

DISASTERS AND FINANCIAL PLANNING

A GUIDE FOR PREPAREDNESS AND RECOVERY





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INTRODUCTION



INTRODUCTION

Disasters often strike quickly and without warning. Whether it is a weather emergency, natural disaster or personal crisis due to illness, unemployment or disability, most families will experience some form of disaster that leaves them with little or no time to think before making important decisions.

“Mitigation” — taking measures to avoid or prepare for a disaster in advance — reduces the likelihood of injury, loss of life and property damage far more than anything you can do in the aftermath of a disaster. This guide was created because financial mitigation is an essential part of disaster planning and recovery.

Disaster preparedness begins with a well-crafted personal financial plan based on your family’s values and goals. Ideally, you should develop a financial strategy with the help of professionals such as your family attorney and a financial specialist. These professionals can help you make informed, thoughtful decisions about your family’s present and future financial activities.

TIPS FOR FINDING THE RIGHT FINANCIAL HELP

- ◉ **Search professional organizations.**
 - American Institute of CPAs (AICPA) — Visit aicpa.org and click or tap on “For the Public,” then click or tap on “Find a CPA.” Visit findacpapfs.org to search for CPA Personal Financial Specialists by city or ZIP code.
 - Financial Planning Association — Call 800.322.4237 or visit fpanet.org.
 - The National Association of Personal Financial Advisors — Call 847.483.5400 or visit napfa.org.
 - Society of Financial Service Professionals — Call 610.526.2500 or visit financialpro.org.
- ◉ **Ask for recommendations.** Reach out to your friends or other professional advisers, such as your lawyer, for recommendations.

- ◉ **Interview several advisers before making a selection.** Ask about experience, services, costs, references and credentials such as Certified Public Accountant (CPA), Personal Financial Specialist (PFS™) or Certified Financial Planner® (CFP®) certifications.
- ◉ **Trust your gut.** It is highly important that you trust the person helping you to create your family’s financial plan. Trust your gut and do not agree to work with someone just because they are pressuring you.

If you do not have the money to pay for financial services, be aware that there are many government and community programs available at little or no cost. Start by contacting your city, county or state to ask about services. You also can get a head start on your overall financial strategy with these free online resources:

- ◉ Download the [Emergency Financial First Aid Kit \(EFFAK\)](#) by the Federal Emergency Management Agency (FEMA) and Operation Hope.
- ◉ smartaboutmoney.org (Click or tap on “10 Basic Steps”)
- ◉ 360financialliteracy.org (Click or tap on tools, then click or tap on Calculators)

IN THIS GUIDE

Every disaster situation is unique, but there are some general crisis mitigation actions that all households should take to prepare for unexpected challenges. This guide provides suggestions for and information about:

- **Developing a general family disaster plan**, including creating a disaster supplies kit, assessing your property's disaster vulnerability and creating evacuation and communication plans.
- **Protecting your property**, including having adequate insurance and implementing mitigation efforts.
- **Protecting your health and life**, including understanding what is and is not covered by health, disability and life insurance policies.
- **Protecting your loved ones**, including estate planning and creating a living will.
- **Protecting your income**, including managing debt and understanding government benefits after a disaster.
- **Protecting your records**, including what to keep and how to store it.
- **Recovering from a disaster**, including what to do on a financial basis in the event of a disaster.

Disasters and Financial Planning: A Guide for Preparedness and Recovery is offered to you as a public service of the AICPA, the American Red Cross and the National Endowment for Financial Education® (NEFE®). For more on these organizations, see the acknowledgements section at the end of this guide.



CHAPTER 1

MAKING A DISASTER PLAN



CHAPTER 1: MAKING A DISASTER PLAN

Although the financial aspects of a disaster are the primary focus of this guide, it is important to remember that financial mitigation is secondary to protecting one's family and property from physical harm.

This chapter features guidelines to help prepare for general emergency situations. For more on how to protect against specific threats in your area, visit the American Red Cross website at [redcross.org](https://www.redcross.org). You also may download emergency and preparedness apps at [redcross.org/prepare/mobile-apps](https://www.redcross.org/prepare/mobile-apps) on topics such as:

- First Aid
- Pet First Aid
- Hurricane
- Flood
- Earthquake
- Tornado
- Wildfire

YOUR FAMILY'S DISASTER PLAN

No one knows your family better than you do. When designing a family disaster plan, every household needs to consider its specific circumstances, including the physical layout of the home, the ages and mobility challenges of specific family members, communication channels and various other factors. Here is a basic checklist to get you started. (Click or tap on the (+) for more details.)

- + Assemble a disaster supplies kit.
- + Identify the emergencies most likely to happen in your area.
- + Know the dangers in your home.
- + Know your home's safety devices
- + Identify the safest places in your home.
- + Make an evacuation plan.
- + Make an emergency communication plan.
- + Identify responsibilities for each family or household member.
- + Create a plan for family members with access and functional needs.
- + Prepare for stress.
- + Post emergency phone numbers in a conspicuous place.
- + Identify a meet-up location.

◉ Assemble a disaster supplies kit.

- Your disaster supplies kit should meet your family's needs for at least three days and up to two weeks.
- Store your supplies in sturdy, easy-to-carry containers, such as backpacks, duffle bags or plastic bins with handles so you are ready to "grab and go."
- Keep a smaller version of the disaster supplies kit in your car.
- Don't forget to include your pets' food, water and medication.
- Disaster supplies kit essentials:
 - Water — one gallon per person, per day
 - Food — nonperishable, easy-to-prepare items (check for expired food every six months)
 - First aid kit
 - Flashlight
 - Extra batteries
 - Medications (seven-day supply)
 - Medical supplies (hearing aids with extra batteries, glasses, contact lenses, syringes, cane)
 - Baby supplies (bottles, formula, baby food, diapers)
 - Sanitation and personal hygiene items
 - Cellphone with charger
 - Extra cash
 - Emergency blankets
 - Family and emergency contact information
 - Copies of personal documents (medication list and pertinent medical information, proof of address, deed/lease to home, passports, birth certificates, insurance policies)
 - Account numbers and contact information for your loans, bank accounts and credit cards
 - Multi-purpose tool
 - Pet supplies (collar, leash, ID, food, carrier)

▪ Recommended additional items for your disaster supplies kit:

- Battery-powered or hand-crank radio (NOAA Weather Radio recommended)
- Two-way radios (walkie-talkies)
- Portable water purifier
- Manual can opener
- Map(s) of the area
- Whistles
- Surgical or dust/respirator masks
- Matches and lighter
- Rain gear
- Towels
- Work gloves
- Tools/supplies for securing your home
- Extra clothing, hats and sturdy shoes
- Plastic sheeting
- Duct tape
- Scissors
- Household liquid bleach
- Camping gear (camp stove, tent, tarps, sleeping bags)
- Portable generator
- Games and activities for children



Important Note: Due to the risk of fire after a disaster, do not light candles or cook with an open flame until your area's gas supply has been secured.

- **Identify the emergencies most likely to happen in your area.**

- If you are not sure what the risks are in your area, contact your local American Red Cross or emergency management agency.

- **Know the dangers in your home.**

- Conduct a home hazard hunt at least once a year to uncover potential risks around your property.
- Know the warning signs of a dangerous situation in or around your home.

- **Know your home's safety devices.**

- Locate your utilities (water, gas, electric) and learn to turn them off and on.
- Check your smoke alarms, carbon monoxide detectors and fire extinguishers once a month.
- Change the batteries in safety alarms every year.

- **Identify the safest places in your home.**

- Where is the safest place in your home in the case of severe weather?
- How might the safest place in your home differ based on the situation? For example, a flood vs. tornado versus fire?

- **Make an evacuation plan.**

- Discuss as a household what you will do if authorities advise you to evacuate.
- Practice fire and emergency evacuation drills at least twice a year.
- Imagine that you could take only one suitcase or pack a single carload in the event of a disaster. What would you take?

- **Make an emergency communication plan.**

- Meet with your family or household members to discuss your plan.
- In the case of a disaster, who will contact whom in the family to share important information?
- Who are the children's backup contacts when the parents are unreachable?

- **Identify responsibilities for each family or household member.**

- For example, one person could be in charge of securing the family pet, while another person retrieves important documents.
- If a family member travels often or is in the military, how will your emergency plan change when that person is not at home?

- **Create a plan for family members with access and functional needs.**

- If you or another family member has a disability, what steps can you take to plan for additional help?
 - Register with your local office of emergency management or fire department so needed help can be provided quickly in an emergency.
 - Create a network of neighbors, relatives, friends and co-workers to aid you in a disaster. Discuss your needs with them; give trusted individuals a key to your home and make sure they know how to operate necessary equipment. For example, if you are hearing impaired, you may need someone to warn you of a disaster.
 - Wear medical alert tags or bracelets to identify your disability in case of an emergency.
 - Keep a list of your prescriptions and the types and model numbers of needed medical devices.
 - Keep extra wheelchair batteries, oxygen, special foods, medications and similar items in an accessible and conspicuous location.
 - Discuss your needs with your employer in case a disaster strikes while you are at work.
 - If you live in an apartment building, ask the management to mark accessible exits clearly and to make arrangements to help you evacuate the building.

- **Prepare for stress.**

- Disasters can bring about significant stress, especially for children. The more prepared you and your family are, the better you are likely to handle stress during a disaster. You can also strengthen your emotional resilience to be better prepared to cope with stress, by:
 - Identifying the coping skills that you already rely on to manage stress.
 - Practicing and developing new coping skills, such as exercise, deep breathing, mindfulness and spending time in nature. The more you practice these, the better you will be able to rely on them when experiencing high stress.
 - Maintaining a healthy diet and lifestyle — this will help you be more physically prepared to handle the stress of disaster.

