

## **Chapter 10: Specialized coverage for life's special moments: travel, wedding, and event insurance essentials**

### **10.1. Introduction**

Life is full of special moments we would like to last a lifetime. Sometimes we even anticipate them for years, imagining how wonderful they will be, or planning their details: from lodging, to schedule, to decor, to guest list. However, and unfortunately, things may not go according to plan on these special occasions. Who hasn't heard stories about weddings starting late because of a bride delayed by her car breaking down along the way to the ceremony? Or about a couple suffering sunk costs because their honeymoon resort suffered fire damage and no longer could accommodate them? Or even about families failing to reunite after years of being apart because of a flight cancellation with no available routing alternatives? These are just a few of the tribulations that people may face on what are supposed to be joyful occasions. Thankfully, advances made in the insurance sector allow coverage for these events and others, so that travelers, couples, and of course, event organizers, can offer solutions to potential problems during their special moments, and mitigate the damages caused by them (Accenture, 2022; Bowdin et al., 2023; Deloitte, 2023).

It is true that the odds of concerns arising during special events are usually low since event organizers take great care in their planning. Nevertheless, it may be prudent to take out insurance to lessen their potential impact given the emotional and, sometimes, financial costs involved. Fortunately, coverage of various kinds is available in the current marketplace. This chapter examines the main types of events requiring protection, the most common concerns arising during these events, and the types of solutions available from the insurance industry. Our goal is to explain this infrastructure because, although people seek to financially shield themselves against negative events, they may not know how to go about it. Specifically, how to decide when and for what particular issues insurance is needed? And what types of available insurance concentrate on those issues?

You purchase insurance with the hope of never needing it but the knowledge that it is possible. However, functions such as the stock market and your health are actually tied to specific dollar values. By contrast, an event with no insurance is often only a potential risk. For example, it is unlikely that you will attend a wedding for which your hosts have not taken some form of financial responsibility. Therefore, insurance for relative price significance is best for special events. For many individuals, the losses associated with travel-related events or for life events such as weddings are well beyond the levels of affordability. Your solution to these risks may be insurance (Murdoch & Detsky, 2013; Frost & Sullivan, 2022; Schadoff, 2022)



**Fig 10.1:** Travel Insurance Essentials

**10.2. Understanding Insurance Basics**

Insurance serves as a financial safeguard against unintended losses. It operates through a mutualized system where individuals contribute to a collective risk pool, allowing a single payment to be made when needed. Organizations known as insurance companies facilitate this risk-sharing and manage the accompanying expenses and profits. Although insurance may seem like an abstract concept, you likely already possess basic insurance knowledge. It is essential to review these principles before entering into a more complicated insurance form, event insurance. You are probably already familiar with the traditional use of insurance. While insurance involves covering "what if" costs for

unlikely events such as fires, floods, and accidents, event insurance provides coverage for you if your plans come to fruition. Event insurance protects you from financial losses and liabilities associated with life’s special moments. The two most common event insurance types protect you against expenses related to specific life events — weddings and travel — while event liability insurance covers you for damages for hosting specific activities like birthday parties, weddings, and company picnics.

10.3. The Importance of Specialized Coverage

While accidents can happen at any time, it is typically during special, once-in-a-lifetime events that they are most devastating. Everything from overseas trips to your wedding day to your child becoming an adult is usually marked with anticipation, excitement, and a large financial investment. But they can also be events during which loss is most hurtful. Travel, wedding, and event insurance products are specifically designed to protect you in the case of an accident during these special times.



Fig 10.2: Specialized Coverage

Leaving on a special trip, attending a special event, or planning a wedding all guarantee happy memories for the future. But each also represents a large investment that can fall

prey to loss if the unexpected occurs. Travel, wedding, and event insurance coverages are specialty products designed to take your protection during these events a step further than a standard homeowner or travel policy. They guarantee specialized coverage for items and liabilities that are unlikely to be covered, or sufficiently covered, by your standard insurance products. These coverages are designed to meet the additional risk that an investment or liability during a special event warrants and is often the specialized protection that your home, auto, or general business liability insurance does not.

