

**DISASTERS AND**  
*Financial Planning*  
**A GUIDE FOR PREPAREDNESS**



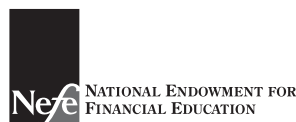




# DISASTERS AND *Financial Planning*

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## A GUIDE FOR PREPAREDNESS



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Note: The content areas in this material are believed to be current as of this printing, but, over time, legislative and regulatory changes, as well as new developments, may date this material.





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# Introduction

**D**isasters, whether natural or man-made, usually strike quickly and without warning. You and your family may have little or no time to decide what to do next. That's why it is so important to plan for the possibility of disaster—and not wait until it happens.

Taking measures to avoid or prepare for a disaster in advance—called “mitigation” in technical terms—reduces the likelihood of injury, loss of life, and property damage far more than anything you can do after a disaster strikes. Part of disaster planning should include financial planning, which is why this booklet was written.

In this booklet, you will find suggestions on steps you can take now to:

- ◆ Protect your family's health, life, and property with adequate insurance.
- ◆ Consider disaster vulnerability and mitigation before making decisions about relocating and making major purchases.
- ◆ Pay for a mitigation project.
- ◆ Plan financially for the possibility of a job loss or disability.
- ◆ Safeguard your important financial and legal records.
- ◆ Prepare your loved ones to weather a disaster even if you are not there to care for them.

While this booklet may not answer all your questions, it will answer many of them and, we hope, enable you and your family to avoid a financial crisis if you ever experience a disaster.

*Disasters and Financial Planning: A Guide for Preparedness* is offered to you as a public service of the American Institute of Certified Public Accountants (AICPA), AICPA Foundation, the American Red Cross, and the National Endowment for Financial Education® (NEFE®).







## Chapter 1: *Making a Disaster Plan*

**T**he topics discussed in this booklet were designed to provide financial guidance on many important aspects of disaster preparedness. This chapter takes a look at two additional considerations: making a family disaster plan and putting together a disaster supplies kit.

### *Family Disaster Plan*

To prepare yourself to best handle a disaster, you need a family disaster plan—one that the entire family understands.

#### *What is a family disaster plan?*

A family disaster plan is your own plan for how to prepare for an emergency and what to do when one occurs. The great thing about the plan itself is that it doesn't cost a thing. Here are some suggestions:

- ◆ Discuss the types of disasters that are most likely to happen where you live and what to do in each case.

If you're not sure what the risks are in your area, ask your local Red Cross or local emergency management agency. Think about measures you quickly can take to protect your property, such as closing window shutters and unplugging appliances, **if you have time to do so safely.**

- ◆ Plan how you will take care of your pets, and assemble a kit for your pets' food, water, and medication needs.
- ◆ Know where your utilities are and how to turn them off.
- ◆ Post emergency phone numbers in a conspicuous place.



- ◆ Teach children when and how to dial 9-1-1.
- ◆ Find out about disaster plans at work and at your children's school or child-care center. Make sure they have your emergency contact number.
- ◆ Pick two places to meet if you and your family are separated in a disaster—one that's right outside your home and another outside your neighborhood.
- ◆ Choose an out-of-town contact. Teach your children how to call that person.
- ◆ Discuss what you will do if authorities advise you to evacuate. Plan escape routes. Emergency shelters are opened in different places, depending on the type and size of the disaster. Listen to local radio for information on where shelters have opened.
- ◆ Discuss what you will do if you are asked to stay where you are. Identify the safest places in your home.

- ◆ Check once a month to make sure your smoke alarms, carbon monoxide detector, and fire extinguishers are working. Change the batteries every year.
- ◆ Do fire and emergency evacuation drills at least twice a year.
- ◆ Conduct a home hazard hunt at least once a year.
- ◆ Assemble a disaster supplies kit.

## *Disaster Supplies Kit*

The kit should include items that would meet your needs for at least three days, whether you are asked to evacuate your home or stay there. Store your supplies in sturdy, waterproof, easy-to-carry containers, such as backpacks or duffle bags, so you are ready to “grab and go” if necessary. You might even consider keeping a smaller version of the kit in your car.





### What should I put in a disaster supplies kit?

Inexpensive items to include in your disaster supplies kit:

- ◆ Water for at least three days (one gallon per person per day)
- ◆ Food that won't spoil or need much cooking (replace this food every six months)
- ◆ A change of clothes, comfortable shoes, and blankets or sleeping bags
- ◆ Battery-powered radio or television, flashlight, extra batteries, lighter or matches, sanitation supplies, basic tools, and a few dishes and kitchen utensils
- ◆ An extra set of car and house keys
- ◆ A basic first-aid kit
- ◆ A manual can opener
- ◆ Personal hygiene items to last at least three days
- ◆ A reminder to grab your prescriptions (or include copies of prescriptions)

Note: Do not include candles—and do not light candles—after a disaster due to the fire risk.

