

Should you insure that big fat Indian wedding?

Weddings are expensive affairs, so make sure you take a cover for any eventuality

Disha Sanghvi
disha.s@livemint.com

Big-budget destination weddings are on the rise in India. According to a 2017 KPMG report, the Indian wedding industry is estimated to be about \$40.50 billion in size, second only to the US, and Indians spend at least one-fifth of their total wealth on a wedding. If you are among those planning a big fat Indian wedding this season for yourself or your loved one, you wouldn't want to even imagine the possibility of an untoward incident. But it's always better to be prepared for eventualities, especially when a huge sum of money is involved. After all, you can't always have complete control over everything all the time. This is where buying a wedding insurance policy may come to your rescue.

"With more and more people opting for grandeur weddings, demand for destination wedding insurance has picked up. Earlier, HNIs (high net-worth individuals) and ultra HNIs considered buying wedding insurance but now even mid-budget-size wedding planners are showing interest," said Sanjay Datta, chief, underwriting, claims, actuary and reinsurance, ICICI Lombard General Insurance Co. Ltd.

WHAT YOU GET

A wedding insurance policy is essentially a type of event insurance which insures you against any monetary losses caused due to unforeseen events such as a natural disaster, fire, terror attack, riots, curfew, burglary (of jewellery) at the venue or even death of the bride, groom or their blood relatives. The policy kicks in if the wedding is cancelled or postponed due to one or more of these reasons.

The cover typically comprises three basic covers: fire, personal accident and liability.

Fire insurance, as the name suggests, covers the insured against any monetary loss due to cancellation or postponement of the wedding due to fire and allied perils.

The personal accident cover will kick in

if, say, the bride meets with an accident and the wedding ceremony needs to be postponed. Personal accident cover pays the sum assured in case of death, permanent total disability, permanent partial disability or temporary disability. "The sum assured for personal accident that we offer in wedding insurance varies from ₹1 lakh to ₹5 lakh or even higher," said Datta. The insured person can choose the sum assured for the personal accident insurance part.

Damage to property or life of the guests due to accidents at the wedding venue is covered by the public liability part of the policy.

Apart from wedding insurance, you can take some additional covers to get overall protection. "You can buy personal accident insurance to



cover your relatives, or a burglary insurance to protect cash kept in a safe at home during the marriage period," said Shreeraj Deshpande, chief operating officer, Future Generali India Insurance Co. Ltd. Remember that wedding insurance covers burglary only at the venue, so if the wedding is not happening at home, you may have to take burglary insurance separately.

While most insurers cover weddings under their event insurance portfolio, some have specific policies. Since this is a type of event policy, even if you buy the policy a month in advance, it'll kick in only 24 hours prior to the wedding ceremonies. So if the wedding is cancelled before that, it may not cover the costs. In that case, you will have to bank on your individual policies such as personal accident, home insurance, life insurance cover and so on. Bajaj Allianz General Insurance Co. Ltd covers weddings under its event portfolio. "The policy, typically, kicks in 24 hours before the start of customary ceremonies such as *sangeet*, *mehendi* and the wedding, details of which are mentioned in the proposal. You can buy the policy even a day before the ceremonies begin," said Sasikumar Adidamu, chief technical officer, Bajaj Allianz General.

Declare all the details such as the number of guests attending the wedding at the time of buying insurance

It is important to declare all the details to the insurer at the time of buying the policy. Such details may include information about the parties involved, the approximate number of people attending the wedding, a copy of the invitation, venue details on whether it's indoor or outdoor and so on. Adidamu said policyholders should also take into account the cost of decoration, event management and catering, among others, while buying the policy.

WHAT IT COSTS
Wedding insurance policies aren't very expensive. You need to pay

the premium only once as the policy expires after the event. On an average, for a sum insured of ₹2 lakh, the premium would be just about ₹1,000. Similarly, for a sum insured of ₹8 lakh, you would have to shell out about ₹4,000.

The premium rate is based on the range of coverage opted by the insured. The insured has to provide the sum insured against each section and the premium is fixed accordingly. "Since the policy is tailor-made to individual requirements, the cover could vary depending on the requirement of the customer. The approximate premium ranges from 0.5% to 2% of the sum insured, depending on the risk parameters," said Datta.

THE EXCLUSIONS

Just because you've bought a cover for your wedding doesn't mean any reason for cancellation or delay will be entertained. Wedding insurance policies come with a set of exclusions which typically include non-arrival of the priest, cancellation by entertainment artists, caterers, event managers or financial disputes between the families.

Wedding insurance policies aren't very expensive, and you need to pay only a one-time premium

Also, remember that the insurer will not accept a claim if either the bride or the groom calls off the wedding. "Any information regarding the event, consequential loss of any kind, circumstance which the insured was aware of and was not disclosed to the insurer before the commencement of the policy period are some of the exclusions under the policy," said Adidamu.

THE CLAIMS PROCESS

In case an untoward event leads to filing a claim, inform the insurer about the damages at the earliest. Depending on the nature of the claim, you will need to fill a form, lodge an FIR with the police and share a copy of the FIR with the insurer. You will also have to submit the details about the loss or

damage and the quantum of claim you are making with all the necessary documents. Remember to keep all your bills intact.

The insurance company will then assess the claim and pay as per the terms and conditions of the policy.

SHOULD YOU BUY?

In India, awareness about the product is still low, but the demand is gradually going up as the average cost of weddings is going up. "We had issued nine wedding package policies in 2017, 15 in 2018 and this year till September we sold 23 policies. As per our observation, the policies are bought by executive professionals who incur heavy expenditure on weddings," said Deshpande.

One of the reasons why wedding insurance is not popular is that Indians don't like to believe or even

imagine that anything could go wrong on the day of the wedding. "Wedding insurance isn't talked about because awareness is low. However, as weddings become more and more expensive, people will understand the need for

insurance. The bigger the wedding, more the reasons for you to consider buying a wedding insurance policy," said Shweta Jain, chief executive officer and founder, Investography, a financial planning firm.

You could also cover your wedding expenses by going the DIY (do-it-yourself) way. You can buy a combination of insurance policies. For instance, if you have a householder's policy and a personal accident cover, you could give wedding insurance a miss. Householder's policy covers a house and all its contents against fire, burglary and natural disasters. Buying a combination of such relatively low-premium policies works best if the wedding is happening at home. So go for what suits you the best.