

Weddings and Insurance

by Sue C. Quimby, CPCU, AU, CIC, CPIW, DAE

ENGAGEMENTS AND WEDDINGS mark significant changes in someone's life, making it an ideal time for a review of your client's insurance coverage. Approximately two million weddings occur in the United States each year. The average cost in 2018 was \$24,723. Wedding and engagement gifts and rings, as well as changes in residence, offer new exposures to be considered. The wedding itself represents substantial exposure and expense. Helping clients obtain the proper coverage for their engagement and wedding gifts is another value-added service of the professional insurance agent.

Wedding presents and engagement rings are considered personal property under homeowners and tenant homeowner policies. Standard homeowner policies include 50-60% of the dwelling value as personal property coverage. Under a tenant policy, the policy limit applies to all personal property as there is no building coverage.

In either case, personal property is covered anywhere in the world. So wedding presents stored at a relative or friend's house during the honeymoon would still be insured under the couple's policy, subject to the covered causes of loss, which usually do not include flood. Wedding gifts stored in the insured's car would also be covered under the homeowner/tenant policy. However, property at another residence of the insured is limited, either as a percentage of the personal property limit, or a maximum dollar limit. Proper coverage must be carried for each residence owned or occupied by the insured(s).

High value items such as jewelry and furs are covered under the standard homeowner or tenant policy, but there are limits. These items are subject to deductibles and depreciation or valuation issues. The safest way to cover such belongings is to schedule them on an inland marine policy. This enables the policyholder to purchase a stated limit of coverage for the item(s), without a deductible. The covered causes of loss are also expanded under an inland marine policy.

The wedding itself offers additional coverage challenges. The venue may require the couple provide insurance for damage to property or liability for injuries that occur during the wedding. Other possible loss scenarios that could be covered under a wedding



insurance policy include cancellation or postponement due to damage to the venue, a hurricane or other related event, or illness or injury to one of the participants.

Auto insurance may also be impacted. Young couples may be eligible for a rate decrease once they are married. Combining separate vehicles onto one policy results in a multicar discount, and some companies offer discounts for writing multiple policies (e.g. auto and homeowner/tenant) with the same company.

Life changes are exciting but often stressful, and insurance considerations may be overlooked. It is important to address coverage exposures that may have changed to ensure that your clients remain adequately protected. Helping clients transition with the proper coverage is another sign of the true insurance professional.

Previously published in the Insurance Advocate®



For more information call (800) 935-6900 or visit us online at msonet.com