

*How to be Financially Prepared for any Disaster*  
from Bottomline April 1 2005

If you had 10 minutes to evacuate your home, what would you take with you? Where would you get cash if ATM and credit card networks were down? Would your insurance be adequate to rebuild your home?

**Keep enough cash in the house for a weekend away.**

Also keep **\$300 in one-dollar bills** on hand. Stores may not be able to make change. After the last earthquake in California, some people had to hand over \$20 for a carton of milk or a bottle of water.

**Keep important items in a secure fire-safe box near the front door--perhaps in a coat closet.**

(Keep original documents in a safe-deposit box or a fireproof safe.) The box should be lightweight so that you can carry it to your vehicle in an emergency. It should contain...

**Legal papers.** Copies of titles to your home and vehicles, marriage and birth certificates, passports, insurance policies, military and medical records, Social Security cards, driver's license numbers, wills and powers of attorney.

**Extra supplies of medications** if your doctor will prescribe them. Rotate them monthly so that the newest medication always is available. Also keep lists of medications, doctors' phone numbers, etc. People with extreme allergies should include Epi-Pen injectors.

**Financial records.** Copies of credit card and employee benefit statements, tax returns for the last three years, contact and account numbers for financial accounts.

**Key to your safe-deposit box if you have a box.**

**Extra checks.**

**Inventory of household possessions**, including appraisals and receipts for the cost of major home improvements. Use a digital camera or camcorder to record your home's contents for insurance purposes.

**Backup plan:** Scan documents into a single electronic file, and save it on your computer hard drive. Regularly back up the file to a removable flash storage device that you can take with you in the event of a disaster.

**Maintain an emergency fund.** Keep three months' to a year's worth of basic living expenses--rent/mortgage, food, insurance, etc. in a safe, liquid investments, such as short-term CDs and short-term municipal bonds. This will protect you from a disaster as well as a loss of income--if your place of work is damaged, you may be without a paycheck for some time.

**Make sure your homeowner's insurance includes appropriate disaster coverage.** You might need flood insurance and riders for hurricanes. Increase your deductible to \$3,500. Premiums drop at that level, making riders more affordable.

Make sure you have "replacement value" coverage.

Check that you will be reimbursed for living expenses if your home is damaged and uninhabitable.