

## **“To Be Or Not To Be” . . . A Safe Deposit Box Renter?**

In my 35 years as a safe deposit consultant, I am frequently asked by safe deposit personnel to suggest ways to inform prospective renters of the valuable service that a safe deposit box provides and to effectively validate the need for one.

The following information will help you respond to consumer’s questions like . . . . “Fine, Mrs. Jones! So you say I need to rent a safe deposit box. Now give me two good reasons why I should!”

### **Reason One: Safe deposit boxes provide convenience and privacy.**

A safe deposit box is as near as the renter’s financial institution which is usually a location convenient to his home or place of business. Accessing the box usually requires no more time than any other financial transaction. It offers total privacy because only the renter knows what is stored inside, and the financial institution is committed to providing privacy protection for the safe deposit box renter at all times and in every way possible.

### **Reason Two: Safe deposit boxes offer safety and security.**

All important documents or other valuable items that would be difficult or impossible to replace are candidates for the safety and security of a safe deposit box. These items might include birth, marriage and death certificates, adoption papers, divorce decrees, titles, leases, and legal contracts. Other items could be coin or stamp collections, medals, and expensive jewelry. Negatives, videos and photos of a home’s contents taken for insurance claims purposes should also be secured in a safe deposit box.

Although many people keep these valuables in a closet, safe or file cabinet, places such as these can never afford the safety from losses or destruction that a safe deposit box located inside a vault can offer.

### **Safe deposit boxes are not always the optimum choice for securing certain documents.**

Anything that might be needed at a moment’s notice should be housed someplace where the renter, or someone acting on the renter’s behalf, would have easy and instant access. When a renter’s financial institution is closed for the night, the weekend or an extended holiday period, box access will be impossible. Documents such as passports, needed for last minute trips abroad or a Living Will or Health Care Powers of Attorney, needed in event of medical emergencies might be unattainable for as long as several days if they are secured in a safe deposit box.

### **Prospective renters may have questions regarding their will or other estate documents.**

Individual state laws would dictate the prudent choice here. In most states, in the event of death, financial regulations make it relatively easy for co-renters, family members, or estate representatives to access the safe deposit box of the deceased. However, in a very few states, financial institutions are required to freeze boxes, inventory box contents, and report the contents to the state taxing authority after a renter dies. In this situation, such estate documents might be safeguarded elsewhere. Your knowledge of your individual state’s safe deposit regulations will help guide your renter’s decision, or he may obtain the information on his own.

### **Safe deposit boxes are loss-resistant, not loss-proof.**

A renter should be assured that the safe deposit vault is constructed to withstand burglaries, fires, floods, earthquakes, hurricanes, explosions and other disasters. However, no responsible financial institution will claim that it can provide a 100 percent guarantee against loss or damage, and all renters should be aware that, over the years, safe deposit losses have occurred. It might also be pointed out that, in the

event of such a destructive occurrence, the chances that the renter's valuables will survive are still far greater if they are protected in a safe deposit vault rather than stored in some other less secure location.

**Offer self-help precautions that renters can implement.**

The renter can take certain precautions that could minimize damage to, and aid in the recovery of, his box contents should a disaster occur. To prevent water damage, valuable items can be sealed in zip lock bags or placed in airtight plastic containers, all labeled with the owner's name. In a separate location, the renter should keep a detailed list of his box contents along with appraisals, receipts, and proofs of ownership for all items. Photos of items stored in the safe deposit box can aid in the identification and reclamation if they are lost during a disaster and later recovered.

**Financial institutions do not insure safe deposit box contents.**

Renters should be aware that FDIC and NCUA do not insure valuables stored in a box. These box contents are not considered insured deposits under the law and federal law mandates that government agencies can only insure deposits maintained in a deposit account.

Financial institutions also do not insure box contents because they have no knowledge of what is inside these boxes. A safe deposit box is merely a storage place provided by the institution in return for a small annual rental fee. If renters are concerned about insurance protection they should check with their own insurance agent for their options. Many insurance companies charge much lower insurance premiums if valuables are protected inside a financial institution's safe deposit vault.

**Successful box renting should begin.**

If you follow these guidelines, you will have shared the benefits and advantages of your safe deposit box service. By the same token, you have also been very candid and forthcoming about its limitations. In other words, you will have educated your future renter. After doing this, you should hear words like; "Thanks, Mrs. Jones! You have just rented a safe deposit box."

**Marketing package is now available.**

Historically the safe deposit service has been considered a financial institution's best marketing tool. It helps you attract and cross-sell other financial services to very wealthy consumers. With today's strong push towards automation, on-line bill paying, ATMs, debit cards and many other electronic services, consumers are no longer required to come through your lobby doors. Renting safe deposit boxes continues to be the only service that requires these consumers to come to you.

To learn how to successfully develop profitable consumer relationships, help consumers evaluate the many safe deposit advantages and understand what they should or should not store in their box, call (713) 937-9929 or email [sdspec@aol.com](mailto:sdspec@aol.com) to receive your complimentary "Safe Deposit Marketing Package." Valuable safe deposit marketing information will be faxed to you immediately.

***About the Author:*** David P. McGuinn, President of Safe Deposit Specialists is a former banker and is often referred to nationwide as the safe deposit GURU. In all 50 states he has trained over 150,000 safe deposit personnel since 1969. He has created numerous safe deposit marketing brochures and consumer booklets, training videos, operations manuals and many other compliance products. McGuinn's safe deposit products are now recognized as the accepted standard for the financial industry nationwide.