#### **10.4. Travel Insurance**

Travel insurance is available to travellers planning for accidents and illnesses abroad, as well as other unforeseeable circumstances that could derail a trip. Beyond medical expenses, travel insurance provides protection against cancelled flights or events, lost luggage, theft, and other unfortunate incidents. Some policies will even cover events leading up to a trip, such as the death or unexpected hospitalization of a key person. To help with the decision-making process, travelers should consider what type of trip they are taking and what events are most likely to happen. For some people, the cost of a policy can be \$100 or less, though travel insurance costs generally rise with the price of travel and level of coverage. Common considerations determining premiums include traveller age and state of health and the length of trip. Waiting to buy travel insurance until right before a trip is a mistake. A common misconception is that, for trips of a sufficient length, group policies are always more economical than individual ones; this is not necessarily so. Group policies in some cases offer less extensive but not necessarily less expensive coverage.

Options for travel insurance can break down directly into two categories: specific travel insurance and more general forms of insurance. Specific travel insurance includes, most commonly, travel medical insurance, trip cancellation insurance, travel accident insurance, and trip interruption insurance. More general forms of insurance include health insurance, homeowners insurance, and life insurance. Coverage options often can be bundled together for a more affordable price.

##### **10.4.1. Types of Travel Insurance**

Travel insurance is a specialized policy that covers unexpected events during a trip, although there are some limitations. Since different kinds of trips come with different risks, many travel insurance policies are designed for specific events. Most travel insurance policies fall into one of the following categories: trip cancellation insurance; trip interruption insurance; travel delay insurance; baggage insurance; emergency

medical insurance; medical evacuation; and accidental death or dismemberment insurance.

Trip Cancellation Insurance provides coverage for trip expenses if a traveler must cancel before departure. The insurance plan protects travelers against financial loss if, for example, the airline goes out of business, the traveler's destination has a natural disaster, or the traveler dies or becomes severely injured before leaving.

Trip Interruption Insurance applies to trips already in progress and covers additional expenses incurred from leaving early or returning late. For example, this insurance might help cover the costs associated with having to change a return flight if a traveler has an emergency, such as a family member dying or becoming hospitalized. Similarly, trip interruption insurance may reimburse costs if the traveler's destination experiences severe weather changes that prevent flight departures.

Travel Delay Insurance reimburses for expenses incurred because a trip is delayed for a certain amount of time. This travel insurance coverage will usually reimburse expenses incurred for lodging, meals, and other essentials, such as travel toiletries. Travel delay insurance does not cover losses for missed connections that the traveler could have avoided.

Baggage Insurance provides coverage for lost, stolen, or damaged luggage. It typically reimburses the actual cash value of the item. Baggage insurance also covers additional trip expenses incurred if a bag is delayed. For instance, a traveler could be reimbursed for clothing purchased if their suitcase is lost for two days and they need something to wear.

#### **10.4.2. Coverage Options**

A travel insurance policy protects against the loss of prepaid or nonrefundable travel expenses due to cancellations of travel for specific reasons, loss of baggage, medical emergencies while traveling, injury due to an accident while traveling, and the need to return home due to injury or death in the family. Medical insurance for travel abroad is important because the probability of illness or injury while traveling is high, and treatments in certain countries can cost thousands of dollars. In travel medical insurance, the insured's home country is referred to as a "home country." The premium for travel medical insurance is only about 5 percent of the amount insured, which can be up to \$500,000. But normally, travel medical insurance is not enough, and travelers need to buy a travel insurance policy that also protects against cancellations, delays, lost luggage, etc.

Travel insurance policies offer a wide variety of options to choose from: cancellation coverage, baggage loss or delay coverage, emergency medical coverage, airflight delay coverage, emergency evacuation coverage, travel distance coverage, pre-existing condition coverage, injury and death coverage, flight accident coverage, rental car accident coverage, trip interruption coverage, weather delay coverage, adventure activity coverage, etc. Because of the large number of options available, buyers can choose the coverage that is appropriate for their needs and pay only a small premium. For example, travelers taking a trip very early and far into the future might choose a minimal cancellation plan that protects only against bankruptcy or severe illness because the likelihood of the trip being canceled for any reason other than those is very small.

