

May 2009

In This Issue

Personal Disaster Planning



Don't Let a Natural Disaster Demolish Your Finances

It seems as though there's always a hurricane, tornado, earthquake, flood, fire, ice storm, or mudslide happening somewhere in the United States. While a storm or other natural disaster could destroy your home, business, or workplace and put you in financial straits, there are things you can do both before and after the event to help you recover quickly.

Pre-Disaster

Create a financial emergency kit

Put together a kit that contains some cash and checks, a list of important contacts (e.g., your insurance agent), and copies of important documents, including identification cards, birth and marriage certificates, insurance policies and inventories, wills, trusts, and deeds. Make sure your kit is stored in a safe, secure place in your home, is easy to reach and carry, and is water and fire proof. You'll want to stash enough cash (or a credit card) to pay for immediate expenses such as gas, food, and lodging.

Tip: While you're at it, you might also keep your most precious items in the kit, such as your photo albums and family heirlooms.

Protect your assets

Take some commonsense precautions to safeguard your home, business, car, boat, and similar assets against damage from wind, water, fire, or other damage. For example, install an emergency generator and paperless drywall, keep loose objects (e.g., grills and patio furniture) secure, cut down overhanging tree limbs, park your car in the garage, and invest in storm windows, doors, and shutters.

Take inventory

Create and maintain an inventory of your valuables, including appliances, electronics, furniture, clothing, jewelry, and artwork. Record models and serial numbers, and take pictures or a video of the items. This will help when it comes time to file insurance claims and purchase replacements.

Check your insurance

Make sure your insurance policies (e.g., homeowners, auto) include all the coverage you need, and understand that damage caused by natural disasters may not be covered under these general types of policies. You may need to consider buying separate coverage for hurricanes, floods, earthquakes, or other disasters. Consult your insurance agent to determine whether you have adequate coverage given the likelihood of such events occurring in your area.

Post-Disaster

File insurance claims immediately

Contact your insurance agent and file claims as soon as possible. The quicker you do so, the sooner you can get back on your feet.

Protect your income

We believe that a successful wealth management relationship starts with clarity of purpose.

Before embarking on any plans or strategies with our Client, we first seek to develop a clear understanding of your personal and financial goals.

We then work with you to select and implement strategies that will help you move toward your goals.

If you end up out of work, take advantage of any employee assistance programs that your employer may offer. Seek unemployment compensation from your state and ask about special job considerations for disaster victims. Find out if special unemployment benefits are available through the Department of Labor.

Get help from emergency sources...

If you need immediate financial help, disaster relief funds and special programs (for example, housing assistance) may be available through the Federal Emergency Management Agency (FEMA) or your state and local governments, as well as the American Red Cross, United Way, Salvation Army, social services, and local churches.

... and from the federal government...

Tax law allows taxpayers to deduct certain unreimbursed casualty losses in the year in which they are incurred, subject to certain limitations. In certain Presidentially declared disaster areas, individuals can claim the loss (again, subject to certain limitations) in the prior tax year by filing an amended return. Moreover, special relief (for example, bonus depreciation for business property) has been granted in the case of specific disaster events. Be sure to consult your tax professional about any tax relief that may be available to you.

... and get legal help, if necessary

If you experience legal difficulties, you may want to consider hiring an attorney who specializes in the complex area of natural disaster law.

The key to disaster planning is pre-planning. We all have the chance that a natural disaster can affect our lives. We at Stage 2 Planning consider disaster planning an integral part of the wealth management process. Ask us how disaster planning fits into your total wealth management plan.

Warmest Regards,

Stage 2 Planning Partners

This article was created by Forefield for use with permission by Stage 2 Planning Partners.

Josh Patrick © 2009

Stage 2 Planning Partners is a member of PartnersFinancial, a division of NFP Insurance Services, Inc., which is a subsidiary of National Financial Partners Corp., the parent company of NFP Securities, Inc.

Representatives listed on this website are currently registered to conduct securities business in the following states: AZ, CO, CT, FL, IL, IN, MA, MT, NC, NH, NY, PA, RI, VA, VT, WA

NFP Securities is not affiliated with Harris-Murray

The Patrick Group | 20 Kimball Avenue | Suite 201 | South Burlington | VT | 05403