



Estate Planning in the Digital Age

Constant Change Necessitates New Tools and Yearly Reviews

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Richard S. Bernstein

Estate plans are no longer complete without the inclusion of digital documents and passwords as part of asset protection and transfer strategy. The legal and fiduciary guidelines are becoming more stringent and recognizing control, transfer, and disposition requirements similarly to tangible assets. **What is a digital asset?** Simply put, a digital asset is any digital file stored on your computer, electronic device, cellular phone or in the "cloud." Less clear than the procedural requirements for digital assets are the process mechanisms for the eventful execution of these intangible elements of an estate's plan. Some examples of digital assets may include: electronic documents (i.e. **Life Insurance, Long Term Care and Disability Policy, Will, Annuities, Stocks, Bonds and Investments**), passwords, family memories & records, e-mail accounts, domain names, digital currencies (i.e. PayPal balances), backup disks and airline miles.

So, how do we **manage the estate settlement process** of these assets?

Good legal and fiduciary counsel will invariably bring these assets to light, and include them in accounting for an estate's plan especially if they are of significant monetary value. **But, what are the mechanisms that will meet the plan's demands and fulfill your ultimate desires and intents?**

1. **Security** – From end to end, the storage, transfer, and disposition process should be secure, private, and safe from all elements of cyber risk.
2. **Access** – Authority is required to gain access privileges and credentials for the decedent's digital assets and passwords.
3. **Instructions** – **If anything is a constant today, it is change.** Passwords, new online accounts, additional documents, and media – all are in constant flux. **A mechanism is required to accommodate the changes.**

What is the Answer? **Digital Vaults**

Think of a **digital vault as the safe-deposit-box for the Digital Age.** It's where you want to put the things that really matter and don't belong on cloud-based storage facilities such as DropBox and Google Drive.

Digital vaults operate similarly to the cloud-based providers in that they are easily accessible from any smartphone or computer device. You can send, receive, and share access directly from the vault's user-interface, but everything is on real servers built for **privacy and security.** All documents, passwords, and information are **encrypted automatically.**

Digital vaults allow the naming of beneficiaries for each document and password it stores. **These designations are easily added or adjusted** with a few keystrokes or clicks of a mouse. With the presentation of a death certificate, the documents, passwords and other digital assets are distributed electronically and directly to the parties you have designated in the vault – **no probate or settlement process** is required.

For the requirements of a contemporary estate plan and the disposition of digital assets and passwords, digital vaults are a valuable tool for your family today, and generations to come. Furthermore, **digital assets with significant monetary value have the potential to trigger federal estate tax issues,** in which case you should speak to your estate planning professionals about a the **use of life insurance** as a planning technique.

Call us for a confidential consultation with our expert advisors who can guide you through this complex area of estate planning 561.689.1000.



Brad Deflin

Brad Deflin is the founder of Total Digital Security, a leader in the emerging Cyber-Security as a Service industry. Total Digital Security manages and mitigates all elements of cyber-risk for families, professionals, and small to mid-sized businesses, including PCI and HIPPA regulated environments.

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