



Preparing Your Finances for Times of Disaster

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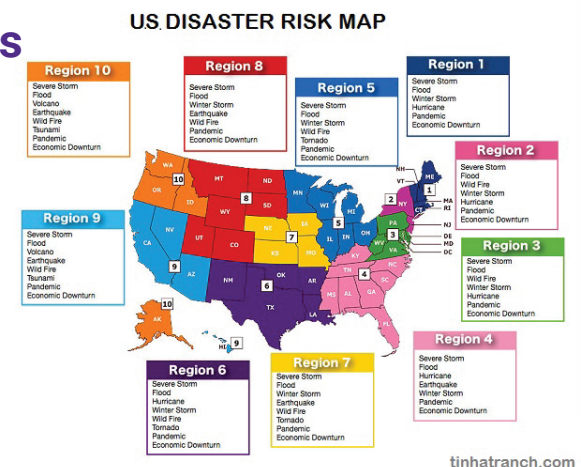
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Know Your Risks

- Severe Storm
- Flood
- Winter Storm
- Earthquake
- Wildfire
- Tornado
- Economic Downturn
- Pandemic

<https://hazards.fema.gov/nri/map>



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FEMA Disaster Relief Program

FEMA's Individuals and Households Program (IHP)

- Maximum of \$30,000 per household to assist with housing repair and replacement, temporary housing assistance, and other needs assistance.
- Hurricane response in 2017
 - 4.7 million people applied for assistance
 - 35% received housing and other needs assistance
 - \$4,300 average amount of housing assistance paid to survivors
 - \$1,300 average amount for other needs assistance

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Long, Challenging Road to Financial Recovery



- Immediate and long-term, with severity often growing over time
- Harmful to credit scores, debt burden, bankruptcy, mortgage delinquency, and foreclosure
- More challenging for people afflicted by medium-size disasters compared to large disasters
- Severe for people experiencing financial fragility even before a disaster

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Prepare Rather than Repair

- Peace of mind
- Limit property damage
- Better manage savings
- Be better prepared to navigate the recovery process
- Help others

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Key Financial Preparedness Actions



- Emergency Fund
- Insurance
- Home Inventory
- Grab and Go Box / Safeguard those Important Documents

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Emergency Fund

- Create an emergency fund for both your family finances as well as your business for not only deductibles, but also items you are self-insuring
 - 3-6 months of living expenses
 - Keep liquid, safe, stable and separate
 - Keep cash on hand
- Back up your records to a cloud or other off-site storage device



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Review Your Insurance Coverage

- Asset protection
- Review at least annually
- Insure home for at least 80 percent of its replacement cost
- Standard policy - Contents are typically 50-60% of home value, ACV or Replacement
- Detached buildings, trees/shrubs, clean-up
- What disasters are covered (earthquake and flood require endorsement or separate policy)
- Additional Living Expenses (ALE) – 10-20% of policy limits: hotel bills, restaurant meals, rent, additional mileage, storage, above normal living expenses while home is being repaired or rebuilt

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Are Changes Needed?



- Assess your needs
 - Homeowner's/Rental, Auto, Health, Life
 - Utilize your household inventory
 - Work with your insurance agent
- Identify changes needed
 - Extra coverage for valuables (some items have limits)
 - Sewer back up coverage
 - Flood insurance
- Farm policy
 - scheduled machinery
 - office and shop contents

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Flood Insurance

Floodsmart.gov

Just 1 inch of water can cause \$25,000 of damage to your home.

GET FLOOD INSURANCE

FEMA NATIONAL FLOOD INSURANCE PROGRAM



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Poll 1:

If you had to file an insurance claim, would you be able to list the possessions that were lost or damaged?