### Finding Help

The following are just a few of the agencies and organizations that provide disaster advice and assistance:

- ◆ **Federal Emergency Management Agency (FEMA).** FEMA is part of the U.S. Department of Homeland Security. FEMA has available extensive information about preparing for and responding to emergencies, including a detailed guide to emergency preparedness called *Are You Ready? A Guide to Citizen Preparedness*. Call FEMA at 1-800-480-2520 or go to [www.fema.gov](http://www.fema.gov). For information related to a terrorist attack, call the Department of Homeland Security at 1-800-BE-READY (1-800-237-3239) or go to [www.ready.gov](http://www.ready.gov). Under the Get the Brochure heading at right, click Download PDF to view the brochure titled *Preparing Makes Sense. Get Ready Now*.
- ◆ **American Red Cross.** Visit [www.redcross.org](http://www.redcross.org) and enter your ZIP code in the red Find Your Local Red Cross area at left. At [www.redcross.org/prepare](http://www.redcross.org/prepare), you'll find a section called *Together*
- We Prepare* along with many more facts and tips on disaster preparedness. Or call your local chapter listed in the phone book.
- ◆ **Salvation Army.** Call your local Salvation Army or go to [www.salvationarmyusa.org](http://www.salvationarmyusa.org).
- ◆ **Volunteers of America.** To find a local office, call 1-800-899-0089 or go to [www.voa.org](http://www.voa.org).
- ◆ **National Voluntary Organizations Active in Disaster.** This Web site lists other national and state organizations that can help. Go to [www.nvoad.org](http://www.nvoad.org).
- ◆ **State and county offices of emergency preparedness.** Look in the blue pages (government section) of your local telephone book.





## Planning for Special Needs

If you have some type of disability, you may need to make special plans. For example, if you need physical help to evacuate, you will want to make a plan for who can help you and how you will reach them. Be sure to identify a backup person if the first person is unavailable.

*I have a disability.*

## What special plans should I make?

Here are a few suggestions:

- ◆ 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 don't drive, you may need transportation assistance. If you are hearing impaired, you may need someone to warn you of a disaster.

- ◆ Discuss your needs with your employer in case a disaster strikes at home while you are at work.
- ◆ Wear medical alert tags or bracelets to identify your disability in case of an emergency.
- ◆ 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.
- ◆ Keep extra wheelchair batteries, oxygen, special foods, medications, etc. on hand. Keep a list of your prescriptions and the type and model numbers of needed medical devices.

## Notes



## Chapter 2:

# *Protecting Your Property*

**T**he most effective way to protect your home and belongings is to take steps to safeguard them before a disaster strikes. Referred to as “mitigation,” these measures may help you avoid damage altogether in some situations, or at the very least, reduce the damage and economic impact a disaster may bring.

This chapter looks at financial considerations related to protecting your property against disaster—whether you are a homeowner or renter.

### *Steps to Take*

To get started, first find out any potential problems with your living space and then make a plan to address them.

## *What should I do to protect my home and belongings from disaster?*

Take care of the basics first, 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 the vulnerability of

professional anchor the main frame of the home to its foundation.

- ◆ If you live in an area prone to wildfires, clear brush surrounding your home, make sure you have fire-resistant siding, and consider replacing wood-shingled roofs with less flammable materials.



your home or apartment. Sources of information include your local chapter of the American Red Cross ([www.redcross.org](http://www.redcross.org)), the Federal Emergency Management Agency (FEMA, [www.fema.gov](http://www.fema.gov)), the U.S. Department of Homeland Security ([www.ready.gov](http://www.ready.gov)), local emergency management offices, fire and police departments, zoning and building-permit offices, home inspectors, hardware dealers, structural engineers, and architects. Ask these professionals if they can inspect your home or apartment and provide specific advice on how to improve its safety.

## *What are some examples of mitigation?*

A few measures you might take, depending on where you live, include:

- ◆ In areas where earthquakes can cause damage, 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. Have a

- ◆ In an area that experiences high winds, hurricanes, or tornadoes, consider measures such as having a professional anchor your home to the foundation, strapping the roof to the main frame, installing hurricane shutters, and building a tornado safe room or shelter in your home. These will help protect your family against high winds from hurricanes and tornadoes.
- ◆ To protect against flooding, move electrical panel boxes and the furnace from the basement or crawl space to an upper floor or attic. You might also elevate the home or relocate it.
- ◆ Know how to shut off all your utilities (gas lines, water, electricity).
- ◆ Before you buy a home, consider the location. For example, avoid buying a home in an area where the soil may not be able to support it during an earthquake or in a flood plain. Also, evaluate the home's construction. For example, housing developments in



some tornado-prone areas may include a safe room as part of the basic home. Hire a building inspector or structural engineer to inspect the house for safety, structural integrity, and differences or variations from current building codes before closing the sale. Local customs dictate who will pay for the inspection (the buyer or the seller), but some states

local emergency management agency what actions you should consider to protect your home and loved ones. While neither the Red Cross nor emergency management can inspect your home and make specific mitigation recommendations, they can provide information that can help you decide what needs to be done.



require the seller to pay for some mitigation costs such as functioning smoke alarms.

