

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6162
BILL NUMBER: HB 1067

DATE PREPARED: Oct 29, 1998
BILL AMENDED:

SUBJECT: uniform prudent investor act.

FISCAL ANALYST: Jim Mundt
PHONE NUMBER: 232-9858

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: Adopts the Uniform Prudent Investor Act. Requires a trustee to administer a trust prudently by exercising care, skill, and caution; by using the trustee's skills and expertise; by incurring only appropriate costs in investing assets; and by diversifying the investments of the trust unless circumstances or the provisions of the trust require otherwise. Requires the trustee to be loyal to the trust and to treat co-beneficiaries impartially. Allows the trustee to delegate investment and management functions to an agent if the trustee exercises reasonable care, skill, and caution in selecting an agent, in establishing the scope of the delegation, and in periodically reviewing the agent's actions. Makes a trustee immune from liability for the actions of an agent acting within the scope of agency if the trustee has exercised reasonable care, skill, and caution. Creates a duty between an agent and a beneficiary. Subjects an agent to the jurisdiction of Indiana if the agent accepts the delegation of investment and management functions of a trust subject to Indiana law. Makes conforming amendments. (The introduced version of this bill was prepared by the probate code study commission.)

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: