

POOL RENTAL CONSIDERATIONS

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Summertime brings thoughts of swim parties and barbecues. Pools are costly to maintain, and frequently underutilized. Advancements in technology have allowed owners to match up with potential renters, earning income from allowing others to use their pools. These arrangements are not without drawbacks. Helping clients understand exposures and possible risks of renting their pools and other areas of private residences is another value-added service of the professional insurance agent.

There are 10.4 million residential pools in the United States, which represents only 8% of the total number of houses. Florida has more residential pools than any other state, with 1,590,000, or one pool for every 14 people (rubyhome.com). Renting your pool to others can be a lucrative endeavor. For example, a pool owner in Oregon earned nearly \$200,000 in less than two years. However, this income could be dwarfed by a lawsuit settlement if someone is injured or killed while renting the swimming area. The time, effort and expense involved in maintaining the pool is considerable. The Oregon couple spent 14 hours a week and over \$41,000 on chemicals during that time period (cnbc.com).

Pool owners who are renting their facility to others need to take precautions. They may want to remove the pool ladder or slide and any floatation devices that are not labeled and approved by the U.S. Coast Guard, to reduce the possibility of an accident. Renters may be required to sign a release including a statement that small children will always be supervised.

Swimply.com, the “Airbnb of pools,” is an example of a digital marketplace company that provides a variety of by-the-hour rental options. In addition to over 25,000 pools in 50 states, Swimply also lists barbecue grills; and pickleball, tennis, and basketball courts. Swimply provides the host \$2,000,000 in liability coverage in case a guest is injured in a pool or grill-related activity. They also include host protection of \$10,000 if the pool or property is damaged by a guest who refuses to or cannot pay for repairs. There are limitations on coverage. For example, injuries related to alcohol consumption are excluded under the Swimply policy. Theft of the host’s property is also not covered (fbinsure.com).

Some municipalities now treat private pools that are rented out in much the same way they view commercial pools. Lifeguards may be required. Regular water testing and proper storage of chemicals may also be mandated. Besides legal requirements, increased usage of the pool means a greater need for maintenance and upkeep. Some communities outlaw the practice entirely. In New York State, renting your pool is in violation of state sanitary codes and subjects the owner to fines up to \$2,000 per incident.

Liability coverage in a standard Homeowners policy will usually not apply if the pool is being rented to others, even if only occasionally. In addition to the rental being considered a commercial exposure, there are added liability risks when strangers are using



the pool. In fact, renting the pool can lead to cancellation of the policy due to the change in anticipated usage from personal to commercial.

It is common for homeowners to look for ways to increase income and reduce expenses, especially considering routine pool maintenance and upkeep can cost \$3,000 to \$5,000 per year. These costs are even higher when a pool is rented. Soliciting a pool, tennis court, or recreational area to others may seem like an easy way to help cover maintenance costs. It is important, though, to understand the downside. Helping clients deal with the hazards and complexities of renting their pools is another sign of the true insurance professional.

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