

Protecting Digital Property

Creative Estate Planning Ideas & Recent Developments

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Background

“Wish Carol a Happy Birthday” Source: Facebook

Is social media the only example of a person’s electronic footprint?

What about email, mailing lists? government files? credit reports?

What about automatic financial deposits? mortgage payments? taxes?

How much wealth is represented by the digital property records?

Does it matter? Who cares? What’s the big deal? So what.

Digital Property – Digital Assets

- An electronic record in which an individual has a right or interest. The term does not include an underlying asset or liability unless the asset or liability is itself an electronic record.
- Revised Uniform Fiduciary Access to Digital Assets Act ("RUFADAA")
- Documents, manuscripts, photographs, images, audio, video content.
- Personal computers, laptops, MP3 players, tablets, flash drives, smartphones, cloud storage units and more.
- Assets that *‘currently exist or that may exist in the future for the collection and storage of digital data.’*

Digital Property is Everywhere

Most people under 65 have more than 160 different digital accounts.

Southwest
Rapid Rewards



PACIFIC LIFE
& ANNUITY COMPANY



NETFLIX



ebay



Life Alert[®] HELP

amazon



FOUR SEASONS
Hotels and Resorts



Digital Assets Do Have Value

Subscription	Type	Value / Unit	Earned	Dollar Value
Southwest Rapid Rewards	Miles	1.6 to 2.0 cents per mile	50,000	\$1,000
Southwest Rapid Rewards	Miles	1.6 to 2.0 cents per mile	500,000	\$10,000
American Airlines AAdvantage	Points	1.7 cents per point	58,000	\$1,000
United Airlines	Miles	1.2 to 5.0 cents per mile	4,000	\$200
Hilton Honors	Points	5 cents per point	40,000	\$2,000
Starwood Preferred Guest	Points	2.5 cents per point	50,000	\$1,250
Marriott Rewards & Bonvoy	Points	0.4 – 1.3 cents per point	25,000	\$150

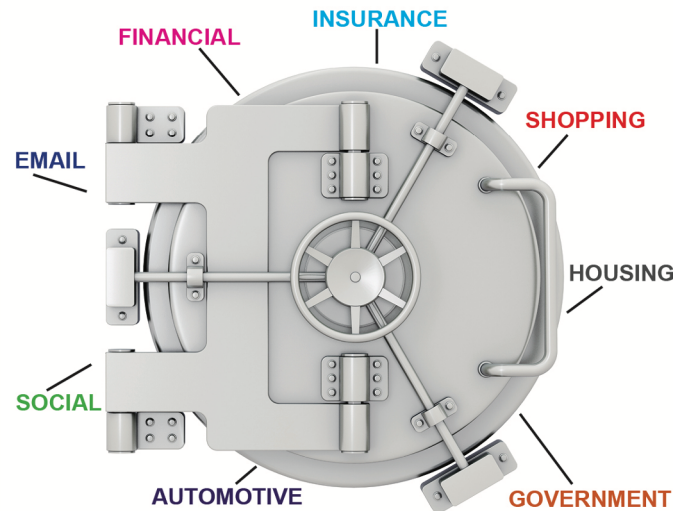


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Digital Property is Elusive

- Usernames and passwords
- Paperless financial accounts
- Bill pay and housing costs
- Smartphone PIN and messages
- Auto/house/life insurance
- Apps uploaded to your cell
- Social media, search results
- Electronic tax returns



Who will lock access to accounts upon death or disability?

Wealth is in jeopardy if professional teams do not know where asset data and documents reside. Will you spend over 120 hours securing trust and estate accounts?

Wealth Transfer Risks

- ▶ One-third of a million estates (327,000 in 2017) experience identity theft each year.
- ▶ \$58 billion in assets (annuities, pension plans, bank accounts, trust investments ... are abandoned each year.
- ▶ Insurance agents, trust & estate attorneys and financial advisors should have the full picture.
- ▶ Digital asset record keeping means assembling data and documents, locating hidden assets, organizing current, correct and complete information.
- ▶ Individuals and their professional teams benefit with complete and shared access to digital asset inventory.