- ◉ **Post emergency phone numbers in a conspicuous place.**
 - Teach children when and how to dial 911.
 - Ensure that every family member knows how to reach relatives and family friends in case of emergency.
- ◉ **Identify a meet-up location.**
 - If a disaster strikes while the family is away from home and phone communication is not possible, where will the family regroup?
 - Always heed warnings by emergency response teams.
 - Do not attempt to access roads or buildings that have been deemed unsafe.

PROTECT YOUR BUSINESS

Protecting yourself at home is only the first step. Does your workplace, school or organization have an emergency plan? How prepared would you be if your business suddenly were to be hit by a natural disaster? The first step in preparing for the unexpected is to assess your risk. The American Red Cross offers a free service through its Ready Rating program. Visit [ReadyRating.org](https://www.readyrating.org) to:

- ◉ **Join the Ready Rating Program**
- ◉ **Take the 123 Assessment**
 - Generate a baseline assessment to measure where you are currently and measure improvement as you update and maintain your business's disaster preparedness plan.
 - Score your business's emergency preparedness efforts according to the five essentials of preparedness: Commitment, knowledge of hazard vulnerability, emergency planning, plan implementation and community resiliency.
- ◉ **Take action to improve preparedness**
 - Use the Ready Rating Toolbox of resources, best practices, drills and exercises.
 - Implement training programs, achieve certifications, etc.
- ◉ **Update your plan based on knowledge gained.**
- ◉ **Continue the cycle of assessing and planning.**

AT A GLANCE: DISASTER PREPARATION CHECKLIST

- Download emergency and preparedness apps from [redcross.org](https://www.redcross.org).

 - Assemble a disaster supplies kit.

 - Identify the emergencies most likely to happen in your area.

 - Know the dangers in your home.

 - Know your home's safety devices.

 - Identify the safest places in your home.

 - Make an evacuation plan.

 - Make an emergency communication plan.

 - Identify responsibilities for each family or household member.

 - Prepare for special needs.

 - Post emergency phone numbers.

 - Identify a meet-up location.

 - Know where to find help.

 - Protect your business.
-



CHAPTER 2

PROTECTING YOUR PROPERTY



CHAPTER 2: PROTECTING YOUR PROPERTY

The most effective way to protect your home and belongings is to safeguard them before a disaster strikes. These measures — called “mitigation” — may help you avoid damage altogether or, at the very least, reduce the damage and economic impact of a disaster. This chapter looks at financial considerations related to protecting your property, whether you are a homeowner or renter.

KNOW WHAT YOU OWN

Before you can protect what you own, you need to have an accurate record of your assets and possessions — you cannot adequately protect what you don't know that you have. Your furniture, electronics, appliances, tools and keepsakes are just as important to protect as your house and vehicles.

◉ Conduct a household inventory.

- Make a list of your possessions and include model and serial numbers when available.
- Store your inventory lists in a safe place away from your home, such as a safe deposit box at a bank located away from disaster-prone areas, or with a friend or family member.
- Update your inventory annually.

◉ Create a photographic record.

- Photograph or video record your property's exterior, your vehicles, your large furniture, collectibles and the contents of your garage, closets and attic.

◉ Save receipts for valuable items and get professional appraisals of jewelry, collectibles and artwork.

- Valuable items should be reviewed and updated with an insurance carrier when significant changes in market valuation of those items occur.

PROPERTY INSURANCE

Some disasters will damage property regardless of how prepared you are. That is why homeowners and renters insurance are so important. The single most impactful action you can take to mitigate potential disaster is to have adequate insurance coverage. (Click or tap on the (+) for more details.)

HOMEOWNERS INSURANCE CHECKLIST

- + Conduct due diligence.
- + Have your home periodically appraised.
- + Buy a policy that covers the replacement cost of your possessions.
- + Understand what the policy will and will not cover.
- + Check state or federally operated insurance pools.
- + Talk with your agent about other considerations related to your policy.
- + Consider the timing of a new home purchase.

ADDITIONAL INSURANCE COVERAGE

Depending on where you live and your individual circumstances, you may want to consider the following types of insurance:

- + Earthquake insurance
- + Flood insurance
- + Riders
- + Umbrella liability insurance
- + State or federally operated insurance pools

A NOTE ON RENTERS' INSURANCE

If you are renting an apartment or home, it is important to note that your landlord's insurance will not cover damage to your possessions in the event of a disaster. Renters' insurance often is inexpensive, but can have a large impact because it pays for your damaged, destroyed or stolen personal property. In addition, it provides liability coverage for you and generally covers damage to the interior surfaces of your rental property.

Comparison shop for the best coverage at the best price. Start with the company that insures your car because discounts may be available if you carry more than one policy with the same company. Make sure you understand the deductible and what the policy does and does not cover.

HOMEOWNERS INSURANCE CHECKLIST

- **Conduct due diligence.**
 - Buy full replacement or replacement cost coverage. This means the insurance company will pay to replace your house up to the limits specified in the policy.
 - Be sure that coverage includes code upgrades. This is especially important for homes that are more than five years old.
 - In some states, full replacement cost insurance is not available. Check with an insurance broker or agent to determine the maximum available insurance coverage.
 - Check your state's department of insurance website to see if the potential insuring company has an abnormal number of complaints.
 - Confirm that the insurance company is licensed to conduct business in your state.
 - Consider guaranteed replacement cost policies. When available, these policies can pay to rebuild your house, including improvements, at today's prices (usually limited to 15 percent of the amount of the policy coverage).
- **Have your home periodically appraised.**
 - Be sure your policy reflects current replacement costs and update the policy to include any home improvements.
- **Buy a policy that covers the replacement cost of your possessions.**
 - Standard coverage only pays for the actual cash value (replacement cost discounted for age or use). Typical policies cover personal property at 50 percent of dwelling coverage, so you may need to purchase more coverage.
- **Understand what the policy will and will not cover.**
 - Make sure you know how much the deductible is (the amount you pay before the policy pays).
- **Check state or federally operated insurance pools.**
 - If you find it difficult to obtain private coverage because of a recent disaster, you may qualify for government-run pools. Premiums often run higher than market rates, but it is better than having no coverage.
- **Talk with your agent about other considerations related to your policy.**
 - For example, ask if the company will cancel your coverage if you ever are late with a payment or if you file several claims in a short period of time.
 - Find out if making a claim could jeopardize a new buyer's ability to obtain insurance on your house if you decide to sell it.
- **Consider the timing of a new home purchase.**
 - After a disaster, almost all insurance companies place a 30-day moratorium on new insurance coverage. If you are considering buying a home that was recently hit by a disaster, consider delaying the closing until the moratorium has expired.

ADDITIONAL INSURANCE COVERAGE

- **Earthquake insurance**
 - Premiums and deductibles for earthquake coverage are high, but it may be better than no coverage at all.
 - Generally, coverage for your possessions is available as well as for the home itself.
 - Ask your agent what your policy does and does not cover.
- **Flood insurance**
 - Visit [floodsmart.gov](https://www.floodsmart.gov) for information on how to obtain a flood insurance policy.
 - If you are unable to buy additional flood protection insurance from your insurance company, call the National Flood Insurance Program at 800.427.4661 to be connected with an agent who writes flood insurance in your area.
- **Riders**
 - Ask your insurance agent if you need a policy or a rider to cover computer equipment, home office property, jewelry, artwork or other expensive items.
 - If you have work equipment that you regularly use at home, normally it is not covered by your homeowners policy.
- **Umbrella liability insurance**
 - Liability insurance protects you against financial loss if someone is injured on your property and sues you.
 - Homeowners policies provide limited personal liability coverage. If you think you need more coverage, increase the coverage in your existing policy and consider purchasing an umbrella or excess liability policy.
 - Umbrella liability insurance is important for those who have assets. Consider purchasing umbrella liability coverage from carriers that you currently do business with to help keep costs down.
 - With the skyrocketing cost of medical treatment, some legal professionals say it is important to consider raising automobile insurance amounts coupled with an umbrella liability policy of at least \$1 million to \$2 million.

TOP TEN QUESTIONS ABOUT INSURANCE

- 1. Are your valuables adequately covered?**
 - Consider insuring jewelry, fine arts, guns, rugs, books, antiques, precious metals, wine collections, coin collections and other high-price items.
- 2. Do you need travel insurance?**
 - If you plan to travel out of the country in the next 12 months, does your homeowners insurance carrier offer emergency travel insurance?
- 3. Do you need specified disaster coverage for floods, earthquakes or wildfires?**
 - If you live in a high-risk area for a specific disaster, remember that these events often are not covered in a standard homeowners policy.
- 4. Are your insurance policies accurate?**
 - If personal assets are owned or held by a trust or limited liability company, are those entities listed as a primary or additional party insured on your policies?
- 5. Do you need a personal umbrella/excess liability policy?**
 - Consult your insurance agent to assess your vulnerability.
- 6. Do you need a guaranteed replacement cost policy?**
 - If the replacement cost of your home exceeds \$750,000, is it insured for guaranteed replacement cost?
- 7. Does your homeowners policy include code upgrades?**
 - If you have to make upgrades due to housing code changes, how will that affect your policy?
- 8. Should you raise your deductible limits and increase your policy's upper threshold?**
 - Keep in mind that insurance is for catastrophe. Don't overinsure at the low end.
- 9. Are your vehicles properly insured?**
 - Automobiles worth in excess of \$40,000 should be insured for an agreed value, rather than their depreciated value.
- 10. Are recreational vehicles and watercraft properly insured?**
 - Are these vehicles insured for both primary and excess liability?

