

**HB296 INTRODUCED**



1      HB296  
2      XDIQXZE-1  
3      By Representative Brown  
4      RFD: Insurance  
5      First Read: 20-Jan-26



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## 4 SYNOPSIS:

5 Rental home marketplaces include online  
6 platforms or services such as Vacation Rentals By Owner  
7 (VRBO) and Airbnb which connect property owners to  
8 short term renters. Existing laws do not provide  
9 reimbursement guarantees to rental home marketplace  
10 users for damages to property shared through a rental  
11 home marketplace.

12 This bill would require rental home marketplaces  
13 doing business in this state to maintain a  
14 reimbursement insurance policy.

15 This bill would create the Rental Home  
16 Marketplace Guarantees Act to define and regulate  
17 rental home marketplace guarantees.

18 This bill would provide for oversight of and  
19 consumer protections for rental home marketplace  
20 guarantees by the Commissioner of Insurance; would give  
21 enforcement and rulemaking authority to the  
22 Commissioner of Insurance; and would also provide for  
23 monetary penalties, hearings, and court proceedings.

24  
25  
26 A BILL  
27  
28 TO BE ENTITLED  
AN ACT



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29  
30 Relating to consumer protection; to establish the  
31 Rental Home Marketplace Guarantees Act; to define and regulate  
32 rental home marketplace guarantees; to provide administration,  
33 registration, and enforcement duties upon the Commissioner of  
34 Insurance; and to provide for financial penalties for  
35 violations of the act.

36 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

37                   Section 1. This act shall be known and may be cited as  
38                   the Rental Home Marketplace Guarantees Act.

39                   Section 2. As used in this act, the following terms  
40 have the following meanings:

41 (1) COMMISSIONER. The Alabama Commissioner of  
42 Insurance.

43 (2) PERSON. An individual, partnership, corporation,  
44 incorporated or unincorporated association, joint stock  
45 company, syndicate, or any similar entity or combination of  
46 entities acting in concert.

47 (3) PLATFORM CONTRACT HOLDER. A platform user who is  
48 the beneficiary or holder of a rental home marketplace  
49 guarantee.

50 (4) PROVIDER. A rental home marketplace doing business  
51 in this state or an affiliate or representative of the rental  
52 home marketplace that issues, offers, or administers a rental  
53 home marketplace guarantee either directly or through a third  
54 party.

55 (5) REIMBURSEMENT INSURANCE POLICY. A policy of  
56 insurance issued to a provider that states that the insurer

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57 will cover all liabilities and duties under the rental home  
58 marketplace guarantee if the provider defaults or fails to  
59 perform.

60 (6) RENTAL HOME MARKETPLACE. A person who meets all of  
61 the following criteria:

62 a. Provides an online application, software, website,  
63 system, or other medium through which a property is advertised  
64 or is offered to the public as available in this state and  
65 that connects platform users to enable them to share property.

66 b. Provides, directly or indirectly, or maintains an  
67 online platform by performing any of the following:

68 1. Transmitting or otherwise communicating the offer or  
69 acceptance of a transaction between two platform users.

70 2. Owning or operating the electronic infrastructure or  
71 technology that brings two or more platform users together.

72 3. If engaged in the offering of rental home  
73 marketplace guarantees, does so only in a manner that is  
74 ancillary to the conduct of its primary legitimate business or  
75 activity.

76 c. Is not a local or state governmental entity.

77 (7) RENTAL HOME MARKETPLACE GUARANTEE. A contract or  
78 agreement issued in connection with a rental home marketplace,  
79 whether or not for separate consideration, to reimburse a user  
80 sharing property for any damages for which the renter is  
81 responsible under the rental home marketplace's terms of  
82 service, with or without additional provisions for incidental  
83 payment of indemnity for related damages.

84 Section 3. (a) A rental home marketplace guarantee

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85 shall not be issued or offered in this state unless the  
86 provider has made the rental home marketplace guarantee terms  
87 available on the provider's website and has complied with this  
88 act.

89 (b) No later than March 1, 2027, or prior to commencing  
90 offering rental home marketplace guarantees, providers of  
91 rental home marketplace guarantees offered in this state shall  
92 file a registration with the commissioner on a form and at a  
93 fee prescribed by the commissioner. Fees collected pursuant to  
94 this section shall be deposited in the State Treasury to the  
95 credit of the Insurance Department Fund.

96 (c) No later than July 1, 2027, or prior to commencing  
97 offering rental home marketplace guarantees, each provider  
98 must obtain and maintain a reimbursement insurance policy  
99 issued by an insurer authorized to transact insurance in this  
100 state or written pursuant to Chapter 10 of Title 27.

101 Section 4. Rental home marketplace guarantees do not  
102 constitute insurance and are not required to comply with any  
103 provision of the insurance laws of this state except as  
104 provided in this act.

