

What are the Different Types of Power of Attorney?

The following article includes pertinent information that may cause you to reconsider what you thought you understood. The most important thing is to study with an open mind and be willing to revise your understanding if necessary.

You will never know what to expect in the future, so it pays to prepare everything before the going gets tough. That includes planning how to and who will handle your finances, business, and other personal matters should you become unable to do so. This is where the power of attorney comes in. It is a document that allows a person to grant legal authority to another person to make decisions regarding finances, business, medications, health care, and other personal affairs on his or her behalf.

In general, a principal can choose from four types of powers that he or she can give to his or her agent (also called the attorney-in-fact).

The right type to choose depends on the extent of power you want to bestow on your agent. It also depends on when you prefer to start appointing such power to your agent as well as when you want the power terminated.

1. General - This legal document allows the attorney-in-fact to act for the principal in almost every aspect of his or her life. It even authorizes the agent to gain access to the principal's safety deposit boxes or to handle all the properties of the principal.

The effectivity of this document ends when the principal dies or becomes mentally disabled. Because of its seemingly unlimited nature, the general power must be considered thoroughly before it is given to another person. It is advised that this type of power be used sparingly because it is prone to abuse and misuse of power by the agent.

Is everything making sense so far? If not, I'm sure that with just a little more reading, all the facts will fall into place.

2. Limited - This document, in contrast to the general type, authorizes the agent to make decisions for the principal on particular affairs for a limited time. That means the authority ends at the period indicated on the document. Just like the previous legal document type, it also ends at the death, mental illness, or disability of the principal.

3. Durable - It grants the agent the right to act on the principal's behalf even after he or she has become mentally incapacitated. Thus, the agent can make crucial decisions for you when you are unable to do so. The document takes effect right after the principal and attorney-in-fact have signed it, and it ends when the principal dies.

4. Springing - This legal document is created in such a way that it takes effect only after the principal has become mentally disabled. When writing the document, one has to make sure that it clearly explains how to determine the occurrence of the springing event.

You may also consider using separate powers of attorney to designate another person who will be responsible for your health care and finances. For example, a financial power of attorney allows the agent to perform certain tasks such as handling your properties or paying your bills when you cannot do it, such as when you are out of the country or hospitalized for a brief period.

The legal documents for each authority to be granted must indicate the terms that the agent must follow to act out your needs and wishes.

You can't predict when knowing something extra about Power Of Attorney will come in handy. If you learned anything new about Power Of Attorney in this article, you should file the article where you can find it again.

About the Author

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