DEPUTYSHIP

One of the most confusing issues that those in safe deposit operations are confronted with is that of the deputy appointment. Considerable time is devoted to deputyship in seminars and workshops, but for some reason, both vault personnel and customers lack a full understanding of exactly what is involved. Let’s explore the subject and see if some clarification can be achieved.

1. What is a deputy?
   In general terms, a deputy is simply a person added to the safe deposit box contract at the request of one of the renters and serves at the pleasure of the renter. The deputy is an agent of the person who grants the power and may basically do anything that the box renter might do, unless restricted by terms in the safe deposit contract or the deputy appointment agreement.

2. Who may appoint a deputy?
   Most safe deposit contracts have a clause permitting the appointment of a deputy or deputies by the box renter. If two or more individuals are co-renters, a deputy appointment should be jointly executed, unless the contract specifies that the appointment may be made by any one of the renters or a majority of them. Depending on the language of the contract, it is possible for one renter to appoint a deputy while the other does not, both appoint separate deputies or both appoint the same deputy. The deputy acts only for the person or persons who made the appointment. A deputy may not appoint a deputy.

3. Who may serve as a deputy?
   Normally, anyone is of legal age and competent may serve as a deputy. They need not be related to the customer. Most financial institutions do not permit employees to be deputies on customers’ boxes. In some cases, permission is granted to employees to be deputies on boxes rented to immediate family members or on boxes rented to organizations or firms in which the employee may be an officer or have an interest. It would be prudent, however, that the box be located at a different location from that of the employee’s employment, preferably at another financial institution.

4. How is a deputy appointed?
   In some institutions the deputy appointment section is found on the contract itself, while others use a separate form for this purpose. In either case, the box renter and the deputy sign the appointment. The appointment agreement covers the powers granted to the deputy, and by signing, the deputy agrees to be bound by the contract and agreement. Most agreements also state that the deputyship will not terminate on the disability of the renter.

5. What powers does a deputy have?
   Normally, a deputy has all of the powers that the box renter has, unless limited by the contract or appointment agreement. This means that the deputy may have access to the box at any time, remove any or all contents, have the box drilled if keys are not available and surrender the box.

6. How is a deputyship revoked?
   A deputyship appointment ceases at the death of the box renter. If the deputy was appointed by more than one box renter, he or she may continue to serve on behalf of the renter still living. Most financial institutions have a clause in the contract stating that the institution will not be liable if deputy access is permitted after death, if the institution has not received notice of the death.
   In addition, the renter who appointed the deputy may revoke the appointment, at any time, by notifying the institution of such revocation in writing. However, on a joint contract, one renter may not revoke the deputy of another renter. There is space on the contract or deputy agreement for revocation.

7. What is the purpose of a deputy appointment?
A deputy appointment provides a convenient means for a box renter to grant unlimited access to someone to a safe deposit box for a period of time. It is similar to a power of attorney, but has the advantage of being on the institution's own forms and limited to safe deposit use only. It may be revoked at the box renter's option.

For example: A customer may be going out of town on a trip and has items in a safe deposit box that need to be removed during the absence. The customer does not wish to add someone permanently to the box, so instead appoints a deputy. Thus the customer can revoke the deputy upon returning from the trip without having to surrender the box.

8. **Why deputyship rather than power of attorney?**

Powers of attorney are often vaguely drawn and it is not always clear that safe deposit access is covered or even desired. Powers of attorney usually just have the signature of the grantor. So the problem arises of identifying the person to whom the power was granted. The power may have been revoked, and incompetency of the renter may not be covered.

The deputyship appointment is a special type of power of attorney for safe deposit boxes only, so there is no question as to whether or not a box is covered. The agreement contains signatures of renters and deputy. If the deputyship has been revoked, it will show on the institution's records. By signing, the deputy agrees to abide by the rules and regulations covering safe deposit boxes. It also covers incompetency of the renter.

Both deputyship and powers of attorney cease at death.

Therefore, the deputyship appointment gives both the financial institutions and the customer more protection and is much to be preferred over a power of attorney.

It is hoped that the foregoing questions and answers will help clarify some of the mystery and confusion surrounding deputyship. The name itself "deputy" seems to scare some vault people, but it’s not as complicated as it seems. If you view the deputy as just another name on the contract, with all of the rights and powers of the box renter, you will have gone a long way to understanding deputyship.

Of course, as in all areas of safe deposit, there will be circumstances and incidents not covered by the above, where further study or consultation with management and/or counsel may be required. As always, if you don't know the answer, don't guess. Go to a reliable source.