



NFCC PRESS RELEASE

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MOTHER NATURE DOESN'T DISCRIMINATE, BE PREPARED IF DISASTER STRIKES *Prepping for the unpredictable can pay off in the end*

Silver Spring, MD – According to the National Foundation for Credit Counseling (NFCC) and MSN Money 2008 Financial Literacy Survey, 36 percent of adults have no savings outside of retirement. A full 31 percent have no homeowner's insurance, and only one in 10 renters is insured. Further, 67 percent have no disaster insurance.

Even though natural disasters can and do occur anytime during the year, June officially marks the beginning of hurricane season. After surviving the initial unexpected crisis, many consumers find themselves struggling to recover financially, too. While none of us wants to imagine Mother Nature striking close to home, it does happen, and if consumers find themselves ill-prepared either through a lack of savings or being uninsured, another type of disaster awaits: financial ruin.

The National Foundation for Credit Counseling (NFCC) suggests the following financial-related tips to prepare for and manage an unpredictable and costly disaster:

- **Check your insurance coverage.** Speak with your agent to understand your existing coverage and deductible. Determine if additional coverage for fires, earthquakes or other special situation losses is needed. Be sure to review the policy for potential inclusion of wind and hail, umbrella liability and flood insurance. Most standard insurance policies do not cover these acts.
- **If you own a home, consider buying full replacement or replacement cost coverage** instead of cash value since most items depreciate in value. If you rent, buy renter's insurance to cover damaged, destroyed or stolen personal property.
- **Have a complete household inventory in an offsite location.** Pictures or videos will make claims much easier, and the last thing you want to do under stress is rely on your memory.
- **Put a family evacuation plan in place.** It may be wise to leave the area if a storm is approaching, but with today's high gas prices, you'll only want to go as far as absolutely necessary. Speaking of gasoline, fill up your tank as soon as the threat of a storm is announced. That way you'll avoid the inevitable lines, and the potential of the stations running out of fuel.
- **Have access to ready cash.** Whether leaving town in a hurry, or needing to pay with cash in the event electronic ATM, debit and charge machines are inactive, you'll feel more secure with cash in your pocket.
- **Rent a safe deposit box.** Store originals and copies of important papers at an offsite location in case of the loss of your home. This includes medical records, emergency contacts, prescriptions, insurance policies, backup disks of critical computerized information, birth certificates and financial information such as a list of all credit cards and bank and brokerage accounts complete with account numbers and contact information. Store the key in a place where you can quickly grab it during an evacuation.

- **You will want to stop some bills.** If your residence is uninhabitable or totally destroyed, notify utility companies and other service companies, such as the phone company, so they can stop billing immediately. Often times a utility company will transfer service to a new address and waive initial connection charges.

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- **Be prepared to rebuild your identity.** Notify the three credit bureaus and the Federal Trade Commission that you have been affected by a natural disaster. By placing a fraud alert on your accounts, creditors must contact you before opening any new accounts or making changes to existing accounts. This also will help to avoid becoming a victim of identity theft, as crooks seem to thrive on distressed individuals. With mail interrupted, it could be months before you even knew that charges were being added to your accounts.
 - Equifax 1-800-685-1111 • www.equifax.com
 - Experian 1-800-397-3742 • www.experian.com
 - TransUnion 1-800-888-4213 • www.transunion.com
 - Federal Trade Commission 1-877-438-4338 • www.consumer.gov/idtheft
- **Don't be ashamed to seek assistance.** Ask your employer if there is an Employee Assistance Program. Should you physically be affected by a natural disaster, notify the state's employment commission of your employment status and ask about special job considerations for disaster victims. By registering with the Social Security Administration, victims also can receive special benefits to help with the recovery process. Contact the Internal Revenue Service because individuals can deduct some casualty losses from the year the loss occurred, or through an immediate amendment to the previous year's return, depending on the date of the disaster.
- **Contact creditors.** Review your financial situation and develop a realistic budget to cover the time it will take to recover. Determine what amount can be regularly paid until the financial picture improves. If all known expenses cannot be covered, contact creditors and try to negotiate a payment plan. While many will be willing to accommodate the request, starting the conversation is the first step. A certified credit counselor also can help contact creditors and negotiate an appropriate payment plan on your behalf.
- **Feel overwhelmed? Find relief through an NFCC Member Agency.** Making critical financial decisions is never easy, but whether preparing for or recovering from an emergency situation, it is particularly helpful to have a professional on your side.

"It is so important for families and individuals to know there are ways to proactively protect personal finances in the event of a natural disaster – be it hurricanes, tornados or single instances of fires or storm damage," said Gail Cunningham, spokesperson for the NFCC. "By having a plan in place, and knowing what to do in case an evacuation is necessary, Americans can make an agonizing time a little less difficult."

NFCC Members help more than two million consumers annually through close to 900 agency offices nationwide. To schedule a confidential appointment with an NFCC Member Agency in or near your community, call 1-800-388-2227, or en Español dial 1-800-682-9832. Visit www.DebtAdvice.org to find the location closest to you online.

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The National Foundation for Credit Counseling (NFCC), founded in 1951, is the nation's largest and longest serving national nonprofit credit counseling organization. The NFCC's mission is to promote the national agenda for financially responsible behavior and build capacity for its members to deliver the highest quality financial education and counseling services. NFCC members annually help two million consumers through nearly 900 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC member, call 1-800-388-2227, (en Español 1-800-682-9832) or visit www.nfcc.org.