FACTS ABOUT FLOOD INSURANCE*

Flooding is one of the most common causes of property damage. Flood insurance can help minimize repair costs, but there are limitations to what is covered by a typical policy. Here are the top things to know about flood insurance:

- 1.** Everyone lives in a potential flood zone, but risk ranges from very high to virtually nonexistent. Storms, melting snow, dam failures and overloaded drainage systems all can cause flooding.
- 2.** Flood damage is not covered by homeowners policies. This includes damage from water that enters the home from outside, generally called groundwater. (If, however, another factor such as wind is involved, the damage may be covered. For example, if wind rips the roof off a home during a flood, any water damage may be covered.)
- 3.** You can buy flood insurance no matter what your flood risk is, but only if you live in a "participating community," which is defined as one that has adopted and enforces floodplain management ordinances. To find out if you live in a participating community, call your insurance agent, or visit [fema.gov](https://www.fema.gov) and search for an agent who participates in a Write Your Own program.
- 4.** Flood insurance can be affordable — about 90 private insurance companies nationally offer affordable flood insurance backed by the federal government.
- 5.** A policy for homes in low- to moderate-risk areas costs about \$120 per year. For more information, visit [fema.gov](https://www.fema.gov).
- 6.** Renters can insure their belongings through separate contents coverage.
- 7.** Up to \$1 million of flood insurance coverage is available for nonresidential buildings; \$500,000 for its contents. This means that \$500,000 is set aside for the nonresidential building and \$500,000 for its contents. For residential buildings, the limit is \$250,000. You can, however, obtain separate policies for separate structures.
- 8.** There usually is a 30-day waiting period before the coverage goes into effect.
- 9.** Federal disaster assistance is not a substitute for insurance. This assistance only is available if the president declares a disaster (based on the extent and severity of damages due to a specific event). Flood insurance pays even if a disaster is not declared.

*Adapted from information provided by the Federal Emergency Management Agency Mitigation Division at [fema.gov](https://www.fema.gov).

MITIGATION

When it comes to preparing for a potential disaster, it is important to start with the basics such as installing smoke alarms and carbon monoxide detectors, and knowing where to shut off utilities.

Next, learn what types of disasters could affect your area and assess the vulnerability of your home or apartment. If you are unsure of your vulnerabilities, here are some good places to start. You may even ask these professionals if they can inspect your home or apartment to provide specific advice on how to improve its safety.

- Your local American Red Cross chapter, [redcross.org](https://www.redcross.org)
- The Federal Emergency Management Agency (FEMA), [fema.gov](https://www.fema.gov)
- The U.S. Department of Homeland Security, [ready.gov](https://www.ready.gov)
- Your local emergency management offices
- Fire and police departments
- Zoning and building-permit offices
- Home inspectors, structural engineers and architects

TYPES OF MITIGATION PROJECTS

Depending on your location, you may be more susceptible to certain types of disaster. Each of the more common weather emergencies below requires different mitigation efforts. For more information, download disaster-specific apps to your smartphone from [redcross.org/prepare/mobile-apps](https://www.redcross.org/prepare/mobile-apps).

- **Earthquakes**
 - Use child-resistant latches to keep cabinet doors shut.
 - Bolt bookcases and tall furniture to wall studs.
 - Secure overhead light fixtures to beams or rafters.
 - Use straps to secure your water heater.
 - Hire a professional to anchor the main frame of the home to its foundation.
- **Wildfires**
 - Clear brush surrounding your home.
 - Make sure you have fire-resistant siding.
 - Consider replacing wood-shingled roofs with less flammable materials.
- **High winds, hurricanes and tornadoes**
 - Consider hiring a professional to anchor your home to the foundation and strap the roof to the main frame.
 - Install hurricane shutters.
 - Build a tornado safe room or shelter in your home.
- **Flooding**
 - Move electrical panel boxes and the furnace from the basement or crawl space to an upper floor or attic.
 - Have a professional assess the flood vulnerability of your foundation and lower-level doors and windows.

PAYING FOR A MITIGATION PROJECT

Some measures that may prevent or reduce disaster damage, called mitigation measures — such as moving breakable items from high shelves or installing latches to keep cabinet doors shut — can cost very little. Other mitigation measures — such as building a tornado-safe room or having a professional anchor your home to its foundation — can be quite costly. However, these actions can save lives and property from the effects of a disaster.

Conduct research online and refer to experts such as your local American Red Cross or emergency management agency to determine the most cost-effective actions you could take to protect your home and loved ones. While neither the Red Cross nor emergency management can inspect your home to make specific mitigation recommendations, they can provide information that can help you decide what needs to be done and how to get the most out of your investment.

For general information, FEMA provides an online resource called [Mitigation Best Practices Portfolio](#), which includes best practices and case studies dealing with all types of hazards.

WAYS TO PAY FOR A MITIGATION PROJECT

- ◉ **Savings**
 - Depending on the urgency of the project, this might be a legitimate reason for tapping into your emergency fund or other savings.
- ◉ **Current cash flow**
 - Create a priority list for mitigation projects and the related costs.
 - Review your expenditures and look for small spending leaks or other areas of your budget that could be reallocated to pay for a mitigation project.
- ◉ **Loans**
 - In lieu of a personal loan from a bank or credit union, the options listed below can be sources of additional income, but keep in mind that these have tax and financial implications. You should discuss these with your certified public accountant (CPA), financial planner or other financial adviser before making a decision.
 - » Borrow against the equity in your home using a second mortgage or home equity line of credit.
 - » Borrow money from your 401(k) or 403(b) retirement plan at work.
 - » Borrow against the cash value of a whole life or universal life insurance policy.
- ◉ **Government programs**
 - Check with the Federal Emergency Management Agency ([fema.gov](#)) and the U.S. Small Business Administration ([sba.gov](#)) for current programs in your area.
 - Your state might have a rebate program to cover part of the cost of some mitigation projects, such as building a tornado shelter (safe room) in your house. The funds for such a rebate program may be available from your state emergency management agency.
 - If federal funds for mitigation are available, they will be provided to your state emergency management agency, which then makes them available by application to homeowners.

HIRING CONTRACTORS

For mitigation projects beyond the scope of your schedule or skill level, you will need to hire help. Use the checklist below to help find a reputable contractor.

HIRING A CONTRACTOR CHECKLIST:

- ◉ **Get estimates from several licensed, bonded, reputable contractors.**
 - If your neighbors have done similar work, find out whom they used and what they paid.
 - Check at least three references to see if the contractor did a good job and charged a fair price.
 - Call your local Better Business Bureau or state contractors' board to check out contractors you are considering and find out if complaints have been filed against them.
 - The state contractors' board will confirm that the contractor's license is current and what the license limit is. If the contractor is bidding on a \$50,000 job but has a \$10,000 limit, move on.
- ◉ **Ask for proof of necessary licenses and building permits.**
 - Ask to see bonding permits and a certificate of insurance covering liability and workers' compensation.
 - Write down the license plate number and driver's license number of any person offering services in case you have to report a problem later.
 - Call the insuring and licensing company to verify that the policy currently is in force and that the appropriate license is current.
 - Remember that receiving a copy of the insurance certificate is not proof positive that it is legitimate.
- ◉ **Verify that your signature on a bid is not an authorization to start work.**
 - Ensure that no work begins until you are ready to move forward.
- ◉ **Get contracts in writing.**
 - Contracts should cover the scope of work, materials, costs and payment schedules.
 - Make sure the contract includes recourse for incomplete or unacceptable work.
- ◉ **Be wary of offers that are "too good to be true."**
 - Don't give in to contractors claiming cheap work without the red tape.
- ◉ **Make periodic payments.**
 - For example, pay 20 percent down to start work, and make additional payments as work progresses.
 - If a contractor insists on a materials payment up front, go with him or her to buy the materials or pay the supplier directly.
- ◉ **Demand quality.**
 - Make sure projects are done according to local building codes and regulations.
 - Verify that work is done according to the building permit and that a final inspection is performed by the permitting authority.
- ◉ **Don't make a final payment until the job is finished to your satisfaction.**
 - In addition, be sure that all work requiring city or county inspection officially is approved in writing before settling with the contractor.
 - You even may want a structural engineer to double check major projects before you make the final payment.
- ◉ **Get a release of lien.**
 - Have the contractor and all subcontractors sign a release of lien when the work is finished and paid for, protecting you from any later claims for unpaid materials and labor.
- ◉ **Don't sign over an insurance settlement to a contractor.**
 - Make payments over time, as the work is completed and verified by an inspector.

AT A GLANCE: PROTECTING YOUR PROPERTY CHECKLIST

- Take inventory of your assets and possessions. Document with photos and videos, and keep track of changing market values.

- Make sure you have adequate homeowners or renters insurance.

- Investigate whether you should invest in additional insurance, including coverage for likely weather disasters in your area.

- Consider adding an umbrella/excess liability policy.

- Determine if you need flood insurance.

- Prepare yourself for a potential insurance claim. Keep all paperwork in a safe location and make copies of relevant receipts.

- Research potential mitigation projects that could be implemented in and around your home.

- Consider tapping into your emergency fund or other savings for high-impact mitigation projects that could save you damages in a disaster.

- Do your due diligence before hiring contractors.



CHAPTER 3

PROTECTING YOUR HEALTH AND LIFE



CHAPTER 3: PROTECTING YOUR HEALTH AND LIFE

In the event of a disaster, your first priority will be to protect your own life and health and that of your family. Think about the steps you can take now to plan financially for the possibility of a life- or health-threatening emergency.

