



# Gifts of Life Insurance



Date: May 25, 2017

Time: 1:00 – 2:30 Eastern Time

Presenter: Craig Wruck  
Vice President of University Advancement  
Humboldt State University



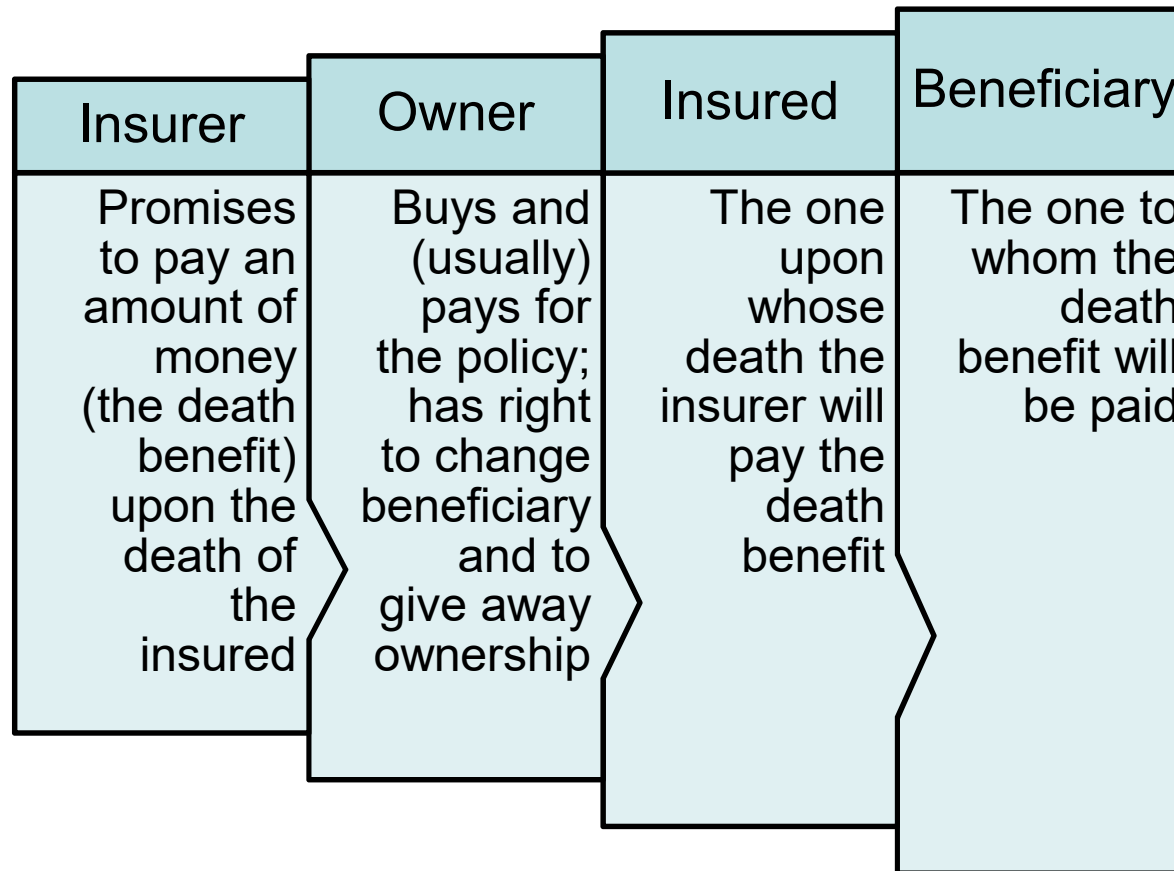


# Agenda

- Basics of life insurance policies
- Contributions of life insurance
- Administrative considerations
- Life insurance programs
- Evaluating life insurance



