

How to Create Your Own Digital Estate Plan

Trust & Will

Not sure what happens to all your digital assets once you pass away? We explain the 4 steps it takes to create a Digital Estate Plan.

The importance of having a Digital Estate Plan has grown exponentially over the past decade as technology continues to occupy our daily lives. This leads to the question: *Who has access to my online accounts and how will those accounts be managed and distributed in the event I become incapacitated or pass away?*

To answer that, we must breakdown the details of **Digital Estate Planning**.

What are Digital Assets and Why Should I Care?

A digital asset can be a wide variety of electronic records and files that are stored online, on mobile devices, or on personal computers. Simply put, almost anything you keep a digital record of is considered a digital asset and something that should be noted in your Digital Estate Plan.

To clarify further, a digital asset can include any of the following:

- **Email accounts**
- **Social media accounts**
- **Online banking accounts**
- **Online subscription-based accounts**
- **Ecommerce or marketplace accounts (i.e. Amazon, eBay, etc.)**
- **Photos saved online or on the cloud**
- **Online chatroom accounts**
- **Cell phone apps**
- **Online dating or gaming accounts**
- **Online accounts for utilities**
- **Loyalty program benefits (i.e. frequent flyer miles, credit card perks, etc.)**
- **Any other personal information you store on your computer, cell phone, or tablet**

While this is quite a comprehensive list, there are certain assets that, despite contrary belief, don't qualify as digital assets. For example, underlying financial assets — like electronic bank account statements — may be considered a digital asset; but the actual liquid funds held in the bank account would not be considered a digital asset. Another example would be the ownership of cryptocurrency. While the account access platform (i.e. Coinbase) would be a digital asset, the asset itself (i.e. Bitcoin, Ethereum, etc) would be included as part of the estate and therefore subject to a different set of laws.

Protecting your assets and digital legacy is important, so there's no better time to tighten up the notch on your account security and protect yourself from data breaches caused by weak or reused passwords. **IPassword** offers a solution to this problem. With **IPassword**, all you need to remember is one master password. With this master password, you can access your password manager, which safely stores all your online accounts and passwords.

So why is understanding the scope of your digital assets so important?

Prioritizing creating your Digital Estate Plan (AKA a Will for your digital assets) will relieve your family members and loved ones from the added stress that arises after a death. When your family can rely on a written plan that outlines the passwords for your digital assets as well as how those assets should be managed, they won't have to worry about navigating a more extensive probate court process.

By creating a Digital Estate Plan, you are protecting your online assets from risks like identity theft, hacking, and fraud. You are also giving your family greater peace of mind (as well as access to important information like financial documents and insurance paperwork.)

Creating Your Digital Estate Plan in 4 Steps

Because technology has become such a huge part of our everyday lives, it can feel like second nature to store important information about ourselves and our loved ones online. Computers save our passwords instantly, cell phones keep track of our photos, tablets house our downloaded movies and music, and so much more. In addition, password requirements for many accounts are becoming stricter (we've all seen statements like "passwords must be 8 characters, include a capital letter, symbol, number, etc.) which makes it easy to forget where important information is stored.

Enter: a Digital Estate Plan.

Follow these four steps to ensure your digital assets are kept safe and distributed accordingly.

- 1. Take inventory of your digital assets.**
- 2. Decide where you want your digital assets to go.**
- 3. Appoint a digital executor.**
- 4. Secure your digital Estate Plan and make sure it's legally binding.**

Take Inventory

The first step in creating your Digital Estate Plan is to take inventory of all your digital assets. Because so much of our lives are stored online, it's important to be thorough in your checklist and think about everything from social media accounts to online banking information.

Not sure where to start? Use our bulleted list above as a guideline!

Once you've made a list of every online account in your name, write down the username and password associated with each account. It's also smart to take note of your answers to commonly asked security questions in case those answers need to be referenced by family members after you've passed.

Appoint an Executor

Appointing an executor for your digital assets is the next step in creating your Digital Estate Plan. Your digital executor is the person you entrust to carry out your wishes for your digital assets.

This person will have access to all your online accounts and be in charge of handling how they are distributed or destroyed. This person can be anyone you choose, but it's often helpful to appoint an attorney or friend to remove any undue stress on your grieving family.

While a digital executor is not necessarily a legally binding or enforceable designation, it's still smart to make the specific classification in your Will.

Make it Legal and Secure

The last step in legitimizing your Digital Estate Plan is to secure your information and turn it into a legally binding document. Because certain states don't acknowledge a Digital Estate Plan, formalize it by making note in your Will or adding it as a codicil to Will.

It's important that your Digital Estate Plan is separate from your Will for two reasons. One, because after you die, your Will becomes public information, and you won't want strangers having access to significant usernames and passwords. Secondly, you can update your Digital Estate Plan on an annual basis as you create and delete online accounts without having to update your Last Will or add additional codicils. Your appointed digital executor should know where you store your Digital Estate Plan so that he or she can access it when the time comes.

The best way to ensure your Digital Estate Plan is safe is by keeping it with your attorney, storing your information in a password-saving online database (like LastPass) or locking it away in a file cabinet. This way, when the time comes, the people who need to access your information can do so with ease.

Cataloging your digital assets today will get you one step closer to having a comprehensive Estate Plan. And with a comprehensive Estate Plan in place, your family and loved ones can avoid dealing with the ordeal of having to comb through years of online account information.

(Original article is [here](#))

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