



Gifts of Life Insurance

Life insurance policies can be an attractive way to make a gift to a charity and provide beneficial tax savings for your clients. A gift of life insurance is an economical way to give a larger and more lasting gift without a significant impact on disposable income. There are a number of ways to make such a gift:

Establish a new charitable life insurance policy: A new policy that names PRHC Foundation as the owner and beneficiary will allow your client to contribute yearly premiums over time and receive tax deductible receipts for the amount of the premium.

If your client has an old policy: We use life insurance to ensure our loved ones will not be in financial hardship if something happens to us. Sometimes we buy life insurance when our children are young but when they become adults, the need to financially provide for them is less important.

- Clients can transfer ownership of a paid-up policy to the Foundation and get a charitable receipt for the cash-surrender value of the policy and any accumulated interest or dividends.
- If premiums are still payable, your client can make the Foundation the irrevocable owner and beneficiary and receive tax receipts for the premiums they pay.
- Your client can name the Foundation as beneficiary of the policy, or name the estate the beneficiary and make a bequest for the value of the policy. In this way they can still access the money if circumstances change. The Foundation will receive the tax-free proceeds and the estate will be eligible to claim a donation tax credit.

Life insurance is a flexible estate planning tool that may allow your client to meet several objectives. Improving lifestyles and medical technology lead to greater life expectancies, meaning your clients can be insurable well into their seventies.

Benefits for the Donor	Benefits for the Charity	Benefits for the Advisor
<ul style="list-style-type: none"> • gift can be made immediately rather than waiting to make a gift from assets • all premiums paid after transfer of ownership will be tax receipted by the charity • no depletion of assets when charity is named as the beneficiary • leveraged gift allows the donor to make a major gift to the charity at a fraction of the ultimate gift value 	<ul style="list-style-type: none"> • the charity receives a gift that the donor may not have felt able to give during their lifetime • opens up the possibility of other planned gifts in the future • makes it possible for meaningful donor recognition during a donor's lifetime • paid up policies are equivalent to a gift of cash and can be used immediately 	<ul style="list-style-type: none"> • produces commissions • if an insured policy is arranged the advisor receives two commissions • opens the possibility of other planned gifts where commissions may apply • provides another reason to speak to clients • allows the advisor to target a younger client

For assistance or information, please contact:
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