HEALTH INSURANCE

If you or a family member are injured in a disaster, coverage such as medical insurance, disability policies and long-term care suddenly could become your most important assets. But do you know what your plans cover — or what to do if you don't have coverage? (Click or tap on the (+) for more details.)

CHOOSING HEALTH INSURANCE CHECKLIST

- + Know what's covered.
- + Understand the process.
- + Keep your coverage in force.
- + Make sure you have insurance coverage.

DISABILITY INSURANCE

If you are injured in a disaster and can't go back to work for a few months — or years — how will you and your family manage financially? Disability insurance, which pays a monthly income to disabled individuals who qualify, could provide part of the answer. (Click or tap on the (+) for more details.)

CHOOSING DISABILITY INSURANCE CHECKLIST

- + Review your current policy.
- + Buy an individual disability policy.
- + Disability income policies can be significantly more expensive for women than men.
- + Understand the income tax implications.
- + Know what you qualify for.

LIFE INSURANCE

If you lost your life during a disaster, would your loved ones be able to manage financially? Having adequate life insurance could mean the difference between their financial security and financial catastrophe.

To determine the type and amount of life insurance you need, work with a qualified financial planner or insurance agent. It also is important to check beneficiaries to ensure that those currently named are correct. Often overlooked is the naming of contingent beneficiaries should one person predecease the only beneficiary, or should both spouses die in a common accident.

Before buying any type of insurance, always check the financial stability of the company. Independent rating services, such as A.M. Best Company (ambest.com), Duff & Phelps (duffandphelps.com), Moody's Investors Service (moodys.com), Standard & Poor's (standardandpoors.com) and Weiss Ratings Inc. (weissratings.com) can provide this information.

You also can check the complaints against an insurance company on some state insurance department websites.

CHOOSING LIFE INSURANCE CHECKLIST

- + Periodically review your needs.
- + Consult your CPA financial planner or other adviser.
- + Periodically evaluate your coverage.
- + Understand different types of insurance.

CHOOSING HEALTH INSURANCE CHECKLIST

◉ Know what's covered.

- Find out what the plan will cover and what your out-of-pocket costs might be if you are seriously injured in a disaster.
- Learn about your plan's coverage for catastrophic or long-term injuries, including coverage for rehabilitation and the lifetime maximum the policy will pay. If the plan falls short, find out if you can switch to another plan that has better coverage, even if it costs a little more.
- Investigate whether it makes fiscal sense to join your spouse's medical plan or to buy supplemental medical coverage.

◉ Understand the process.

- Learn what procedures the insurance company requires you to follow in the event of an emergency. For example, can you go to any hospital, or must you be treated at a certain hospital to receive full payment? How quickly must you notify the insurance company that you received emergency care?

◉ Keep your coverage in force.

- Do your best to make sure you never go without health insurance for more than 62 days (two full months). Otherwise, you may have to wait up to a year for coverage for a pre-existing medical condition.
- If you leave your job, a federal law known as COBRA generally allows you to continue coverage under the previous employer's medical plan for up to 18, 29 or 36 months, depending on the circumstances and the state where you live. In general, COBRA applies to group health plans maintained by employers with 20 or more employees. You must pay the full cost of coverage (at the group rate) plus up to 2 percent to cover administrative costs.
- Certain states have mini-COBRA laws that allow you to continue your health insurance even if your employer has fewer than 20 employees.

◉ Make sure you have insurance coverage.

- If you are unemployed or your employer doesn't offer coverage, investigate the costs of an individual plan at [healthcare.gov](https://www.healthcare.gov).
- If you fear that you cannot afford insurance, you likely qualify for government health care programs, such as Medicaid, Medicare, veterans' benefits or the Children's Health Insurance Program (CHIP).
- Even if you can't afford the best plan, at least look for insurance that would cover a catastrophic injury or illness.

CHOOSING DISABILITY INSURANCE CHECKLIST

- ◉ **Review your current policy.**
 - Get a policy description and read the clauses, as they will define how much and how long you get paid for a number of benefits, including a partial disability.
 - Group coverage is not always the best coverage. If your job offers disability insurance, review the plan so you know what it provides. Your employer may pay the cost of such a plan.
 - Be aware that the employer can cancel a group policy and coverage will terminate when you leave the job.
 - For those who may not be individually insurable, check with your benefits administrator to see if you can take your disability insurance policy with you when you leave. This may not be mentioned in your employee handbook, so you will need to ask in writing and review the actual policy. In addition, the policy generally will reduce its benefit payments by the amount of any benefits you receive from workers' compensation or Social Security.
- ◉ **Buy an individual disability policy.**
 - Research using an [online estimation tool](#) before you pay a professional for his or her services.
 - A policy you buy on your own may be more expensive than group coverage and you will have to qualify for it. (For example, if you engage in high-risk activities such as skydiving, you may not be able to buy disability insurance.) But, it also may provide better benefits than an employer's plan.
 - Generally, disability coverage is limited to 60 to 70 percent of your gross income, so try to get as much coverage as you can for as long as possible.
 - Look for an "own occupation" definition of disability, which means you will receive benefits if you are disabled and cannot work in your original job, even if you can work doing something else.
 - Shop for a plan that provides a benefit for a partial or residual disability, meaning that you are able to work but not at full capacity.
 - Look for a noncancelable, guaranteed renewable policy with a cost-of-living adjustment.
- ◉ **Disability income policies can be significantly more expensive for women than men.**
 - Sometimes a group of as few as four women at the same firm can join together to buy a disability income policy and receive cost savings.
- ◉ **Understand the income tax implications.**
 - In general, if you pay the premiums for a disability policy, the benefits are tax free.
 - If an employer pays the premiums, the benefits will be taxable income to you. (Credit card disability benefits generally are nontaxable income.)
- ◉ **Know what you qualify for.**
 - If you are totally disabled by a disaster or any other cause, you might qualify for Social Security benefits. (To learn more, go to [socialsecurity.gov](https://www.socialsecurity.gov).)
 - If you are injured on the job during a disaster, workers' compensation might apply, and if you are a veteran, you could be eligible for veterans' disability benefits. These types of benefits, however, may take months or years to obtain.

CHOOSING LIFE INSURANCE CHECKLIST

- **Periodically review your needs.**
 - Start with [online calculators](#) such as those available at [360financialliteracy.org](https://www.360financialliteracy.org).
 - Consider factors such as how many dependents you have, their ages and needs, your debts and the ability of your spouse to earn a living.
- **Consult your CPA financial planner or other adviser.**
 - These professionals can help you determine the amount of insurance that best suits your needs.
- **Periodically evaluate your coverage.**
 - Review your coverage when there is a change in your life, such as a marriage, divorce or birth of a child.
 - Make sure that the individuals you named as beneficiaries still are the ones you want to receive the proceeds of your life insurance.
- **Understand different types of insurance.**
 - Term insurance provides coverage for a specified length of time, such as 10 or 20 years, and pays benefits only in the event of death.
 - In general, term insurance will provide a larger death benefit but cost less when you are younger.
 - Term insurance generally ends prior to normal life expectancy.
 - Cash-value insurance, which includes whole life, variable life and universal life, may be a better buy for long-term needs.
 - Cash-value insurance will cost more initially, but the premiums may remain level over your lifetime.
 - You may be able to withdraw some of the cash value, take out a loan against it, or use it for tax free 1035 exchanges for your long-term care insurance.
 - Cash-value insurance, also known as permanent insurance, may be kept throughout your life.
 - Find out if you can collect all or part of the policy's face value before death if you become terminally ill.
 - You also may want to consider purchasing a waiver of premium rider, which would cover your premiums if you became disabled.
 - Some policies allow for term insurance to be converted to permanent insurance in the case of a permanent disability, which would allow you to continue to build a nest egg even though you are disabled.

AT A GLANCE: PROTECTING YOUR HEALTH AND LIFE CHECKLIST

- Know what is covered by your current health insurance plan.
 - If you do not have health insurance, visit [healthcare.gov](https://www.healthcare.gov) to investigate your options.
 - If you cannot afford health insurance, you likely will qualify for some form of discounted insurance or government assistance.
 - Make sure to obtain at least minimum health insurance to cover catastrophic emergencies.
 - Keep health insurance coverage in force when changing jobs.
 - Compare your health insurance with that of your spouse to see which plan has better coverage.
 - Maintain an emergency fund to cover potential gaps in coverage in case you become disabled or unable to work.
 - Consider purchasing additional disability insurance.
 - Periodically evaluate your life insurance needs and current coverage.
 - Update insurance beneficiaries after life events such as marriage, divorce or the birth of a child.
 - Consult a financial professional to evaluate your current and future insurance needs.
-



CHAPTER 4

PROTECTING YOUR LOVED ONES



CHAPTER 4: PROTECTING YOUR LOVED ONES

One of the most important things we can do for our loved ones is to prepare for the day when we no longer will be there to care for them. Everyone — regardless of age — should plan their estate. Having an up-to-date estate plan in place will be even more important if you are unexpectedly injured or killed in a disaster.

WHAT IS ESTATE PLANNING?

Your estate is everything you own, and you need estate planning documents to ensure that your possessions and assets are distributed according to your wishes. In addition, these documents cover your health care wishes and who should take custody of your children and pets.

It is a good idea to engage the professional team that you already work with to make sure that your actions and intentions are in alignment. Having a well-articulated financial plan prior to engaging an estate planning attorney will be key in the implementation of a plan that is consistent with your family's wishes. Your CPA will be able to contribute to the discussion of the important tax implications of the estate planning strategy. It is a good idea to hire a lawyer who is thoroughly experienced with estate planning methods and techniques to assist you. If you don't have money to pay a lawyer, call a legal aid clinic or a law school and ask if they can help you for a reduced rate or for free. (Click or tap on the (+) for more details.)