Everyone wins when a digital asset inventory is complete

- **Attorneys incorporate digital and tangible fiduciary roles.**
- **Financial planners consider virtual businesses, international accounts and cryptocurrency.**
- **Insurance products are properly balanced for digital assets.**
- **Clients are aware of the value of their contact lists, social media, patents, web domains and other digital assets.**

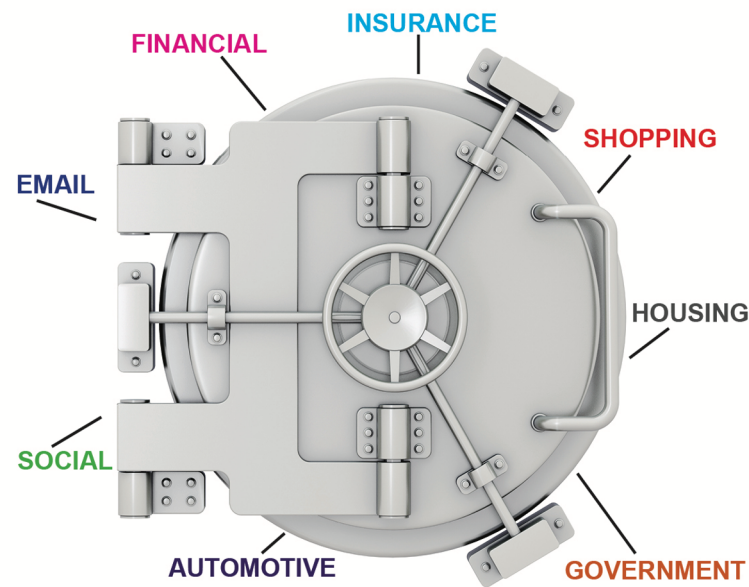




Next Steps For Protecting Digital Assets in the Estate

Build a Complete Digital Inventory

Emails, Contacts, Announcements
Usernames and Passwords
Bill Pay and ACH Transactions
Paperless Financial Accounts
Housing Costs
Shared Financial Documents
Insurance Policies
Credit Monitoring
Apps, Services, Security
Businesses & Partnerships
Photos, Albums, Manuscripts
Musical Instrument Collections



Executors typically rely on three primary 'systems' for gathering critical asset and liability information post-death.



Review Inventory with Professional Teams

- ▶ Family and professional contacts
- ▶ Estate planning documents (wills, trusts)
- ▶ Instructions for smartphone access
- ▶ Identity theft protection subscriptions
- ▶ Wealth protection, wealth transfer plans
- ▶ Complete, correct and current access codes
- ▶ Data and documents in both digital or tangible formats



*How will an executor gain access
upon death or disability?*

Convert Inventory to Digital



BEFORE...



...AFTER

When the time comes...

Use Digital Inventory to Secure Estate

(Trust and Estate Administration Support After Death or Disability)

- ❑ Financial - banks, brokerage, investment, retirement and trust accounts
- ❑ Insurance - life, property, auto, pre-need, long-term care / disability
- ❑ Loan documents, private investments, real estate, promissory notes
- ❑ Patents, trademarks, web domains
- ❑ Retirement, annuities, pensions
- ❑ Scheduled deposits and payments
- ❑ Social media and search results...and more



It should not be this difficult.

Collaborate & Secure accounts with technology.

Planning
may help,
but
technology
always
changes
faster than
the law.