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Develop a Household Inventory



- Provides proof of possessions
- Helps to determine the value of an item and insurance needs
- Following a disaster, use for insurance, assistance, and taxes
- Keep working copy (paper or electronic) in the home file
- Keep one copy of your household inventory away from home, such as in a safe-deposit box, with a trusted person or stored online
- Keep encrypted copy in cloud
- Keep all copies up-to-date and review on semi-annual basis
- Add newly acquired items to your inventory, including a new photo and purchase price, and delete discarded items

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Safeguarding Important Documents

Personal identification (for all family members including pets)	Utilities and monthly ongoing expenses	Financial accounts	Insurance policies
Medical information	Estate plans	Contacts (family, employers, schools)	Businesses: ITIN, copies of tax returns, Social Security numbers of employees and those for whom you will need to file a 1099, payroll records, depreciation schedules (something that shows basis)

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Poll 2:

Would you or your family be able to quickly grab your important documents if you needed to evacuate (or leave immediately) due to a natural disaster.

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Create a Grab and Go Box

- Identification - Copies of Driver's License, Social Security cards, passports
- Insurance cards, policies, or other proof of insurance
- Household inventory
- Immunization records
- Bank account numbers, cash
- Copies (front and back) of ATM, debit, and credit cards
- Phone numbers and account information for all financial services (banks, brokerage accounts, loans) and insurance providers
- Contact information for landlords, others you do business with – what type arrangement do you have

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- Important telephone numbers (family members, doctors, veterinarians)
- Names and prescription numbers for medications
- Passwords
- Safe deposit box key
- Estate planning documents, Living will, DNR, POA
- Pocket notebook and pen or pencil
- If not kept in a Safe Deposit Box:
 - Family records (birth, marriage, death certificates)
 - Will, contracts, deeds, stocks, and bonds
 - Titles to vehicles



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Review and Update Regularly

Time

- During tax preparation time
- Start/end of daylight savings time
- Birthday
- Start of a new year



Update ASAP

- Change insurance provider
- Change in residence
- Purchase a home, rent apartment
- Open, close bank accounts
- Change in marital status
- Have a child, change in schools
- Retirement planning
- Death within the household

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Family Disaster Plan

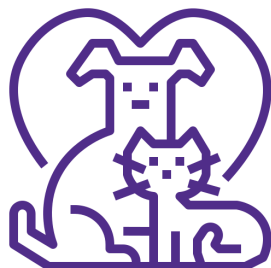


- Phone numbers
- Out-of-town contacts
- Meeting places
- Information about each family member and pets
- School and work contacts
- You may not be home when disaster strikes
- Children in school – what is school’s plan, and what is your plan for child-care

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Special Population Needs

- Exceptional family members
- Care of older family members
- Children (every age, college)
- Pets
- Those stationed abroad



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After the Disaster

- Inspect carefully before entering buildings
- Look for downed electrical wires, watch for fallen objects
- Protect your property from further damage
- Take photos of damage and remove personal property if home cannot be secured
- Contact insurance agent/company to start claims process
- Do not dispose of property until insurance adjuster has reviewed claim
- Do not make permanent repairs until adjuster has inspected
- Keep records and receipts from all expenses (meals, lodging, utility installation, transportation)

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- Document the disaster: What happened, when did it happen, what damage was sustained, cost of repairs
- Several agencies/groups may be collecting information directly after a disaster and/or providing aid
 - Red Cross
 - Salvation Army
 - Emergency Management including FEMA in some cases
- May assist with food and shelter in form of vouchers – keep receipts
- Keep all receipts related to disaster (food, lodging, clothing, check stubs from disaster assistance, insurance settlement sheets) – necessary for tax and insurance purposes

Family and friends can help you with:

- Witnessing the damage
- Photographing/videotaping the damage
- Providing access to telephone, office, other facilities
- Errands: faxing, copying
- Storing valuables, important papers
- Providing moral support and humor
- Providing temporary food, clothing, lodging



Financial Fraud and Scams

- Don't trust anyone who offers financial help and then asks for money or personal information.
- Resist the pressure to act immediately.
- Stop and talk to someone you trust.
- Know how scammers will ask you to pay.
- Research and be aware of common scams by visiting the Federal Trade Commission website: <https://www.consumer.ftc.gov/features/scam-alerts>.



Disasters Don't Wait.
Make Your Plan Today.

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Sciences

THANK YOU!

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