ESTATE PLANNING DOCUMENTS CHECKLIST

- + Living trust and/or will
- + Durable power of attorney
- + Health care proxy
- + Living will
- + Beneficiary documents
- + Other options for distributing property

NOTE ON LETTERS OF INTENT

A letter of intent is not a legal document, but it can be helpful in telling other people where things are and what you want to happen at your death (or if you are seriously injured and unable to communicate your wishes).

Think of a letter of intent as something that you would give to someone if you were leaving on a yearlong trip tomorrow morning. Make sure the letter of intent is stored in a safe place and be sure to tell several people where it is. Even better, share copies of your letter of intent with anyone who would be involved in managing your affairs if you were killed or seriously injured in a disaster.

WHAT TO INCLUDE IN A LETTER OF INTENT CHECKLIST:

- Where important documents are located.
- The names and phone numbers of your financial and legal advisers, your employer and other people your loved ones may need to contact.
- Your wishes for your funeral and information about any prepaid burial plans.
- A financial inventory to explain to your loved ones what income, investments or insurance proceeds they can expect to receive, and what expenses and other bills may come due. Include information about retirement plans, employee benefit plans, employer-sponsored life insurance coverage, vacation pay, business expenses that may not have been reimbursed, personal property you keep at work, car loans, home mortgages, and so on.
- Your wishes for raising and educating your children and any financial arrangements you have made to accomplish these goals.
- Your wishes for your pets.

ESTATE PLANNING DOCUMENTS CHECKLIST

◉ Living trust and/or will

- The most crucial document is a will. It names your heirs — the people you want to receive your money and other possessions when you die — and appoints a guardian if you have minor children.
- If you die without a will, the state will decide who gets your money and who will take care of your children.
- Originals of wills generally should not be kept in a bank safe deposit box, because the box may be temporarily sealed after a death.
- Keep original wills with your lawyer or in another safe, accessible place.

◉ Durable power of attorney

- This document names the person (or other entity) you want to pay your bills and manage your money if you become ill or incapacitated and are unable to make these types of decisions.
- The person or entity working on your behalf is your representative, also known as your attorney (not to be confused with your lawyer).

◉ Health care proxy

- In a health care proxy, you name a person who will make decisions about your health care if you get sick and cannot make those decisions for yourself.
- Make sure your doctor has a copy of your health care proxy.

◉ Living will

- A living will explains what types of medical treatment you want, or don't want, if you get sick and are unable to communicate your wishes.

◉ Beneficiary documents

- If you have life insurance, a retirement account or certain other types of investments, you must name beneficiaries — the person(s) or trust(s) that will inherit the money if you die.
- The beneficiaries you name will override any statements in a will, so check that your will and beneficiary designations agree with your wishes.
- Review your beneficiary designations once a year or whenever there is an important change in your life, such as a marriage, divorce, birth or death.
- You may consider the establishment of a trust for beneficiaries, or contingent beneficiaries, rather than direct receipt of the assets if the beneficiaries or contingent beneficiaries are under a certain age.

◉ Other options for distributing property

- In addition to a will, trust and beneficiary designations, consider other options for passing your property to your loved ones, such as an instruction letter concerning disposition of property.
- For example, if your car, house or bank accounts are in your name only, the asset will go into your estate and will be distributed according to your will during probate (the legal process of settling an estate).
- If you own property with someone else as a joint tenant or tenants by the entirety, the asset will bypass probate and go directly to the individual named. Similarly, if you have a bank account with a payable-on-death provision, the money will go to the person you name rather than into your estate.
- Taxable mutual fund accounts have a similar provision called transfer on death. Because these actions have legal and tax implications, discuss them with your lawyer, CPA financial planner or other financial adviser before making a decision.

ESTATE PLANNING AND SPECIAL-NEEDS DEPENDENTS

Although everyone needs to do estate planning, it's particularly important if you have a family member with a disability. Use these tips to ensure that your dependent remains well cared for.

My child has a disability. Should I name a guardian?

In your will, you named a guardian for your young children until they reach the age of majority, which is 18 or 21 depending on the state of residence. At that point, your children are considered by law to be adults and are entitled to make their own decisions — regardless of any disability — unless certain documents are in place. These documents could include a court-ordered guardianship, which gives a parent or other responsible adult the legal right to continue to make financial and other decisions for a child with a disability after he or she reaches adulthood. Naming a durable power of attorney for an adult child is another option.

If you and your child believe that either a guardianship or a durable power of attorney would be in the child's best interests, talk with your lawyer about how you can make those wishes known in your will. Whenever possible, make sure your loved one participates in choosing who should serve as a guardian now and in the future.

When should I consider a special needs trust?

A special needs trust might be used in situations in which you want to leave your disabled child money or other assets when you die, but you don't want to jeopardize the child's ability to qualify for government programs that are based on financial need, such as Medicaid or Supplemental Security Income (SSI). When set up properly, a special needs trust may be able to pay for items that are not paid for by government programs, thus protecting the child's eligibility for government benefits. For example, the trust may be able to pay for home repairs, education, a computer and vacations. However, the impact of a special needs trust on a child's eligibility for government benefits varies from state to state. Another advantage of a special needs trust is your child is not faced with the burden of managing a large sum of money or other assets on his or her own because someone else is designated as the trust administrator.

If you decide to pursue this option, work with a lawyer who is familiar with the rules regarding assistance programs for people with disabilities. Also be sure to alert anyone else who might leave your child an inheritance, and ask them to leave the inheritance to the trust instead.

AT A GLANCE: PROTECTING YOUR LOVED ONES CHECKLIST

- Consult a financial planner and/or estate planning professional to create your estate planning documents.

- Store your original will and other documents in a safe, accessible place (not a bank safe deposit box, which may be sealed at the time of your death).

- Write a letter of intent and share it with your loved ones.

- Consider unique circumstances, such as a dependent with special needs.

- Understand the steps to take immediately following the death of a family member.

- Understand what is required of you as the executor of an estate.



CHAPTER 5

PROTECTING YOUR RECORDS



CHAPTER 5: PROTECTING YOUR RECORDS

Coping with the aftereffects of a disaster is difficult under any circumstance, but the trauma compounds when vital records are lost. If you haven't done so already, take a few hours to organize your important documents and put them in a safe place. Even if you never experience a disaster, the peace of mind gained from organizing your records is well worth the few hours spent on this important task. This chapter offers suggestions on which records to protect and where to put them.

In addition to the suggestions in this chapter, you might want to send copies of vital records to an out-of-town friend or relative, as well as to anyone — such as a trustee or a beneficiary — whom you have named in a legal document.

SAFE DEPOSIT BOXES AND HOME SAFES

A safe deposit box or home safe are two common ways to protect your records and other irreplaceable items from disaster.

Store originals of records that would be difficult to replace in a safe deposit box at a bank. Consider using a bank that is some distance from your home to decrease the chances of the bank being affected by the same disaster.

Note: You should not keep the original of your will in a safe deposit box because the bank may seal the box temporarily at your death. Keep the original of your will at your lawyer's office and copies of it at home and in your safe deposit box.

WHAT TO PUT IN A SAFE DEPOSIT BOX CHECKLIST

- Birth, death and marriage certificates
- Divorce and child custody papers
- Adoption papers
- Passports
- Military records
- Social Security cards
- Copies of driver's licenses
- Mortgage/property deeds
- Stock and bond certificates

- Car titles
- List of insurance policies (life, health, disability, long-term care, auto, homeowners and renters), including the type, company, policy number and name of insured
- Copies of power of attorney, living will and other medical powers
- Trust documents

HOME SAFES

A home safe is a convenient place to store important papers, but could it withstand a fire, flood or tornado? At the very least, buy a safe that can withstand temperatures up to 1,700 degrees. If possible, place the safe in the basement to decrease the risk of it falling through the floor in the event of a fire. Be sure to keep the safe locked at all times and tell someone you trust where you keep the key or combination to the safe. You also can store important information online by using a digital vault service or online data backup service. Scan your important documents and then transfer digital copies to your online provider.

You might also consider keeping copies of records at your office and storing originals of vital records, including backup disks of important digital information, in a bank safe deposit box or lawyer's office.



Tip: Separate records and receipts for business and personal assets because business and personal gains and losses are accorded different tax treatment.

ELECTRONIC DOCUMENT STORAGE

While you may have the hard copies of your records safely tucked away in two places, a severe disaster could make it impossible to access them for an extended period of time. The “cloud” — a virtual storage method that can be accessed anywhere, on any device, with a secure username and password — provides an easy way to store your vital documents in a secure environment, while allowing you to access them from anywhere in the world.

All you need are your documents and a scanner. Even if you don't have a scanner, your library, workplace or neighborhood printing and mailing facility may have one. A number of other businesses offer the use of a scanner at reasonable costs.

IMPORTANT DOCUMENT CHECKLIST

Depending on your situation, you may need some or all of the following documents to file insurance claims, pay bills, take care of injured family members or manage the responsibilities associated with a death.

- ◉ Birth certificate
- ◉ Death certificate
- ◉ Marriage certificate
- ◉ Will
- ◉ Power of attorney
- ◉ Living will or other medical powers
- ◉ Trust documents
- ◉ Social Security card/records
- ◉ Military records
- ◉ Medical records, including prescription information
- ◉ Insurance policies (life, health, disability, long-term care, auto, homeowners and renters)
- ◉ Checking and savings account statements
- ◉ Retirement account records
- ◉ Other investment statements
- ◉ Pay stubs
- ◉ Tax returns
- ◉ Car titles and registrations
- ◉ Mortgage/property deeds
- ◉ Rental agreement/lease
- ◉ Warranties and receipts for major purchases
- ◉ Credit card records
- ◉ Other loan records
- ◉ Safe deposit box information (location and key)

RECORDS IN A DISASTER SUPPLIES KIT

Keep copies of essential household records in a disaster supplies kit so they are handy if you need to evacuate.

