Twitter Thread by Finshots



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What happens to your cryptocurrency when you die??

A thread...

Did you know it’s illegal to log into a dead person’s crypto account?

So if you're a crypto investor and you died today, who reaps your fortune?

No one, technically, unless you name a beneficiary in your will. And it's a big deal as ~3.7M bitcoins, $140B is unrecoverable (excluding the 10k+ other cryptocurrencies) since the investor either lost their password or died intestate.

And you can’t just “reset” the password. This is because, when the cryptocurrency network confirms passwords to allow transactions, it does not see or know the password itself!

This complex algorithm keeps the system decentralized. So a lost password is lost money.

But storing private keys on a USB or a piece of paper is risky because it could easily get stolen, or your trustee might simply walk away with your crypto.

And since there’s no oversight from a court or a bank, it's irreparable!

So to solve the issue of crypto asset management, there is a new & booming industry. They consist of services offering crypto investors safe transfer and storage of private keys & account information.

One such company- Casa, splits access across multiple keys stored on separate devices at different locations, in your possession. So to transfer BTCs or retrieve cash, you’ll need all the keys.

And Casa’s CEO said the platform’s diamond tier, which includes an inheritance plan, doubled in the first six months of 2021 alone. One reason for this could be people taking mortality a bit more seriously in the wake of the pandemic.

Further popular cryptocurrency exchanges, like Coinbase, have protocols to deal with deceased holders. A beneficiary must provide the platform with a death certificate, a will, and other documents, to be approved for a transfer of funds.

And now you know the story!