



## DEFINITION SHEET

### WHAT IS A . . . .

**Durable Power of Attorney** - Suppose you become mentally incompetent due to illness or accident while you have a power of attorney in effect. Will the document remain valid? To safeguard against any problems, you can sign a durable power of attorney. This is simply a general, special, or health care POA that has a durability provision to keep the current power of attorney in effect.

You might also sign a durable power of attorney to prepare for the possibility that you may become mentally incompetent due to illness or injury. Specify in the power of attorney that it cannot go into effect until a doctor certifies you as mentally incompetent. You may name a specific doctor who you wish to determine your competency, or require that two licensed physicians agree on your mental state.

**General Power of Attorney** - A general power of attorney gives broad powers to a person or organization (known as an agent or attorney-in-fact) to act in your behalf. These powers include handling financial and business transactions, buying life insurance, settling claims, operating business interests, making gifts, and employing professional help. General power of attorney is an effective tool if you will be out of the country and need someone to handle certain matters, or when you are physically or mentally incapable of managing your affairs. A general power of attorney is often included in an estate plan to make sure someone can handle financial matters.

**Health Care Power of Attorney** - A health care power of attorney grants your agent authority to make medical decisions for you if you are unconscious, mentally incompetent, or otherwise unable to make decisions on your own. While not the same thing as a living will, many states allow you to include your preference about being kept on life support. Some states will allow you to combine parts of the health care POA and living will into an advanced health care directive.

**Living Will** – a/k/a another name for "Advance Health Care Directive" - A living will is a document that explains whether or not you want to be kept on life support if you become terminally ill and will die shortly without life support, or fall into a persistent vegetative state. It also addresses other important questions, detailing your preferences for tube feeding, artificial hydration, and pain medication in certain situations. A living will becomes effective only when you cannot communicate your desires on your own.

**Special Power of Attorney** - You can specify exactly what powers an agent may exercise by signing a special power of attorney. This is often used when one cannot handle certain affairs due to other commitments or health reasons. Selling property (personal and real), managing real estate, collecting debts, and handling business transactions are some of the common matters specified in a special power of attorney document.

**Will** - Generally speaking, a Will is a legal document that coordinates the distribution of your assets after death and can appoint guardians for minor children. **Without a Will**, the state in which you reside decides how to distribute your assets to your beneficiaries according to its laws. This is known as dying intestate, and the resulting settlement process may not produce the results that you would prefer for your survivors. You can prevent this from happening by having documents drafted that reflect your wishes.