

CHARITABLE DONATIONS OF LIFE INSURANCE

How to use Life Insurance as a Charitable Gift

1

Donor owns the policy



Charity is the beneficiary

- Donor's estate gets a tax receipt
- No receipt in lifetime for premiums
- Can be changed anytime.

2

Charity owns the policy



Donor is life Insured

For new policies:

- Donor gets receipt for ongoing premium
- No receipt at death
- Cannot change the charity later on

For existing policies:

- Donor gets receipt for current Cash Value, or potentially a higher Fair Market Value
- Donor gets receipt for ongoing premium
- No receipt at death