## *Paying for a Mitigation Project*

Some measures that may prevent or reduce further disaster damage, called mitigation measures, cost very little, such as moving items that can break from high shelves to low ones, or installing latches to keep cabinet doors shut. Some mitigation measures can be quite costly, such as having a tornado safe room built, or having a professional anchor your home to its foundation.

These actions can help save lives and property from the effects of a disaster. Ask your local Red Cross or the

Consider the following sources to help 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.
- ◆ **Loans.** You may be able to borrow against the equity in your home using a second mortgage or home equity line of credit. Or, you may be able to borrow money from your 401(k) or 403(b) plan at work. Likewise, you may be able to borrow against the cash value of a whole-life or universal life insurance policy. All of these options have tax and financial implications, which you should discuss with your CPA, financial planner, or other financial adviser before making a decision.
- ◆ **Government programs.** Find out if your city or state has any special programs to help pay for a

mitigation project. For example, your state might have a rebate program to cover part of the cost of building a tornado shelter (also called a 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. Good sources of information about paying for mitigation projects include the Federal Emergency Management Agency ([www.fema.gov](http://www.fema.gov)) and the U.S. Small Business Administration ([www.sba.gov](http://www.sba.gov)) also have special loan and mortgage-insurance programs to help homeowners pay for mitigation projects, such as a safe room.

## For More Information



*Mitigation Resources for Success*, a FEMA publication, contains more than 30 fact sheets on specific projects you can undertake to protect your home or business from a disaster. Projects range from adding a water-proof veneer to exterior walls to using flexible connectors on gas and water lines. Some of these measures, such as putting latches on drawers and cabinet doors, cost only a few dollars, while others, such as replacing roofing with fire-resistant shingles, could cost several thousand dollars. Each fact sheet provides estimated costs, illustrations, and purchasing and installation tips. To obtain the fact sheets, visit [www.fema.gov](http://www.fema.gov), and then click Preparation & Prevention under the Library heading at left.



## Hiring Contractors

For those jobs beyond the scope of your schedule or skill level, you will need to hire a contractor.

tors should provide proof that they are bonded. Write down the license plate number and driver's license number of someone offering services in case you have to report a problem later.

- ◆ **Make sure your signature on a bid** is not an authorization to start work.



### *How can I find a reputable contractor?*

If your mitigation project needs a professional, the following suggestions can help you successfully hire and manage a contractor:

- ◆ **Screen contractors.** 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 to check out each contractor you are considering and find out if complaints have been filed. Verify each contractor's license with the building department.
- ◆ **Ask to see proof** of necessary licenses, building permits, and a certificate of insurance covering liability and workers' compensation. Also, contractors should provide proof that they are bonded. Write down the license plate number and driver's license number of someone offering services in case you have to report a problem later.
- ◆ **Get contracts in writing.** Contracts should cover the scope of work, materials, costs, and payment schedules.
- ◆ **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.
- ◆ **Expect Quality.** Make sure projects are done according to local building codes and regulations. You can verify this by making sure a building permit is issued and a final inspection is performed by the permitting authority.
- ◆ **Don't make a final payment** until the job is finished and you are satisfied with it. In addition, be sure that all work requiring city or county inspection is officially approved in writing before settling with the contractor. You may even want a structural



engineer to double-check major projects before you make a 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.

## Buying Insurance

Even when you take steps to prepare for the possibility of a disaster, you still could experience unavoidable property damage. That's why renters' and homeowners' insurance is so important—yet many people affected by a disaster are underinsured or not insured at all.

Answers to questions you may have about homeowners' and renters' insurance follow.

replacement cost insurance is not available. Check with an insurance broker or agent to determine the maximum available insurance coverage.

- ◆ Investigate buying a guaranteed replacement cost policy. When available, these policies can pay to rebuild your house, including improvements, at today's prices (but usually limited to 15 percent more than the amount of the policy coverage).
- ◆ Have your home periodically appraised to be sure the policy reflects its 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



### *What should I look for in a homeowners' policy?*

A few suggestions for what to look for in a homeowners' policy are outlined below:

- ◆ Buy, at a minimum, 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. In some states, full

property at 50 percent of dwelling coverage, so you may need to purchase more coverage.

- ◆ Make sure you understand what the policy will and will not cover, and what 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. Premiums often run higher than market rates, but this is better than no coverage.



- ◆ Talk with your insurance agent about other considerations related to your insurance. For example, ask if the company will cancel your coverage if you are ever 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 the house if you decide to sell it. Also, ask the agent if the insurance company keeps records of your conversations about these issues, and if that could negatively affect the insurability of your home.
- ◆ After a disaster, almost all insurance companies place a 30-day moratorium on new coverage. Consider delaying the closing of a house purchase if that happens.

### *What should I know about renters' insurance?*

Renters' insurance pays for damaged, destroyed, or stolen personal property. This insurance is not very expensive, but it is important to have because your landlord's insurance will not cover damage to or loss of your possessions. It also provides liability coverage for



you, and it generally covers damage to the interior surfaces of units you rent.

