

## HOME INVENTORY

The home inventory format allows you to keep track of what you own, where items are located and how much it would cost to replace something that is lost. Unfortunately, most of us do not find out how much property insurance we need until after we suffer a major loss. We then may learn that our insurance coverage, although based on replacement value, is not sufficient to cover the complete loss. Or, worse yet, we are unable to document the true value of our possessions and thus the insurance will only pay to replace our lost possessions with lower quality items.

This software helps provide you with protection in several ways. First, it provides a way for you to determine whether or not you have adequate property insurance. For example, insurance policies generally limit the coverage for special items such as jewelry, collectibles (coins, stamps, plates, dolls, etc...), guns and furs. By categorizing items by type, this home inventory software can give you the total replacement value for each type of item you own. This allows you to compare what you actually have versus the limits given in your insurance policy.

For those special items that need to be covered for more than a minimal amount, you generally will need to "schedule" them. What this means is that you give your insurance agent a list (or schedule) of the special items to be insured so that those items are specifically identified and the appropriate insurance supplied. Some may already be covered by your existing insurance. For others, you may need to consider additional insurance. Your insurance agent will know the details of your policy, so once your inventory is complete, discuss it with your agent to determine if you need to schedule any items. Policies vary, and it will take someone familiar with your policy, such as your agent, to provide you with specific recommendations. Of course, this software allows you to provide the list your agent will need.

If you should suffer a loss from theft, fire, vandalism, any type of loss, MHD provides a record of what you had. It will allow you to put together a list of what was lost, providing you with model numbers, serial numbers and descriptions. If the loss was due to theft, this gives the police the information they'll need to identify and (hopefully) recover your things. It also gives the insurance company the documentation they need to replace the lost items with items of the same or similar quality.

Insurance companies generally try to protect themselves from people out to take advantage of them. Thus, if you have not

documented the description, model number and serial number of the items you lost, you may not be able to recover the full replacement value. You should keep the receipts for every major purchase you make. This is the best documentation. But, what if your shoe boxes of receipts also go up in a fire? With your complete inventory on one floppy disk, you can easily keep a copy at home and another at work or in a safe deposit box, so that your records will be safe.

### **Completing A Home Inventory**

Depending on the size of your home and how much you've packed into each closet, you can expect to spend several hours entering the list of everything you own into your inventory for the first time. I suggest setting aside one day to do a complete inventory. Start in one room and list the complete contents of that room (a clip board with a pad of paper will be helpful for this). Go from room to room until everything is listed. If you take a break, or have other people in your house (i.e. your kids), be careful not to move items from room to room as this can cause some confusion.

If you haven't had an appraisal done recently, you might use your Sears, Penney's or other catalog to determine the current replacement value for some items. For others, you may need to do a little window shopping to get a good idea of what it would cost to replace them. If you want to be accurate, don't guess. If you guess high, you will be paying for more insurance than you need. A low guess will result in inadequate coverage. Valuable items should be appraised by a professional appraiser to get a realistic estimate of their value. Talk with your insurance agent to get his or her recommendation concerning what items you should get appraised.

With the home inventory format, you can keep inventories for several insurance policies on one disk, or you can keep each on a separate disk. Since you can specify virtually an unlimited number of locations and owners, each item can be pinpointed as to who owns it and where it is located. Thus, you can include items that are in your office or at a summer home. With the home inventory format, you can sort them out and provide a print-out for each location and owner.

The catalog name for this format is: HI

Let's look at the kind of information that can be entered on each line:

Description - This line is used to enter a descriptive phrase that applies to the object. Depending on what the item is, you could include information such as the brand name, color, material it is made from, style, or shape. Be consistent in the information you enter, however. If you include the color of an

item on the DESCRIPTION, always use the DESCRIPTION line for the color.

When making entries, you should be consistent when using upper and lower case letters. During searches, the software will differentiate between upper and lower case letters. Thus, entering the work "Computer" is not the same as "COMPUTER". I usually enter the description using all upper case letters.

Model # - Enter the model number of this item, if there is one.

ID (Identifying) Mark - This line is for any identifying marks on the item. This could be a social security number engraved on the back; a specific pattern of scratches, dents, or other damage; or anything else that would uniquely identify this item.

Serial Number - Enter the serial number, if there is one.

Note - This line is provided for miscellaneous information. You can enter an abbreviation for the type of item, or describe the condition of the item, or enter any other information you feel is valuable.

Value - Enter the current value of the item. This should be a realistic replacement value, which may be less than what you think the item is worth. If you overestimate the replacement value of an item, you could end up paying for insurance you don't need, since your insurance will only pay the minimum amount needed to replace an item.

Always use the same number of digits when entering values. If the value of items in your collection ranges from \$1 to \$1000, then the \$1 items should have their values entered as 0001, which uses the same number of digits as 1000. If you need to include cents in some entries (such as in \$1.50) but not in others, you do not need to type ".00". Digits to the right of the decimal point, while significant in determining the value of an item, do not affect how a computer sorts values.

Owner(s) - Enter the name(s) of the people who own this item. You can use people's full names or, to save space, just their initials. (If you use initials you can shorten this line to three characters.) Be sure that you use different initials to identify each owner. For example:

SCH - Steven C. Hudgik

SFZ - Stephen Frank Zabrowski

NOTE: If you want to indicate joint ownership, you will want to set up an OWNER(s) line that is at least seven characters long. This will give you room to enter the initials for both people.

Location - Enter a description of the location of the item. The description can be a single word such as "Bedroom" or a complete address.

Other - As you did on the NOTE line, you can enter whatever information you feel is useful. You may enter more information about the owner(s) or location, or use this line to expand on the description of the type of item.

Type - Use this line to classify items by type. The classifications you use will depend on your requirements. You can classify items by style, use, function, or by any other classification. Some examples of types might be: furniture, clothes, books, computer, stereo, auto parts, collectibles, art, coins, furs, guns, and dishes. Entering a type classification is very important in that some items (guns, furs, collectibles, etc...) may require separate insurance. This is called scheduling and you should talk to your insurance agent about this as soon as your inventory is complete.

Purchase Date - The purchase date can be important for establishing the value of an item. In most cases, the specific day is not critical, so you can enter just the month and year. For things you've owned for awhile, you may only be able to remember the year they were purchased -- that's OK; enter just the year. However, for some items, such as stock certificates, you need to enter the exact date.

Updated - Use this line to keep track of when you last checked/updated the information about this item, especially the price. Typically, you'll update your inventory once a year. I suggest setting up a macro with the current date. You then can enter the date on this line with a single ALT-key combination.

Notes-1/2/3 - The next three lines provide space for you to enter additional information about each item. You can enter anything on these lines and the software can search to find any information you might enter. I do urge you to be consistent in what you enter on each line. For example, if Note-1 is used to describe the color of an item, always use Note-1 for color and nothing else.

The next set of six lines are intended to identify where you purchased (obtained) the item. This could be a dealer, wholesaler, radio station contest, gift from a neighbor, etc.... This information allows you to go back to the original dealer if you need to replace the item. It may also help substantiate the value and quality of the item for an insurance claim.

Purchased From - Enter the name of the dealer or person you got this item from.

Address - Enter the street address for the above.

City/State - Enter the city and state in which the above address is located.

Original Cost - Enter the amount you paid for this item. If it

was a gift, you can enter the value of the item at the time you received it. This is particularly important for items such as stocks or collectibles since you will need to be able to determine your gain or loss on the item should you sell it in the future.

Note - This line provides additional space for information about either the place where you purchased the item or its original cost. I've made the line long enough so that you can enter the dealer's phone number, if you wish.