#### **10.4.3. Common Exclusions**

In addition to the coverage exclusions stated in the specific policy, travel insurance generally does not cover services or losses for common exclusions such as pre-existing conditions; not following a medical provider's express orders and not avoiding high-risk activities while on the trip; losses stemming from an unpredictable event that could not have been covered in advance; injuries sustained while working; and injuries suffered due to a drug or alcohol issue. Many travel insurance exclusions are similar to other types of insurance and are built to help provide even better relief for the insured. The biggest note to mention here is the label of "common exclusions" and its weight. While these exclusions are usually available for most travel insurance policies, it is essential to consider your provider's specifics before going on a layman's search for information. More often than not, policies from different providers carry different types of coverage, availability, and specifics, meaning your provider should be the authority you rely upon. Doing this can help you read the fine print of your policy to be sure of what you are signing, especially in times of crisis when your options for relief may be limited. Nevertheless, many providers will follow the same exclusions, especially those mentioned on the list above. For example, it is common for travel insurance companies to not cover losses or costs related to pre-existing conditions or a condition for which you experienced and/or were treated for in the years before the trip. But policies may also differ in specifics like how long in advance you need to purchase your policy to be eligible for the pre-existing condition exclusion.

#### **10.4.4. Claim Process**

When purchasing travel insurance, most may not consider having to file a claim. However, if something unfortunate happens and you find you have to cancel your trip, get medical treatment overseas, or have your personal belongings lost, damaged, or

stolen on your trip, you'll want your insurance provider to be responsive, you'll want a smooth claim process, and you'll want to receive a fair payout in a timely manner.

Filing a claim requires awful, lengthy documentation if something goes wrong. You want reassurance that your claim will be taken care of efficiently. Consider the claims department when choosing a coverage provider. Ask your agent how many claims they have filed. Has the agent filed a claim personally? Have they dealt with issues caused by claim denials? Make sure to read any reviews you can find to check for claims issues, especially in a crisis. Always report claims as soon as possible. If you are overseas and in need of assistance finding medical care or transportation assistance, your travel assistance company can help.

10.5. Wedding Insurance

Planning a wedding is one of the most special, joyous, and stressful events in life. Anyone who has had the responsibility of visioning, organizing, and hosting all the elements of a wedding extravaganza understands the extensive time and effort required to make everything happen as planned. And when all is said and done, the wedding couple hopes for everything to turn out beautifully, delivering the memories they dreamed of throughout years of engagement. However, things don't always go as planned. When life intervenes and something doesn't go as intended, wedding insurance can help to relieve the impact of financial loss due to theft, property damage, vendor no-shows, severe weather, backup plan activation, or the fate of marriage cancellation or postponement due to illness or injury.

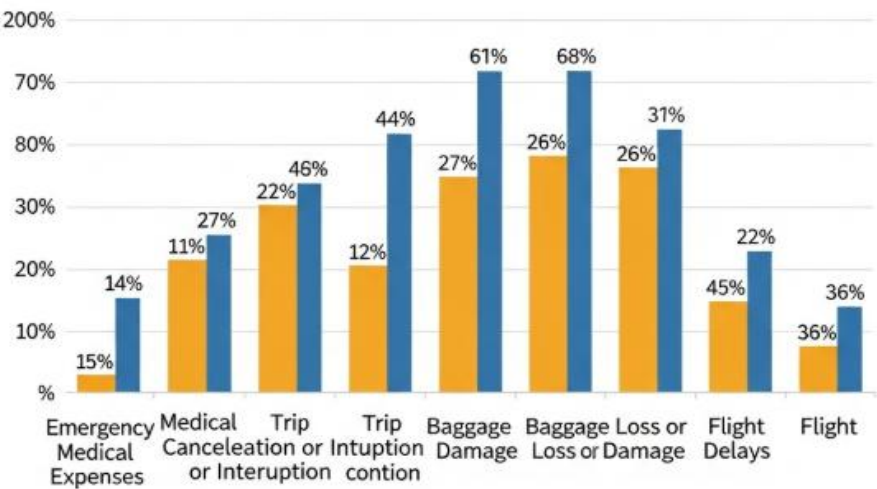


Fig : Specialized Coverage for Life's Special Moments: Travel, Wedding, and Event Insurance Essentials

Couples investing large chunks of savings into extravagant wedding receptions are increasingly turning to wedding insurance to protect against unexpected risks. The typical wedding insurance policy is affordable – costing about \$150 for elaborate events that may involve upwards of \$100,000 – and offers a variety of coverage options. Whether you want to protect against planning mishaps, disasters the day-of, or after the big day, wedding insurance can help cover the cost of trips down the aisle gone incredibly wrong. From damages to the newlywed couple's rented property, to lost rings, and liability for accident injuries at the reception and ceremony, wedding insurance can cover all sorts of unique situations. The most common coverage is for postponement or cancellation and liability coverage, needed for people getting married outside of their faith.

