

Frequently Asked Questions: Estate Planning After a Serious Health Diagnosis

A difficult health diagnosis can be emotionally and logistically overwhelming. While your health should remain your top priority, taking time to ensure that your legal and financial affairs are organized can reduce stress, prevent avoidable complications, and give your loved ones clarity and peace of mind so you can stay focused on your health and the moments that matter most.

Question 1: Is my existing estate plan still appropriate, or do I need a new one?

Your existing estate plan likely requires an urgent review. Only 24 percent of American adults have a will,¹ so if you have no estate plan in place, you need to act immediately. Even if you do have an estate plan, you should thoroughly review it because life changes and legal updates often render old documents problematic or even ineffective in some cases.

Review the following with your estate planning attorney:

- **Your representatives.** Confirm that the people you named to step into key roles—such as your executor or personal representative in your will, trustee in your trust, and agent or attorney-in-fact in your power of attorney—are still alive, capable, and the right people for the job. Also, confirm that you have designated alternates for these roles.
- **Your beneficiaries.** Review your beneficiary designations to confirm that they still match your wishes. If a beneficiary has married, divorced, or passed away, or your relationship with a beneficiary has changed, you may need to update your will, trust, or beneficiary designations on accounts such as life insurance and retirement plans to ensure that your assets pass to the right people without confusion or delay.
- **Your personal property.** If you live in a state that allows a personal property memorandum to be part of your estate plan, you may be able to revise the distribution of specific personal items, such as jewelry or artwork, by updating that list without needing to formally amend your estate plan. If you do not live in a state that allows this document, you may need to revise the plan itself to include your wishes for what should happen with sentimental or important personal property.
- **Your records.** Your records matter, especially now. If you keep an inventory of account information, passwords, and essential documents, update it immediately so it is accurate, complete, and easy for a trusted person to access if needed.

¹ Victoria Lurie, *2025 Wills and Estate Planning Study*, Caring (Sept. 17, 2025), <https://www.caring.com/resources/wills-survey>.

Question 2: Should I pass control of my finances to someone else so that I can focus on my health?

A serious medical diagnosis often brings frequent appointments, treatments, and decisions that drain time and energy. Trying to manage your health while also handling day-to-day financial responsibilities can create unnecessary stress at the very moment you need stability.

If you have a trust, your documents likely name a backup (*successor*) trustee who can step in if you are unable to manage your affairs. In many cases, you can voluntarily step aside temporarily and authorize your successor trustee to manage trust assets while you are still living, allowing bills to be paid and financial tasks to stay on track without requiring a court process.

If you do not have a trust or if financial responsibilities are simply becoming too burdensome, consider appointing an agent under a financial power of attorney, which can allow someone you trust to help manage finances and handle administrative tasks now (even if you are still capable) and in the event you become incapacitated, so you can focus your attention where it belongs: on your health.

Question 3: Do I need to review my bank accounts, life insurance policy, and investments?

Yes. It is critical to evaluate all of your *assets* (accounts and property) now to ensure nothing falls through the cracks and that they are properly aligned with your overall estate plan. With your estate planning attorney and, when appropriate, your tax professional, focus on two key areas:

1. First, if you have a trust, confirm that your assets—such as bank accounts, real estate, and investment accounts—are properly titled in the trust's name. If retitling is needed, your attorney or financial advisor can help you handle it promptly and properly. If you are not well enough to manage the process, your financial agent under a power of attorney may be able to assist.
2. Second, pay close attention to nonprobate assets such as life insurance, 401(k)s, and individual retirement accounts (IRAs), which transfer by beneficiary designation. That beneficiary designation generally overrides what your will or trust says, so you should ensure that every beneficiary designation form aligns with your plan. For example, if your will leaves everything to your spouse but an older IRA form still names an ex-spouse as beneficiary, that IRA will be paid to the person named on the form—potentially undermining your entire plan.

Question 4: Who will make medical decisions for me if I am unable to speak for myself?

While you focus on your health, it is important to ensure that your medical team knows who is authorized to receive information, speak with providers, and make decisions on your behalf, and that your wishes are clearly documented. Two critical legal documents typically address these issues:

1. **Healthcare power of attorney.** This document designates a trusted person (your *healthcare agent* or *attorney-in-fact*) to make all medical decisions for you if you become temporarily or permanently unable to communicate or make decisions on your own behalf. Without this document, the court will likely get involved to appoint someone to make these decisions, and decision-making could ultimately fall to someone you would not have chosen, who may make decisions you would not have wanted.
2. **Living will.** A *living will* states your specific wishes regarding life-sustaining treatments, such as whether you prefer artificial nutrition or respiration in terminal or irreversible conditions.

If you are facing a major health issue or anticipating a significant medical procedure, you should also have a Health Insurance Portability and Accountability Act (HIPAA) authorization form, which gives specific loved ones the right to access your medical records and speak to your doctors. Without this authorization, doctors may be prevented by privacy laws from sharing information about you with your loved ones.