

New Haven Register

MARKET MATTERS: Disaster preparedness

By Joseph Matthews

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So far, thankfully, our state has been spared even a fraction of the severe weather and resulting devastation we saw in Texas, Florida, and the Caribbean islands. But it wasn't so long ago that we were battered by raging winds that sent trees toppling onto homes and littering the sides of the Merritt Parkway. While we are fortunate to have been spared the effects of Hurricanes Harvey and Irma, we should not be complacent.

September is Disaster Preparedness Month. Natural disasters - be they tornadoes, wildfires, floods, or anything in between - can strike with little warning. Taking the time to secure our homes and property is vital, as is taking the time to prepare financially.

Establishing an emergency fund is fundamental. A recent report shows that some 60 percent of Americans do not have \$1,000, or even \$500, to spare for unplanned emergency expenses. It's essential to have a fund with several months' worth of easily-accessible cash or highly liquid assets. In the event of an already-stressful catastrophe, the last thing we would want is to necessitate the draining of a college savings account or a 401(k) to pay for emergency repairs, replacement items, or an unexpected hotel stay.

Paying down debt can also help to free up income - and reduce stress levels in our life. We shouldn't have to worry about what we owe creditors in the wake of a disaster. And,

maintaining a solid credit profile can provide the added flexibility of borrowing following a disaster, if need be.

Now is also the time to review our insurance policies. What is covered? Have we updated our insurance coverage to line up with our current living situation? Taking time now to understand our policies will help simplify and streamline the process of submitting claims in the event the insurance is needed. Remember to keep a careful log of expenses incurred during an emergency - and save receipts. It also is important to keep a complete file of all insurance policies, including contact information, plan details, and when and how to submit claims.

Besides insurance, there are myriad documents that are important to keep safe, and that can be critical as we begin the recovery process. A pouch containing original passports, birth certificates, wills, auto registration, title papers, marriage license, social security cards, etcetera, makes it easy to grab all of our documentation in the event of a sudden evacuation.

Fortunately, a number of financial firms have developed tools designed to help: family records organizers and wealth organizers. These data aggregation tools allow us to access information to keep our personal affairs in order. With usernames, passwords and account information on hand, for instance, we can continue electronic, Internet-based bill paying even after a disaster.

This also can help to avoid late fees, service disconnections, and the potential negative impact to our credit score. It also can preserve everything we need to file a tax return on time. We can contact our financial advisors and accountants. And equally important, we have at our fingertips a list of emergency phone numbers for a variety of family providers and services, including health and medical, home repair, auto repair, and so on.

As part of this kit, an inventory of household possessions is critical in the event these items are lost or destroyed. A good approach is to photograph and video each room of our home, taking special care to document our more valuable items.

Keeping all of our important documents on flash drives in a fireproof, waterproof safe is essential. Or, save the documents to a cloud, which can be an especially useful tool in which to store what can be the most valuable items of all: family photos.

All of this I know from personal experience: several years ago, my house burned down and all our possessions were lost. Thankfully my family escaped unharmed. Looking back, I know how crucial it is to be as prepared as possible for this type of life-changing event.

Being financially prepared for a disaster allows us to focus on the most critical thing of all: keeping our loved ones safe.

Joseph Matthews is a Financial Advisor with the Wealth Management Division of Morgan Stanley in Fairfield. He can be reached at 203-319-5165 or by email at joseph.matthews@morganstanley.com. The information contained in article is not a solicitation to purchase or sell investments. Any information presented is general in nature and not intended to provide individually tailored investment advice. The strategies and/or investments referenced may not be suitable for all investors as the appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Investing involves risks and there is always the potential of losing money when you invest. Morgan Stanley and its Financial Advisors do not provide tax or legal advice. The views expressed herein are those of the author and may not necessarily reflect the views of Morgan Stanley Wealth Management, or its affiliates. Morgan Stanley Smith Barney LLC, member SIPC.