

Getting hitched without the hitch

Elizabeth Bart, FCAS, MAAA



Valentine's Day is the traditional end to what is known in the wedding blogosphere as "engagement season."

Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve, and Valentine's Day are among the most popular days for couples to get engaged. These engagements tend to last just over a year, averaging 14.5 months, according to theknot.com. Those 14.5 months are a whirlwind of activity during which couples are setting their date, working on guest lists, and putting down deposits to ensure that everything goes smoothly on the big day.

But what if there is trouble in paradise—and someone calls off the wedding? Or weather prevents the parents of the groom from making it to the ceremony? Or the venue closes? Or the photographer gets lost? Or the caterer doesn't show up? Or a drunk uncle damages property at the reception hall? What happens then?

The average wedding in the United States costs \$35,329¹ (ranging from \$12,769 in Mississippi to \$88,176 in Manhattan).² Pulling off a typical wedding involves a lot of variables—which all introduce the possibility of financial loss. There are multitudes of vendors: venue, caterer, baker, musician, florist, officiant, bridal salon, hair stylist, make-up artist, and photographers to name a few, all of which will likely require a deposit. On the day itself, inclement weather could keep important guests from arriving or could even postpone the wedding. Finally, as with most social events that typically serve alcohol, guest behavior can cause unpredictable property damage.

For such an important life event, at such a high price point, it's worth protecting your investment. Many insurance companies have wedding liability products to help. Wedding insurance can combine a number of different coverages and can range from only \$95 to \$500 depending on the types and level of coverage provided. Wedding insurance is easy to purchase online (or over the phone). For example, Travelers offers a Wedding Protector Plan and has a quiz to help gauge the riskiness of your wedding.³ Other insurers, such as WedSafe and Wedsure, also make it easy to find a quote and buy wedding insurance online.

When things go wrong

- In Florida, a drunk bridesmaid nearly ran over the best man.⁴
- Hurricane Matthew forced a Texas couple to cancel their destination wedding in the Bahamas last year.⁵
- A Buffalo, New York, couple had 30 cards stolen at their wedding reception.⁶ Those cards contained cash and other wedding gifts.
- Last year in Gatlinburg, Tennessee, Cupid's Chapel of Love was destroyed in a fire⁷ and a wedding had to be called off.
- In 2014 in Brooklyn, New York, the owner of ReBar, a popular wedding venue, abruptly shut it down and disappeared with the deposits.⁸
- A photographer accidentally deletes a couple's wedding photos.⁹

- 1 Seaver, Maggie. "The National Average Cost of a Wedding Hits \$35,329." Retrieved on February 21, 2017 from <https://www.theknot.com/content/average-wedding-cost-2016>.
- 2 Average Cost of a Wedding (2017)." Retrieved on February 21, 2017 from <https://www.valuepenguin.com/average-cost-of-wedding>.
- 3 Wedding insurance: Understand why it matters. Retrieved on February 21, 2017 from <https://www.travelers.com/personal-insurance/wedding-insurance/why-wedding-insurance.aspx>.
- 4 Maid of Honor Arrested at Florida Wedding Reception After Allegedly Getting Drunk, Nearly Running Over Best Man." January 11, 2017. Retrieved on February 21, 2017 from <http://ktla.com/2017/01/11/it-was-insane-maid-of-honor-turns-florida-wedding-into-nightmare/>.
- 5 Lea, Lauren. "Hurricane Matthew cancels Houston couple's destination wedding." October 6, 2016. Retrieved on February 21, 2017 from <http://abc7ny.com/news/hurricane-matthew-cancels-couples-destination-wedding/1542041/>.
- 6 Buehler, Hanna. "Wedding gifts go missing, couple devastated." October 10, 2016. Updated October 16, 2016. Retrieved on February 21, 2017 from <http://www.wkbw.com/news/wedding-gifts-go-missing-couple-devastated>.
- 7 Jaglois, Jessica. "Bride's Gatlinburg wedding cancelled after chapel is destroyed." November 29, 2016. Retrieved on February 21, 2017 from <http://wkcr.com/2016/11/29/brides-gatlinburg-wedding-cancelled-after-chapel-is-destroyed/>.
- 8 Rosen, Kenneth R. "ReBar, Once a Brooklyn Wedding Destination, Is Now a Neighborhood Blight." July 3, 2015. Retrieved on February 21, 2017 from https://www.nytimes.com/2015/07/04/nyregion/rebar-once-a-brooklyn-wedding-destination-is-now-a-neighborhood-blight.html?_r=1.
- 9 Hamilton Langerman, Caroline. "My Wedding Photographer Accidentally Deleted Our Photos." July 3, 2016. Retrieved on February 21, 2017 from <http://www.townandcountrymag.com/the-scene/weddings/news/a6424/wedding-photographer-deleted-photos/>.

