



TIPS TO WEATHER HURRICANES, AVOID IDENTITY THEFT AND REMEMBER THE INVESTING BASICS

As of mid-September 2021, the Atlantic seaboard had seen 17 named storms, six hurricanes, and three major hurricanes. For perspective, consider that the past 30-year average was for 14.4 named storms, 7.2 hurricanes, and 3.2 major hurricanes. So by all accounts, 2021 has already seen a full season of activity and the season doesn't end until November 30th.

And in a cruel twist, on Sunday, August 29th an extremely dangerous Category 4 hurricane packing winds of 150 mph hammered the residents of Louisiana – on the 16th anniversary of Hurricane Katrina.



How Prepared Would You Really Be?

Whether you rent or own your home, you need insurance to help rebuild if a hurricane, a fire, or a tornado hits you.

But did you know that as a rule, standard homeowners' and renters' insurance does not cover flooding caused by extreme weather? And what happens if you need to replace

your valuable coin collection after a hurricane if your house blows away?

You Probably Don't Have Flood Insurance

You need flood insurance if you live in a designated flood zone. But flooding can also occur in inland areas and away from major rivers. Flood insurance is available for renters as well as homeowners, but a special policy is required as flood insurance – like earthquake insurance – is just not a part of standard homeowners' coverage.

If you think you need flood insurance, don't wait for the arrival of a hurricane to buy a policy – there is a 30-day waiting period before the coverage takes effect.

Have You Read Your Homeowner's Policy?

Many policies don't cover pricey jewelry, antiques, coins, collectible firearms and other exotic or expensive possessions. Or if they do, it is limited. In fact, some insurers even restrict what they pay to replace top-end computers, according to the National Association of Insurance Commissioners.

Generally, any coverage for these items is an aggregate amount less than a predetermined dollar limit, such as \$1,000, for the total loss.

For example, let's say you have an extensive coin collection worth \$50,000. Your spouse has a watch worth \$10,000.

Under a normal home policy, a hurricane, fire or tornado causing a total loss of coins and a watch means you may

only receive up to \$2,000 (assuming the aggregate coverage amount was \$1,000 for each).

Your net loss: \$58,000.

Endorsements and Riders

You could, however, prevent such a hit with an endorsement (aka a rider or in some cases a floater) to your home coverage, a sort of added policy within the main policy.

Essentially an endorsement specifically covers an article of personal property either excluded or not fully covered in the main policy. Also, a policy floater allows you to insure valuable items separately and for higher amounts than under a standard homeowner's policy.

With such a rider – which comes at additional cost and is often higher in cities – your coverage includes much more, and you can choose your own deductible for the loss. Many endorsements also cover disappearance: if you lose the watch while cleaning the garage, for instance, the rider might cover the loss – which the home policy doesn't.

Generally, endorsements are an inexpensive way to broaden coverage under an existing policy, though you must get valuables formally appraised to set coverage. Rates will vary according to such factors as the type and documented dollar value of the item covered and where you, the insured, live.

Here are Three Nuggets to Remember

- Damage caused by floods is almost always not covered by homeowner insurance.
- Insurers frequently change what is and isn't covered even in existing policies. If you have questions, check.
- If you have valuables, inventory them, document their value and think hard about beefing up your home coverage.

WHAT IF A HURRICANE HIT YOUR CREDIT REPORT?

Among experiences you sure don't want, you open your credit card bill and find a long column of strange charges. Or you try to file your federal tax return and the Internal Revenue Service responds that you already filed and supposedly received your refund weeks ago. How can you protect your identity from falling into the wrong hands?



ID theft involves obtaining someone's personal or financial information – without authorization – to commit fraud or other offenses, from everyday transactions to taking out loans.

There were 4.8 million identity theft and fraud reports received by the FTC in 2020, up 45% from 3.3 million in 2019, mostly due to the 113 percent increase in identity theft complaints.

And worse, the total cost of identity theft in 2020 was \$56 billion, the highest number in recorded history.

Anyone with a Social Security number can become a victim and the crime continues to top the Federal Trade Commission's consumer complaints. A data breach precedes many cases, where unauthorized or illegal access of data opens the door to stealing and using that data (for example, your card number at a retail store such as Target or your policy details at an insurer).

No matter the increased security to help mitigate this crime, ID theft remains a big threat to you because of the potentially disastrous financial harm. Here are a few steps you can take:

Secure your personal information.