# Life Insurance Policy





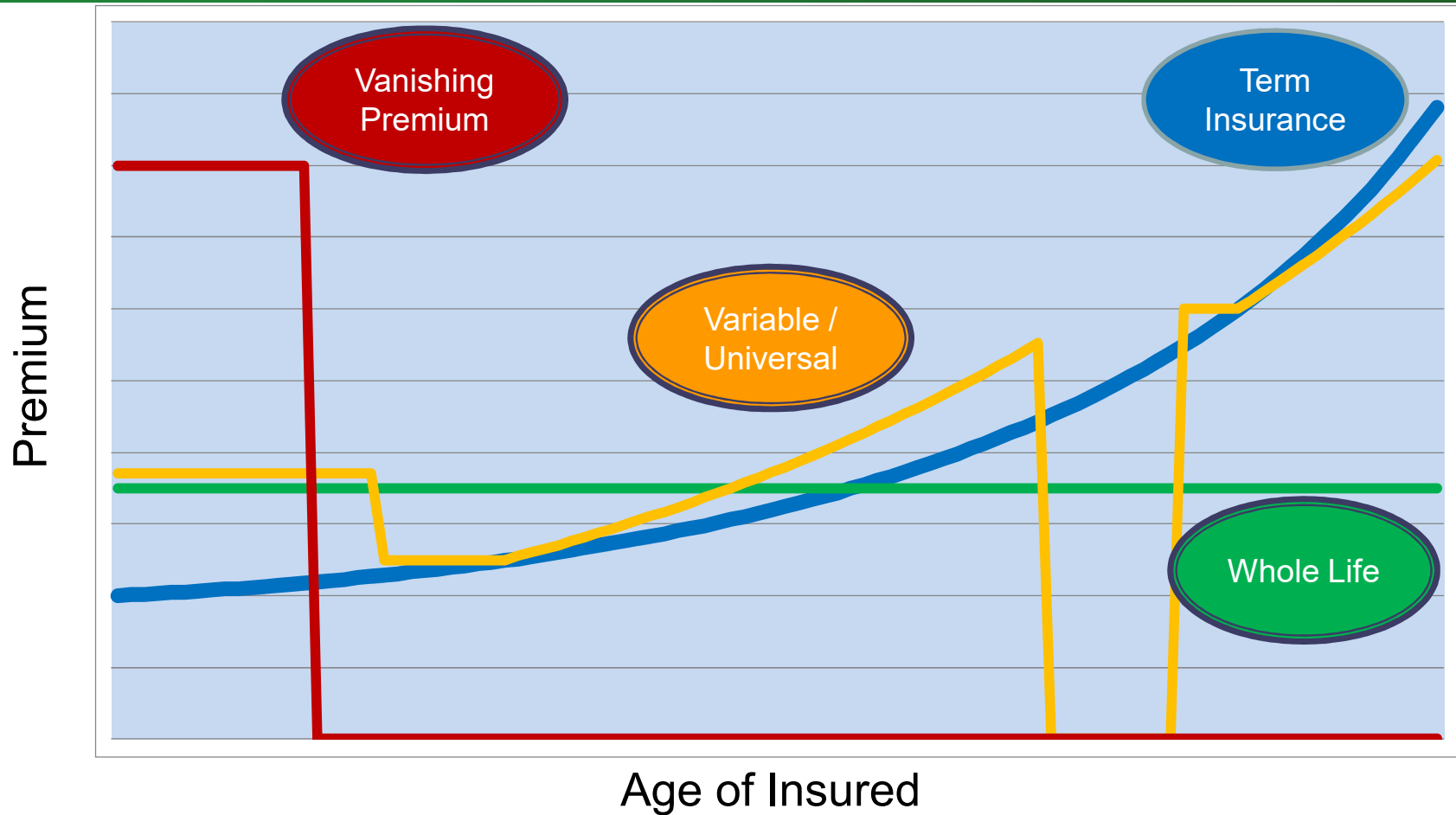
## Cost of Insurance

Assume 100,000 insured, same age, \$50,000 death benefit

Age	Probability of Death	Number Dead	Total Death Benefit Paid	Cost Per Policy
30	0.001428	143	\$7,140,000	\$71.40
40	0.002323	232	\$11,615,000	\$116.15
50	0.005512	551	\$27,560,000	\$275.60
60	0.011407	1,141	\$57,035,000	\$570.35
70	0.025579	2,558	\$127,895,000	\$1,278.95
80	0.064457	6,446	\$322,285,000	\$3,222.85
90	0.174013	17,401	\$870,065,000	\$8,700.65