Think about the records you would want to take with you if you suddenly had to evacuate your home during a disaster. These records should go into a disaster supplies kit that you could grab either on your way out of your home or bring with you into the safe room.

Consider making copies of all the records you have stored in your bank safe deposit box or home safe and put them in a portable, fire-resistant, waterproof box that you keep nearby at all times. (You even might want to keep irreplaceable keepsakes and photographs in this box.)

You also could scan these documents onto a portable flash drive and upload them to the cloud in order to have several retrieval options.

OTHER RECORDS TO KEEP IN YOUR DISASTER SUPPLIES KIT MIGHT INCLUDE:

- ◉ Letter of intent to your loved ones in case you are not there to help them through a disaster (see Chapter 4: Protecting Your Loved Ones for more information about writing a letter of intent).
- ◉ Federal and state tax returns (if you have room, store all of your returns here, but if not, at least keep the three most recent ones in the kit).
- ◉ Copies of important medical information including your health insurance card, doctor's name(s) and phone numbers, immunization records and prescriptions (including prescriptions for glasses and contacts).
- ◉ Home improvement records.
- ◉ Inventory of your possessions, which also can be stored online. Type "online home inventory" into a search engine for more information (see Chapter 2: Protecting Your Property for more on how to conduct a household inventory).
- ◉ Warranties and receipts for major purchases.
- ◉ Appraisals of jewelry, collectibles, artwork and other valuable items.
- ◉ Credit card records.
- ◉ Retirement account records.
- ◉ Recent checking, savings and investment account statements.
- ◉ Rental agreement, lease and/or mortgage documents.
- ◉ Recent pay stubs and employee benefits information.
- ◉ List of emergency contacts, including doctors, financial advisers and family members.
- ◉ Backups of critical digital information, such as any accounting files.
- ◉ Safe deposit box information (location, contents and key).

Once or twice a year, go through your safe and disaster supplies kit to make sure your records are up to date. Be sure to update your records after making major purchases or completing major remodeling projects.



Tip: *If you ever experience a disaster, plan to keep a written record of events to help substantiate your expenses and losses to the insurance adjuster.*

AT A GLANCE: PROTECTING YOUR RECORDS CHECKLIST

- Organize important papers and put them in a box that you can grab in the event of an emergency.

- Store original documents, property deeds and birth certificates in a bank safe deposit box.

- Do not store your original will in a bank deposit box because it may be temporarily sealed upon your death. Store with your lawyer or a trusted person instead.

- Maintain duplicate records in a separate location and in the cloud with a provider that uses encryption and has a history of good security.

- Keep important records, account numbers, access codes and contact information in your disaster supplies kit.

- If you ever are in a disaster, keep detailed records of the chain of events and document all damage with photographs and video when possible.



CHAPTER 6

RECOVERING FROM A DISASTER



CHAPTER 6: RECOVERING FROM A DISASTER

Everyone hopes they will never experience a disaster in their lifetime, but if you do, chances are your safety and immediate life needs will be your primary focus. This is a common time for financial issues to occur. The following chapter highlights the immediate financial needs to consider to help you successfully recover.

FINDING HELP

Although assistance often is available when disaster strikes, it's best to be as prepared as possible to ensure that you and your family are taken care of.

The following agencies and organizations can help you plan for potential disasters and often can offer assistance in emergency situations:

- ◉ **State and county offices of emergency preparedness**
 - Do an Internet search for your state or county and “emergency preparedness.”
- ◉ **Federal Emergency Management Agency (FEMA)**
 - FEMA is part of the U.S. Department of Homeland Security.
 - Visit [fema.gov](https://www.fema.gov) for extensive information about preparing for and responding to emergencies.
 - Reach FEMA by phone at 800.480.2520.
- ◉ **Department of Homeland Security**
 - For information related to terrorist events, call the Department of Homeland Security at 800.BE.READY (800.237.3239).
 - Visit [ready.gov](https://www.ready.gov) and click or tap on “Download Emergency Preparedness Publications” to view the brochure titled *Preparing Makes Sense. Get Ready Now.*
- ◉ **American Red Cross**
 - Visit [redcross.org](https://www.redcross.org) and enter your ZIP code in the “Find Your Local Red Cross” area or click or tap on “Plan and Prepare” to see many more facts and tips on disaster preparedness.
 - Call your local chapter for more specific information.
 - Download disaster-specific apps for your smartphone at [redcross.org/prepare/mobile-apps](https://www.redcross.org/prepare/mobile-apps).
- ◉ **Salvation Army**
 - Visit [salvationarmyusa.org](https://www.salvationarmyusa.org).
- ◉ **Volunteers of America**
 - Call 800.899.0089 or visit [voa.org](https://www.voa.org).
- ◉ **National Voluntary Organizations Active in Disaster**
 - Visit [nvoad.org](https://www.nvoad.org).

FINANCIAL NEEDS IN RECOVERY

(Click or tap on the (+) for more details.)

- + **Filing Insurance Claims**
- + **Documenting Lost Items Checklist**
- + **Employer Responsibility Checklist**
- + **Non-Covered Disability Checklist**
- + **Government Benefits in a Disaster**
- + **Identifying Sources of Cash**
- + **Protecting Your Cash Flow in a Disaster**
- + **Protecting Yourself From Fraud**
- + **Managing Debt Before and After a Disaster**
- + **Financial Decisions After a Death Checklist**
- + **Estate Settlement Checklist**
- + **Managing Your Emotional Health**
- + **Recovering From a Disaster Checklist**

INSURANCE CLAIMS CHECKLIST

If you need to file an insurance claim due to a disaster or catastrophic event, here are the steps you will need to take:

- ◉ **Collect all policy numbers and insurance company phone numbers.**
 - Plan to file a claim even if your home or property is not covered for the type of disaster that occurred because consequential damages may be covered.
- ◉ **Save receipts for additional living expenses.**
 - Many homeowners policies cover additional living expenses such as housing and food costs, temporary residence, additional costs for transportation to and from work and school, and storage expenses.
 - Find out if you are eligible to receive an advance from the insurance company for these expenses.
- ◉ **Make temporary repairs that are “reasonable and necessary” (if it is safe to do so).**
 - For example, cover holes in the roof, walls, doors and windows with plastic or boards to help prevent further weather-related damage.
- ◉ **Save receipts for any materials purchased.**
 - These are reimbursable when confirmed that they are reasonable and necessary.
- ◉ **Don’t make extensive repairs.**
 - Wait to make extensive repairs until the claims adjuster has been to your home and assessed the damage.
- ◉ **Find out how the company will process claims.**
 - Heavy demands are placed on insurance company personnel in widespread disaster situations and time restrictions may force adjusters to “scope the loss” rather than performing a full evaluation.
 - If the adjuster does not render a full evaluation of the loss on the first visit, secure an appointment for a second visit.
- ◉ **Keep all paperwork.**
 - Keep any paperwork from the insurance company, FEMA or other emergency agencies.
 - Store this paperwork in a secure location and make second copies for safekeeping.

- ◉ **Get an independent assessment if required.**
 - Sometimes insurance companies require independent assessments from public adjusters.
 - Note that public adjusters charge a fee for his or her services, which can be a percentage of the insurance proceeds.
 - Do your due diligence and check with your state to confirm how much an adjuster may charge and their qualifications. Be careful of those who spontaneously show up on your doorstep. If you feel it is necessary to secure a public adjuster, ask your insurance agent or attorney for a referral, and don't forget to do a background check.
- ◉ **Make an accurate list of the damage.**
 - Check your damages list against any inventory you may have made before the disaster occurred or make a pre-disaster inventory from memory. Ask friends and family to help jog your memory for items you had before the disaster.
 - If you are unsure of the market value of damaged property, check the Internet, walk the aisles of local stores or leaf through catalogs.
 - If possible, photograph or video record the damage. Surviving photographs or videos taken in and around your home also may help.
 - Draw floor plans or sketch your home's interior. Repeat the process in two or three weeks, because it's likely you will remember additional items. Don't consider your first list to be the final one.
- ◉ **Don't throw out damaged furniture or other high-priced items.**
 - The adjuster will want to see damages.
 - Be sure to retain clothing, as smoke or water damage can render it unrecoverable.
- ◉ **Collect all available receipts, canceled checks, credit card statements and invoices.**
 - Use these to prove the value of lost possessions, including big-ticket items such as computers or jewelry.
 - Request archived copies of monthly statements from your bank and credit card providers to help remember purchases.

- ◉ **File claims as quickly as possible.**
 - File the claim as soon as you have a list of damaged or destroyed property.
 - Claims generally are settled in the order received, although the most severe cases may receive the highest priority.
- ◉ **If destruction is severe and widespread, erect an identifying sign on your property.**
 - It might be difficult for a claims adjuster to identify your property in severe situations. A sign with your name, street number, insurance company and contact information can speed up your claim.

DOCUMENTING LOST ITEMS CHECKLIST

If you are struck by disaster and do not have an accurate home inventory, you will need to do your best to create one.

