

KEEPING A RECORD OF ONLINE ACCOUNTS AND PASSWORDS  
CAN HELP YOUR ESTATE EXECUTOR

Today, more and more people are relying exclusively on the Internet to manage their assets and to pay their monthly bills. This can include assets such as checking accounts, savings accounts, individual retirement accounts (IRAs), mutual funds, stocks, bonds, and life insurance policies. Additionally, many people are opting out of receiving paper statements or bills from utility companies, credit card companies, mortgage lenders, internet providers, newspaper and magazine subscriptions and insurance (auto and homeowner) carriers.

If you are one of these people, you no doubt enjoy ease of use the Internet provides. Having all of this information available 24 hours a day, seven days-a week, via the Internet is a tremendous convenience to you as the account holder. You do not have to worry about paper bank statements and balancing your check book. You can simply check your account balance online. You do not have to worry about late fees on your car or homeowner's insurance, because you have that account charge the monthly bill to your credit card. In turn, the outstanding balance on that credit card is automatically debited from your checking account. These payment arrangements will continue until you either (1) cancel the service or (2) close the account to which the service is being billed.

And most likely, after years of warnings from computer security experts, you do not write down your passwords to these accounts, and you are careful to select passwords that are difficult for others to guess. You probably do not have a list of all of your online accounts either; at best, you may have the websites bookmarked as "Favorites" on your computer. You may have taken the additional step of setting up a password in order to prevent or limit anyone other than you from having access to your entire computer.

Imagine, however, how all of this Internet convenience and security will affect your family if upon your death. One of the jobs of your executor will be to determine where all of your assets are located. Online accounts make it extremely difficult for your executor to track down and collect your assets for payment to your creditors and, ultimately, for distribution to your beneficiaries. Without a list of all of your online accounts, your executor may not be able to discover that you have certain bank accounts or other investments. This may cause your beneficiaries to lose out on those assets.

Additionally, your executor will want to examine your various bills to determine which accounts to close (and therefore reduce unnecessary continued expenses for these services) such as cell phone and Internet services and newspaper delivery and which ones to continue to protect your assets, such as homeowner's insurance. If you have set up automatic payment of bills, reviewing your bank and credit card statements may be the only way for your executor to discover these expenses. Without access to your passwords, you can realize how lack of access to your online accounts can quickly become a nightmare for your executor.

So what can you do now to help your family members in the future? You can make a list of your online accounts, including your login name and password, and keep it in a safe place. This could be where you keep your will and other important papers or with a trusted family member. For more information regarding this and other estate planning and estate administration issues, please do not hesitate to contact me to schedule a consultation at 1-877-LAW-2555.

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