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. For example, will the policy pay for living expenses if you have to temporarily move somewhere else?

### *Do I need other insurance coverage?*

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

- ◆ **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.** If you are unable to buy additional flood protection insurance from your insurance company, call the National Flood Insurance Program at 1-800-427-2419 for an agent who writes flood insurance in your area. In addition, [www.floodsmart.gov](http://www.floodsmart.gov) is a Web site that provides
- ◆ **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 equipment that you regularly use at home for work, normally it is not covered by your homeowners' policy. Review additional coverage with your agent.
- ◆ **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.



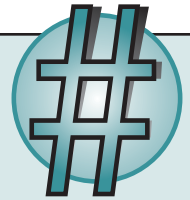
information on how to obtain a flood insurance policy. Also, if you buy a home in an area that has a special flood hazard area in any given year (also known as a 100-year floodplain), the lender may require you to purchase flood insurance as a condition of receiving a mortgage.





## 10 Facts Everyone Should Know About Flood Insurance

The Federal Emergency Management Agency, Mitigation Division,  
provides the following list of facts about flood insurance.



Adapted from information provided at [www.fema.gov/nfip/c\\_10.shtml](http://www.fema.gov/nfip/c_10.shtml)

1. Everyone lives in a potential flood zone, but the 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 ground water. (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 flood plan management ordinances. Almost 25 percent of all flood insurance claims come from low- to moderate-risk areas. Another fact: If you are in a high-risk area, your home is five times more likely to be damaged by flood than by fire.
4. Flood insurance is affordable—about \$400 a year for \$100,000 of coverage. Compare that to a disaster home loan that could cost more than \$300 a month for \$50,000 over 20 years.
5. A policy for homes in low- to moderate-risk areas costs just over \$100 per year. For more detailed information, visit [www.fema.gov/nfip/prpbroch.shtml](http://www.fema.gov/nfip/prpbroch.shtml).
6. Flood insurance is usually easy to get—provided that you live in a participating community. Call your insurance agent. If your agent cannot provide it, visit the FEMA Web site ([www.fema.gov](http://www.fema.gov)) and search for an agent who participates in the Write Your Own program.
7. Contents' coverage is separate, so renters can insure their belongings, too.
8. Up to a total of \$1 million of flood insurance coverage is available for non-residential buildings. This means that \$500,000 is set aside for the non-residential building and \$500,000 for its contents. For residential buildings, the limit is \$250,000. You can, however, obtain separate policies for separate structures.
9. There is usually a 30-day waiting period before the coverage goes into effect.
10. Federal disaster assistance is often not the answer. This assistance is only available if the president declares a disaster (based on its extent). Although more than 90 percent of all disasters in the United States are not presidentially declared, state and local resources may be available.





## Chapter 3:

# *Protecting Your Income*

**D**isasters can destroy jobs and incomes as well as lives and property. If you are unable to work because of a disaster-related injury or if your employer is forced to close temporarily, how will you manage financially? This chapter suggests steps you can take now so you are as prepared as possible for a disruption in your income.

### *Your Job*

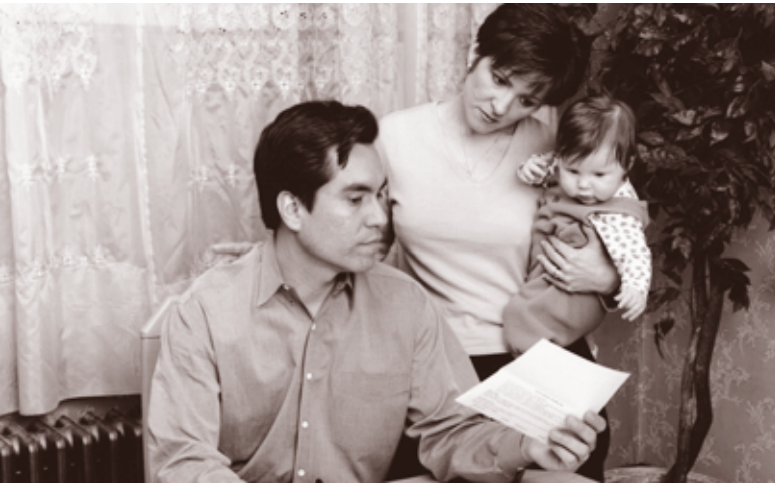
When preparing for the possibility of a disaster, you need to consider how it may affect your job. To get information from your employer about how disasters are handled, talk to your manager, the human resources department, the benefits director, or the payroll department. A larger corporation may even have an Employee Assistance Program (EAP) that can provide information.



### *What can I expect from my employer if there's a disaster?*

How a disaster is handled depends on the employer. Here are some questions to ask:

- ◆ Does the organization have a disaster plan? If so, what is it?