- ◉ **Estimate the fair market value of damaged or destroyed items.**
 - Look through catalogs, newspaper ads and online retailers.
- ◉ **Determine the current value of vehicles.**
 - Consult a car dealer, search the Internet or go to your local library.
- ◉ **Determine the value of land versus building values.**
 - Check with your county property tax assessor.
- ◉ **Get a copy of the escrow papers for your home.**
 - Consult your real estate agent, the title company, the escrow company or the bank that handled the purchase or refinance.
- ◉ **Determine the value of any home improvements you've made.**
 - Contact lenders or contractors to get estimates.
- ◉ **Get probate values of property you may have inherited.**
 - Check court records to get the most accurate information.
- ◉ **File Form 4506, "Request for Copy or Transcript of Tax Form," with the IRS.**
 - Obtain previous federal income tax returns (a small fee may be charged for this service).
 - If someone else prepared your tax returns, contact that person to request copies

EMPLOYER RESPONSIBILITY CHECKLIST

◉ Know your workplace and benefits options.

- Does the organization have a disaster plan?
- If you are unable to get to work after a disaster, will you continue to be paid? If so, for how long?
- If the business must shut down temporarily, will you continue to be paid? If so, for how long?
- Will you be able to use or substitute sick leave pay, vacation pay or any employer-paid emergency assistance?
- Will you be eligible to collect unemployment compensation? If so, when?
- If you are injured in a disaster, what medical and disability benefits does the company provide and for how long?
- If you are injured on the job during a disaster, will you be covered by workers' compensation?
- What happens if a disaster occurs during a mandatory strike?
- What should you do if you are injured in a disaster and can't go to work?

◉ Call your employer as soon as possible or have a friend or family member call for you.

- Explain the situation and ask your employer to keep your employee benefits, especially your health insurance, in force.
- Ask how much sick leave and vacation time you have accrued.
- If you are covered by disability insurance at work, ask your employer to start the application process immediately and find out how long you must wait before benefits will begin.
- Plan to call your insurance agent if you have your own disability insurance.

◉ Apply for unemployment compensation.

- Call FEMA at 800.621.FEMA (3362).
- In a widespread disaster situation, you might apply in person at the FEMA Disaster Recovery Centers set up near the disaster area.

◉ Know your rights under the Americans with Disabilities Act (ADA).

- If you are disabled by a disaster and want to return to work you may be protected from job discrimination by the Americans with Disabilities Act (ADA).
- The ADA requires employers covered by the law to make “reasonable accommodations” or changes so workers with disabilities can do their jobs.
- To learn more about the ADA and other issues related to disabilities, visit [disability.gov](https://www.disability.gov).

NON-COVERED DISABILITY CHECKLIST

WHEN YOUR INSURANCE WON'T COVER A DISABILITY ...

- ◉ **Tap into all resources.**
 - Do you have more than one plan to draw upon, such as an accident plan purchased by credit card?
- ◉ **Ask your doctor to keep good records of your progress.**
 - Your insurance company may stop paying for your rehabilitation if it does not have evidence that you are getting better.
- ◉ **Know your rights and insist that they be respected.**
 - If you are not receiving payment for necessary treatment, ask your doctor to write a letter or call the insurance company to explain why you need care.
 - A hospital social worker or your state health insurance program (SHIP) also may be able to help. To find a SHIP in your state, call 800.677.1116.
- ◉ **Ask your doctor to write a prescription for necessary medical equipment.**
 - In addition to prescription medications, have your doctor prescribe items such as a walker or wheelchair, so the insurance company will be more likely to pay for it.
- ◉ **Keep your employer-provided health insurance as long as possible.**
 - Take advantage of any vacation or medical leave you have due from your employer.
 - COBRA may provide you with continuing coverage under your employer's medical plan for up to 36 months, depending on the circumstances.
 - Remember that COBRA does require you to pay the full premium, plus up to an additional 2 percent for administrative costs, so make sure you can afford it.

GOVERNMENT BENEFITS IN A DISASTER

If you are disabled in a disaster (or for any other reason) there are federal programs that may help you.

SOCIAL SECURITY

The Social Security Administration (SSA) has two programs that pay a monthly benefit to people who are disabled and cannot work, but you must apply — and qualify — for these benefits.

- **Social Security Disability Insurance (SSDI)** is for people who worked and paid Social Security taxes for a certain period of time before becoming disabled. Children and spouses of disabled workers who are receiving SSDI benefits also may qualify for benefits.
- **Supplemental Security Income (SSI)** is for people with disabilities who have very little income and very few assets. There are no prior work requirements. Both adults and children with disabilities can apply for SSI benefits.

If you or a member of your family is disabled in a disaster, contact the Social Security Administration (SSA) to start the process of applying for benefits. (Note that a disability must exist for five months before you can submit an application.) Keep in mind, however, that SSA's rules for qualifying for benefits are strict and there are waiting periods to fulfill before you can begin receiving benefits. To learn more, go to SSA's website at [socialsecurity.gov](https://www.socialsecurity.gov) or call 800.772.1213.

HELP FOR VETERANS

If you are a veteran and become disabled in a disaster, you could be eligible for a monthly disability benefit, depending on your military service record, the severity of your injury and your other income. For more information, visit the Department of Veterans Affairs website at [va.gov](https://www.va.gov).

SOURCES OF CASH CHECKLIST

In a disaster, one of the first things you are likely to need is money for food, shelter, repairs and other expenses. Be prepared with cash and know where you can access larger amounts of money.

- **Find out about any special disaster relief funds.**
 - These may be available from federal, state and local governments and are generally income-tax free.
- **Consider cashing out an insurance policy.**
 - A whole life or universal life insurance policy might have a cash value that you can withdraw or use to get a loan from the insurance company (term insurance has no cash value).
 - Keep in mind that the insurance company may charge you a fee.
 - A portion of the cash value may be taxable if the amount received is a partial surrender of the policy and is greater than the cumulative premiums paid.
 - Remember to budget a repayment plan when financial stabilization has been reached.
- **Consider selling some of your personal property to generate extra cash.**
 - Research the market value of furniture, electronics or other valuables that you could sell online or through classified ads.
- **Be careful with reverse mortgages.**
 - This is a loan against the equity (the value of your house minus the money you still owe on it) of your home.
 - If you are 62 years old and own your home (or nearly own it), you may be able to get cash out of the equity in the house by using a reverse mortgage. You don't have to pay back the loan as long as you live in the house.
 - It can be an expensive loan and can result in a substantial loss of equity.
 - Before you take out a reverse mortgage, talk to your CPA financial planner or other financial adviser to make sure you understand the full cost of the loan.
- **Consider tapping into a retirement fund.**
 - Ask your employer about the rules for borrowing against your retirement plan.
 - Keep in mind that if a disaster leaves you disabled, you can withdraw money from the retirement plan without penalty, although you will have to pay income tax.

- You also may be able to borrow up to 50 percent of your retirement plan assets up to \$50,000. You will have to pay it back, but you won't pay taxes if it is fully repaid.
- **Consider adding a job or retraining for a new position.**
 - Attend a community college, technical school or trade school.
 - These schools often are geared for adults and offer courses in practical skills you may need. Community colleges also are usually less expensive than four-year colleges or universities.
 - Ask potential employers if they provide on-the-job training or help pay for classes.
 - Apply for grants, scholarships and loans.
 - Some scholarships are geared specifically for adults returning to the workforce or for individuals who are the first in their families to pursue college degrees.
 - Ask the school's financial aid officer to guide you or check the following websites: collegeboard.com and finaid.org.
 - Look for other sources of help.
 - Your state employment office may offer special programs for people entering the workforce for the first time in many years.
 - AARP's website (aarp.org/working_options/) has a section devoted to people returning to work.
 - Religious and community groups are additional sources of counseling and support.
 - Take advantage of educational tax deductions and credits if you qualify for them.

PROTECTING YOUR CASH FLOW IN A DISASTER

Since power may be out after a disaster, ATMs and credit card machines may not be working. In addition, banks may be closed or you may not be able to return home. Keep a sufficient amount of cash and traveler's checks in a disaster supplies kit that you keep at home and can get to quickly. To determine how much money to set aside, estimate how much your family would need for at least three days.

It's also important to set aside extra money in an emergency fund. Many financial experts advise saving enough money to cover your bills for three to six months. Place the money in an account that you can access easily, such as a bank savings account or money market account, and then leave it there until you face an emergency or unexpected expense. Consider depositing some funds in a financial institution that is outside of your local area to decrease the chances of it being affected by the same disaster.

PROTECTING YOURSELF FROM FRAUD

Catastrophe is a breeding ground for consumer fraud. Whether a hurricane, strong earthquake, massive flooding or a devastating tornado with the ability to level an entire town, widespread property damage results in an increase of fraud in the disaster zone.

There are many types of natural disaster frauds. Visit the Federal Bureau of Investigation website at [fbi.gov](https://www.fbi.gov) for useful information about current frauds and prevention. It is important to remember that this list is not exhaustive, and people committing fraud always are creating new ways to take advantage of people in disaster situations.

