

REAL SIMPLE

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Prepare for the Worst by Creating a Home Inventory

What have you got to lose? Plenty – in case of fire or theft. To make sure you're covered, create an inventory of your belongings



Jonny Valiant

What is a home inventory?

An inventory lists your personal possessions (everything from tennis shoes to TVs) and their value.

What is the point of having one?

Insurance, insurance, insurance. "Home inventories make it easier to substantiate your claim" in case of fire, natural disaster, or robbery, says Jeanne Salvatore, a senior vice president at the Insurance Information Institute.

An inventory also determines if you have the right type and amount of insurance. You may find that your computer equipment is worth \$5,000 but your policy covers only \$3,000 worth. You can then increase your coverage. Home cataloging also makes creating wills easier.

If I don't own my home, should I still do an inventory?

Yes. Renters and students living in dorms can use an inventory to back up a loss-of-contents claim with an insurance company.



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How do I make a home inventory?

You can record the list of your possessions in three ways. To decide which method is best for you, think about which one will be easiest to update.

In a notepad or a binder, with photographs. Dedicate a notebook to the inventory. Divide it into sections – one for each room. Next, go through each room and record everything in it. (See following page for room-by-room tips on what information to include and how to take shortcuts.) Divide each section into columns: item, description (color, unique markings, etc.), manufacturer or brand, serial number, model number, and price paid. Attach receipts if you have them. Take pictures of all the items (including the serial numbers) and keep them in the notebook.

With a video camera. Walk through each room, recording the contents and dictating information about each item. Include the same information that you would put in the notebook (that is, film the serial numbers and say them out loud). If you like, liven up the task by enlisting a family member to show-and-tell the items. (No one was ever denied a claim because her video was entertaining!) Gather receipts in an envelope, and keep them with the tape or DVD.

On a computer. Buy a home-inventory computer program, like Quicken Home Inventory Manager (\$30,), or download a free version, such as the Insurance Information Institute's Know Your Stuff software (.). Once it's installed, you can log items room by room, upload digital photos, and scan receipts.

So now what do I do with it?

Make a copy of your notebook, video, or DVD, or print out a copy from your computer and place it in a safe deposit box – don't keep it in your house. Consider giving a backup

to a friend who doesn't live nearby. "One thing we learned after Hurricane Katrina is that giving a copy to a neighbor doesn't do you any good when your neighbor's home is destroyed in the same catastrophe," says insurance executive Jeanne Salvatore. If you shot a digital video, e-mail a copy to yourself and others or burn a CD and send it to a friend. A home inventory should be updated with each major purchase.



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The fastest method: room by room.

You love a good list. (Who doesn't?) But the thought of recording exactly how many CDs and pairs of socks you own makes you throw in the towel before you've even picked up a pencil. The good news? You don't have to catalog everything you own, item by item. Here's what to dwell on and what to gloss over.

Bedroom: Don't list individual clothing items. Clothes, shoes, and handbags should be photographed or listed together by type ("10 pairs of pants, 20 blouses," etc.), unless they're vintage or designer. Don't forget little things, like socks and bras, which may seem insignificant but can be costly to replace all at once. Estimate how much you paid and when you bought them. Appraisal forms for expensive jewelry should be included. You may need separate jewelry insurance to make sure it is covered.

Living room and home office: Note when and where you purchased big-ticket electronic equipment, such as computers and televisions. Be detailed. How much was it when purchased? What would the replacement cost be today? Include receipts if you have them. Lump together smaller items, such as music albums and movies, just as you would socks in the bedroom. Unless it's a copy of *The Joshua Tree* signed by Bono, a CD is going to be worth only its current market value. Don't forget the walls. Record any original artwork.

Kitchen: Write down the make, model, and serial numbers of appliances both big (dishwasher, refrigerator) and small (blender, toaster). Group together everyday dishes, flatware, and stemware.

Attic and basement: Don't overlook the top and bottom of the house. If the washing machine and dryer are in the basement, record their make and model numbers. Be on the lookout for furniture, heirlooms, and other valuable possessions you don't use everyday that you have stowed away here.

Garage: Lump together used sports equipment and smaller tools. Record valuable items, such as bicycles, drills, and lawn mowers, separately.

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