#### **10.5.1. Why Wedding Insurance Matters**

Most special moments come together after careful planning, consideration, and expense. Others seem to come together effortlessly. Ironically, weddings seem to fall into both of these categories, often at the very same time. Meticulously planned weekends packed with activities to entertain friends and family alike, weddings also come together seamlessly, as if choreographed. What could go wrong? Plenty. Bad weather, illness, vendor hiccups, and even cancelled flights are just some of the reasons that wedding insurance has gained popularity at ceremonies large and small.

Wedding insurance can be a useful tool for couples who are worried about the costs associated with unexpected events that may affect that special day or the events surrounding it. A wedding and its associated events can be a substantial investment by both parties, not to mention their family and friends. In addition to the cost of vendors, attire, and décor, there are often costs associated with flights and travel, hotel accommodations, food, and entertainment for out-of-town guests. It can be taxing if not emotionally overwhelming to deal with lost deposits, disrupted travel plans, or even settling for a dominant left hand as a planned wedding day ring finger without some sort of reimbursement in these unfortunate cases. Couples should also be aware that wedding insurance is not a globally recognized product. In other words, just because you booked the wedding in Florida does not mean that coverage will carry over to that destination wedding in Mexico. Some providers further limit liability to only specific vendors, meaning that if, for example, you have a flooring vendor for the outdoor ceremony, your provider may not cover an unexpected issue with the flooring.



### **10.5.2. Types of Wedding Insurance**

If you have ever watched a rom-com, an episode of a certain show, or a reality show, you know that weddings do not always go as planned. In fact, they can find themselves mired in a myriad of mishaps. Wedding insurance exists to protect brides and grooms from some of these mishaps—at a cost. When you are spending a significant amount of money on a wedding, which nowadays is approximately \$34,000 on average, the price for insurance may seem trivial. However, add things like kidnapped guests, a frivolous bride-to-be suing for emotional distress, out-of-control bachelorette parties, or expensive or unusual tastes, and you may find yourself thinking twice.

Coverage and pricing vary from one insurer to another. There are two basic plans available—wedding cancellation plan and wedding liability plan. The wedding cancellation plan covers deposits and damages to bridal furniture. It also helps to navigate the incidental financial loss you may face if the wedding needs to be cancelled or postponed.

### **10.5.3. Coverage for Vendors**

For more than a single couple, wedding vendors are essential to making the day successful. Since a wedding's timing is crucial, tardy attendees are unbearable. Unreliable professionals can mean that you carry the day on your back or find yourself confronted with an undone cake or destroyed flowers. Vendors can slip under the radar when it comes to wedding planning but with the current events during our lifetime recently, small businesses are feeling the effects of an unstable economy. While wedding insurance won't fix problems that may come up like a vendor getting drunk before your ceremony or an artist not delivering the service that was promised under contract, some of the aforementioned reasons can be essential.

There are 2 types of coverages, Typical and A La Carte Coverage. The A La Carte Business Insurance covers vendor disasters: your photographer gets sick and no other photographer is available; your caterer's kitchen suddenly goes up in flames as the roast waits on the counter to go into the oven; sudden damage or theft of a wedding cake under construction; a floral supplier who disappears on your wedding day with your flowers; excessive overtime by a hired videographer; and the list can go on. Inventory/Travel Coverage is available to Outdoor Vendors Only, and it is coverage for your rental property while out on hire. If you specialize in property rental for events such as weddings, celebrations, festivals, permaculture, or need specialty props for video and/or photo shoots, then this coverage is certainly important.

Full coverage can include Property Coverage for all of your equipment such as tents, chairs, generators, etc., standalone Disability Coverage, and Business Owner's Policy

for all of your business needs. This can protect you from someone trying to sue you for ruining their wedding, activity, or event. The coverage is also good for businesses like photo booths, DJ rigs, etc.

#### **10.5.4. Cancellation and Postponement Coverage**

Many specialized wedding insurance policies offer coverage for the cancellation and almost all offer coverage for postponement; but the differences, in some cases, are stark. Refunds are typically available for covered cancellation losses. Covered reasons usually include the well-being of the bride and groom or immediate family members (covered illness, injury, or death), disaster, or other factor generally accepted within the insurance industry as acceptable cause for loss. Should the wedding's location be struck by disaster, the cancellation losses of the couple can also be covered, leading to the repair of loss of deposits. However, some cancellation policies word coverage as only offering full payment of lost nonrefundable deposits. In addition, even some top-rated companies offer neither coverage for cancellation due to a covered reason or a stipulated travel reason. Such limits can lead to the difference between a couple facing possible penny-pinching losses and the couple faced with no losses whatsoever. In many cases ensuring the reason for cancellation—which can violate state rules an insurance company for profit must follow, treasuring the life of the couple's deposit—can make all the difference in suffering major inconvenience and major losses.