### *What should I do if I'm injured in a disaster and can't go to work?*

Call your employer as soon as possible after your injury; if you are unable to call, have a friend or family member call for you. Explain the situation and ask your employer to keep your employee benefits, especially your health



- ◆ If I'm unable to get to work after a disaster, will I continue to be paid? If so, for how long?
- ◆ If the business must shut down temporarily, will I continue to be paid? If so, for how long?
- ◆ Would I be able to use or substitute sick leave pay, vacation pay, or any employer-paid emergency assistance?
- ◆ Would I be eligible to collect unemployment compensation? If so, when?
- ◆ If I'm injured in a disaster, what medical and disability benefits does the company provide and for how long?
- ◆ If I'm injured on the job during a disaster, would I be covered by workers' compensation?
- ◆ What happens if a disaster occurs during a mandatory strike?

insurance, in force. (See Your Health on page 23 for more information.) 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. Also plan to call your insurance agent if you have your own disability insurance.

### *How do I get unemployment compensation?*

Unemployment compensation can be applied for at the walk-in FEMA Disaster Recovery Centers set up near the disaster area. You can also call FEMA at 1-800-621-FEMA (3362).

## Your Rights under the 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 the federal government’s Web site at [www.disabilityinfo.gov](http://www.disabilityinfo.gov).



## Government Benefits

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

### *If I’m disabled and can’t work, will I receive Social Security benefits?*

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 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 Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov) or call 1-800-772-1213.



### *I’m a veteran. What might be available to me?*

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 Web site at [www.va.gov](http://www.va.gov).

## Other Sources of Cash

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

### *What can I do to protect my cash flow?*

Since power may be out after a disaster, ATMs and credit card processing machines may not be working. In addition, banks may be closed or you may not be able to return home. To get through this time, stash a suffi-

cient amount of cash, traveler's checks, and a roll of quarters (to use in pay phones) 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 three days if you could not return home, the power remained out, or if you were unable to get cash from an ATM or bank. (See pages 3-4 for more information about putting together a disaster supplies kit.)

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 get to 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.

Some people choose to put part of their emergency fund in gold or silver, but keep in mind that the price of precious metals fluctuates daily. Unlike an insured bank or credit union account, the money you invest in these commodities is not guaranteed. In addition, there may be costs to store and insure them.

## **Saving Tips**



No matter how much we make, most of us have difficulty finding extra dollars to save.

These three simple ideas might help.

- ◆ Place \$1 a day plus your loose change in a jar. At the end of the month, you may have \$50 or more to deposit in a savings account.
- ◆ Instead of buying lunch, pack lunches and bring them to work. You easily could save \$100 a month.
- ◆ When you get a tax refund, a bonus at work, or cash on your birthday, put half of it in your emergency fund.

## ***Can I tap into my retirement plan if I experience a disaster?***

Ask your employer about the rules for borrowing against your retirement plan. Also, 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.

## ***Where else can I look for extra cash?***

A whole life or universal life insurance policy might have a cash value that you can use to get a loan from the insurance company or withdraw some of the cash value. (Term insurance has no cash value.) Keep in mind, however, that the insurance company may charge you a fee. In addition, 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. Nonetheless, in certain cases life settlements may provide a viable source of cash.



You also could consider a reverse mortgage (a loan against the equity in your home) or selling some of your personal property to generate extra cash. Finally, be sure to find out about any special disaster relief funds that may be available from federal, state, and local governments. These funds are generally income-tax free.

repayment plan. It may be hard to make these calls, but most creditors will work with you. You also may benefit from a nonprofit debt counseling service, such as Consumer Credit Counseling Service (CCCS). Call 1-800-388-2227 or go to the National Foundation for Credit Counseling Web site at [www.nfcc.org](http://www.nfcc.org).



## Managing Debt

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.

### *I feel overwhelmed by debt already. What would I do in a disaster?*

As much as possible, get debt under control and pay down your credit cards 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

- ◆ **Pay off credit card debts with the highest interest rates first, if possible.** 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, including account numbers and contacts.**

## Professional Advice

When dealing with financial matters and the unknown, you may find yourself overwhelmed. Don't worry—there are many professionals who can help you.

### *If I decide to consult a professional for financial advice, what should I look for?*

Here is a checklist to use when selecting a financial adviser:

- ◆ **Ask for recommendations.** Your friends or other professional advisers, such as your lawyer, may refer you to someone.
- ◆ **Contact a professional association for names.** Four national professional organizations that can provide you with the names of their members are:
  1. The AICPA: for a list of CPA Personal Financial Specialists, go to [www.cpapfs.org](http://www.cpapfs.org), or contact your state's CPA society by visiting [www.aicpa.org](http://www.aicpa.org) and clicking State News & Info. Or call 1-888-777-7077

2. The Financial Planning Association: 1-800-322-4237, [www.fpanet.org](http://www.fpanet.org)
3. The National Association of Personal Financial Advisors: 1-800-366-2732, [www.napfa.org](http://www.napfa.org)
4. The Society of Financial Service Professionals: 1-888-243-2258, [www.financialpro.org](http://www.financialpro.org)

- ◆ **Interview several advisers before making a selection.** Ask about credentials (such as CPA, PFS), experience, services, costs, and references. Make sure you feel comfortable with the one you select.

