

3 times you need money advice from a human

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You can now manage most aspects of your money without ever consulting another human. You can budget, borrow, save, invest, buy insurance, prepare your tax return and create a will — among many other tasks — by using apps, websites and software.

But technology still has limitations, especially when you're facing a money situation that's complex or involves judgment calls. Consider consulting a human expert in the following situations:

1. Insurance

Insurers typically can't cancel a policy after 60 days unless you fail to pay premiums, commit fraud or make serious misrepresentations on your application, according to the Insurance Information Institute, a trade group. However, insurers can decide not to renew your policy when it expires.

With auto insurance, you often have many options after such a "nonrenewal." Even if you've had accidents or multiple claims, you typically can find coverage with companies that specialize in higher-risk drivers.

If a homeowners insurance company dumps you, however, you may have trouble finding coverage, says insurance consumer advocate Amy Bach. That's especially true if you were dropped because you made too many claims, or your area is considered high risk because of wildfires, extreme weather or crime, for example.

How would other companies know? Insurers share such information in databases, and application forms typically ask if you've been "nonrenewed" by another insurer, Bach says.

Bach's nonprofit organization, United Policyholders, recommends seeking out an independent agent or broker who has relationships with several insurance companies. The agent or broker should know which

insurers may be more receptive to your application and can put in a good word for you, Bach says. While most underwriting decisions are made by computers, there are still ways for human beings to override the algorithms.

"It will make a difference if (the agent or broker) can call an underwriter that they know and vouch for you as a good bet," Bach says.

If your area has been labeled high risk, ask your neighbors for referrals to agents or brokers who helped them find coverage. Otherwise, you can ask an accountant, attorney or financial planner if they have recommendations. Friends and family may be able to provide leads as well.

2. Taxes

Most IRS audits are conducted through the mail and are relatively routine. The IRS sends a letter requesting additional documentation to support a deduction or other tax break you've taken. If you mail back sufficient evidence, your case will be closed with no taxes owed. Otherwise, the IRS will mail you a bill.

However, if the IRS wants to meet with you, the stakes get much higher. In fiscal year 2020, the average amount of additional taxes recommended in face-to-face audits was nearly 10 times larger than the average for a correspondence audit: \$72,210 versus \$7,658, according to IRS statistics.

Even tax pros hire someone to represent them in face-to-face audits, says Leonard Wright, a San Diego certified public accountant and financial planner. Wright has plenty of experience: He was chief financial officer of a company that was audited, and his personal tax returns have been audited four times. In each case, he hired another CPA to represent him.

It's all too easy to say something you shouldn't when you're under scrutiny, Wright says. You could volunteer information that might not be helpful to your case, or get defensive or confrontational.

"You don't want it to become personal, and you don't want to ruffle the feathers of the auditor," Wright says.

If you used a tax preparer, you may assume that person can represent you in an audit, but that's not

always the case. Typically CPAs, attorneys and enrolled agents can represent clients in IRS audits, but other tax pros usually can't. Your tax preparer may be able to refer you to someone who can represent you, or you can get referrals from friends, family or financial advisers.

3. Estate plan

Will-making software and estate-planning sites can help you create essential legal documents if money is tight. Otherwise, you should probably consult an attorney, says Betsy Hannibal, senior legal editor for self-help legal site Nolo.

"Why not get personalized advice that's tailored to your situation, if you can?" Hannibal says.

Getting help is particularly important if you need or want to do something complicated with your estate like putting conditions on a bequest, providing for someone with special needs or creating a trust, she says. You'll also want an attorney's help if you have a lot of debt, because there may be ways to protect your assets from creditors. Finally, consult an attorney if you think someone might contest your will. A lawyer can put additional protections into place and serve as a professional witness that you knew what you were doing, Bach says.

"If someone doesn't think you were in your right mind, going through an attorney can help make sure that (a legal challenge) can't go forward," she says.