

# MoneySaver

## Safe-Deposit Boxes: Their Secrets Unlocked

*Down but not out, these miniature storage units aren't always secure*

By NICOLE PAJER AND CLAIRE LEIBOWITZ

### They're plentiful ...

Although the numbers have declined, the U.S. is home to more than 20 million safe-deposit boxes, estimates Dave McGuinn, president of Safe Deposit Specialists, a consulting firm in Houston. That's more than 200 for every bank and credit union branch in the country.

### ... but still can be hard to find

Some major banks, including Chase and Capital One, don't rent safe-deposit boxes to new customers. "If you are looking for a box larger than the standard 3-by-5 one in larger metropolitan markets, there are long waiting lists," says Jerry Pluard, president of Safe Deposit Box Insurance Coverage in Chicago.

### Certain documents don't belong

Important papers in a safe-deposit box—for example, medical directives, powers

of attorney and your will—could be inaccessible in a crisis. "If your designated executor or agent needs to access those documents, the bank will deny them access if they are not the person who leased the safe-deposit box," says Jaclyn Roberson, a senior partner at Roberson Duran Law in San Antonio. Store essential documents elsewhere, or consider granting a trusted relative or executor joint access.

### Boxes aren't 100 percent safe

About 25,000 per year are hit by natural disasters, accidents or theft, estimates Pluard. Flood damage is the most common culprit, but human error often plays a role. In 2014, a New Jersey man alleged he lost \$10 million worth of rare watches and coins after bank employees emptied out his box, confusing it with that of another customer who had failed to pay her rental fees.

### Contents aren't FDIC-insured ...

The federal deposit insurance that protects checking and savings accounts is no help if items are stolen, lost or damaged, and banks sharply limit their liability. (The New Jersey watch collector spent eight years fighting for compensation before his bank settled the case.)

### ... so take precautions

You'll have to insure valuables yourself, perhaps with a rider to a homeowners or renters policy. One advantage: Your insurer may reduce your premium because the items are in a safe-deposit box. Before renting one, says McGuinn, ask whether the bank leaves customers in the safe-deposit vault by themselves. "If they're doing that, don't even think about having a box rented there," he says. ■

### Thefts are rare but can be spectacular

In 2015, a gang led by a 76-year-old career criminal drilled into a London bank vault, breaking into 73 boxes and making off with \$20 million worth of jewels, gold and cash.