While schedules vary, wedding postponement insurance is usually structured to offer up to 50 percent of lost nonrefundable cash deposits for necessary items; and the financial payout usually occurs well after the wedding if it is still scheduled to take place after the original date. With couples moving quickly in the wake of disasters, this model is enticing and creditable. Highly rated insurance companies serving niche wedding needs typically allow couples up to two years to use the money and restore the costs. Choosing coverage for different anticipated reasons for rescheduling or postponements tends to be a very good investment; wedding-related companies offering the services that firms estimate cost about encourage couples to ask for it in front of both friends and acquaintances. Yet wedding postponements are rare enough that about is claimed yearly, active insurers warn couples nearby of what is allowable.

### **10.6. Event Insurance**

The huge number of reunions throughout the world means there are plenty of events that could use event insurance amid all the fun and joy. Just about any gathering could use some extra coverage to help protect against unexpected problems. Events include not only large gatherings like concerts, festivals, and fairs, but also smaller ones like parties,

celebrations, and business meetings. Other events may include fashion shows, art exhibits, family reunions, and weddings.

In today's litigious society, it's important to protect yourself and your guests should something go wrong. Event insurance can help ensure that a fun occasion is not fraught with problems due to something entirely out of your control. A liability policy will cover any accidents that may cause injury to someone else or damage to someone else's property, such as a fight breaking out during your party or someone getting injured because they tripped on an extension cord you had running for the DJ during your anniversary party. Host liquor liability can be added to a general liability policy to help cover damage from guests who become intoxicated and cause an accident when leaving your event.

Problems with the venue can also affect your event, so you may want to consider property damage coverage. If someone accidentally spills grape juice on the hall carpet, you may be held responsible for cleaning or replacing it. If you purchased property coverage, the insurance company would pay the cost of the damage. Or if some thieving wedding crasher breaks into the hall and steals six grand worth of gifts, the property coverage would pay the costs. Event insurance can even cover problems from food-borne illnesses if your vendors have some policy limitations.

### **10.6.1. Types of Events Covered**

Event insurance policies for planned events, such as weddings, graduations, birthdays, bar mitzvahs, and other parties, will protect and compensate you for certain problems that may arise prior to or during your event. The festivities of your event may take months or years to prepare for and arrange, incurring hundreds or thousands of dollars; finally coming to fruition in a matter of hours or days! Event insurance provides you with peace of mind knowing that all your planning, effort, and expense will not go to ruin because of something beyond your control. Event insurance, also known as special event insurance, provides coverage for either monetary loss or liability against unforeseen circumstances, such as accidents and emergencies.

So what kind of events does event insurance cover? Generally, event insurance is available for private parties that are not any sort of business-related or commercial activity. Here are some examples of private events types that event insurance covers and compensates: Weddings Events, such as a wedding or wedding rehearsal. Celebratory Parties Milestone celebration parties: Bar/Bat Mitzvahs, Sweet 16 Birthday Parties, Anniversary Parties, etc. Upscale Receptions Homeowner's Parties Special events that you host at your home; for example, wine-tasting parties, luncheons, dropped-in cocktail hours, or if you invite vendors, associates, and clients. More parties and events:

Children's Birthday Parties, Family Reunions, Retirement / Going-Away Parties, Other Special Events, Private Party at Clubhouse, etc.

### **10.6.2. Liability Insurance for Events**

If your wedding or event is being held in a public place or a rented private facility, chances are that person or business has a liability policy, which is likely going to be too general and therefore won't cover things like alcohol-related incidents, or drama created by unruly guests. Most business policies exclude specific situations or things that happen outside of part of your event. In this case, that would be the business's regular operation. Instead, what you need is event liability insurance. It is used by hosts that are having a temporary event like a wedding. It will respond when a guest claims you're responsible for their illness or injury related to your event and will cover lawsuits against you for property damages. Event liability policies could also address liquor liability, exclusion of bodily injury or property damage caused by assault and/or battery, endorsement to increase liquor liability limits, and the addition of surrounding businesses to the policy. The cost of liability insurance will depend on the potential risks of your special event, your location, the venue requirements, the size of the celebration, how long you need coverage for, and whether you are serving alcohol. You will want to compare prices when purchasing coverage from different markets to get the best one for your situation. Additionally, there are specialty companies solely for event liabilities, which could be more competitive than traditional agents.

