

How to Take a Home Inventory and Why

Would you be able to remember all the possessions you've accumulated over the years if they were destroyed by a fire?

Having an up-to-date home inventory will help you get your insurance claim settled faster, verify losses for your income tax return and help you purchase the correct amount of insurance. Start by making a list of your possessions, describing each item and noting where you bought it and its make and model. Clip to your list any sales receipts, purchase contracts, and appraisals you have. For clothing, count the items you own by category -- pants, coats, shoes, for example -- making notes about those that are especially valuable. For major appliance and electronic equipment, record their serial numbers usually found on the back or bottom.

- **Don't be put off!** If you are just setting up a household, starting an inventory list can be relatively simple. If you've been living in the same house for many years, however, the task of creating a list can be daunting. Still, it's better to have an incomplete inventory than nothing at all. Start with recent purchases and then try to remember what you can about older possessions.
- **Big ticket items.** Valuable items like jewelry, art work and collectibles may have increased in value since you received them. Check with your agent to make sure that you have adequate insurance for these items. They may need to be insured separately.
- **Take a picture.** Besides the list, you can take pictures of rooms and important individual items. On the back of the photos, note what is shown and where you bought it or the make. Don't forget things that are in closets or drawers.
- **Videotape it.** Walk through your house or apartment videotaping and describing the contents. Or do the same thing using a tape recorder.
- **Use a personal computer.** Use your PC to make your inventory list. Personal finance software packages often include a homeowners room-by-room inventory program.
- **Store the list, photos and tapes.** Regardless of how you do it (written list, floppy disk, photos, videotape or audio tape), keep your inventory along with receipts in your safe deposit box or at a friend's or relative's home. That way you'll be sure to have something to give your insurance representative if your home is damaged. When you make a significant purchase, add the information to your inventory while the details are fresh in your mind.