

If tragedy strikes, are you financially prepared?

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The time for financial preparedness is now

If you were to lose your husband tomorrow, would you know how many credit cards he has in his wallet, and the telephone numbers to close the accounts? If your wife were to die next week, would you know where and how to log on and pay all of your bills? Could you do something as simple as access your loved one's email or Facebook account to notify friends of the death?

None of us likes to think about the untimely death of someone we love, especially before we're "old enough" to start thinking about dying. But it's important to think about the necessary financial actions to take in the tragic event that something happens to your spouse or partner.

It could happen to any of us

Recent articles in the New York Times and Wall Street Journal illustrate the myriad of harsh realities a surviving spouse can encounter in the absence of careful planning.

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One woman lost her husband to a heart attack at age 57. She found herself locked out of various online

banking and bill paying accounts.

One man, whose wife paid all the bills prior to losing her battle to cancer, found out the hard way that removing his wife's name from their bank account effectively closed the account and wiped out any bill-pay settings she had put into place.

Another woman, who lost her husband in a tragic bicycle accident, was faced with a sudden loss of income, lack of knowledge of the details and numbers of accounts her husband managed himself and no properly executed will.

Countless other survivors can testify to the difficulties and costs involved in transferring ownership of real estate, stocks, bonds and other assets – difficulties and costs that could have been avoided by taking simple steps before tragedy struck. And keep in mind that survivors face these challenges and costs while in the grip of overwhelming grief over the loss of their partners. This all comes at the worst possible time for life to burden you with such a heavy load.

What you can do now

We all hope tragedy never strikes too near. But we will all die, and few of us have the luxury of knowing when we'll go.

If you're like most people, you don't have a will. Approximately 57 percent of American adults don't have one, according to a 2011 survey from market research group Harris Interactive. And if you're in the dark about what bills get paid and when, you're not alone. You don't have to suddenly become the household bookkeeper if that's not a role that you already fill. But you and your partner are well advised to set aside some time, in small chunks if necessary, to gather certain paperwork and information.

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Add your spouse's name to assets, including real estate, stocks, bonds and bank accounts

Across the board, financial advisers and surviving spouses advise that you put both names on all assets. The more you keep things separate in life, the more it will cost you after death – in probate costs or inheritance taxes, for example, as well as in time and effort.

Real estate that one person owns can easily be put into both names by filing a quitclaim deed (specifying joint tenancy with right of survivorship). This quick task is usually handled at the county real estate records office. You do not have to add your spouse's name to the mortgage in order to add it to the deed.

List all online accounts and their passwords

Passwords are tricky. Security experts advise against using the same password on all sites, but multiple passwords of your own are hard enough to keep track of without adding another person's passwords to the mix. Experts also advise against writing passwords down. But you need to devise a system for sharing this information, and you should update it at least twice a year. Find a safe place to store your list. Make a

handwritten list and keep the paper in a safe. Or use an online file storage site that encrypts data. Try DropBox with Boxcryptor or SecureSafe (both options are free).

Take care of paperwork

If you have any assets, you need to have a will. You should also write a living will, expressing your desires with regard to life-sustaining measures in the event you are unable to communicate with doctors.

A Power of Attorney is a simple but critical document that designates your representative under a variety of conditions. It can be as broad or limited as you desire. Use one to give one person access to your bank accounts, and another to designate a guardian for your children (this can also be stipulated in your will).

[More from Manilla.com: [5 Financial Ideas for the Year Ahead](#)]

Consider life insurance

Most of us dutifully make mortgage and car loan payments each month. Many of us continue to pay off student loan debt for ourselves or our children. Still others carry revolving credit card debt. Think about how much money it would take to pay everything off at once, and price out life insurance for at least that amount plus six months' living expenses and extra money to cover costs related to the death (plot, casket, preparation for viewing, cremation, professional service fee, reception, etc.). In some cases, more coverage comes with lower premiums, due to policy popularity among purchasers.

Consider disability insurance

Long-term and short-term disability insurance can replace lost income when a family member survives an event or illness but cannot work (or cannot work as much).

Where to start

Plenty of information is out there to help you. In fact, one widow dedicated her hard-won experiences to creating a website that helps others avoid the financial nightmare she lived. Chanel Reynolds, the woman who lost her husband far too soon in a bicycle accident, created [GetYourShitTogether.org](#), a website designed to help you get things in order. You'll find sample documents, a checklist, and helpful links there.

You should consult an estate lawyer to help you craft and finalize your will, and a tax professional if you have significant assets. As Ms. Reynolds points out, if you can afford to take a family vacation this year, you can afford to get professional help on these simple but very important matters.

Now it's up to you to get it together.