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How to Make Safes Safer

By RACHEL EMMA SILVERMAN

Most families accumulate valuables of some sort—jewelry, property deeds or even a precious family-photo collection. But few know how and where to safely store their treasures.

There is a beguiling range of options, including safe-deposit boxes, home safes, lawyers' offices, and even private vaults that customers can rent in total anonymity. And then, of course, there is what many people end up using—a filing cabinet or a shoe box squirreled away in a closet.


There is no 100% secure option, bankers, security experts and estate planners say. Even safe-deposit boxes are not all that safe, says Dave McGuinn, president of Safe Deposit Specialists, a consultancy in Houston that advises banks, credit unions and consumers on safe-deposit security. The boxes aren't always fire- or waterproof, Mr. McGuinn says. Nor are they immune to theft.

Vanishing Acts

It doesn't happen often, but items also can vanish because of poor employee training or during bank mergers, when boxes are drilled and contents are transferred to other locations. In 2011 alone, at least \$15 million in safe-deposit property—including jewelry and precious metals—went missing in the U.S., estimates Mr. McGuinn, based on an examination of legal filings.

If you use a safe-deposit box for pricey valuables, such as jewelry, precious metals or a prized collection, check to see if homeowners' insurance extends to safe-deposit property, Mr. McGuinn says. Renters may need to add a special rider or buy a separate "floater" policy covering the box's contents. (Rates vary widely depending on the item, insurer and state.) It's also smart to get appraisals of valuable items, in case anything goes missing.

Peace of Mind



Things to consider when using a safe-deposit box:

- ◆ **INVENTORY** and appraise any highly valuable items in the safe in case items become missing or damaged.
- ◆ **USE** home-owners' insurance to insure any valuable safe items.
- ◆ **DON'T** store cash. Unlike savings accounts, safe deposit boxes aren't FDIC-insured and don't earn interest.
- ◆ **STORE** valuables in plastic bags or containers in case of flooding.
- ◆ **AVOID** storing anything you might need on a weekend, evening or moment's notice, such as a passport or power of attorney.
- ◆ **CHECK** with a lawyer in your state about where to store estate-planning documents.

Source: WSJ reporting

Houston lawyer Candace L. Smith, who has handled several cases involving missing property from safe-deposit boxes, recommends taking inventory and photographing contents.

Safe-deposit boxes aren't insured by Federal Deposit Insurance Corp., unlike most savings accounts. That means don't store cash in a safe-deposit box, where it is unprotected and can't earn interest; instead, park cash in an insured savings account.

Some other tips for a safer safe-deposit experience: Store valuables in plastic bags or waterproof containers, labeled with your name. Also, make sure to let your financial institution know if you move. And keep up your rental fees, or the items could revert to the state. Make sure heirs and loved ones are aware of the safe-deposit box's location.

Home safes, meanwhile, are smart for copies of certain estate-planning documents, such as medical directives or powers-of-attorneys, passports and collections that you want to access regularly or that you or your loved ones may need at a moment's notice. (For more guidance on where to store estate-planning documents, check with a lawyer in your state, as rules vary.) Home-safe costs vary widely—anywhere from \$20 to \$1,200 or more, depending on their size and level of fire and flood protection. Safe experts also recommend safes that can be bolted to the floor or wall, for extra security against theft.

Mr. McGuinn advises avoiding private safe-deposit facilities, which are unregulated companies that often allow customers to rent in total anonymity. Such facilities have grown more popular with the recent boom in gold and precious-metals investing, says Mr. McGuinn. Private safe-deposit boxes may attract illegal activities, such as money laundering. If these facilities are shut down by authorities, even honest renters may not be able to access their belongings, he says.

Ms. Silverman is a reporter for The Wall Street Journal in Austin, Texas, and author of "The Wall Street Journal Complete Estate-Planning Guidebook." She can be reached at rachel.silverman@wsj.com.