



Digital Assets are increasingly a part of our daily lives and, now, a part of a complete estate plan. Many account sponsors have their own rules about how your agent might access these accounts on your behalf if you are unable. Have you fully considered if your estate plan adequately deals with your digital accounts and assets? Test your knowledge by taking this short quiz:

1. What is a digital asset?

- a) An electronic record in which an individual has a right or interest
- b) Online data with no personal or monetary value

2. Digital assets include digital property with both monetary and non-monetary value.

- a) True
- b) False

3. Which of the following are considered digital assets?

- a) Personal email, communication, social media, and other online accounts
- b) Electronic files, photos, videos, applications, and information stored on physical devices
- c) Money-management, financial accounts, and digital assets related to a business
- d) All of the above

4. Which of the following is NOT a reason to include digital assets in an estate plan?

- a) To replace the traditional, but outdated, manila envelope, file folder, binder, or safe deposit box containing the information needed to administer a decedent's estate
- b) To preserve the inherent personal or emotional value of assets such as family photos or videos, email accounts, and social media postings
- c) To compromise the security of a digital estate by sharing personal data

5. What happens if a user does not provide direction for the disposition of a digital asset?

- a) The online assets will be deemed inaccessible
- b) The digital asset will become public domain
- c) The provider's terms of service will apply
- d) The digital asset will be deleted or destroyed

6. Including Digital Asset Estate Plan language in my Will means I don't have to have it in my Durable Power of Attorney?

- a) True
- b) False

How did you do? Regardless of how you answered, if you haven't had your digital estate plan established or updated, now is the time.

Steps to Take

I. First determine if your state has adopted a law empowering your agent to act on your behalf over a digital account. Many states have, including AL, AR, FL, MS, and TN. One of the last to adopt the law was Kentucky, whose law became effective this year (2020), reminding one of the Mark Twain quote, "When

the world ends, I want to be in Kentucky, because everything happens there 20 years later.”¹

II. Make a list of your digital assets, including everything from hardware to social media accounts to online banking accounts to home utilities that you manage online. Any information or data that is stored electronically, whether online, in the cloud, or on a physical device. In addition to email and social media accounts, most people also own a trove of digital assets, which can include:

- Automatic Bill Payments
- Subscriptions
- Online Storage Accounts
- Bitcoin or other cryptocurrencies
- Domain names for websites
- Digital photos and videos
- Digital rights to literary, musical composition, motion picture, or theatrical works
- Digital accounts in an online betting account
- Blog content
- Online video channels where the content is monetized and producing an advertising revenue stream for its owner
- Online gaming avatars that offer online goods or services that may be worth real-world money

III. Sharing your logins and passwords is essential to the continuity and responsible management of your digital estate. If you use a password manager program, you can simply share your access information to that account. If not, it's important that you record the login and password information for key accounts. There are three main ways you can securely store this kind of sensitive information: with an attorney; with an online storage service; or, go old school, in a locked file

cabinet or safe. For any hardware, phones, cameras, laptops, etc. you'll want to record where those items are located, as well as any passwords that are required to access those devices.

IV. Decide what you want done with them. While you may want some assets to be archived and saved, you may want others to be deleted or erased, while others should be transferred to family members, friends, or business colleagues.

V. Meet with an attorney to have Digital Account plan implemented. It should include naming a Digital Fiduciary in your estate plan document be it a Will or Revocable Trust. Make sure to empower a Digital Fiduciary to act on your behalf in your Power of Attorney in the event of your absence or disability.

For more information about how we can help, please contact your advisor.

Quiz Answers: 1) A; 2) A; 3) D; 4) C; 5) C; 6) B

Sources:

1. <https://www.everplans.com/articles/state-by-state-digital-estate-planning-laws/>;
2. <https://www.worthingtonlawfirm.com/kentucky-enters-the-21st-century-with-a-digital-assets-law/>

