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## 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




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## Agenda

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

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## Life Insurance Policy

Insurer	Owner	Insured	Beneficiary
Promises to pay an amount of money (the death benefit) upon the death of the insured	Buys and (usually) pays for the policy; has right to change beneficiary and to give away ownership	The one upon whose death the insurer will pay the death benefit	The one to whom the death benefit will be paid

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## 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

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## Life Insurance Premiums

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## Questions and Answers

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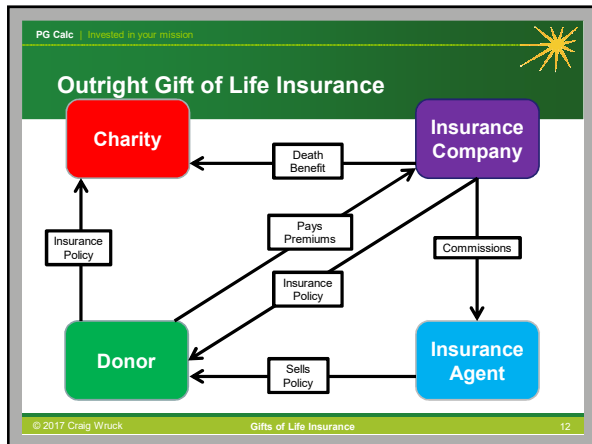
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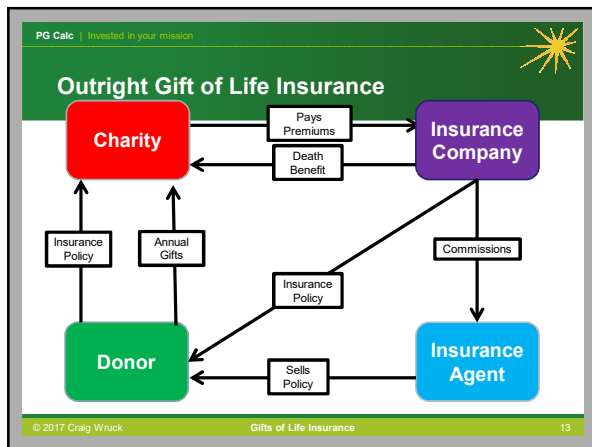
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### Example

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

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## Counting Life Insurance

Several gifts in one

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

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## Administrative Considerations

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

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## Gift & Estate Planning

What You Can Give



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.

Learn more >

PLANNED GIVING

- Why Give? >
- Create Your Legacy >
- How You Can Give >
- What You Can Give >
  - Cash
  - Stocks & Bonds
  - Retirement Assets
  - Life Insurance
  - Real Estate
  - Personal Property
  - For Advisors
- Newsletter
- Gift Planning Brochures
- Contact Us

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Life Insurance

Home » What You Can Give

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.

**Talk to Us**  
 Our Office of Philanthropy  
 Call (707) 826-5200  
 Find the best gift for you

**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

**PLANNED GIVING**

- Why Give? >
- Create Your Legacy >
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## Questions and Answers



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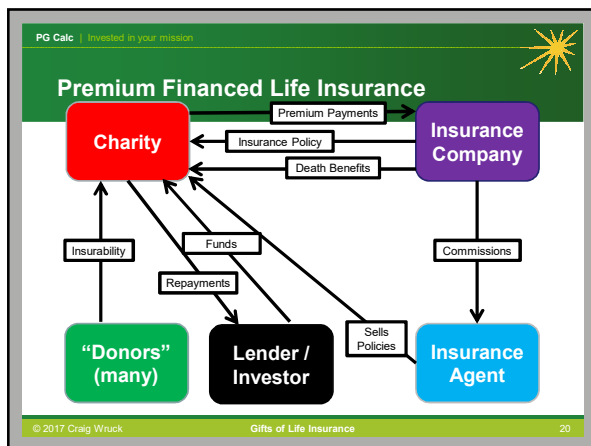
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## Evaluating Life Insurance

- “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

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## Still Have a Question?

**Contact:** Craig Wruck  
Vice President of University Advancement  
Humboldt State University

**E-mail:** [craig@wruck.com](mailto:craig@wruck.com)

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