

What Happens If You Die Without an Estate Plan?

- Some property passes automatically to a joint owner or to a designated beneficiary (e.g., IRAs, retirement plans, life insurance, trusts)
- All other property generally passes according to state intestacy laws



All of us make plans that are based on the possibility that a specific event may occur. Many of us carry more than the minimum required amount of auto insurance because we recognize the possibility that financial loss could result from an accident. Since it is 100 percent certain that each of us is going to die at some point, you might think that everyone would have an estate plan. The fact is, though, that's just not the case.

So, what happens if you die with no estate plan? If you own property jointly, that property may pass automatically to your joint owner upon your death. If you have an IRA or retirement plan, or you own life insurance, funds may pass automatically to your designated beneficiaries when you die. Similarly, property held in a trust may pass automatically to a designated beneficiary.

In general, however, property will pass according to state intestacy laws. These laws govern the disposition of property when someone dies without a will, or with a will that doesn't account for a portion of his or her estate.