### *How can I learn more?*

In addition to the professional associations listed above, many books, magazines, and Web sites have excellent information about personal financial planning. For example, check the National Endowment for Financial Education's Web site at [www.nefe.org](http://www.nefe.org) (click Multimedia Access). A librarian can guide you to other sources of reliable information as well.

## Notes

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## Chapter 4:

# *Protecting Your Health and Life*

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

### *Your Health*

If you or a family member is injured in a disaster, coverage such as medical insurance, disability policies, and long-term care could quickly become your most important assets. But do you know what your plans cover—or what to do if you don't have coverage? Following are answers to some questions you may have.

#### *What should I look for in a health insurance policy?*

When you're looking into details of a health insurance policy, consider the tips outlined on the next page.



- ◆ **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 so you can anticipate (and save for) these costs. Call the telephone number or use the Web address listed on the back of your health-care card for information, or ask your employer or insurance agent for a

- ◆ **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



booklet that describes your policy in detail. 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. Or, consider joining your spouse's medical plan or buying 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 one to receive full payment? How quickly must you notify the insurance company that you received emergency care?

medical plan for up to 18, 29, or 36 months, depending on the circumstances and the state you live in. 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.

### ***I don't have health insurance. What can I do?***

A few options to consider include:

- ◆ **If you change jobs,** look for a company that offers a group health insurance plan. A health insurance benefit can be worth thousands of dollars.

- ◆ **Purchase an individual plan.** Even if you can't afford the best plan, at least try to buy insurance that would cover a catastrophic injury or illness. If you have a medical condition that makes you ineligible for an individual plan, check into your state's plan for uninsurable individuals. The cost can be high and the coverage limited, but paying for a
- ◆ **Group coverage is not always the best coverage.** If your job offers disability insurance, review the plan so you'll 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. In addition, the policy will generally reduce its benefit payments



serious injury without a health-care plan will cost even more. Call your state's insurance commission to learn about the program in your state.

- ◆ **Find out if you are eligible for government programs.** A county social services office or hospital social worker should be able to tell you if you or your family might qualify for government health-care programs, such as Medicaid, Medicare, veterans' benefits, or the Children's Health Insurance Program (CHIP). Or, go to [www.govbenefits.gov](http://www.govbenefits.gov), a federal government Web site, for information.

### *What about disability insurance?*

If you were injured in a disaster and could not go back to work for a few months—or for many years—how would you and your family manage financially? Disability insurance, which pays a monthly income to disabled individuals who qualify, could provide part of the answer. The section that follows covers some things to know about disability insurance.

by the amount of any benefits you receive from workers' compensation or Social Security.

- ◆ **Buy an individual disability policy.** 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 possible 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. In addition, look for a non-cancelable, guaranteed renewable policy with a cost-of-living adjustment.

With these features, the policy premiums can't be changed.

- ◆ **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 are generally non-taxable income.)
- ◆ **Know that you may qualify for other benefits.** If you are totally disabled by a disaster or any other cause, you might qualify for Social Security benefits. (To learn more, go to the Social Security Administration's Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov).) If you are injured on the job during a disaster, workers' compensation might kick in, 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.

## *Your Life*

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.

### *How much life insurance should I have?*

Factors to consider include how many dependents you have, their ages and needs, your debts, and the ability of your spouse to earn a living. Your CPA financial planner or other financial adviser can help you determine the amount of insurance that best suits your needs. Then, periodically evaluate your life insurance coverage, especially every time there is a change in your life, such as a marriage, divorce, or birth of a child. This is also a good time to make sure that the individuals you named as beneficiaries are still the ones you want to receive the proceeds of your life insurance.

### *What kind of life insurance should I have?*

Again, that depends on your needs. 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, while cash-value insurance, which includes whole life, variable life, and universal life, may be a better buy for long-term needs.

In general, term insurance will provide a larger death benefit but cost less when you are younger. Cash-value insurance will cost more initially, but the premiums may remain level over your lifetime. In addition, you may be able to withdraw some of the cash value, or take out a loan against it, if you need extra money in an emergency. Cash-value insurance, also known as



permanent insurance, may be kept throughout your life. Term insurance generally ends prior to normal life expectancy.

When shopping for either a term or cash-value policy, find out if you can collect all or part of the policy's face value before death if you become terminally ill. You

insurance agent. (Do not rely solely on information obtained from online calculators because similar information will produce a broad range of results depending on the calculator you use.) Before buying any type of insurance, always check the financial stability of the company. Independent rating services, such as A.M. Best Company ([www.ambest.com](http://www.ambest.com)), Duff & Phelps



also may want to consider purchasing a waiver of premium rider, which would cover your premiums if you became disabled.

To determine the type and amount of life insurance you need, work with a qualified financial planner or

([www.duffllc.com](http://www.duffllc.com)), Moody's Investors Service ([www.moody.com](http://www.moody.com)), Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)), and Weiss Ratings Inc. ([www.weissratings.com](http://www.weissratings.com)) can provide this information.

