

Hosting RVers and Other Campers on the Farm: Insurance Considerations



As economic conditions continue to evolve, many people are joining the sharing economy as a secondary source of income. Ridesharing (Uber, Lyft) and homesharing (Airbnb, Vrbo) are not the only approaches – farmers are also expanding their income by sharing their land with recreational vehicle users (RVers) and other campers for overnight stays.

Through online platforms such as Harvest Hosts, Hipcamp, and Boondockers Welcome, farmers connect consumer demands with their land capacity. They can collect booking fees and also build relations, sell produce directly to guests, and educate others on their way of life.

This non-traditional source of income has many advantages, and an increasing number of farm operations are seeing the benefit of participating in programs such as these. However, welcoming campers to the farm can also pose many risks – some operations can be potentially hazardous and require unique risk management strategies. As such, it is important to understand the various areas of concern, along with possible insurance solutions.



Hosting Platforms

The following is a high-level overview of three major platforms in this area:

Harvest Hosts – This membership program allows RVers to park overnight at wineries, farms, breweries, and other sites. Harvest Hosts spans across 48 states, with nearly 2,600 host locations. In exchange for the sharing of land, overnight guests are encouraged to support their hosts by purchasing fresh produce or other products from them directly.

Harvest Hosts requires guests to “request a stay” at least 24 hours in advance. If a host has the availability, guests can stay a minimum of one but no more than two nights. All RVs that arrive at the host location must be fully self-contained, with a restroom inside the vehicle. Hosts may provide generators, electricity, or water to their guests, though it is at their discretion. Some hosts even allow visitors to have leashed pets on the premises.

Hipcamp – This non-membership platform allows RVers and other campers to book overnight or multiple-night stays on private properties. Hipcamp spans across all states and seeks to connect campers with nature and the outdoors through their stays. Though no specifications are given on the type of properties allowed, small backyards (under two acres), driveways, home rentals, and converted garages are excluded from serving as hosting sites.

Through Hipcamp, hosts are able to set their own rules, pricing, and offerings to guests, including the minimum and maximum number of nights a guest can stay at their property. Hosts are not required to provide water to guests, as long as they notify their campers that water is not available. If a property is greater than 20 acres in size, hosts are not required to provide restrooms to campers. Hipcamp hosts retain 90% of the booking fee, and the remainder goes toward support teams and insurance.

Boondockers Welcome – Acquired by Harvest Hosts in June 2021, this membership platform connects RVers with private property owners for overnight stays. Guests are not required to pay hosts for their stays, although associated costs are expected to be paid for by guests if hookups are provided. Hosts earn rewards and guest privileges based on the number of stays at their property.

Possible Exposures for Hosts

Although hosting programs such as the ones described above provide opportunities for the farming community, it is important to understand that these activities may increase the risks for farm owners.

Each farm is unique, but in each operation there is a wide range of potential hazards and exposures. Farmers and their employees are very familiar with the exposures on the farm, but guests may not be. In addition, guests may not follow instructions, and consequences can be severe.

When guests are visiting farms and participating in activities, risk management strategies are crucial. It is important to fully understand the exposures and be sure that the farm operator is taking appropriate precautions. There are four general areas of concern: site safety; products, services, and activities; employee procedures; and emergency response. While an exhaustive analysis is beyond the scope of this article, a few examples are provided for each category:

Site Safety

Animals such as livestock and pets are unpredictable and can pose significant hazards to unwary guests. Everyday farm equipment such as pens and cages, hay storage, grain bins, tractors, beehives, and bodies of water could be an attractive nuisance to children. Farm operators must exercise a higher degree of care for such exposures and require child supervision. In addition, physical hazards such as farm structures and farm equipment that may be accessible by guests should be properly secured to avoid injury. Driveways, walkways, and parking areas need to be clearly accessible and well maintained.

Products, Services, and Activities

As mentioned, farmers will often offer a variety of products, services, and activities to generate revenue and enhance the guest experience. Food safety is an important concern, and farmers should comply with health department regulations and provide proper labeling. Recreational activities can also be quite diverse and pose a wide range of exposures. Activities such as horseback riding, hiking, and wagon rides may be unfamiliar to guests. Proper safety precautions and instructions need to be provided.

Employee Procedures

Employees are familiar with farm exposures but may not understand the potential for injury to guests. As such, they should be trained on hazards to guests and how to respond to events, with specific instruction in first aid, crowd control, and evacuation. Employees must also supervise activities, match guest experiences to their skills, and require appropriate safety equipment.

Emergency Response

Weather-related events can pose significant exposure for guests. Farm operators should stay informed, practice emergency procedures, designate any necessary shelters, and train staff. Because farm locations are most often remote, it is important to consider how operators will respond if guests are injured. A well-designed response plan could provide significant life-saving benefits.

This list is not exhaustive, and exposures will also likely change over time as a farmer adapts to the needs and requests of their guests, so it will be necessary to regularly review operations and procedures.





Insurance Considerations

In addition to taking precautions, it is critical for farm operators who engage in hosting activities to have proper insurance coverage and limits to ensure they are protected from unforeseen incidents.

