

58-658. Exemption of third persons from liability. (a) A third person, who is acting in good faith, without liability to the principal or the principal's successors in interest, may rely and act on any power of attorney executed by the principal. A third person, with respect to the subjects and purposes encompassed by or separately expressed in the power of attorney, may rely and act on the instructions of or otherwise contract and deal with the principal's attorney in fact or successor attorney in fact and, in the absence of actual knowledge, as defined in subsection (c), is not responsible for determining and has no duty to inquire as to any of the following:

- (1) The authenticity of a copy of a power of attorney furnished by the principal's attorney in fact or successor;
- (2) the validity of the designation of the attorney in fact or successor;
- (3) whether the attorney in fact or successor is qualified to act as an attorney in fact for the principal;
- (4) the propriety of any act of the attorney in fact or successor in the principal's behalf, including, but not limited to, whether or not an act taken or proposed to be taken by the attorney in fact, constitutes a breach of any duty or obligation owed to the principal, including, but not limited to, the obligation to the principal not to modify or alter the principal's estate plan or other provisions for distributions of assets at death, as provided in subsection (a) of K.S.A. 58-656, and amendments thereto;
- (5) whether any future event, condition or contingency making effective or terminating the authority conferred in a power of attorney has occurred;
- (6) whether the principal is disabled or has been adjudicated disabled;
- (7) whether the principal, the principal's legal representative or a court has given the attorney in fact any instructions or the content of any instructions, or whether the attorney in fact is following any instructions received;
- (8) whether the authority granted in a power of attorney has been modified by the principal, a legal representative of the principal or a court;
- (9) whether the authority of the attorney in fact has been terminated, except by an express provision in the power of attorney showing the date on which the power of attorney terminates;
- (10) whether the power of attorney, or any modification or termination thereof, has been recorded, except as to transactions affecting real estate;
- (11) whether the principal had legal capacity to execute the power of attorney at the time the power of attorney was executed;
- (12) whether, at the time the principal executed the power of attorney, the principal was subjected to duress, undue influence or fraud, or the power of attorney was for any other reason void or voidable, if the power of attorney appears to be regular on its face;
- (13) whether the principal is alive;
- (14) whether the principal and attorney in fact were married at or subsequent to the time the power of attorney was created and whether an action for annulment, separate maintenance or divorce has been filed by either party; or
- (15) the truth or validity of any facts or statements made in an affidavit of the attorney in fact or successor with regard to the ability or capacity of the principal, the authority of the attorney in fact or successor under the power of attorney, the happening of any event or events vesting authority in any successor or contingent attorney in fact, the identity or authority of a person designated in the power of attorney to appoint a substitute or successor attorney in fact or that the principal is alive.

(b) A third person, in good faith and without liability to the principal or the principal's successors in interest, even with knowledge that the principal is disabled, may rely and act on the instructions of or otherwise contract and deal with the principal's attorney in fact or successor attorney in fact acting pursuant to authority granted in a durable power of attorney.

(c) A third person that conducts activities through employees shall not be charged under this act with actual knowledge of any fact relating to a power of attorney, nor of a change in the authority of an attorney in fact, unless the information is received at a home office or a place where there is an employee with responsibility to act on the information, and the employee has a reasonable time in which to act on the information using the procedures and facilities that are available to the third person in the regular course of its operations.

(d) A third person, when being requested to engage in transactions with a principal through the principal's attorney in fact, may: (1) Require the attorney in fact to provide specimens of the attorney in fact's signature and any other information reasonably necessary or appropriate in order to facilitate the actions of the third person in transacting business through the attorney in fact; (2) require the attorney in fact to indemnify the third person against forgery of the power of attorney, by bond or otherwise. If the power of attorney is durable as defined in subsection (a) of K.S.A. 58-652, and amendments thereto, and if either the principal or the attorney in fact seeking to act is and has been a resident of this state for at least two years, and if the attorney in fact has executed in the name of the principal and delivered to the third person an indemnity agreement reasonably satisfactory in form to such third person, no such bond shall be required; and (3) prescribe the place and manner in which the third person will be given any notice respecting the principal's power of attorney and the time in which the third person has to comply with any notice.

History: L. 2003, ch. 58, § 9; July 1.