Never carry essential documents, such as your Social Security card, birth certificate or passport, with you. Store such information in a safe place at home. Avoid carrying more credit cards than you actually need, in case your wallet is lost or stolen.

Shred receipts, bank statements, credit offers and expired cards to prevent dumpster divers from getting your personal information.

Strengthen your digital security.

Do not respond to unsolicited emails requesting personal information. These messages may lead to your information falling into the wrong hands. Contact the company in question if the request seems suspicious.

Create complex passwords and avoid such easily guessed information as birthdays and phone numbers. Create a unique password for each of your accounts.

Install (and regularly update) protective firewalls and antivirus software on your home computer.

Make purchases online cautiously.

Make sure the vendor's website is legitimate and review its privacy policy to understand how your information might be used. Refrain from submitting your credit card or financial information until you check the site for third-party security symbols that verify the site is safe.

Use secure payment methods when possible. If you need to send documents that include your account number, SSN or other identification, password-protect the document or send it via a secure portal.

Beware of phishing scams designed to collect your online information, such as email promoting false lottery wins, money requests from unverified charities and information updates from businesses claiming to be banks. Avoid clicking on any suspicious links in the email as well.

Use available credit resources.

Consider placing a fraud alert on your credit file to instruct prospective creditors to keep identity thieves from opening new credit accounts in your name. Request a free credit

report from each of the three major credit agencies (TransUnion, Equifax and Experian).

Place a security freeze on your credit report, which prevents credit agencies from releasing your information without your consent. Keep in mind that this can also delay or interfere with the approval of your outstanding loan applications.

Even after you safeguard your information, prepare for the worst case.

GETTING BACK TO THE INVESTING BASICS

If you follow financial news, you hear a lot of ideas about strategies to strike it rich. Some advice: Don't listen. Every once in a while it's important to go back to basics when evaluating how you manage your money.



There is an investment strategy out there for just about everyone, whether you want to be aggressive or preserve your capital long-term. What is often too easy is getting bogged down in the Investing section of a Barnes & Noble bookstore, looking at all the books promising to make you rich in five easy steps.

The first lesson: If someone promises to help you turn \$10,000 into \$2 million over the next six months with little to no work, a ginormous red flag should go up. If that person really had the secret to trading perfectly, do you think he'd sell it in a book for \$19.95?

Whether you have been investing in the stock market for 30 years or three months, circling the wagons and looking at your processes is a great idea to make sure you miss nothing – and are open to improving.

For others, managing their own assets is too much of an undertaking and is too important to do themselves. They should look at hiring an investment advisor.

You must decide two things:

1. **What your investment goals are.** Are they written down and clearly defined? Did you establish a timeframe – when you will need the money and for what: your kids' college, to buy a house, your retirement? What's the amount of risk you can tolerate? Do you want to invest in mutual funds, individual stocks or exchange-traded funds?

It's important to get all of this information down on paper to help keep you on track. Remember, for most investors, retirement is often the end goal of investing your savings, which means this is a marathon not a sprint.

2. **What type of investing style you want.** Strategy is vital: Investing is too important to simply wing it. For many investors it's a bad idea to just shoot from the hip and buy the latest stock mentioned on TV that morning, without doing due diligence into the prospective purchase.

Will you make decisions based on fundamental data like the company's sales growth, cash flow and debt level? Will chart patterns, price, and volume be a consideration? Looking back at your risk profile from step one, you need an exit strategy before you even pick up a single share. This can help prevent emotion from taking over and muddling our original plan. If an investment drops 50% and shows little sign of rebounding, do you dump it?

Having a well-thought-out investment game plan that lays out your timeframe and risk allowance can help keep you on track during turbulent times. Years like the latter half of 2020 and so far in 2021 are rare, where the stock market sees muted volatility and larger price swings.

Do not allow this type of overly bullish activity to provide you a false confidence and a disregard for risk management.

NorthPoint Financial Planning, LLC Can Help

The key to successful financial planning lies in following wise investment strategies, custom tailored to your personal aspirations. And while your financial plan should be tied to your long-term goals, short-term events need to be addressed too.

NorthPoint Financial Planning, LLC. can help you keep your emotions out of your investing decisions, properly account for your risk worries, and make sure you're not overly reliant on lack of your investing skills. Further, your financial advisor can help you balance long-term strategies and short-term tactics in order to help ensure that you are accounting for both.

That way you can rest comfortably at night knowing that your money is working for you.