



## Planning for the digital estate

The first step in estate planning is compiling an inventory of all current assets. Financial records, life insurance policies, real estate interests, bank accounts, brokerage accounts, retirement accounts, collectibles . . . the list is extensive and can be exhausting. In the digital age, this first step needs to include more than paper.

More and more people are managing some portion of their financial life on personal computers and online. Some have online business interests. Many more will have digital files related to their finances or careers stored on their computers. In rare cases, such files can prove incredibly valuable—witness the unpublished novel discovered by Michael Crichton's heirs.

The key to unlocking the value of digital assets is access. An estate plan today should include a digital inventory and the means for accessing all such assets.

### The digital audit

Here are a few of the basic issues that can come up when estate planning for digital assets.

- *Computer access codes.* Power-on passwords and user account passwords may be required. Advanced users may have encrypted files or storage devices, such as external hard drives. A list of passwords may be useful but may need to be updated periodically.

- *Financial information and accounts.* Some people use programs such as Quicken or Microsoft Money to manage their finances. Others rely upon online banking or brokerage services, which usually will have another layer of password protection. Credit card issuers also may offer online access to account data. Finally, those who do their own taxes with the help of their computers, using programs such as TurboTax or Tax Cut, may have stored digital copies of old tax returns.

- *Email.* An email account is a convenient way to contact a network of friends. Once again, the family will need to know the password to access the account. Some Internet service providers will give the password to appropriate family members with a simple phone call, but Yahoo!, for example, insists on a court order.

- *Social networks.* Neither MySpace nor Facebook will provide a member's password to family members when a member dies. They instead give the family the option of closing the page or leaving it up, as is, as a memorial to the member, where friends and family can still leave messages.

### Business issues

For people who have been conducting online businesses, there are more areas of concern.

- *Domain names.* Online businesses have domain names that will need to be protected, the rights renewed regularly. A few domain names develop significant independent value.

- *Online sales accounts.* If goods or services are being offered on eBay, Craigslist or other Internet service providers, some provision should be made to follow up on any pending sales.

- *Web pages and blogs.* Most personal Web pages and blogs are of interest only to family members, but there are some that can generate ad revenue. Whether the account can be transferred at death depends upon the policies of the hosting company. Once again, passwords and user names will be needed for access.

- *Avatars from virtual worlds.* Online virtual worlds, such as World of Warcraft and Second Life, have evolved to the point that they have real-world repercussions. For example, a World of Warcraft character that had become powerful through extensive experience was sold for about \$9,500 in 2007. Similar “real-world” transactions have been reported for Second Life. At a minimum, if one has built up a stack of a game’s virtual currency, it would be a shame to let it go to waste.

Do you recognize yourself here? Do your loved ones know how to access *your* accounts in case of emergency? If not, this might be a good time to make that information available—and share it with your estate planning professional as well.

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