own state's requirements (for insurance coverage, driver's license, etc.) before undertaking business pursuits.

4) Leona's renters insurance didn't cover the claim because it was the result of business activities, which are not covered under her personal policy. In order to have her clients' claims covered, Leona would have had to purchase the appropriate policy. We can't know for sure, but the client's homeowners insurance probably didn't cover the claim because many such policies exclude certain valuables, like pricey jewelry, artwork, gun collections and other collectibles, unless the owner has purchased a "rider" to provide special/extended coverage. Presumably, the owner had not purchased the additional coverage—he would have been protected if he had. And TaskRabbit denied the claim on (at least) two counts: 1) "fine art" (defined as "paintings, photos, pictures, textiles, sculptures or other mediums of art, antiques, precious stones or metals and similar property of rare or historical value") is considered "ineligible property" under the policy's guidelines, and 2) the claim was filed outside the 14-day deadline for reporting a loss.

Although it has been challenged legally, generally speaking, the companies that provide the technology to connect service providers or sellers with passengers, clients and customers treat workers as independent contractors rather than employees. As an independent contractor, Leona isn't eligible for workers compensation or unemployment insurance. She could have purchased a personal long-term disability policy to protect her, but that would most likely not have been cost-effective for her situation—if she's having trouble making ends meet, she probably couldn't afford a (relatively expensive) insurance policy, and the relatively small income she makes from part-time projects probably would not justify the expense. And short-term disability policies are unavailable or prohibitively expensive to individual buyers. So, while Leona might not have been able to avoid losing her income temporarily, she could have protected against temporary financial setbacks by saving up a healthy emergency fund.

5) Zach's homeowners insurance won't cover the claim because personal policies typically don't cover claims resulting from business pursuits. Before Zach started earning money from selling things he made, he should have consulted with his insurer to discuss the risks he was exposing himself to and decide what type of insurance he needed to protect his assets—most likely a general (product) liability policy. (These types of policies are sold by business insurance specialists, but are also available through a separate division of many of the companies that are known for providing homeowners, auto and other personal insurance coverage.)

While virtually any product poses some level of liability risk, makers of things to be used by babies and small children might need to take extra precautions to reduce the risk of injury or illness.

Training evaluation:
Insurance in the sharing economy

Please help us improve future presentations by giving us your opinion of today's class.
Circle the response that best reflects your feelings about each statement.

1. I have a better understanding of the risks of earning money in the sharing economy.

Strongly agree Agree Disagree Strongly disagree

2. I have a better understanding of the differences between personal insurance policies, platform-provided protection and business, or specialized, insurance products.

Strongly agree Agree Disagree Strongly disagree

3. I feel better prepared to make wise choices that reduce my risks and protect my assets.

Strongly agree Agree Disagree Strongly disagree

4. I know where to find more information about evaluating my insurance needs and options.

Strongly agree Agree Disagree Strongly disagree

5. The instructor was well informed.

Strongly agree Agree Disagree Strongly disagree

6. The materials I received are easy to read and understand.

Strongly agree Agree Disagree Strongly disagree

7. I would like to attend another class like this.

Strongly agree Agree Disagree Strongly disagree

On a scale of 1 to 10 (10 being the best), how would you rate the training? _____

Please let us know how we could improve future trainings (use back, if necessary):

_____

_____

_____

_____

Thank you for attending!