105 Section 5. (a) Reimbursement insurance policies  
106 insuring rental home marketplace guarantees offered in this  
107 state shall clearly state that, upon default or nonperformance  
108 of the provider under the rental home marketplace guarantee,  
109 the insurer that issued the policy shall pay on behalf of the  
110 provider any sums the provider is obligated to pay according  
111 to the rental home marketplace guarantee.

112 (b) A reimbursement insurance policy shall be subject



113 to the laws and regulations governing termination and  
114 nonrenewal of insurance policies in this state. The  
115 termination of a reimbursement insurance policy shall not  
116 reduce the issuer's responsibility for rental home marketplace  
117 guarantees issued by providers before the effective date of  
118 the termination.

119 (c) A provider is the agent of the insurer that issued  
120 the reimbursement insurance policy. The insurer may seek  
121 reimbursement from the provider for any payments made to a  
122 platform contract holder which the provider was initially  
123 obligated to pay. This act does not prevent or limit that  
124 right.

125 Section 6. (a) Rental home marketplace guarantees  
126 offered in this state shall include a statement in  
127 substantially the following form: "This rental home  
128 marketplace guarantee is not an insurance contract."

129 (b) Rental home marketplace guarantees shall contain a  
130 statement in substantially the following form: "A  
131 reimbursement insurance policy backs obligations of the  
132 provider. If the provider is unable or fails to perform on its  
133 contractual obligation under a rental home marketplace  
134 guarantee within 180 days after proof of loss has been filed,  
135 a platform user is entitled to make a claim directly against  
136 the insurance company, subject to the terms of the policy."

137 (c) Rental home marketplace guarantees shall be written  
138 in clear, understandable language and shall specify the terms,  
139 limitations, exceptions, conditions, or exclusions, including  
140 conditions governing transferability or termination.



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141 (d) In connection with the offer or advertisement of a  
142 rental home marketplace guarantee, a provider shall not make,  
143 permit, or cause to be made any false or misleading statement  
144 or deliberately omit any material statement that would be  
145 considered misleading if omitted.

155 (b) Investigations conducted by the commissioner shall  
156 be pursuant to the same examination authority of the  
157 commissioner relative to insurers as provided in Chapter 2 of  
158 Title 27, Code of Alabama 1975, and investigation expenses  
159 shall be processed as examination expenses in accordance with  
160 Section 27-2-25, Code of Alabama 1975, which may be presented  
161 periodically during the investigation or at the end of the  
162 investigation, as the commissioner deems appropriate.

163 (c) The commissioner may take action that is necessary  
164 or appropriate to enforce this act and the commissioner's  
165 regulations and orders, and to protect platform contract  
166 holders in this state.

167 (d) If a provider has violated this act or the  
168 commissioner's regulations or orders, the commissioner may



169 issue an order directed to that provider: (i) to cease and  
170 desist from committing violations of this act or the  
171 commissioner's regulations or orders; (ii) to prohibit the  
172 selling or offering for sale rental home marketplace  
173 guarantees in violation of this act; (iii) to impose a civil  
174 penalty; or (iv) any combination of the foregoing.

175 (e) A provider negatively impacted by an order issued  
176 under subsection (d) may request a hearing before the  
177 commissioner. The hearing request shall be filed with the  
178 commissioner no more than 20 days from the effective date of  
179 the commissioner's order.

180 (f) If a hearing is requested, the effective date of  
181 the order is automatically suspended until the hearing is  
182 complete and the commissioner has reached a final decision.

183 (g) A provider shall have the same rights as insurers  
184 to request a hearing in accordance with Article 1 of Chapter 2  
185 of Title 27, Code of Alabama 1975, and to appeal as provided  
186 in Section 27-2-32, Code of Alabama 1975.

187 (h) The commissioner may bring an action in the Circuit  
188 Court of Montgomery County, Alabama, for an injunction or  
189 other appropriate relief to enjoin threatened or existing  
190 violations of this act or of the commissioner's orders or  
191 regulations. An action filed under this section may also seek  
192 restitution on behalf of providers negatively impacted by a  
193 violation of this act or orders or regulations of the  
194 commissioner.

195 (i) A provider who is found to have violated this act  
196 may be ordered to pay to the commissioner a civil penalty in

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197 an amount determined by the commissioner of not more than five  
198 hundred dollars (\$500) per violation and no more than ten  
199 thousand dollars (\$10,000) in the aggregate for all violations  
200 of a similar nature. For purposes of this section, violations  
201 shall be of a similar nature if the violation consists of the  
202 same or similar course of conduct, action, or practice,  
203 regardless of the frequency of the specific act.

204 Section 8. The commissioner may adopt regulations to  
205 implement this act.

206 Section 9. This act shall become effective on October  
207 1, 2026.