FRAUD WATCH CHECKLIST

- ◉ **Familiarize yourself with common frauds.**
 - Check these government agencies to see the most common current frauds being committed in the United States:
 - Federal Bureau of Investigation (FBI): [fbi.gov/scams-safety/fraud](https://www.fbi.gov/scams-safety/fraud)
 - Securities and Exchange Commission (SEC): [sec.gov/investor/brokers.htm](https://www.sec.gov/investor/brokers.htm)
 - Financial Industry Regulatory Authority Inc. (FINRA): [finra.org/Investors/ProtectYourself/InvestorAlerts/FraudsAndScams/](https://www.finra.org/Investors/ProtectYourself/InvestorAlerts/FraudsAndScams/)
 - United States Federal Government: [usa.gov/topics/consumer/scams-fraud.shtml](https://www.usa.gov/topics/consumer/scams-fraud.shtml)
- ◉ **If you feel uncomfortable, just say “no.”**
 - Never make a decision under stress or duress. Legitimate professionals will recognize that it is important to be sensitive to what is in your best interest.
- ◉ **Partner with trusted family and professionals.**
 - Have a trusted friend or adviser call the solicitor before making a decision.
 - The more time and due diligence before making a decision, the greater the ability to avoid the commission of a fraud.
- ◉ **Be cautious when wiring money.**
 - Show caution even if it sounds like you are speaking with someone you know. There have been reports of money wired to people who sound like a relative or friend on the phone, only to discover that it was a fraud and the money was wired out of the country.
 - It is common today for people who commit fraud to infiltrate your email account. When it comes time to wire funds, they may intercept important documents that you email, and what you thought was going to be wired to a service provider was instead wired offshore.
- ◉ **Run your own background checks.**
 - Most professionals and contractors have to be licensed in the state that services are delivered. Online state and county databases, as well as the Better Business Bureau ([bbb.org](https://www.bbb.org)), are good places to start.

MANAGING DEBT BEFORE AND AFTER A DISASTER

The better financial shape you are in now, the better you'll be able to handle a disaster. One thing you can do to prepare is get control of any debt you have.

As much as possible, pay down your credit card and other loan obligations so you'll have access to credit if you need it in an emergency. The following ideas may help:

- ◉ **Call the businesses to which you owe money.**
 - Ask for their help in working out a manageable repayment plan. It may be hard to make these calls, but most creditors will work with you, especially when you are heavily impacted in a disaster area.
- ◉ **Consider using a debt counselor.**
 - You may benefit from a not-for-profit debt counseling service, such as Consumer Credit Counseling Service (CCCS).
 - Call 800.388.2227 or visit the National Foundation for Credit Counseling website at [nfcc.org](https://www.nfcc.org).
- ◉ **Pay off credit card debts with the highest interest rates first.**
 - If you cannot pay off the entire amount, at least pay more than the minimum required every month.
- ◉ **Consider bankruptcy only as a last resort.**
 - If you find yourself in this situation, call a lawyer or legal aid clinic before taking action.
- ◉ **Make sure that your disaster supplies kit contains information about your loans and credit cards.**
 - Be sure to include account numbers and contact information.

FINANCIAL DECISIONS AFTER A DEATH CHECKLIST

THE FOLLOWING STEPS SHOULD BE TAKEN IMMEDIATELY FOLLOWING A DEATH:

- ◉ **Notify authorities.**
 - A death certificate should be filed as soon as possible.
 - Seek guidance from the police, emergency response team or funeral home.
 - Obtain at least 20 certified copies to use later in settling the estate.
- ◉ **Locate any letter of intent/instruction.**
 - This letter may indicate the kind of funeral or other service your loved one wanted.
 - The letter also may tell you whom to call and where important papers are kept.
 - If you have access to the person's bank safe deposit box, check for the letter there.
 - Be aware that some states require the bank to lock a safe deposit box from the time one of the box's renters dies until an inventory is taken with a designated county tax official. To open it sooner, you may need to obtain a court order. In other states the bank may open the box for you if you provide a death certificate and proof that you are a family member or were named the executor of the person's will.
- ◉ **Make initial phone calls to advisers.**
 - Call the deceased person's lawyer, insurance agent, CPA financial planner or other financial advisers.
 - Call your loved one's employer so the payment of any employee benefits, back pay, bonuses, vacation pay, expense reimbursements and other payments due the deceased can be initiated.
- ◉ **Notify the Social Security Administration (SSA).**
 - Call the SSA at 800.772.1213.
 - The SSA may pay a small one-time death benefit and, depending on the circumstances, a monthly benefit to the surviving spouse and children.
 - If your loved one was a veteran, call the Department of Veterans Affairs at 800.827.1000 to find out about burial assistance and other possible benefits.

- **Contact the three major credit bureaus (Equifax, Experian and TransUnion).**
 - This will reduce the risk of identity theft.
- **Send a copy of the death certificate to the Department of Labor.**
 - If the death was a result of the commission of a crime, contact the state's Crime Victim's Compensation Program.
- **Contact the deceased's credit card companies and any other creditors.**
 - Don't forget to switch the name on accounts with utilities companies such as electric, cable and telephone services.
- **Notify service providers and associations.**
 - Have mail forwarded to the representative of the deceased.
 - Discontinue any deliveries.
 - Cancel doctor's appointments, in-home service visits, cellphones, Internet services, cable services and other subscriptions and services that no longer are necessary.
 - If the decedent has a professional license, notify the state licensing board, professional associations and membership clubs the decedent belonged to.
- **Notify your state.**
 - If you are the person responsible for the deceased's estate, notify the proper authorities in your city, county and state.
- **Make sure key insurance policies are up to date.**
 - Include homeowners, personal property and casualty insurance policies.
- **Know your rights when a spouse passes away.**
 - File life insurance claims as soon as possible.
 - Always draw on tax-free sources of income first.
 - Before signing credit card transfers, understand that you are not liable for your spouse's credit card debt unless it was charged on a joint card.
 - If your spouse had a 401(k), consult a CPA financial planner about your options.
 - If your spouse was killed at work, you and your dependents may be eligible for a benefit under your state's worker compensation laws.

ESTATE SETTLEMENT CHECKLIST

- **Read the will.**
 - If possible, read the will, including all amendments (called codicils) and any related trust documents before the funeral or soon afterwards.
 - Be aware of time limits for submitting a will to probate court as the first step in settling an estate.
 - If there is no will, the court will appoint an administrator to settle the estate and will divide the property among the survivors according to state laws.
- **Hire a lawyer.**
 - Unless the estate is very small, work with an experienced probate lawyer to settle it.
 - Interview two or three lawyers and get references.
 - Find out if the lawyer will charge an hourly fee or expect to be paid a percentage of the value of the estate.
 - Do not be afraid to ask how much it will cost.
- **Carry out the duties of the executor.**
 - If you are named executor of the will, additional responsibilities await you. A lawyer and/or CPA financial planner can help you with these duties, which may include:
 - Locating financial and legal documents and providing them to the lawyer or CPA financial planner
 - Taking an inventory of the estate's assets, including any employee benefits
 - Opening an estate checking account to pay bills while the estate is being settled
 - Applying for life insurance proceeds and seeking financial advice on the best way to receive a payout — for example, as a lump sum, an installment payment or an annuity.
 - Searching for lost insurance policies. For tips on conducting a search, go to the American Council of Life Insurers' website at acli.com and click or tap on "Missing Policy Inquiry". In addition to life insurance, search for the following policies as proceeds may be payable: accidental life insurance, veteran's life insurance, employer's or pension insurance, funeral insurance, mortgage or credit insurance, credit card insurance, health insurance and worker's compensation insurance.

- Hiring qualified appraisers to place an appropriate value on business interests, real estate and personal property.
 - Making sure that any property owned by the deceased person is insured and not at risk of vandalism or theft.
 - Paying the deceased's debts and, if necessary, selling assets to pay debts.
 - Working with a CPA financial planner or other tax adviser to file the appropriate federal, state and local income, estate and inheritance tax returns.
 - Transferring insurance, retirement and other benefits to the appropriate beneficiaries. Seek professional advice on the options available to beneficiaries.
 - Renaming beneficiaries on insurance policies, retirement accounts and other accounts as appropriate.
 - Changing titles on vehicles and other property according to state laws. Alert the new owners to make sure the property is insured.
 - Distributing the remaining assets according to the will, trust or state laws.

- **Give yourself time.**

- As much as possible, refrain from making any immediate decisions that involve large sales, purchases, investments and other major changes.
- Stock options may need to be exercised within a year of the owner's death.
- When well-meaning people start offering advice, respond with a statement such as, "I appreciate your ideas and will take them into consideration when I'm ready to make those decisions."

- [A Guide to Financial Decision: Implementing an End-of-Life Plan](#)



Tip: Don't forget to check less obvious insurance sources, such as credit card insurance, mortgage insurance or an accidental death and dismemberment policy.

MANAGING YOUR EMOTIONAL HEALTH

In the wake of a disaster, it can be easy to let your survival instincts take over. But it is important that you manage your, and your family's, emotional wellbeing as well. To help cope with stress while recovering from a disaster, the Red Cross offers the following additional guides:

- [Taking Care of Your Emotional Health](#)
- [Helping Children Cope with Disaster](#)

AT A GLANCE: RECOVERING FROM A DISASTER CHECKLIST

- Know your workplace disaster plan and benefits options.
- Notify your employer right away if you are affected by a disaster or become disabled.
- Know your rights under the Americans with Disabilities Act (ADA).
- Understand your potential government benefits after a disaster or disability.
- Research special programs (such as veterans benefits) that apply to your family.
- Beware of common frauds.
- Always be cautious when wiring money.
- Run your own background checks on any service providers.
- Consider your potential sources of cash.
- Consult a financial professional before taking on a reverse mortgage or tapping a retirement fund.
- Make efforts to manage and pay down your debt.
- Locate account numbers and contact information for your loans and credit cards in your disaster supplies kit.
- Take care of your emotional health.



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AMERICAN RED CROSS

The American Red Cross shelters, feeds and provides emotional support to victims of disasters; supplies about 40 percent of the nation's blood; teaches skills that save lives; provides international humanitarian aid; and supports military members and their families. The Red Cross is a not-for-profit organization that depends on volunteers and the generosity of the American public to perform its mission. For more information, please visit redcross.org or follow on Twitter at [@RedCross](https://twitter.com/RedCross).

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