

You never know when a disaster may strike—but you can be prepared with a home inventory. A home inventory is a list of all items you keep in your home and the approximate value of each item. Although it may feel overwhelming when thinking about creating one, it's not as complicated as you may think. You simply list all your belongings and include important information.

6 Types of Information You Need to Include In Your Home Inventory

A complete home inventory must include certain information you can use to identify the items and calculate their value. Below are some of the most important pieces of information you shouldn't forget.



Item description

- Write the name of the item and a brief description. For instance, you list appliances as the item. For the description, you can include refrigerators, dishwashers and microwaves.



Model and serial number

- Some items in your home will have product numbers and serial numbers. Take note of these and include the make and model. These can be used as references if you file a home insurance claim. If applicable, include the item's creation date.



Date of purchase

- Keep or recall the date you purchased an item whenever possible. Check receipts to confirm.



Receipts

- It's best to keep receipts for large purchases. This will let you track the date of purchase and price, and can also help with warranties. You can scan your receipts to have digital copies if you misplace the originals.



Estimated replacement cost

- The replacement cost of an item is the amount it costs to replace an item of the same type and quality at current prices.



Other documentation

- Take photos or videos of your possessions to support what's in your written home inventory list. If you choose to take photos, make sure you label them correctly. It can be beneficial to shoot videos of your belongings as you can walk through every room and describe the items as you move throughout your home.

Storing and Updating Your Inventory

Storage of your Home Inventory is essential. You will want to keep an updated copy of the document in hard copy and/or on an electronic storage device (such as an external drive or flash drive) in at least two of the following places:

- Fire resistant box in your home, i.e., a safe.
- At your place of employment in a locked cabinet.
- With a family member, close friend or relative.
- With your accountant and/or lawyer.
- Safety deposit box.

It's also important to keep a record of legal documents, such as birth certificates and passports, and financial documents, such as bank account and insurance policies. You can use your home inventory to record information about these papers.

It is critical to keep your Home Inventory Guide up-to-date. Major purchases, such as televisions and refrigerators, should be included as soon as possible. It is recommended to review and update your home inventory three to four times a year (for example, at the start of each season). After you've finished your updates, consult with your agent or insurance company to see if your coverage is adequate or if additional coverage is required.

Vocabulary to Know

- National Association of Insurance Commissioners (NAIC)
- State Department of Insurance
- Home Inventory
- Homeowner's insurance
- Rental Insurance
- Homeowner's Bill of Rights
- Replacement Cost
- Serial Number
- Claim
- Household records
- Legal documents
- Financial documents

Benefits of a Home Inventory

There are various reasons why a home inventory list is beneficial to homeowners. It can help keep track of your belongings and their value. Although insurance companies may not require having a home inventory, creating one will help you determine how much home insurance you need. It can also prove your loss and help you to get paid the most should you need to file a claim.

- Find the right type and amount of insurance
When shopping for homeowners insurance, it's essential to consider your coverage needs. Having an inventory of your belongings will help you and your insurance provider determine the right amount of coverage. This is also applicable to renters insurance.

- Settle claims more accurately

A home inventory can prove what you have in your home. If you need to file a claim, it can help streamline the process. Additionally, it may ensure getting paid precisely how much you lose.

- Declutter

As you document your possessions, you get to see if there are certain items you're no longer using. You can sell, donate or give them to family or friends who may need them.

- Keep track of belongings

Knowing what you own can help when relocating. Moving companies may ask you for a basic inventory so that they can calculate the cost of the job and prepare the right resources. You can also use your home inventory as a reference for maintenance purposes. For instance, you can check your list to give the repairperson accurate information about an appliance that needs to be fixed.

- Prove your losses

If you experience losses due to a catastrophe, you may be eligible for tax breaks or assistance. However, you'll need to prove your financial losses. Your home inventory can help.