## Life Savers

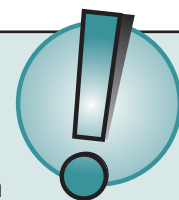
Taking a few simple precautions could help you avoid injury or save a life in a disaster—and they don't have to cost a lot of money. For example, sign up for a Red Cross first aid and CPR class and have other household members enroll in one, too. Also, make sure you have the following items at home:

- ◆ Smoke alarms: Install one outside sleeping areas and at least one on every level of your home.
- ◆ Carbon monoxide detector: Install them according to manufacturer's directions near sleeping areas.

- ◆ Fire extinguishers: Keep one in the kitchen, basement, garage, near the fireplace, and anywhere a fire could begin. Get training from your local fire department on how to use them.

- ◆ Disaster supplies kit: See pages 3-4 for instructions.

Test your smoke alarms and carbon monoxide detectors once a month. Replace the batteries in them once a year—on a birthday or anniversary, for example. Check the gauge on the fire extinguisher as recommended by the manufacturer or at least once a year. Replace the extinguisher or have it recharged if the gauge is out of the "good" range.



## Notes



## Chapter 5: *Protecting Your Records*

**C**oping with the aftereffects of a disaster is difficult under any circumstance, but when vital records are lost, the trauma compounds. 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.

## *Safe Deposit Boxes & Home Safes*

Two ways to protect your records and other irreplaceable items from disaster are to store them in a safe deposit box at a bank or place them in a home safe.

### *What should I store in a safe deposit box?*

Store originals of records that would be difficult to replace in a safe deposit box at a bank. These boxes can be rented for about \$30 a year. Consider using a bank that is some distance from your home to decrease the chances of the bank being affected by the same disaster.

Records to put in a bank safe deposit box include:

- ◆ Birth, death, and marriage certificates
- ◆ Divorce and child custody papers
- ◆ Adoption papers
- ◆ Passports
- ◆ Military records
- ◆ Social Security cards
- ◆ Copies of drivers' licenses
- ◆ Mortgage/property deeds
- ◆ Stock and bond certificates
- ◆ Car titles
- ◆ List of insurance policies (life, health, disability, long-term care, auto, homeowners, renters), including the type, company, policy number, and name of insured
- ◆ Copies of power of attorney, living will, and other medical powers
- ◆ Trust documents

**Note:** Generally, the original of your will should not be kept 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.



### *I would rather store my documents at home than at a bank. What do you suggest?*

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 1700 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.

### *I keep a lot of records at work. Is that OK?*

Think what would happen if a disaster destroyed your office. Consider keeping copies of records at your office and storing originals of vital records, including back-up disks of important digital information, in a bank safe deposit box. Tip: Separate records and receipts for business and personal assets because business and personal gains and losses are accorded different tax treatment.

## *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.

### *What records should I keep close by?*

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 if you go there. 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, water-proof box that you keep nearby at all times. (You might even want to keep irreplaceable keepsakes and photographs in this box.)

Other records to keep in your disaster supplies kit might include:

- ◆ Letter of instruction to your loved ones in case you are not there to help them through a disaster (see Chapter 6 for more information about writing a letter of instruction)
- ◆ 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 and phone number, immunization records, and prescriptions (including prescriptions for glasses and contacts)
- ◆ Home improvement records
- ◆ Inventory of your possessions
- ◆ 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)

Store the box in a place that is easy to get to if you suddenly have to evacuate.

### *What other record keeping should I do?*

Send copies of vital records to an out-of-town friend or relative, as well as to anyone named in a document, such as a trustee or a beneficiary.

In addition, maintain a written and photographic inventory of your possessions, including model and serial numbers, so you can estimate the value of your property for insurance or tax purposes if it is damaged or destroyed in a disaster. Receipts provide even better

proof. Put one copy of the inventory in your portable disaster supplies kit, another in your safe deposit box, and send a third to an out-of-town relative or friend.

When you take photos of your possessions or videotape them, remember to include your property's exterior, your vehicles, and the contents of your garage, closets, and attic. Don't forget inexpensive items as well as precious belongings. If you're videotaping, audibly describe the item, when you bought it, and how much it cost. Finally, get a professional appraisal of jewelry, collectibles, artwork, or other items that are difficult to value, and update the appraisal every two or three years. There are professionals who will videotape your possessions for a reasonable fee; ask your insurance agent for a referral.

Then, 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.

One other 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.

## What else should go into a disaster supplies kit?

Set aside enough money for your family to get by for three days if you cannot get home, banks and ATMs are unavailable, power is out, etc. The money should be in the form of cash, traveler's checks, and a roll of quarters (to use in pay phones). Also store negatives of irreplaceable personal photographs, protected in plastic sleeves. Chapter 1 has more information about putting together a disaster supplies kit.

## Notes





## Chapter 6: *Protecting Your Loved Ones*

One of the most important things we can do for our loved ones is prepare for the day when we will no longer be there to care for them. Estate planning is something everyone should do, but having an up-to-date estate plan in place will be even more important if you are unexpectedly injured or killed in a disaster. This chapter reviews some basic estate-planning considerations.

