

Are Safe Deposit Boxes Actually Safe?

We all have important documents and valuables in our homes that we want to protect from theft and disaster. For many people, safe deposit boxes at banks provide a safe place to store those valuables outside of the home. After all, file cabinets and even fire-resistant cases in your house are still susceptible to intense fires, water damage, and even theft.

But, did you know that safe deposit boxes may be susceptible as well? In fact, during the attack on the World Trade Center and Hurricane Katrina hundreds of bank vaults were damaged or destroyed. Worse yet, valuables stored in a safe deposit box aren't insured by the bank if damage or theft occurs. In California, does earthquake resonate?

And if you use a safe deposit box to sock away cash for an emergency, you may be surprised to know that a safe deposit box isn't completely protected. Law enforcement officers can get a court order to raid your safe deposit box, and if the IRS ever freezes your assets, that freeze includes your cash and valuables in a safe deposit box. All this doesn't mean that you should hide valuables and cash in your closet or drawer...but it does mean you should take precautions and specific steps to make sure your valuables are protected if you put them in a safe deposit box. If you have a safe deposit box or are considering getting one, the following steps can help you make sure your documents and valuables are protected:

- Call your homeowners insurance company to make sure the contents are covered, especially when placing jewelry or collectibles of value in the safe deposit box.
- Put important documents such as marriage licenses, car titles, insurance policies and family records in airtight plastic bags or sealed containers to help protect them from water damage.
- Make copies of your important documents and store them at home or with your attorney, so you can access your information if something does happen to the originals. Remember, important legal documents such as wills and power of attorney documents should always stay with your attorney. You can place copies in your safe deposit box or keep them at home, if you want to have access to the information. But leave the originals at the attorney's office.

Make an inventory list of everything in your safe deposit box and keep the list in a safe place at home or in another location. You may even want to take pictures or a videotape of the contents just in case you need to show more proof if something happens.

Finally, make sure you inform your family members and your attorney about your safe deposit box! Otherwise, the contents may revert to the state when you pass away. (courtesy of MMGW)