



Preparing Financially for a Disaster

By their very nature, disasters often strike without warning. Whether it be a fire, flood, or hailstorm, it's a good idea to have your personal finances in order before Mother Nature may knock at your door.

1. Properly insure your property.

At a minimum, buy full replacement or replacement cost insurance. Also, have an appraiser periodically assess the value of your home, including renovations, so the policy reflects its current replacement costs. It's important to note that flood damage is not covered by homeowners' policies. And remember, even if you don't own your own home, you should insure your personal property with renter's insurance.

2. Have cash on hand.

If the electricity goes out, automated teller machines (ATMs) won't be able to spit out your dollar bills. The same goes for credit cards. Keep a small amount of cash on hand to pay for food, hotel rooms, or whatever you may need if your home is uninhabitable.

3. Safeguard important papers.

It will be easier to pick up the pieces in the days following the disaster if you have safeguarded important documents. Consider purchasing a fire- and waterproof safe to house copies of your important documents. It's wise to put the original documents in a safe deposit box at a bank across town or in a nearby city – thus, reducing the likelihood that the same disaster could affect both house and financial institution.

4. Organize other records.

If you must evacuate your home suddenly, keep the following records handy: the last few years' worth of tax returns, copies of health insurance cards and prescriptions, a written inventory and photos of household items, credit card records, employee benefits information, and warranties and receipts for major purchases, to name a few.

5. Take steps to protect your belongings.

Before disaster strikes, take steps to protect your property like building a tornado safe room, learning how to shut off your utilities, and replacing a roof's wood shingles with a material that is more fire resistant.

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