

## Money Matters

by Suze Orman

### When Walking Down the Aisle, Don't Trip Over Finances

Monday, March 13, 2006



Forget the bridal dress designer, the reception-hall manager, the caterer, and the photographer. When planning a wedding, the first person you need to contact is an insurance agent. Your most important investment for your big day is a wedding insurance policy that will cover many of your costs if you need to postpone or cancel the ceremony and reception.

I know that doesn't sound too romantic or exciting, but let's focus on what's on the line here. According to [TheWeddingReport.com](#), the average U.S. wedding is going to cost more than \$26,000 this year. You wouldn't shell out that much for a car and not insure it. Same goes if you made a \$26,000 down payment on a home.

So it makes perfect sense to insure your wedding. Ask your insurance agent what policies are available -- some insurers offer wedding insurance in a Special Events policy. Or you can check out [WedSafe](#), which specializes in wedding insurance.

The premiums are pretty tiny when you compare them to the money you'll spend on the fete. WedSafe charges \$185 for a policy that will pay up to \$7,500 should your wedding be cancelled or postponed for "covered" reasons (more on that later in this article.) For \$35,000 in coverage, the cost is \$345. It's \$405 to cover a \$50,000 bash, \$565 for a \$75,000 event, \$695 for a \$100,000 celebration, and \$975 for a \$150,000 gala.

#### Cold Feet Aren't Covered

The core of a wedding insurance policy is the cancellation/postponement coverage -- the reimbursement you'll receive for all deposits and charges you've paid to your wedding vendors, assuming the insurer approves your reason for cancellation or postponement. That last clause is very important. As with every type of insurance, you need to take the time to understand exactly what is and isn't covered in your policy. You should review the policy in detail with your agent to avoid any ugly surprises down the line.

Among the important caveats to many wedding insurance policies:

- **Weather:** If you're planning an outdoor wedding and encounter drizzle or depressing gray skies, you're out of luck if you want to postpone the nuptials for a prettier picture day.

But should some extreme weather make it impossible for anyone in your wedding party or the majority of your guests to attend, then your policy will kick in if you need to cancel or postpone. We're talking about snowstorms, hurricanes, earthquakes, or other major events Mother Nature may dispense that close down airports, highways, etc. If extreme weather damages your wedding site -- say a hurricane ravages the reception hall -- your policy will cover the costs of rearranging your wedding plans.

- **A family or wedding-party member's injury or illness:** If someone in the wedding party or your immediate family (parents, grandparents, siblings, or children) is injured or too ill to attend, your policy will pay the costs of postponing or canceling the event. But read this coverage carefully -- typically an illness or injury caused by a preexisting condition that occurred within the past 12 months will nullify this coverage.
- **The caterer or reception hall goes belly up:** If you're jilted by a wedding vendor you've hired, your policy will kick in. Note that a photographer not showing up isn't grounds for cancellation or postponement. Typically your policy will simply pay you a set sum if you want to reconvene the wedding party at a later date for formal photos.

The photo/video coverage in the policy also covers you if the photographer shows up, but the photos are damaged or lost. The level of photo/video coverage depends on your overall cancellation/postponement coverage. For example, if you have a \$25,000 cancellation/postponement policy with WedSafe, your photo and video coverage is \$2,000. At \$50,000, the coverage is \$3,000.

- **Rehearsal dinners, engagement parties, bachelor, and bachelorette parties:** Policies typically don't cover any of the ancillary wedding festivities.
- **Cold feet:** 'Fraud not. If the bride or groom decides to walk out before walking down the aisle, the insurance policy won't cover any of the deposits and costs you've already incurred.
- **Mental distress:** If you cancel or postpone your wedding for a legitimate (covered) reason and it sends you into an emotional tailspin, your policy may cover the shrink bills.

#### To Love, Cherish, and Be Liable

Bet you didn't know about the liability vow. When you throw a big wedding party, you also need to be insured in case anyone is injured at the event. For big-time bashes, the space you rent for the wedding and reception will often require that you have liability insurance before making a deal with you.

The typical homeowner's or renter's policy carries a maximum of \$500,000 in liability coverage. I think it's smart to have at least \$1 million in liability coverage through an umbrella insurance policy. If you don't have an umbrella policy, check with your insurance agent who handles your home or renter's insurance to see about adding this coverage.

If you're very close to the wedding date, look into the liability coverage offered through the wedding insurance policy. For about \$200 or so, you can get the coverage you need. But after the wedding, please look into getting a permanent umbrella policy of at least \$1 million.

### **Ring Up the Insurer**

A wedding insurance policy often provides coverage if rings are lost or stolen during the period the policy is in force (you can typically purchase a wedding policy from two years to two weeks before the event; your coverage ceases after the event). Even if the policy will reimburse you for the cost of the ring -- the coverage is tied to your level of cancellation/postponement coverage -- you want that ring to be insured after the wedding, too.

Your smartest move is to insure the ring through a floater/rider to your existing homeowner's or renter's insurance policy. Don't assume that your policy's existing jewelry coverage is good enough. Typically this covers you only if the ring is stolen. By adding coverage through a floater/rider, you will be covered for all risks. If you lose the ring or it's lost in a fire, flood, or other calamity, your policy will kick in. You'll even be covered if the stone falls out and is lost.

The average annual cost for adding a jewelry rider to your policy to cover a \$10,000 ring will be under \$200. And make sure you have the insurance in place the day you walk out of the store -- just like auto insurance, you don't want to "drive it off the lot" without knowing you're protected.

The columns, articles, message board posts and any other features provided on Yahoo! Finance are provided for personal finance and investment information and are not to be construed as investment advice. Under no circumstances does the information in this content represent a recommendation to buy, sell or hold any security. The views and opinions expressed in an article or column are the author's own and not necessarily those of Yahoo! and there is no implied endorsement by Yahoo! of any advice or trading strategy.