

How a Jump in Pandemic-Inspired Writing of Wills May Help Insurers

Carriers that provide online services for making out wills could be well-positioned after interest in estate planning rose during the pandemic.

By Aaron Smith | March 11, 2022

The Covid pandemic prompted many Americans to make out wills for the first time, and that may have implications for the life insurance industry.

That's because some insurance companies have added services to create wills to their offerings, and wills are just one part of end-of-life planning that can include discussions about how to provide for family members left behind in the event of an untimely death.

A Forbes Advisory survey found that 64% of people with wills said they made them because of the Covid-19 pandemic that has killed almost one million people.

"I can tell you from my own experience that there has been an increase in people wanting to execute wills," **Laurence Keiser**, chairman of the trusts and estates section of the **New York State Bar Association** in Albany, said in an interview.

The pandemic forced many people to think about their mortality and their legacy, according to **Sam Donaldson**, a professor at the **Georgia State University College of Law** in Atlanta.

"Estate planners tell me they are busier than ever," he said in an email.

Some life insurers have added online wills to their product portfolios as a way to bring new customers into the fold, or to expand product offerings to their existing customers.

In January, insurance company **Ethos** bought **Tomorrow**, a provider of life insurance, wills and trusts over the internet. The acquisition allows Ethos, based in San Francisco, to offer services for middle-market consumers who don't have access to high-priced attorneys.

"The pandemic caused us to see our own mortality with greater clarity than perhaps ever in our lives," said **Dave Hanley**, founder of Tomorrow and vice president of new product initiatives at Ethos, in an email.

Also in January, **Western & Southern Financial Group** of Cincinnati said that it acquired the startup **Fabric Technologies** to help the carrier expand into online distribution. Since 2017, Fabric has been offering a service called Fabric Wills that provides free wills online. The company says the service takes about five minutes.

A Big Pandemic Effect

Adam Erlebacher, co-founder and CEO of Fabric Technologies in Brooklyn, N.Y., said the number of customers filling out wills through Fabric Wills tripled from February 2020 to March 2020, and tripled again during the month of April 2020.

“We continue to see sustained growth to date, although not reaching the sharp spike we saw in March and April 2020,” he said in an email.

Haven Life, a life insurance startup backed by **MassMutual**, announced a new service in 2021 that’s part of a living benefit rider that allows people to plan what happens to their TikTok, Twitter or other accounts after they die. Haven Life had surveyed its policyholders and found that 68% were interested in services that help with end-of-life planning.

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MetLife saw promise in estate planning as a group benefit that could be featured alongside other, more traditional offerings.

In 2019, the insurer bought **Bequest** which provides an online service called Willing, enabling customers to set up an estate plan in 15 minutes, according to the company.

Separate from Bequest, MetLife also has a network of 18,000 attorneys as part of a group benefit for employers who offer estate planning and other legal services. But 40% of the wills that it provides are done so online, without the use of lawyers.

Loi Stoddard-Graham, vice president of MetLife Legal Plans, said the combined use of lawyers and also online wills for estate planning jumped 15% from 2019 to 2020.

She said MetLife cross-sells the legal plans along with other employee benefits and added that completing an online will doesn’t preclude anyone from seeking out an attorney. “They can do both,” she said, noting that some clients have complex estate planning.

Dangers of Doing It Yourself

Online wills are quick and relatively cheap. For example, **Trust & Will**, a company that provides wills, trusts and guardians, charges \$159 for the service of taking out a will online. That compares with hiring a lawyer and often paying \$1,000 or more.

But using will-making software isn’t always advisable, some lawyers say.

“I’m not a big believer in a do-it-yourself computer program,” **Avi Kestenbaum**, a trust and estate lawyer and professor at **Hofstra Law** in New York, said in an interview. “I’ve seen people do it wrong, where it hasn’t been signed or notarized and it’s invalid.”

Kestenbaum said laws and estate taxes are complex and there are many things that can go wrong. He said that many people don’t know how to include possessions like jewelry and cars in the will, or how to build in protections if their children inherit wealth as a minor.

Martin Shenkman, a trust and wills lawyer, said a client with a net worth of \$12 million once filled out an online will and accidentally triggered a tax that he didn't need to pay.

"I remember very distinctly that what he did was worse than if he had no will," said Shenkman, who is based in Fort Lee, N.J. "He's someone who shouldn't have been doing it. He had millions of dollars. He should have hired a lawyer."

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