

286.3-275 Limits on liability of bank or trust company acting as fiduciary.

- (1) When an instrument, under which a bank empowered to act as a fiduciary or trust company acts, reserves in the grantor, or vests in an advisory or investment committee or in one (1) or more other persons, any power, including, but not limited to, the authority to direct the acquisition, disposition, or retention of any investment or the power to authorize any act that the bank or trust company may propose, the fiduciary is not liable, either individually or as a fiduciary, for either of the following:
 - (a) Any loss that results from compliance with an authorized direction of the grantor, committee, person, or persons; or
 - (b) Any loss that results from a failure to take any action proposed by the bank or trust company that requires the prior authorization of the grantor, committee, person, or persons if the bank or trust company timely sought but failed to obtain that authorization.
- (2) The bank or trust company referred to in subsection (1) of this section is relieved from any obligation to perform investment reviews and make recommendations with respect to any investments to the extent the grantor, an advisory or investment committee, or one (1) or more other persons have authority to direct the acquisition, disposition, or retention of any investment.
- (3) This section shall not apply to the extent that the instrument, under which the bank or trust company referred to in subsection (1) of this section acts, contains provisions that are inconsistent with this section.

Effective: July 15, 1996

History: Created 1996 Ky. Acts ch. 338, sec. 5, effective July 15, 1996.

Formerly codified as KRS 287.275.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.