

# Risk: Weddings

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## Overview

Other than not having the bride show up for the wedding, losing the bride's wedding ring minutes before the ceremony is surely every groom's worst nightmare, writes Angelique Ruzicka. But this is exactly what happened to bridegroom Jon Walden when best man Toby lost the bride's ring. The ring slipped through his hands as he was transferring it from the box to his pocket. It fell to the floor and through the floorboards of the 14th century Bickleigh Castle in Devon. After a fruitless attempt to move furniture and rescue the ring from underneath the floorboards, the groom had to resort to giving the bride his ring and use his best man's ring for himself. After the wedding though he was able to claim the costs of the ring from his insurer, Weddingplan.

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"I was really pleased with how the whole thing was handled regarding a claim worth several hundred pounds. We were able to return to the jeweler really quickly and get a new, matching ring for my bride," says Walden.

As a product, wedding insurance is a relative 'newbie' in the insurance world. Greenbee, which is

part of the John Lewis Partnership, launched its wedding cover policies in 2006. But it was a struggle back then, admits Manpreet Chahal, assistant product manager of Greenbee, because demand was low at the time. “When we first launched, awareness of wedding insurance was quite low. But at wedding fairs earlier this year we had customers come up to us asking for wedding insurance. So the market has completely changed in the last 12-18 months. People are seeking it out,” she says.

The interest for wedding cover has in part been triggered by the credit crisis. With businesses struggling in the recession, couples are particularly concerned about losing their deposit if their chosen venues or suppliers file for bankruptcy. Further, couples worry that having to find another venue or supplier at short notice could put them even more out of pocket.

With the average cost of a wedding at just over £21,000 for 2009, according to Weddingplan’s annual survey, there is a need for wedding insurance. And in spite of the global financial crisis, Chris Gorney, marketing manager of Weddingplan, claims couples are not tightening their belts and are still splashing out for their wedding so that average is unlikely to reduce any time soon. “We see a lot of reports of people cutting back and making do and finding ways of saving money, but we have seen figures that contradict that. Our wedding cost survey shows a year-on-year increase on the average cost of a wedding. Last year the average cost of a wedding came in at just over £20,000 and this year it’s coming in at £21,089.”

Weddingplan added that rumours of couples chopping guest lists, axing engagement parties or making savings in other areas such as flowers are unfounded. It said venues such as Peckforton Castle in Cheshire are reporting an annual increase in weddings over the last year and are now booking into 2011. Nearly 80% of respondents to the insurer’s survey also said that bookings were strong and that fees were rising in areas such as marquee hire, disco bookings, cakes and photography.

Standard wedding insurance tends to cover couples for cancellation, failure of suppliers, and damage to wedding attire. Optional additions include insurance on marquees or gazebos that are hired against loss or damage. Couples can also buy extended personal liability cover for all members of the wedding party in the event of a loss or damage to a third party’s property.

Chahal says the most common claim Greenbee has seen is the failure of photographers arriving at the wedding. But Greenbee covers more than just the photographer no shows. “If on the wedding day the photographer damages the equipment or the photographs don’t come out properly or DVD doesn’t turn out, we will pay for the bridal couple to go back to the venue and reshoot their wedding photographs.”

### **Types of cover**

Wedding insurers, such as Greenbee and Weddingplan, have different levels of cover to suit couples’ budgets and circumstances. Weddingplan’s cover, for instance, ranges from cancellation cover of up to £5,000 for £23.99 while its Premier package, providing cancellation cover of up to £50,000, costs couples £199.99. Meanwhile, Greenbee has 12 types of cover. Levels one to six cover couples for weddings costing between £5,000- £20,000 and levels seven to 12 cover ceremonies costing between £25,000 and £50,000.

Insurers do provide quotes on the higher end of the market where couples need bespoke cover beyond £50,000. But Chris Gorney, marketing manager of Weddingplan, says this is not where the bulk of business comes from. “Weddingplan ‘ provides personal quotes for those couples whose needs may fall outside of our five standard levels of cover. But enquiries of this nature make up less than 1% of all enquiries.”

Some insurers have innovated beyond the requirements of their standard cover. “With our wedding insurance we enhanced our policy wording at the end of last year with regard to the failure of a supplier. A lot of other insurance policies will only cover you for failure of suppliers if they go into

liquidation, but our policy will cover you if your supplier fails to deliver the goods or service they promise to deliver to you,” says Manpreet Chahal, assistant product manager of Greenbee.

Others are using social media to find out more about what clients need. “Weddingplan gathers feedback in many different ways, most recently monitoring Twitter to continue its learning in the wedding market,” says Gorney.

Greenbee also covers weddings outside of the UK, provided couples have adequate travel insurance as well to cover the entire trip. Standard cover can have further bolt-ons for different types of ceremonies and others events related to the wedding. “Not all weddings will follow the traditional path of the church. There are different kinds of wedding, so we will cover weddings abroad and cover any civil service. We also have an event policy which can accommodate other types of ceremony. For example, some customers will have an Asian or Chinese ceremony in addition to the traditional ceremony. We are even able to cover engagement parties and other ceremonies relating to the wedding,” says Chahal.

There are exclusions though and the most common one is change of heart. “If either one of the couple changed their mind and didn’t want to go ahead with the wedding, that’s not what wedding cover is for. I don’t know of any provider that covers it. In terms of cancellation and rearrangement, that’s really the main one,” says Chahal.

If you dig further into the small print Greenbee has more technical exclusions. “If any one is more than 26 weeks pregnant and goes into labour and can’t go ahead with the wedding, again it’s something we don’t cover,” adds Chahal.

### **Is this the time to tie the knot?**

Wedding insurance is a young product and more players are entering the market. But this does not dissuade Greenbee. “It’s a really good time to be in the market,” insists Manpreet Chahal.

In addition it appears there is room for everyone, at least for now. “It’s quite a profitable business for us because it’s an untapped market. The potential is huge,” says Chahal.

With the economy in crisis it appears that this area of the market will only continue to grow. “Lots of businesses are going into liquidation and consumer confidence is really low so they are protecting themselves financially against deposits they may lose. That makes our job as providers of wedding insurance a bit easier. When we first launched we had to explain why customers need it, but now customers are more savvy when it comes to making their insurance decisions,” says Chahal.

But will couples hold off getting married in this recession to save money? Chahal insists that wedding insurance providers should not be concerned with losing business in this tough economic environment as couples aren’t holding back. “We have an influx of new customers coming every year and unless people stop getting married, which we are not seeing, it should continue to grow and we are in quite a strong position.” IT