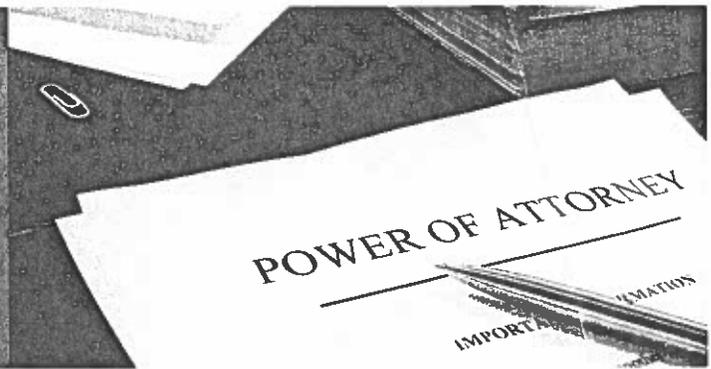


Why you should have a Power of Attorney

By Danielle White, Esq.



For many of us, the COVID-19 pandemic has sparked a renewed and urgent interest in estate planning, including the importance of the Power of Attorney document.

Ask yourself what would happen to you and your family if you became unexpectedly sick? A Durable Power of Attorney appoints a person that can act on your behalf and manage your financial affairs while you are unable to.

If you don't have a proper Durable Power of Attorney in place and become sick or incapacitated, your monthly bills may not get paid. In the event of your illness or disability, the person you appoint under the Power of Attorney can manage your financial and legal affairs in the same manner as you would.

In December 2020, a New York State law went into effect that changed the existing Power of Attorney law; consequently, as of June 13, 2021, New York State now has a new and improved Power of Attorney that is easier to sign, easier to understand and easier to use than the previous version.

This would be a good time to either sign a Power of Attorney for the first time or update your existing document. For those with an existing Power of Attorney, ask whether it still makes sense and reflects your current wishes.

Under the new Power of Attorney law, your elderly parent with mental capacity and a physical disability can now direct someone to sign the document on their behalf. If

you have a newly adult child heading off to college in the fall, you should be aware the college will not speak to you about the account without a Power of Attorney from your child.

Now, with the new and simpler Power of Attorney, your young adult should not be intimidated to sign the document, thereby allowing you to pay and manage the financial component of their education.

Any financial institution that unreasonably rejects a Power of Attorney can be sued and subjected to penalties along with attorney's fees. Perhaps you (as someone's Power of Attorney) attempted to obtain medical information about that person to make decisions about the validity of a medical bill only to be told that you were not entitled to that information under HIPAA privacy laws.

The new Power of Attorney law allows for you to obtain private medical information needed to make health care-related financial decisions.

If you have any questions about the information discussed in this article, please contact your Legal Service Plan's National Legal Office at **800-292-8063**. 

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