



LIFE INSURANCE GIFTS

The primary purpose of life insurance is to provide a safety net for those who depend on you financially. The life insurance death benefit that is paid to your beneficiaries can help them cover daily expenses, debts and even future costs such as college tuition.

A life insurance policy also can allow you to **“leave a legacy”**—not just for the people you love but also for organizations and causes that are important to you such as the Arts Council of Moore County. That’s because a charity can also be the beneficiary of a life insurance policy.

“Since life insurance provides a death benefit several times larger than the premiums paid, it is a great way to boost your charitable giving,” says James Connell, FAHP, CSA, consultant for charitable estate and gift planning at the Arts Council. Donating a life insurance policy is a simple way to leverage your charitable giving. A gift of life insurance that you no longer need can be an easy way for you to provide generous support to the Arts Council of Moore County.

Ask yourself the following questions:

- Do you have a policy on your life that was intended to protect a spouse who no longer needs it or children who are now financially independent?
- Do you have life insurance purchased to pay estate taxes? Recent changes in our nation’s tax laws have resulted in reduced estate taxes for many. If estate taxes are now less of a concern for you, the proceeds from life insurance originally purchased for the payment of taxes may instead be devoted to purposes that are more in keeping with your wishes. These funds may offer a way to make gifts to charitable interests and others that may not have seemed possible.
- Do you have a policy purchased to complete payment of a mortgage or other debts that no longer exist?
- Do you have a policy you bought to help provide retirement income? Have you since accumulated adequate amounts in other retirement plans?
- Do you have a policy you bought to help ensure that money would be available for your children’s education? If you used other funds to pay for their education, is this insurance still needed?
- Do you have a policy to protect a business that no longer needs such protection?

A gift of life insurance could be right for you if:

- ❖ Your life insurance policy is paid up or has substantial cash value.
- ❖ You have no loan outstanding against the policy.
- ❖ Your family is well-provided for by other means.
- ❖ You would like to make a generous gift to the Arts Council.

How It Works:

Option 1: Give your policy to the Arts Council

As the policy owner, the Arts Council will either cash in your policy and use the proceeds or maintain the policy until it ends and then receive its face amount. Don’t forget employer-sponsored life insurance offered at no cost to you. Your benefits will include:

- An immediate income tax charitable deduction for the value of your policy.
- No change in your cash flow.
- The satisfaction of making a generous gift to the Arts Council.



LIFE INSURANCE GIFTS

Option 2: Designate the Arts Council as a beneficiary of your policy

You may name the Arts Council as a full, partial, or contingent beneficiary of any policy. When your policy ends, the Arts Council will receive some or all of your policy's death benefit, as you have designated. Your benefits will include:

- The death benefit of your policy will not be included in your estate, which may save estate tax if your estate exceeds the applicable exemption amount.
- No change in your cash flow.
- The satisfaction of making a generous gift to the Arts Council.
- This option offers the additional benefit that you can change your mind about your gift at any time should circumstances change.

Contacts for additional information:

Chris Dunn, Executive Director – 910-692-2787 | Chris@MooreArt.org
Ray Owen, Development Director – 910-692-2787 | Ray@MooreArt.org

NOTE: This information is taken from sources believed to be reliable but is not guaranteed as to completeness or accuracy. You are urged to seek the advice of your financial planner, attorney, and/or tax advisor to make certain a contemplated gift fits well into your overall circumstances and planning.