# Life Insurance Premiums



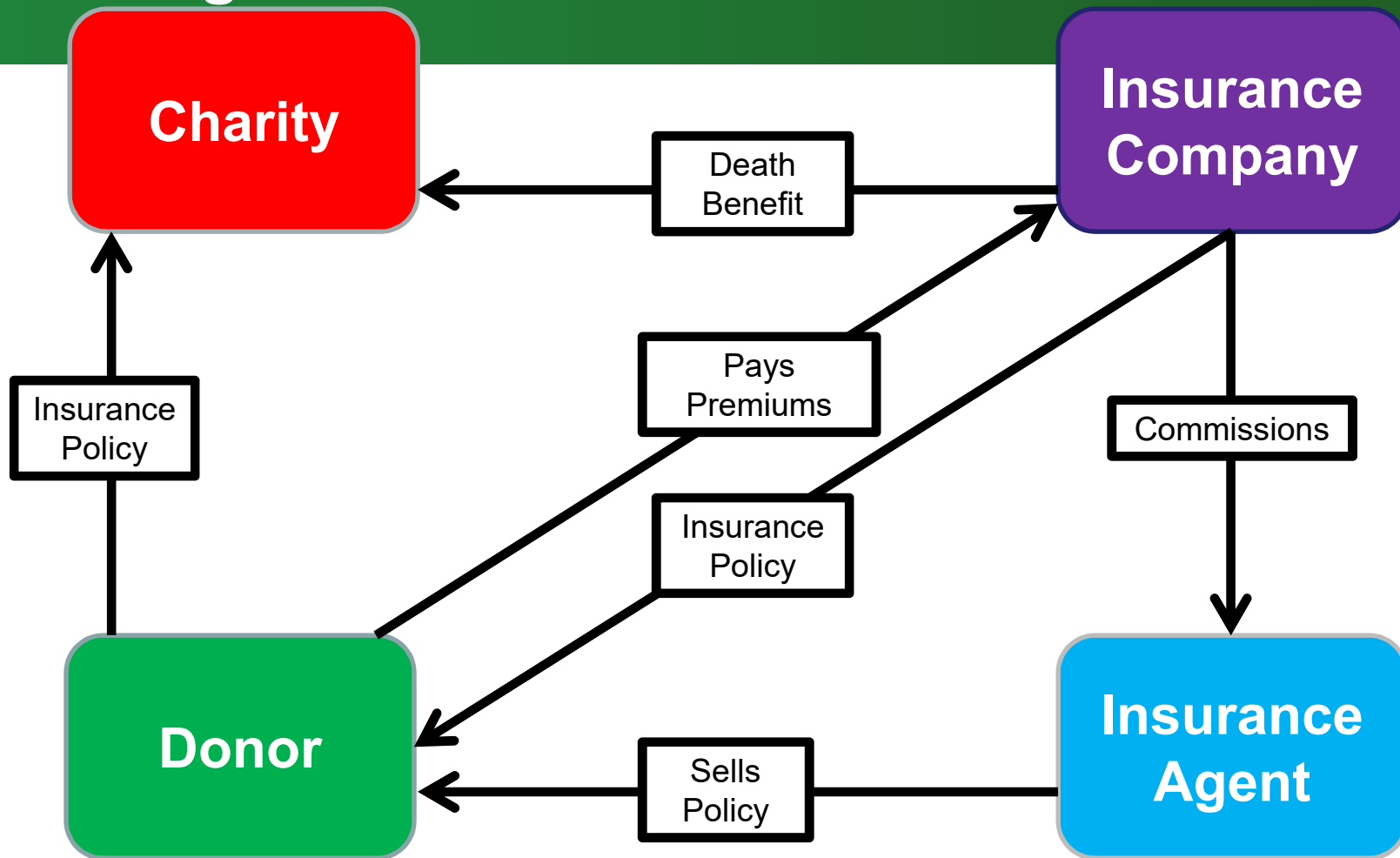


# Questions and Answers



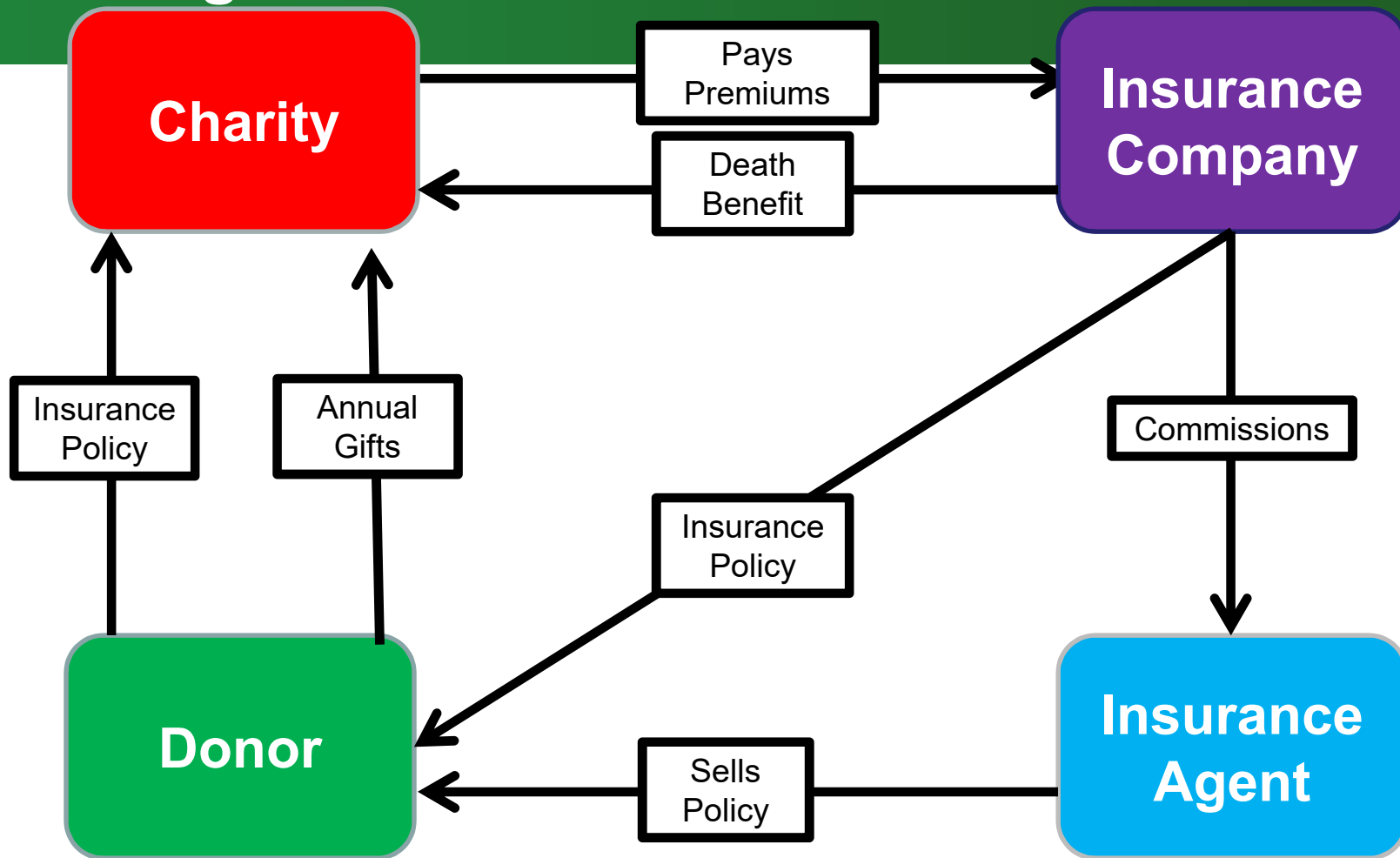


# Outright Gift of Life Insurance





# Outright Gift of Life Insurance







## Example

Donor contributes whole life policy & commits to paying \$800/year premiums: death benefit \$100,000, \$18,000 cash value.

- Immediate tax deduction: \$18,000
- Annual deduction: \$800
- Future gift: \$100,000



# Counting Life Insurance

## Several gifts in one

- Current gift – cash value of policy
- Annual gifts – premium payments
- Future gift expectancy – death benefit



## Administrative Considerations

- Future premium payments
- Monitoring the value of the asset
  - Policy loans
  - Under-performance
  - Options: paid-up insurance, cash-out
- Continuing donor communications

# Gift & Estate Planning

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## What You Can Give

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Learn which assets are most commonly used to fund a gift.

### Cash

One of the most common ways to make a gift to Humboldt State University is to write a check, give a credit card number, or donate online.

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# Life Insurance

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A gift of life insurance that you no longer need can be an easy way for you to provide generous support to Humboldt State University.

## 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 gift to Humboldt.

## How it works

### Option 1: You give your policy to Humboldt.

As the policy owner, Humboldt will either cash in your policy and use the proceeds, or maintain the policy until it ends and then receive its face amount. This gives you the satisfaction of making a generous gift to Humboldt while having the benefit of no change in your cash flow and saving taxes.


