



AFRICAN METHODIST
EPISCOPAL CHURCH

Living Legacy Program Life Insurance

Life Insurance

The Advantages a Life Insurance Bequest

Universality

Regardless of age, a form of life insurance giving that suits everyone.

Flexible Tax Benefits

Like most charitable gifts, gifts of life insurance qualify for income tax benefits. The donor can choose either to enjoy the benefits during his/her lifetime or defer them to the estate.

Speed

Compared to the settlement of an estate, life insurance proceeds are paid to the beneficiary much faster.

No Fees

Unlike a will, a gift of life insurance can be arranged without the help (or expense) of a lawyer. And insurance proceeds are paid to the church outside the estate, so there are no probate fees assessed on the gift.

Options

1. Donate the Policy If the donor is the owner of an individual (not group) life insurance policy, it can be donated by transferring ownership of the policy to the nonprofit. The policy can be one that has been held for some time, or a new one that is bought specifically for this purpose.

Tax Treatment Because this donation is irrevocable (i.e. one cannot change his/her mind), the nonprofit can give a donation receipt for the cash value of the policy at the time of the transfer. Plus, every premium paid after this date is treated as another donation, and the nonprofit will give an annual receipt for all premiums paid during the year. This will reduce the amount of income tax paid during the donor's lifetime.

Method Call your agent and ask to complete an ownership transfer or "absolute assignment".

The insurance company will provide a form for the donor to sign.

2. Name the Beneficiary

By naming the nonprofit as beneficiary, the donor is giving the policy proceeds or death benefits. The donor continues to own the policy and can exercise all the rights that go along with that, including the right to name a different beneficiary if the donor later changes his/her mind.

Life Income Gifts - Charitable Gift Annuity

Donors may enter into a contract with the CASI Foundation whereby they transfer assets, cash or securities to the Foundation and the Foundation pays them a fixed and guaranteed payment (monthly, quarterly, semi-annually or annually) for the remainder of their lives. The amount of the lifetime payment is based on annuity rates published by the National Committee on Gift Annuities. Upon death, the remaining principal is retained by the Foundation to carry out the charitable intentions of the donors.

