

How to Disaster-Proof Your Finances



Natural disasters can occur at any time in any place. Whether it's a hurricane, earthquake, tsunami, tornado, flood, fire, or something in between, the results can be overwhelming. You may already be equipped with batteries, flashlights, and bottled water to weather one of these disasters, but are you financially prepared for the aftermath? Before something happens, prepare!

Take Home Inventory

- Go room by room and create a detailed inventory of all of your possessions (furniture, electronics, jewelry, appliances, art, etc.)
- Use the same strategy outside for your outdoor furniture, landscaping, and even your cars and boats
- Keep this inventory list in a safe place and update it every year
- You can store your list online using a service like Dropbox so it can be accessed from any computer



Take photos or videos of your valuables to go along with your home inventory list. Include these photos with your written list of items to help you remember what you have in case they are lost or damaged.



Store original papers like deeds and birth certificates in a safe deposit box at your bank. Keep copies in a water and fire-proof box at your home along with the key to the deposit box, some cash, a list of emergency contacts, and important financial and medical papers.

Insurance

- Review your homeowners or renters insurance to see what is covered
- Remove unnecessary coverage for things that do not threaten your home (floods, earthquakes, etc.)
- Review your coverage amounts to make sure you're keeping up with inflation
- Make sure you are comfortable with your deductibles if you have to pay those out of pocket



Emergency Fund

- In the event of a disaster, having 6 to 9 months of living expenses saved can make a big difference
- First, track your spending each month to calculate how much you will need to save (bills, rent, groceries, etc.)
- After all bills and necessities are paid, add whatever is left to a savings account until you have enough to cover 6 to 9 months of expenses

Add as much as you can to your emergency fund until it reaches your target amount. This should be an "untouchable" account reserved only for emergencies. Not your usual savings account.