- ❑ **Fiduciary access** with technology supports digital fiduciary responsibilities.
- ❑ **Estate plan and documents** must include language that specifically authorizes fiduciary access to digital property.
- ❑ **Digital property planning** is included in every client conversation about legacy planning.
- ❑ **Remind clients of the need** for specificity and detailed instructions during their annual wealth management review.
- ❑ **One service gets it done.** LEGACY-CONCIERGE.COM

Include Digital Property Protection Planning in Every Conversation

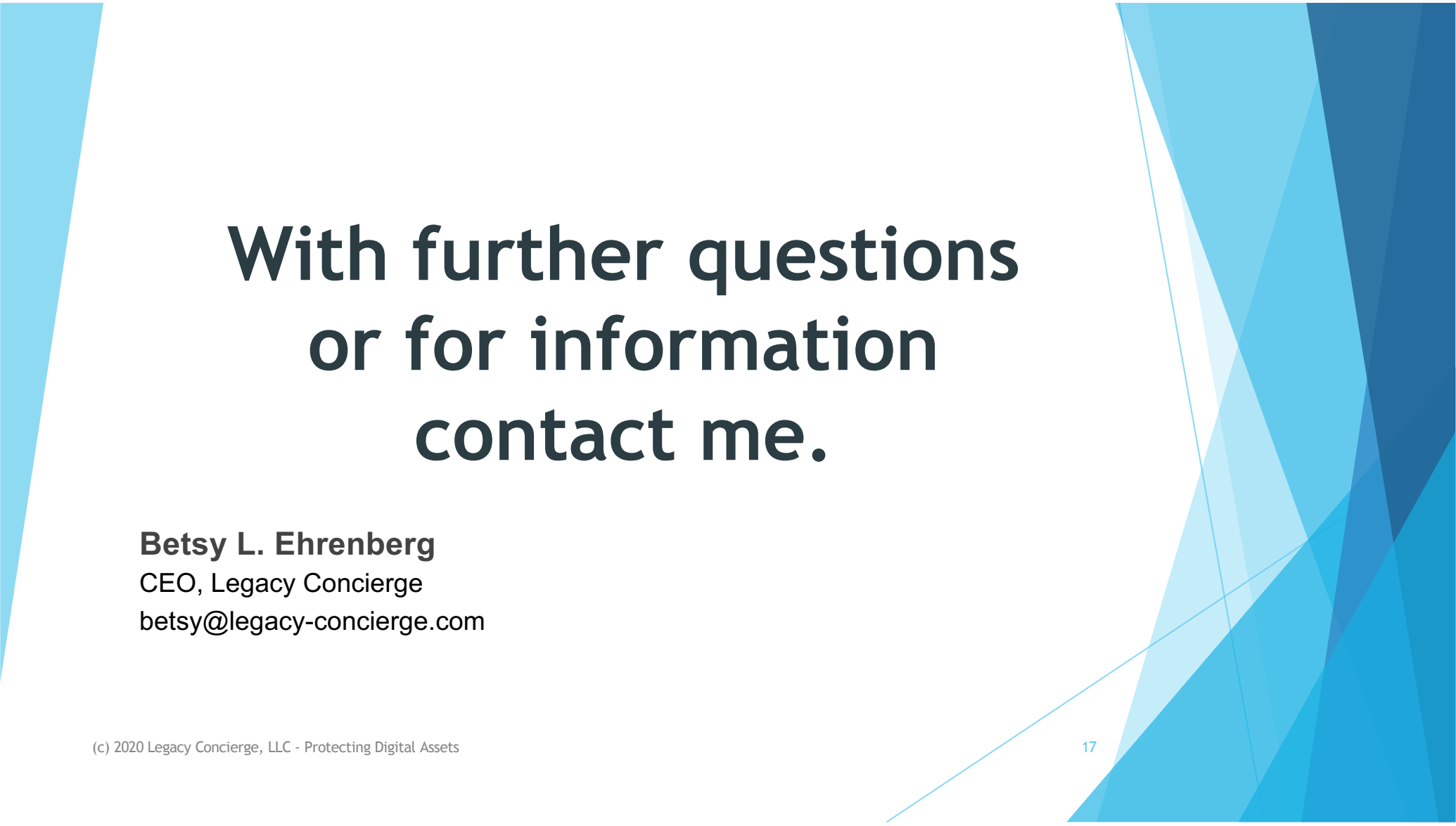
Identify your digital property today!

Thank you.



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With further questions or for information contact me.

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