

# Your *Trust* Matters

May 2021 Newsletter



**MidWestOne**<sup>™</sup>  
TRUST SERVICES



**Sandra Morrow**  
Trust Administrative Officer  
Iowa City, IA  
319.248.5146

## **Powers of Attorney**

I hope everyone is healthy and safe as we head into summer. In prior issues of this newsletter, some of my colleagues have discussed the importance of establishing an estate plan and planning for the future. One part of that is putting in place appropriate Powers of Attorneys.

### **What are Powers of Attorney and Why Should I have them?**

If you are unexpectedly incapacitated, whether due to illness or something else, the world does not have a convenient pause button. For example, bills still need to get paid. However, because of privacy rights that are appropriately in place, companies are not able to share their customer information (including balances due on an account) with anyone but the customer or an authorized representative.

This is one example of where a Power of Attorney can be invaluable. A Power of Attorney is a written document in which one person appoints another, either an individual or certain institutions such as a bank that has trust powers like MidWestOne Bank, to act as an agent (“Agent”) on his or her behalf. It is a legal document and as such, one that should be prepared with the assistance of an attorney.

### **There are several types of Powers of Attorney. These include:**

- **General Power of Attorney**
  - Which gives broad authority
  - For example the Agent may be able to make legal or financial decisions on your behalf
- **Special Power of Attorney**
  - Which gives authority to only the specific things indicated in the document
  - For example the Agent may be given the authority only with regards to a specific account
- **Healthcare Power of Attorney**
  - Which gives someone authority to make healthcare related decisions on your behalf if you are unable to

Powers of Attorney can be versatile and invaluable tools in the appropriate circumstances, and can be good additions to a well-organized estate plan. It is very important to note however, that any authority granted under a Power of Attorney ends at death, and as such a Power of Attorney is a supplement to an estate plan and not a substitute for an estate plan. It is not a substitute for a Will.

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**800.247.4418**

**MidWestOne.bank**

**Email: [trustservices@midwestone.com](mailto:trustservices@midwestone.com)**

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In appropriate cases, Trust Department clients are able to designate MidWestOne Bank as their Agent under a General Power of Attorney. In those cases, we are able to independently deal with other companies or individuals on a client's behalf and (among other things, such as dealing with the insurance company should the summer rains decide to flood the basement) ensure bills keep getting paid.

MidWestOne Bank's Trust Department provides personalized whole life services that can be tailored to a client's needs throughout the stages of their lives. The extent of our role is dictated by a client's direction, and can be narrow, or broad.

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