### Option 2: You designate Humboldt State University as a beneficiary of your policy.

When your policy ends, Humboldt will receive some or all of your policy's death benefit, as you have designated. This also gives you the satisfaction of making a generous gift to Humboldt while having the benefit of no change in your cash flow and saving taxes. Better yet, you also retain the ability to change your mind should circumstances in your life change. This is only found in Option

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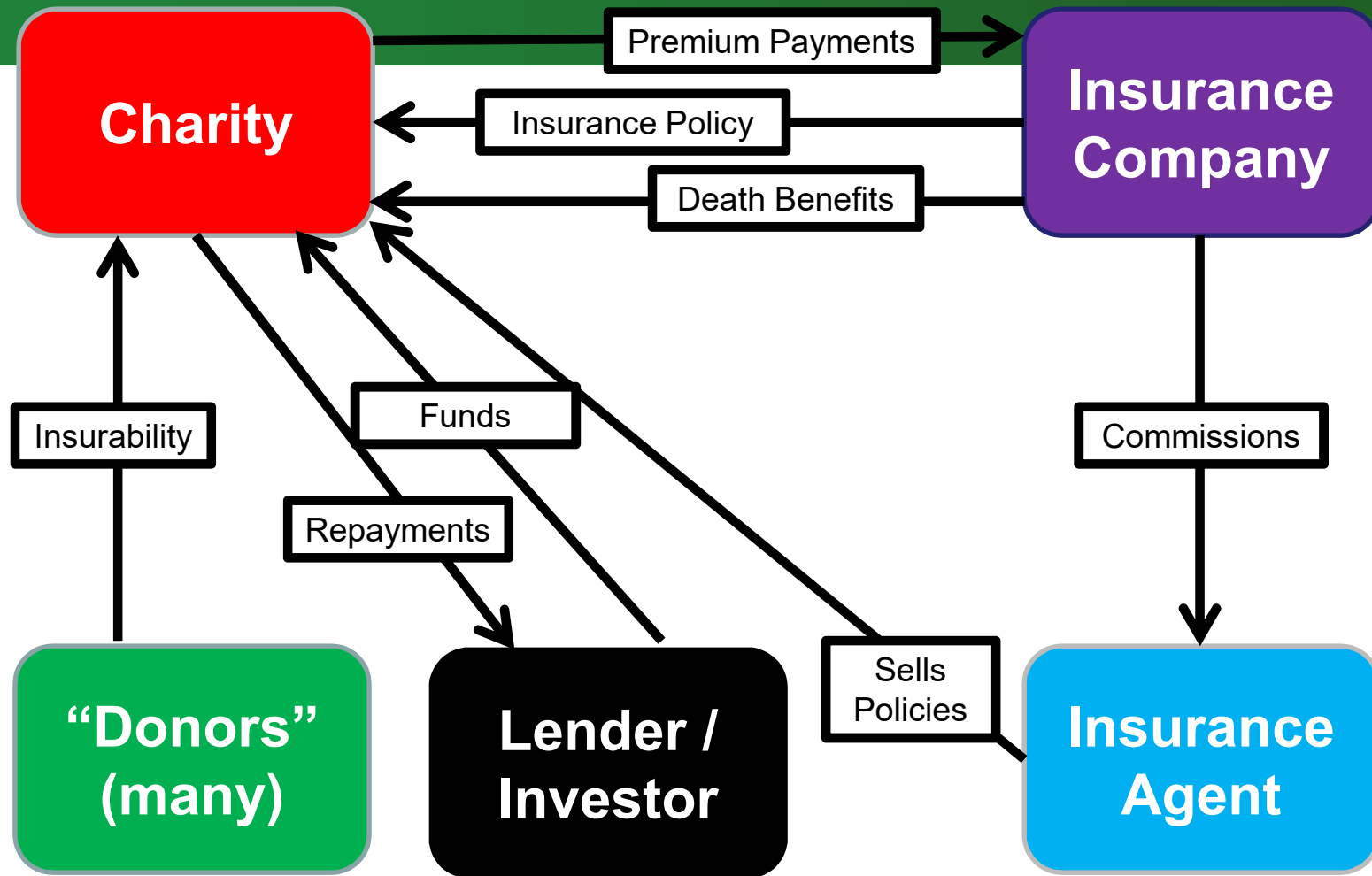


# Questions and Answers





# Premium Financed Life Insurance





# Evaluating Life Insurance

- “Guaranteed insurance” is exceedingly rare
- Compare “projected values” to guaranteed
- Carefully evaluate proposed insurance programs
  - Value and values
  - Time to decide
  - Nothing is free
  - Charitable interest
  - Obligations and commitments





## Still Have a Question?

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