



10 Documents You Shouldn't Live Without

The Motley Fool

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Odds are, there's a document or two that you know you should have, but you just haven't gotten around to yet. It might be your will or a living will. But did you know that there are actually lots of documents that you might want to consider adding to your file drawer? Below I've listed 10 that I think are must-have documents. See how many you have, and take action on the ones you haven't yet set up.

Living will and health-care proxy

These are two different forms, but they serve similar purposes. A living will expresses your preferences for treatments should you be unable to make such decisions on your own. If you'd rather not be kept alive by extraordinary means for more than a month, for example, you can make those wishes known. If you want your life prolonged by any means available for as long as possible, no matter what your condition, say so. A health-care proxy form gives someone else the power to make health-care decisions for you if you become incapacitated. Many hospitals provide these forms free of charge. Learn more in "[Why You Need a Living Will.](#)"

Will

Unless you want your state deciding what happens to your estate, it's important to have [a will](#). If your situation is fairly straightforward, you might be able to create one quickly and inexpensively via software such as Quicken's WillMaker Plus by **Intuit** (Nasdaq: INTU). However, it's often smarter to consult a professional about your situation to ensure that all of your wishes are addressed and that your will meets with your state's laws. A lawyer can easily prepare a will for you, often for just a few hundred dollars.

Durable power of attorney

With this form, you authorize someone you trust to make financial and legal decisions for you if you become incapacitated. This can be critical — even if you're just unconscious temporarily (say for a few weeks) because of a post-surgery complication. You may need someone to close on a home you're selling or deal with a credit card company. The paperwork involved is minimal, and the possible payoff for having this document in place is enormous.

Estate plan

It's not just the rich who need estate plans. Estate planning is a matter of figuring out how to structure and arrange your assets so that you pass on as much as possible to your heirs, on your own terms. The following articles will help you think through this topic, especially if you are considering enlisting a professional to formalize your plans: "[Planning Your Estate](#)," "[Don't Neglect Estate Planning](#)," and "[Don't Be Financial Prey](#)." [Our Estate Planning discussion board](#) is also a good resource.



Home or renter's insurance

You probably know that you need homeowner's insurance if you own your own home. But you may not realize that you can — and should — get insurance even if you rent. If your apartment is flooded, for example, your landlord isn't likely to reimburse you for damaged books and musical instruments. Also, even if you have insurance for your home, don't be complacent. Check up on it every year or two. Is the amount you're covered for still reasonable? If materials costs have soared, it may cost a lot more than you and your insurer originally expected to rebuild your home. If you've made major improvements to the home, you may want to increase the amount of your coverage.

Brokerage statements

I include brokerage statements in this list because I believe strongly that most Americans should be invested in the stock market at least to some degree. You needn't have all your net worth tied up in stocks, but compared to most other alternatives, stocks have proven to be a good way to build long-term wealth. Learn more in ["You Can Trade Online"](#) and ["Which Brokerage Is Best?"](#)

Credit report

These days, with many Americans using credit cards more than ever, it's critical to maintain good credit histories. Sometimes, though, credit reports contain errors — that's when it's within our power to get them fixed. If you fail to make sure your credit report is accurate, you may lose out on the best available interest rate on a mortgage or car loan, which can cost you thousands of dollars. Poor credit is even hurting those who apply for jobs. Learn more in ["Your Credit Report Is Likely Flawed,"](#) ["Credit Cards Sabotaging Mortgages,"](#) and ["Make Yourself Attractive to Lenders."](#) You'll find comparison lists of credit cards and their rates at the **Bankrate** (Nasdaq: RATE) website.

A financial manifesto for couples

If you're in a committed relationship, you need to talk turkey with your loved one. By turkey, of course, I mean money. Too many couples avoid having financial heart-to-hearts, and end up in financial and/or interpersonal trouble, if not ruin. Check out our ["Financial Manifesto for Couples"](#) and ["Do You Take This Woman's Debt?"](#)

Retirement plan

Too many people are closing their eyes, crossing their fingers, and hoping for the best regarding their retirement. But surely you realize that this isn't a great way to ensure a comfy retirement, right? Take heart: Most of us still have a fighting chance to build a happy retirement — if we plan and take action now. You can learn a lot on your own, in our [Retirement Center](#) and in [articles by Robert Brokamp](#).

A list of things you want to do in life

This last item may seem corny, but fail to pay attention to what you'd really like to do in life, and you may find yourself suddenly on your death bed, regretting not having done this or that. This list is a lot more fun to compile than a list of hymns for your funeral, so give it a whirl. Think about how you might like your



obituary to read. Think about accomplishments you'd like to check off. I asked fellow Fools on a discussion board to share some of the things on their lists, and I got [many interesting responses](#). One item on my list is seeing the Aurora Borealis (the northern lights). Other Fools offered: Tour the cockpit of a jet airliner, go on an African safari, fall in love, save someone's life, find God, appear on *The Tonight Show*, take a cooking class, go back to college, make a living as a musician, build a small barn, lose 30 pounds, kayak among icebergs, and much more.

I hope this list has at least started you thinking about preparing for the unexpected. You may not need all of the documents discussed here, but having a few of them handy is bound to help you sleep better at night.

Money matters keeping you up at night? We're offering an [exclusive teleseminar](#) with Motley Fool co-founders David and Tom Gardner. They'll tell you when to [buy and sell](#) stocks in this uncertain market.

This article originally ran on April 8, 2005. It has been updated.

Selena Maranjian owns shares of no company mentioned in this article. For more about Selena, view [her bio](#) and [her profile](#). Intuit is a Motley Fool Inside Value pick. The Motley Fool is [Fools writing for Fools](#).

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