

GIFTS OF LIFE INSURANCE

Many Kansans have found that a gift of life insurance is an easy and convenient way to make a gift to support their community.

Why Give Life Insurance?

- The amount of their gift is certain – assuring that their desire to support their community is met.
- The proceeds from a life insurance policy are paid promptly and are not part of the probate process.
- Life insurance is a “quiet” gift - it is not a matter of public record.
- Life insurance gifts can be used to replace assets gifted to your community. Your client’s family can receive the life insurance proceeds free of gift or estate taxes.

How to Make a Gift of Life Insurance

There are three ways to make a gift to your client’s community using life insurance: with an existing policy, by beneficiary designation and with a new policy.

1. **With an Existing Policy** Does your client have a policy that was purchased several years ago but the need for that coverage no longer exists? Instead of cashing in the policy for its cash value, consider contributing the policy for the benefit of their community. By changing the ownership and beneficiary of the policy to the Grant County Community Foundation for the benefit of your client’s community, they will receive a charitable income tax deduction. Additionally, if your client was to make future annual gifts of the policy’s premium, they will receive an additional charitable income tax deduction each year.
2. **By Beneficiary Designation** Perhaps your client’s need for the life insurance coverage continues. Instead of making a gift of the policy, you can choose to designate the Grant County Community Foundation as a co-primary beneficiary or as a contingent beneficiary of the policy for the benefit of your client’s community.
3. **With a New Policy** Through the multiplier effect of life insurance your client can make a substantial gift to their community on the installment plan. When your client purchases a new policy and names the Grant County Community Foundation as the owner and beneficiary for the benefit of their community, the gift they make by paying the premiums becomes fully income tax deductible. Thus, for pennies on the dollar your client is guaranteed that their community will receive a meaningful gift in the future.

Note: The above information is of a general nature and is not intended as legal advice.

