Allianz Life Insurance Company of North America

LIFE ADVANCED MARKETS

Selecting and using a "trust protector"

The use of a trust protector has become an increasingly popular way to add oversight and flexibility to irrevocable trusts in which the grantor has voluntarily given up the right to control or modify the trust in the future.

A trust protector can be pivotal to making sure the trust can adapt to changes in the law, family circumstances, changes in trustee, or other changes without the need for costly court intervention.

AMK-818 (10/2025)

WHAT IS A TRUST PROTECTOR?

A trust protector is an individual appointed by the grantor and designated in the trust agreement. The primary duty of a trust protector is to protect the trust's purpose and be sure that the trust is administered by the trustee in a manner which is consistent with the intentions of the grantor.

What powers does a trust protector typically have?

The grantor of the trust determines what powers the trust protector may have; these powers are expressly described in the trust agreement. The powers of a trust protector may be exercised or not exercised at the sole and absolute discretion of the trust protector. But once a power is exercised, decisions are generally binding on the trustee, the trust beneficiaries, and all other persons having an interest in the trust.

A trust protector's powers may include:

- Removing and/or replacing a trustee (often the most commonly used power)
- Modifying or amending the trust to achieve favorable tax status or respond to changes in the Internal Revenue Code, federal laws, state law, or regulations
- Terminate the trust, including determination of how the trustee shall distribute the trust property to be consistent with the purposes of the trust
- Appointing successor trust protectors
- Vetoing or directing trust distributions

A trust protector is an individual appointed by the grantor and designated in the trust agreement. The primary duty of a trust protector is to protect the trust's purpose and be sure that the trust is administered by the trustee in a manner which is consistent with the intentions of the grantor.

Who may serve as trust protector?

Generally, a trust protector is an individual person who is not the trust's grantor, trustee, or a beneficiary. Ideally, a person appointed as trust protector will possess the experience and knowledge to understand the trust document, have the ability to act independently and impartially, and be capable of adhering to high ethical standards. A knowledgeable professional such as an attorney, accountant, or professional fiduciary may be best qualified to serve as a trust protector.

NEED ADDITIONAL HELP?
Call the Life Case Design Team at **800.950.7372**

As a financial professional, you can share information to help support your client and their attorney through the estate planning process, including how life insurance can play a part.