

Floods, fires, earthquakes, and other natural disasters can wreck havoc with your personal life – including your finances. The following tips can help organize an action plan to tackle potential difficulties.

Insurance

- If it is safe to enter, assess your home's damage, and make a list and take pictures of damaged and destroyed property and possessions. Gather whatever receipts you have for affected items.
- If your home is uninhabitable, see if your insurance company covers the cost of a hotel or temporary lodging.
- Review your insurance coverage, and file claims as soon as possible. Respond promptly to any requests for additional information.
- When dealing with a claims adjuster, take notes during the conversation.
- If you disagree with the insurance company's settlement offer, be polite but firm in your request for reconsideration. You may want to hire an independent claims adjuster to help you determine a fair amount and build a case. If appealing is not effective, you may want to hire a lawyer to explore your legal options, but be sure to weigh the costs against the potential gains.

Credit

- Take inventory of your credit cards. If you cannot locate them, call the issuers immediately to report them missing.
- Use credit cards prudently. You may not have the means to repay a large balance in the future.
- Know your credit limits. If you find yourself at a limit, try to avoid costly penalties by requesting a higher limit rather than going over.
- Avoid using cash advances. The interest rate is typically higher than for purchases, and interest accrues immediately, making an advance a pricey way to acquire funds.

- Beware of scams. Pass on credit and loan offers that seem too easy to obtain, list a 900 number, or require you to pay something before receiving money. If you need a loan, contact a lender you know and trust. If you are in a declared disaster zone, you may be eligible for a Small Business Administration disaster loan, which can be used to repair your home and/or replace personal property. (See www.sba.gov/content/home-and-personal-property-loans for more information.)
- Do not reveal your Social Security number, credit card information, or checking account number over the telephone unless you made the initial phone call. Always beware of giving out sensitive information by email, as no email is completely secure.
- If you are unable to pay all of your creditors, communicate with them as soon as possible – you could save your credit history from future damage. Following these actions can help:
 - Explain your situation honestly and in detail.
 - Request specific solutions. Depending on your circumstances, ask for either reduced or suspended payments. Be realistic – never propose more than you can afford to pay.
 - Give a date that you will be able to resume normal payments.
 - Provide relevant documentation.
 - Keep copies of all correspondence.
 - Update your creditors regularly.

Income and expenses

- Develop a financial priority list. Your budget may be seriously affected by reduced income and increased expenses, so consider each line item carefully. What bills do you absolutely have

to pay, and what bills can wait or be eliminated for now? Also make a priority list for any replacement products that you need to buy.

- Keep the majority of your money in your financial institution. Cash in pocket is far riskier than cash in a checking or savings account. Even if your financial institution was affected by the disaster, you will likely still be able to access your money.
- Research tax breaks that you may qualify for due to your situation. You may be able to deduct causality-related losses on your federal income tax return and/or qualify for other special tax benefits. (See www.irs.gov or consult with a tax professional for more information.)

Reconstruction

- If needed, make immediate temporary repairs (e.g., board your windows) to secure your home and prevent further damage. But do not enter your property if it is not safe to do so.
- Be cautious of contractors who knock on your door asking for work or place a flyer in your mailbox or on the street. Con artists often come out of the woodwork to prey upon those left vulnerable after a disaster.
- Get estimates from at least three licensed, bonded contractors. Check their complaint history with the Better Business Bureau (www.bbb.org), and ask for and contact references.
- Always get a written contract, and don't pay the full amount up front. Generally, you should not have to pay more than 30% initially. The final payment should not be made until the job is done.
- Make sure that repairs are done in accordance with local building codes and that you get a permit for any work that requires a permit.