

# Disaster Planning



**Knowledge of Financial Education**

*A product of* **CONSOLIDATED CREDIT™**  
When debt is the problem, we are the solution.

[www.kofetime.com](http://www.kofetime.com)

## **Hurricane Disaster Planning:**

### **Be Safe and Financially Prepared**

Each year families across the region watch their money suddenly disappear as they prepare for hurricane season. Stockpiling water, ice, batteries, propane and canned goods can get expensive. Add to that the money spent on plywood, shutters, filling up gas tanks, hotel costs if evacuating, lost wages because of missing work, and soon all your savings is spent – but the monthly bills continue to pile up.

If a family earning average wages or, less than those wages, is not prepared for the growing cost of disaster planning, they could be financially devastated after a single, active hurricane season. Hourly workers lose millions due to hurricanes, and families living paycheck-to-paycheck may also suffered terrible financial setbacks.

### **Be Prepared for the Long Term**

Prepare a hurricane budget, which includes repetitive costs associated with each and every hurricane warning – such as filling cars with gasoline, replenishing ice, propane, and water and the amount of money taken out of savings to have

“cash on hand” in the event that banks and ATM machines are not up and running. Gas alone is costing families \$50 to \$100 to fill up their tanks. Multiply that by four weeks and for a family who owns two cars, \$400 to \$800 dollars can be spent on gas alone.

Families should start a “Hurricane Fund” each year to help them financially survive a long hurricane season. By saving \$20 out of each pay period, a family can gather over \$1,000. It is well documented that even hurricanes that DON’T hit your area will cost you money just by preparing for the worst. That is why it is so essential to have your hurricane fund at its maximum.

### **If you are in a Financial Emergency**

After the storm has passed, many families find themselves in a financial state of emergency and have questions about paying bills, insurance, and unemployment benefits. The following are some tips that may help your financial situation during a crisis.

If you are concerned about paying off your bills, take advantage of grace periods on mortgage and credit card payments that

are offered to hurricane victims. Most mortgage lenders will offer 90-day grace periods on payments and some credit card companies will offer 30-day grace periods -- but hurricane victims must contact these creditors in order to get the grace periods.

If you are renting, your renters' insurance pays for damage or loss of your personal property. It does not cover damage to the structure of your home, which is the landlord's responsibility. If you have lost your job, or your employer is no longer in business as a result of the storm, immediately file for state unemployment benefits. Applicants must file with state unemployment agencies.

Be careful who you give personal information to. FEMA, insurance companies, and banks may need to get details like social security numbers to verify your identity. Most other organizations do not need this information. As far as working with contractors, be very careful. Get estimates from more than one licensed, bonded, reputable contractor; check licenses and permits; get contracts in writing and find out what neighbors are paying for similar work. Also, pay as the work is getting done, not up front. Be sure all official inspections and approvals are in place before making a final payment.

## **Other Valuable Tips**

Here is a list of other things to do to help protect your family and your assets.

- Prepare a personal evacuation plan. Be prepared when a hurricane warning is issued. Identify a safe location for shelter and plan driving directions and alternative routes. Fill your car's gas tank and keep enough cash handy for emergencies.
- Review your disaster insurance policies, including flood, homeowners, and/or renters insurance. Check to verify the property is fully protected from damage in weather-related natural disasters. Lenders may be able to assist rebuilding efforts with insurance claim information. Often, the lender is listed as a lien holder on the insurance policy and can act as a valuable source of information.
- Review your mortgage information, including loan agreements and escrow papers. Major disasters often rely on records to establish ownership. Having mortgage documentation may shorten the time it takes to collect insurance and benefit claims due to natural disaster loss.

Residents who have questions or concerns about their mortgage can contact their local lender, where they can receive information about loan options to rebuild their homes.

- Protect your important financial information. This information should be stored in protected, watertight containers and include receipts and family records, wills, deeds, stock certificates, proof of residence, bank statements and credit card information.
- Have a plan to prepare for heavy winds and to secure the property. Residents should make sure the property is protected by boarding windows, locking doors, turning off electricity and gas and unplugging major appliances. Make trees more wind-resistant by removing dead limbs prior to the storm.
- Prepare a disaster supply kit. This kit should include daily necessities, such as blankets, bottled water, first-aid supplies, flashlights and emergency generators, non-perishable food, medicine, and battery-powered radios.
- Maintain copies of your household inventory and other documentation, including photos. This will assist the adjuster in assessing the value of the destroyed property.

- Take precautions if the damage requires you to leave your home. Let your agent or insurance company know your temporary forwarding address and phone number.
- Write down the name, address and claims-reporting telephone number of your insurance company, which may differ from your agent's contact information. Keep this information, along with a copy of your policy, in a safe place and make sure you have access to it if you are forced to evacuate your home.

### **After the Storm**

While most tips are geared toward preparing you and your family before the storm, here are some guidelines to help you after the storm.

- Remain where you are until the official “All Clear” notification is given by local emergency management officials.
- Use your battery-operated radio at home to monitor conditions and receive the latest instructions.
- If you are returning home following the hurricane, be aware that travel times will be long and roadways may be hazardous.







**KOFEE**  
Knowledge of Financial Education

A product of **CONSOLIDATED CREDIT**  
Helping you build a better future.