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# Houston floods: How you can plan for disaster

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It's important to safety store critical documents

Ilana Polyak  
22 Hours Ago



David J. Phillip | AP

Louis Marquez carries his dog Dallas through floodwaters after rescuing the dog from his flooded apartment Tuesday, April 19, 2016, in Houston. Storms have dumped more than a foot of rain in the Houston area, flooding dozens of neighborhoods.

The recent flooding in Houston that has damaged at least 1,000 homes highlights the need for a disaster recovery plan for your critical documents.

How would you start over if the deed to your house, your birth certificate or military records washed away (or went up in smoke)?

Unfortunately, too few people have a plan. About 60 percent of people are not prepared for a disaster, even though 8 in 10 Americans live in places that have been hit by a weather-related calamity, according to the Federal Emergency Management Agency.

"Going back and doing forensic work is going to be a nightmare," said financial advisor Kashif Ahmed, president of American Private Wealth in

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Woburn, Massachusetts.

Here are some ways to make sure you've got access to your important documents after the next flood, tornado or wildfire.



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Keep it close. Some people like to know their important documents are at arm's length. It's a good idea, said Ahmed, as long as you do it the right way.

Forget about a rickety filing cabinet. It probably can't withstand a fire or natural disaster. A fireproof or waterproof safe, on the other hand, is something else.

"I have my deeds locked away in a safe that I keep in my house, and if something happens I know where to get them," he said. "But I don't tell anyone where it is."

The advantage of a home safe is convenience. You won't need to track down your papers at a bank vault. What if you needed them on a Sunday, after hours or on a bank holiday? And don't forget, the bank itself may suffer damage that will prevent it from opening for some time following a natural disaster.

Things to include in your home safe are deeds, insurance policies, safety deposit box keys, passports, birth certificates, Social Security cards and wills.

When shopping for a safe, look for one that gives you at least 30 minutes of fire protection. In flood-prone areas, make sure they're watertight. Safes that can withstand longer fires cost more and may not be necessary since most home fires last less than that. You can buy one at local home improvement stores or at [Amazon](#) and other online retailers.



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Embrace the cloud. In addition to originals, consider making electronic backups. Depending on the disaster, you might not be allowed back into your house for a while and you'll want to start rebuilding your life right away.

Cloud storage is the safest bet, giving you access to your documents from any computer or device.

"Buy a quality scanner and scan your information in some form like a PDF," said certified financial planner Scot Stark, owner of Stark Strategic



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Don't forget that disasters can happen when you're on the road, too, Stark said. If you're traveling abroad and your passport is lost or stolen, it will be easier to replace if you come to an embassy with a scanned copy.

Make sure that any storage solution you use has encryption, Stark said. He recommends companies that have a "zero-knowledge" policy, which means your files are encrypted before they're sent to the cloud. Don't rely on Dropbox, [Google Drive](#) and [iCloud](#) for this. Instead, try something like SpiderOak or SugarSync. SpiderOak starts at \$7 a month for 30 gigabytes of storage and SugarSync charges \$7.50 a month for 100 GB.



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### Another reason earthquakes are bad for Texas

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Check your coverage. Your disaster recovery plan should also make sure you've got enough insurance — and the right kinds — to rebuild. The last thing you want is to find out that your homeowners' or rental insurance policy is lacking after you've lost it all.

One of the most common problems: not having enough insurance. "Do you have an insurance policy that reflects the present value of what's in your home?" said Leonard Wright, a CPA based in San Diego, and the "Money Doctor" at the American Institute of CPAs' [website](#).

You may have bought your policy years ago and never bothered to update it. The policy may no longer provide enough coverage to replace your home and its contents. "Construction costs increase, permitting costs increase," Wright said.

Another common misstep is a lack of flood coverage. Most homeowners insurance policies cover wind damage from hurricanes and other storms, but water damage from storm surges and floodwaters is typically excluded. You'll need a separate flood insurance policy from the [National Flood Insurance Program](#) or another provider to cover that.

Don't forget about the pricey items you've acquired over the years, like electronics, furniture and jewelry. It might be hard to replace them without a good home inventory, which needs to include descriptions, photos, serial numbers and receipts.

An online home inventory service like Know Your Stuff can walk you through which items to inventory, room by room. Your insurance company might also have its own mobile app for inventory that lets you walk around your house snapping photos and cataloging your items.

"If you're well documented, it's going to be much easier to go to your insurance company and file a claim," Wright said.



**Iana Polyak**  
Special to CNBC.com

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