

Being Financially Prepared for a Disaster

By Sara Graves

When someone mentions disaster preparedness, Hurricane Katrina immediately comes to mind for many. But disasters strike each year in the form of mudslides, floods, fires and tornadoes. And while you may already be prepared for a disaster by having extra water and food stored away, the thought of being financially prepared may have slipped your mind. To be financially prepared for an emergency, these are some ways you can plan ahead.

Identification and Paperwork

Keep all of your vital records, such as your driver's license, social security card, birth certificate, passport, tax records, stock certificates, military records, marriage and divorce certificates, wills, trusts, car titles, powers of attorneys, deeds, warranties, appraisals, medical and dental records, prescriptions and insurance information in a secure, but still readily available location. These documents should be kept in an airtight, waterproof, fireproof location that you and your family can access. If you use a safe deposit box, make sure you keep the key in a safe, easily accessible place. A natural disaster that strikes your home could also affect your local bank—limiting your access to your important papers. Keeping a safe deposit box outside of your area increases the likelihood that your vital records will be more accessible in a localized disaster. Consider making copies of important documents and keeping those with your emergency supplies. Also keep copies with a trusted family member or loved one for safekeeping.

Money

Experts agree that each family should keep at least several hundred dollars in either cash or travelers checks in a safe location around the home in the event that ATMs are inoperable and banks are closed. You should, however,

still have your ATM card, credit cards and checkbook accessible if you are able to leave the disaster area to buy supplies and find shelter. Likewise, you should have a roll of quarters on hand in your emergency supply kit in case you need to make a phone call and cell phones, land lines and cable Internet (if you use VoIP to make calls) are not working. In the event your bank or financial institution is not closed, you should have an emergency fund set aside to get you through the disaster. Keep contact information for all your financial institutions with your records.

Automatic Payments

Consider signing up for direct deposit of your paycheck and having important bills automatically withdrawn from your checking account. If you can't access your mail following a disaster, having your bills paid automatically will keep you current and avoid problems with late payments.

Insurance Needs

It is imperative that you carry enough homeowners or renters insurance to cover your home or contents of a rental apartment, including supplemental flood, mold, or earthquake coverage, as well as additional policies to cover personal business loss or damage, valuables and additional household possessions, such as boats. Each year, you'll need to reevaluate your policies to keep the value of each up to date with inflation. Keep copies of these policies with your other vital documents.

Replacing Valuables

To replace valuables, you'll need a detailed list of them. This list should include model and serial numbers so you can adequately estimate the value of the damaged or destroyed property. If you have them, keep copies of your receipts of these items with your inventory list. Videotaping or photographing your valuables is another good method for documenting your possessions. Make a copy of each of these items and leave them with an out-of-town trusted family member or friend. For expensive items, such as jewelry and artwork, an appraisal will be necessary for full replacement value. All appraisals should be reevaluated every couple of years.



More About Emergency Preparedness

According to the Red Cross website (www.redcross.org), the following should be included in a basic emergency supply kit:

- Water: one gallon of water per person for at least three days.
- Food: at least a three-day supply of non-perishable food.
- Radio: battery-operated or hand-crank radio and extra batteries.
- Flashlight and extra batteries.
- First aid kit.
- Whistle for signaling for help.
- Dust mask, to help filter contaminated air and plastic sheeting and duct tape to shelter-in-place.
- Moist towelettes, garbage bags and plastic ties for personal sanitation.
- Wrench or pliers to turn off utilities.
- Can opener for food (if kit contains canned food).
- Local maps.
- Prescription medications and glasses. Also consider keeping basic pain relievers such as aspirin and/or ibuprofen (an anti-inflammatory) in your medical kit.
- Infant formula and diapers.
- Pet food and extra water for your pet
- Important family documents such as copies of insurance policies, identification and bank account records in a waterproof, portable container.
- Cash or traveler's checks and change.
- Emergency reference material such as a first aid book or information from www.ready.gov.
- Sleeping bag or warm blanket for each person. Consider additional bedding if you live in a cold-weather climate.
- Complete change of clothing including a long sleeved shirt, long pants and sturdy shoes. Consider additional clothing if you live in a cold-weather climate.
- Consider adding additional military uniforms.
- Household chlorine bleach and medicine dropper – When diluted nine parts water to one part bleach, bleach can be used as a disinfectant. Or in an emergency, you can use it to treat water by using 16 drops of regular household liquid bleach per gallon of water. Do not use scented, color safe or bleaches with added cleaners.
- Fire Extinguisher.
- Matches in a waterproof container.
- Feminine supplies and personal hygiene items.
- Mess kits, paper cups, plates and plastic utensils, paper towels.
- Paper and pencil.