

Be Prepared for Emergencies

With the terrible news of hurricanes Katrina and Rita hitting the southern states, and renewed concerns about earthquakes here in the Bay Area, here are some practical steps we can and should all take.

Ask yourself, are you and your family prepared in the event of an unforeseen situation? When you're in a crisis, it's hard to think calmly and clearly about the best course of action. That's why we strongly urge you to do the preparation now, when presumably we have time to think. It is also important to make sure we have up-to-date and accurate records of important people and financial records. If you lose your wallet, can you easily call the credit card companies to cancel, or do you need to dig around to find the information? In the event of a sudden death, do you know the attorney or life insurer to call?

We've assembled a number of different checklists and places to assemble vital information for your use. Feel free to adapt them as needed for your situation. We call this collection our *Family Record Organizer*. We created and had it copyrighted back in 1998. This *Organizer* was designed to help you keep track of all the important information in your life. In the event of a catastrophe, or serious illness, disability or death, this *Organizer* can provide valuable information for you, other family members, and professional advisors. Please complete a copy keep it in a secure place. Directions for its completion are found on page two. This *Organizer* is attached to this email as a pdf file. It is also available for downloading at the bottom of the first page of our website, located at www.financialsecurityplanning.com. Please feel free to share it with any other people you care about.

Financial Emergencies

You never know what can happen -- the car breaks down; a tooth cracks; you lose your job; the refrigerator dies. Financial experts all agree that an emergency fund is a necessary part of everyone's financial plan. That means money that can be tapped quickly and easily, without any penalties or restrictions. How much you set aside will be determined by your living expenses, but on average, you should have a target **minimum of three to six months' total living expenses** set aside. In arriving at your total, you should include all of your everyday expenses as well as your big ones like mortgage or rent.

Do you feel secure in your job; or are you in an industry where you could easily find another job? Then a three month reserve might be sufficient. For many of us, six to nine months might be the better goal, especially if you are the only or primary breadwinner. If you are anticipating a job layoff, an unofficial rule of thumb says that you should allow one-month's job search for every \$10,000 in salary you hope to make. Take all of these factors into consideration when setting up your emergency fund.

Most importantly, make sure you target this amount separate from your other funds. An emergency fund means just that. It should be kept *in addition* to the amount you use for regular household expenses.

Medical Emergencies

Before you need the information, write down and keep this information in the handy place provided for all the vitals for you and your family. Physicians and phone numbers, blood type, allergies, medications and other family details are all important, as are insurance ID numbers and coverage terms.

Personal Emergencies

If you're delayed in traffic, is there someone who can pick your child up at day care? Do you know the full names and telephone numbers of all your children's teachers? There is an authorization sheet you can fill out ahead of time and give to your child-care provider. The same kind of information should be provided to adult care providers as well.

In an emergency, you might need to know some of this information. But in an emergency, you might not have time to think or time to waste. Set aside 30 minutes to complete information in the *Organizer* today, and very possibly save yourself some headaches down the road. Make sure you keep it up-to-date. Keep a copy in an easily accessible place where you always have it at hand.

Please feel free to contact my offices with any comments or questions. Thank you.

Very truly yours,

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