The most commonly selected wedding coverage is liability coverage. This is typically purchased in situations where the selected venue requires the couple to cover property damage and bodily injury. In addition, certain venues may require the purchase of liquor liability coverage to protect against any alcohol-related incidents.

In the event of a necessary cancellation or postponement, financial losses can be mitigated by cancellation/postponement coverages. Massive amounts of rain and snow can cancel flights, close roads, and even damage or close venues. A severe illness or injury could befall the couple or a parent, grandparent, child, or officiant. Sudden military deployments can also cause wedding cancellations. All of these are “necessary” cancellations/postponements, and insurance exists to protect against any financial losses they may cause.

Some wedding insurance products will also protect against problems with the venue or other vendors going out of business, or vendors arriving late—or not arriving at all. Typically, the policy would reimburse the deposits, and if alternate vendors can be arranged, the unexpected expenses incurred by the couple in order to avoid a full cancellation or postponement may also be covered.

Wedding insurance purchasers should be sure to check if a prospective policy will cover a subsequently cancelled or postponed honeymoon as well.

Additional wedding insurance provisions may include coverages for wedding attire, gifts, and photography/videography. Attire coverage will pay to replace (or repair) any loss or damage occurring before the wedding or to reimburse a reasonable market value for any damage occurring after the wedding. This would cover, for example, airlines losing luggage with the wedding attire or the bridal salon going out of business before the wedding dress was delivered.

Gift coverage will reimburse the couple for loss or damage to wedding gifts before, during, and after the wedding while at home, at the wedding, or in transit. This would cover any physical damage to gifts while on display at the wedding or a theft of non-monetary gifts.

With respect to photography coverage, loss events can range from the contracted photographer not showing up, cameras being stolen (along with the film/digital memory card), or defective film/memory card use. This coverage excludes photographs not meeting expectations but does cover the costs of reconvening your wedding party for “do over” photographs or even a retaking of the official video at a restaging with the principal participants—including new flowers and a new wedding cake.

Not only can the cancellation or postponement of such an important event be monetarily taxing, but it can also be emotionally taxing. Some wedding insurance will even cover professional counseling (if recommended by a physician) for up to a year.

All insurance policies have exclusions and wedding insurance is no different. Engagement rings aren’t covered but wedding bands are. Other common exclusions include anything asbestos- or lead-related, any abuse/molestation/harassment/sexual conduct (alcohol-fueled or not), fireworks, war, nuclear, neglect, or any intentional loss. And no, for the most part, wedding insurance will not cover cancellations due to a “change of heart” on the part of the bride or groom; cold feet do not count as a trigger for this insurance.

One insurer, Wedsure, will reimburse any “innocent party financiers, *other than the bride or groom*, if the wedding is canceled due to a Change of Heart by the bride or groom, *365 days or more* from the date of the first covered event [emphasis added].”¹⁰ However, since the average engagement length is only 2.5 months longer than this, it’s unlikely that there are many qualifying losses under this coverage.

Planning the perfect wedding can be stressful and expensive. The typical wedding costs more than the average mid-size car and just as many things can go wrong with it. Purchasing wedding insurance can help relieve the additional stress of worrying about what happens when something goes wrong. It won’t do anything about those cold feet, though.

10 Wedsure.com. Retrieved on February 21, 2017 from <http://www.wedsure.com/definitions-faq.jsp>.

CONTACT

Elizabeth Bart
elizabeth.bart@milliman.com