### **10.6.3. Property Damage Coverage**

Property damage coverage in general protects the insured against damages to physical property and basing the analysis of properties and risks on the specific event is what allows determining the appropriate limits of coverage. Property damage coverage in event insurance is very specific. It is either property damage liability which protects the insured from paying for damage to property that they are legally liable to pay for which was caused by their negligence or the negligence of their employees at the event, or property damage to rented premises which is normally higher coverage protecting the insured against being liable for negligent property damage to any structure or place the event is taking place at or is rented for the purpose of holding the event. For example, if for some unforeseen and accidental reason the venue for a wedding reception is damaged or even burned down, then the venue owner is entitled to be compensated for the damage either directly from the intoxicated participant who might have caused it or indirectly through the liability insurance policy of the wedding organizer. The fact that the organizer is held responsible for damage caused by one of the guests at the wedding

reception does not prejudice the organizer's right to recover the amount paid to the venue owner from the uninvited guest that caused the damage.

#### **10.6.4. Importance of Event Insurance**

Event organizers, and especially the most inexperienced, often underestimate the risks posed by the resources, both physical and economic, mobilized, as well as the possible consequences of a disaster or a serious incident during an event. Very few events end up without any unforeseen event, and that is a powerful incentive to protect against the risks that can affect this mobilization. A response to this insurance need is provided by event insurance.

Risk analysis is a preliminary step in producing an event. Whether it is a company event or a reception in honor of the wedding of the friends of one of the executives, the internal risk analysis of a company must allow its sponsors to take the consequences of their decisions. In the event of incidents, they will be personally liable on behalf of their former affiliated status. The only protection against a personal conviction will be provided by the company's civil liability insurance taken out with the event organizer. A clear and precise notice must accompany a decision of this type in order to inform them of the magnitude of the risk. The risk manager of the client company is therefore generally required to undertake a validation process for the client, this is the wish of all the organizers of major events, but sometimes at the level of the companies which are their clients.

#### **10.7. Conclusion**

Travel, wedding, and event insurance are vital components of the event planning process as they help ensure your plans proceed on schedule and on budget. Many obstacles and unknowns can cause unforeseen changes to plans; therefore, preparation and planning are key. The growth of luxuries such as destination weddings, international travel, and extravagant life celebrations has led to a need for specialized coverage in the areas of travel, wedding, and event insurance. These insurance products are specifically designed to cover the unique events and possible catastrophes associated with specialized events. As people strive to find unique experiences and share them with family, friends, and the world, travel, wedding, and event insurance will continue to grow. Insurance professionals will be called on to navigate this dynamic market and provide their clients with the expertise they need for future planning.

We are likely to see an increase in numbers of individuals who are insuring their travel plans and events with specialized policies. Plans will continue to become more dynamic

as they are integrated with online technology; however, innovative products will continue to provide peace of mind. The future of travel, wedding, and event insurance is in diversification and flexibility. Opportunities for innovative coverage will continue to develop, challenging underwriters and agents to meet demand with unique policies. Planning for the expected, and unexpected, will allow life to be celebrated today and in the future. Although no one wants their wedding to be marred by a canceled florist who refuses to return the deposit, a trip sullied by lost luggage or vacation photos marred by a damaged camera, or a conference ruined by a tornado, those unfortunate incidents are part of being human.

### **10.7.1. Future trends**

This chapter deals with three niches of the vacation insurance market: travel insurance (including loss of personal effects), event insurance (including event liability and loss of deposits), and wedding insurance (including wedding liability and loss of deposits). The lessons learnt from development in these niches, as specialized markets, are useful to the general travel insurance market, as it already offers some specialized products. The future of the vacation insurance market will contain both more special niches and also cover requirements to a larger extent. New product development will reduce, as niches are targeted. The basic outlook for these niches is positive, despite the cyclical influences in the rest of the vacation market. We use vacation insurance as a tool to decrease some of the lessome events a vacationer may suffer. A more direct response from insurers to vacation-related perils and interruptions could also be considered.

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