

Life Insurance Gifts

There are two basic ways to use a life insurance policy you own to support Christian Veterinary Mission: a beneficiary designation that takes effect on death and a gift of the policy during your lifetime.

Beneficiary Designation

This is the easiest option. You simply complete a form provided by the insurance company naming CVM as the recipient of some or all of the policy's "death benefit." This is the amount of money paid by the insurance company once the person covered by the policy – typically you – has died.

Additional considerations make this option attractive:

- It fits any type of policy – term, whole life, universal life or some other hybrid form of life insurance.
- Your gift will not be subject to probate.
- CVM can be named as a contingent beneficiary, receiving a gift only if a primary beneficiary has already died.
- If you change your mind, all you do is complete and submit a new beneficiary form.

Using the Policy Itself

This normally entails making Christian Veterinary Mission the permanent owner of any policy other than one providing coverage strictly for a term of years. Ownership is transferred by following a simple process specified by the insurance company. It is an option with respect to:

- a so-called "paid-up" policy, i.e., one on which no more premiums will ever be owed
- a policy on which premiums remain to be paid (or might need to be paid in the future)
- a newly-acquired policy.

In the first two instances, your gift produces an income tax deduction. The amount of the deduction depends on many factors. In the second and third instances, any premiums you continue to pay (either directly to the insurance company or through contributions to CVM for that purpose) qualify for tax deductions.

An alternative approach many donors find appealing involves surrendering the policy to the insurance company and then contributing some or all of the resulting cash to CVM. The contribution results in a deduction that can be used to offset any taxable income attributable to the surrender.

Two Additional Possibilities

Sometimes, life insurance can play a role in helping to make another type of gift to Christian Veterinary Mission. For example, when a highly valuable piece of real estate is contributed, a portion of the resulting tax benefit can be tapped to pay the premium on a policy that benefits children who no longer stand to inherit the donated property. This so-called “wealth replacement” approach thereby allows you to strike a balance in achieving charitable and non-charitable planning objectives.

Another choice you may have is to name CVM as the beneficiary of any value that might still exist by the time you die with respect to an annuity contract you may own. Depending on the terms of the contract, this can be a tax-efficient alternative to designating an individual to receive that value.