
SENATE BILL 6198

State of Washington

52nd Legislature

1992 Regular Session

By Senators Moore, Johnson, A. Smith, von Reichbauer, Niemi and Snyder

Read first time 01/21/92. Referred to Committee on Financial
Institutions & Insurance.

1 AN ACT Relating to trustee's duties of disclosure; amending RCW
2 11.106.020 and 11.97.010; and adding a new section to chapter 11.106
3 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 11.106.020 and 1985 c 30 s 96 are each amended to read
6 as follows:

7 The trustee or trustees appointed by any will, deed, or agreement
8 executed shall mail or deliver at least annually to each adult income
9 trust beneficiary a written itemized statement of all current receipts
10 and disbursements made by the trustee of the funds of the trust both
11 principal and income, and a notice informing the beneficiary of the
12 beneficiary's right to receive a copy of the trust instrument. Upon
13 the request of any such beneficiary the trustee shall furnish the
14 beneficiary an itemized statement of all property then held by that

1 trustee, and may also file any such statement in the superior court of
2 the county in which the trustee or one of the trustees resides.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 11.106 RCW
4 to read as follows:

5 (1) The trustee or trustees, including institutional trustees,
6 appointed by any will, deed, or agreement shall, within ninety days of
7 the event that makes the trust effective, notify each beneficiary,
8 including minor beneficiaries, in writing of the entire contents,
9 terms, and conditions of the trust. Notification shall also include,
10 in the case of institutional trustees, the name, business address, and
11 phone number of an individual employee of the institution's trust
12 department who may be contacted by a beneficiary who has questions
13 regarding the trust.

14 (2) Subsequent to the original notification, all beneficiaries
15 shall thereafter be notified annually, as part of the disclosure
16 required by RCW 11.106.020, of their right to receive a copy of the
17 trust instrument, and of the fact that the trust instrument may contain
18 important information affecting the beneficiary's financial interests.
19 Annual notice shall include a caveat that, if the beneficiary is a
20 minor or legally incompetent person, legal planning, financial
21 planning, or other appropriate professional advice should be timely
22 sought to protect the beneficiary's interests.

23 **Sec. 3.** RCW 11.97.010 and 1985 c 30 s 38 are each amended to read
24 as follows:

25 The trustor of a trust may by the provisions of the trust relieve
26 the trustee from any or all of the duties, restrictions, and
27 liabilities which would otherwise be imposed by chapters 11.95, 11.98,
28 11.100, and 11.104 RCW and RCW 11.106.020, or may alter or deny any or

1 all of the privileges and powers conferred by those provisions; or may
2 add duties, restrictions, liabilities, privileges, or powers to those
3 imposed or granted by those provisions. The trustor may not, however,
4 relieve a trustee that is a financial institution from the duties to
5 notify beneficiaries under RCW 11.106.020 and section 2 of this act.
6 If any specific provision of those chapters is in conflict with the
7 provisions of a trust, the provisions of the trust control whether or
8 not specific reference is made in the trust to any of those chapters.
9 In no event may a trustee be relieved of the duty to act in good faith
10 and with honest judgment.