From a legal perspective, the safe approach for farmers is to treat campers and RVers as “invitees” when participating as a host. Farms participating in campsite hosting programs benefit financially from invitees being on their premises. Given that campers and RVers are welcomed to the property, farmers owe a greater duty of care to ensure that their property is safe and any hazardous areas are restricted and labeled.

Harvest Hosts, Hipcamp, and Boondockers Welcome all require campers and RVers to have liability insurance. Hipcamp and Boondockers Welcome provide commercial insurance protection for campsite hosts, but Harvest Hosts does not currently offer additional insurance protection for hosts.

The Hipcamp Insurance Policy provides third-party bodily injury and property damage liability coverage plus defense costs to registered hosts in the US and Canada. Coverage is in excess of any farmowner or homeowner insurance a host may already have. The Hipcamp Insurance Policy provides a \$1M each occurrence limit and a \$8M aggregate limit for no additional charge. Hipcamp also offers the Hipcamp Property Protection Plan, which reimburses the host for up to \$10,000 in the event of damage to a host’s property by a camper during his stay. Though this is not insurance, it provides the host protection when there is a dispute about damage caused by a camper.

Similarly, the Boondockers Welcome Protection Program provides liability coverage up to \$1M per occurrence for third-party bodily injury and property damage liability that is not already covered by the host’s homeowners or farmowners policy.

Business or Agritainment?

From the insurer standpoint, there are additional considerations. Standard farmowners policies exclude injury or damage due to business, but is hosting campers on a farmer’s own land considered business? Under the current ISO Farm Liability Coverage Form, FL OO 20 04 16, “business” is defined as follows:

“Business” means a trade, profession, occupation, enterprise or activity, other than:

- a. “Agritainment”;*
- b. “Farming”; or*
- c. “Custom farming”;*

which is engaged in for the purpose of monetary or other compensation.¹

¹ FL OO 20 04 16 Farm Liability Coverage, Insurance Services Office, Inc., 2016.

Since these campsite hosting activities do involve monetary or other compensation, they may be considered “business”; however, they may also be considered “agritainment,” a new defined term introduced in the O4 16 farmowners forms revision.

“Agritainment” offers a more specific definition of activities that involve entertainment on the farm. In the current Farm Liability Coverage Form, FL OO 20 O4 16, ISO defines the term as follows:

“Agritainment” means an agricultural or aquacultural related activity or enterprise that is primarily operated on the “insured location”:

- a) For the purposes of tourism or entertainment; and*
- b) Engaged in for monetary or other compensation.²*

The Farm Liability Coverage Form goes on to exclude bodily injury and property damage arising out of agritainment:

Exclusions

This insurance does not apply to:

bb. Agritainment

“Bodily injury” or “property damage” arising directly or indirectly out of any “agritainment”. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the “agritainment”.³

Exposures related to hosting guests on a farm may fall within the definition of agritainment, thus excluding potential coverage for a farmer with the ISO FL OO 20 O4 16 policy when guests are present, leaving the host personally exposed to financial loss.



Endorsement for Agritainment

To address this consideration, carriers may use ISO’s optional coverage endorsement for agritainment – FL O5 O1 O4 16 Agritainment – Liability – which was included in the 2016 revision. This endorsement eliminates the agritainment exclusion in the FL OO 20 O4 16, thus providing protection for potential liability exposures for operations engaging in agritainment.

In addition to deleting the agritainment exclusion, the FL O5 O1 O4 16 also adds the following exclusions, if triggered on the schedule of the endorsement:

- a) Causing, contributing, or furnishing of alcoholic beverages to any person under the influence while at the “insured location”*
- b) The use of farm wagons or trailers to provide rides to visitors to the agritainment*
- c) Using livestock or other animals to provide rides to the “agritainment”*
- d) “Agritainment” involving the rental of a part of the “insured location” to others⁴*

The endorsement also replaces the employers liability exclusion with exclusionary language that does not reference residence employees, and it provides personal injury coverage for events that arise out of agritainment operations.

Note that paragraph d), which excludes agritainment involving the rental of a part of the “insured location” to others, should not be triggered on the endorsement schedule.

Carriers should ensure they complete the schedule of the endorsement correctly when underwriting these operations. The schedule helps identify the type of agritainment being covered and the agritainment activities that the insured is seeking to cover. Missing or partial information in an endorsement schedule could have the policyholder financially and personally exposed for a potential loss.

There are a lot of additional issues that could create potential liability for farmers and insurance companies. As always, each situation should be individually underwritten to understand exposures

² FL OO 20 O4 16 Farm Liability Coverage.

³ FL OO 20 O4 16 Farm Liability Coverage.

⁴ FL O5 O1 O4 16 Agritainment – Liability, Insurance Services Office, Inc., 2016.



Conclusion

The sharing economy is continuing to thrive and develop. Although hosting RVers and other campers has many benefits for farmers, it can also pose risks. It is important for insurance carriers to be educated about these risks, continue to monitor developments, and analyze how these trends could impact policyholders and their operations.

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This article is intended to provide a general understanding of the topic and explicitly does not provide legal advice. Before taking any action regarding a topic addressed in this article, a thorough, specific analysis of the law as it applies to the subject should be completed.

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