### *Estate-Planning Documents*

Your “estate” is everything you own, and you need estate-planning documents to ensure that everything you own is distributed according to your wishes. In addition, these documents cover your health-care wishes and who should care for children and pets.

## How do I plan my estate?

It is a good idea to hire a lawyer to help you set up your estate plan. In particular, if your issues are complex or you have a large estate, be sure to use a lawyer who is thoroughly experienced with estate-planning methods and techniques. 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 free.

Consider getting the following estate-planning documents in place. You can always change them. The important thing is to get them done as soon as possible. Then, be sure to tell someone where the documents are located.

**1. 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 young children. *If you don't have a will or trust, make them a priority.* If you die without one, the state will decide who will get your money and who will take care of your children. **Note:** 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.

**2. 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).

**3. 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. Make sure your doctor has a copy of your health-care proxy.

**4. 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.

**5. 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 of a child and death.



**6. 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

- ◆ 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 pre-paid burial plans.



to your will during probate (the legal process of settling an estate). In contrast, if you own the 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. Because these actions have legal and tax implications, discuss them with your lawyer, CPA financial planner or other financial adviser before making a decision.

### *What about a letter of intent?*

A letter of intent is not a legal document, but it can be very 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). Use a letter of intent to write down:

- ◆ Where important documents are located.

- ◆ 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, and 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.

Some people put their letter of intent in a three-ring binder with pocket pages, so they can include photographs, business cards of financial and legal advisers, and photocopies of important documents, such as a will, power of attorney, Social Security card, employee benefits records, and so on.



Think of a letter of intent as something that you would give to someone if you were leaving on a year-long 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.

## *Estate Planning and Disability*

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

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.



### *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

### *When should I consider a special needs trust?*

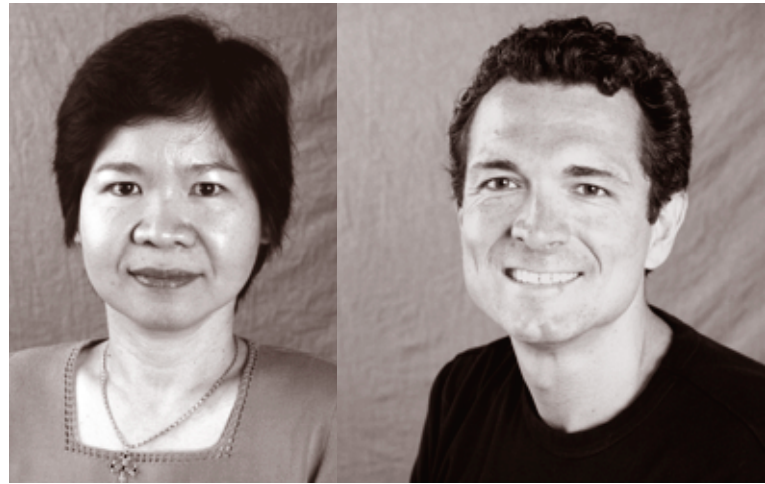
A special needs trust might be used in situations in which you want to leave your disabled child money or other assets when you die, but you don't want to jeopardize the child's ability to qualify for government programs that are based on financial need, such as Medicaid or Supplemental Security Income (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.

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.



## Notes

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## *A Final Note*

As you prepare for the possibility of a disaster, use this booklet for answers to financial questions you may have. You may not be able to do everything that is suggested—that's OK. Do what you can. Taking even some basic precautions will go a long way toward protecting you financially from a disaster.

For anyone who has experienced a disaster, a booklet called *Disaster Recovery: A Guide to Financial Issues* also is available. You can get a copy of the book from the AICPA, state CPA societies, and any local Red Cross chapter in the United States. It is also available on the Web at [www.redcross.org](http://www.redcross.org). Follow links for Disaster Information to "After a Disaster" then the title of this publication.







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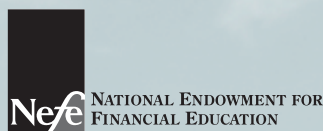
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The AICPA Foundation ("Foundation") was established in 1922 as a nonprofit foundation to advance the science of accountancy and accounting education as well as to encourage diversity within the CPA profession. Toward those ends, the Foundation will provide opportunities for members and other interested parties to support activities which encourage advancement of the CPA profession through innovative activities. Within the Foundation efforts to advance accounting education, it provides support to organizations and projects that promote financial literacy.

The American Red Cross is a nationwide network of local community supporters—volunteers, blood donors, and financial donors—organized into approximately 900 chapters, Blood Services regions, and field units dedicated to saving lives and helping people prevent, prepare for, and respond to emergencies. Led by 1.2 million volunteers and 36,000 employees, the Red Cross annually mobilizes relief to families affected by more than 67,000 disasters, trains nearly 12 million people in lifesaving skills, and exchanges more than a million emergency messages for U.S. military service personnel and their families. The Red Cross is the largest supplier of blood and blood products to more than 3,000 hospitals across the nation and also assists victims of international disasters and conflicts throughout the world. For more information about the American Red Cross, go to [www.redcross.org](http://www.redcross.org).







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