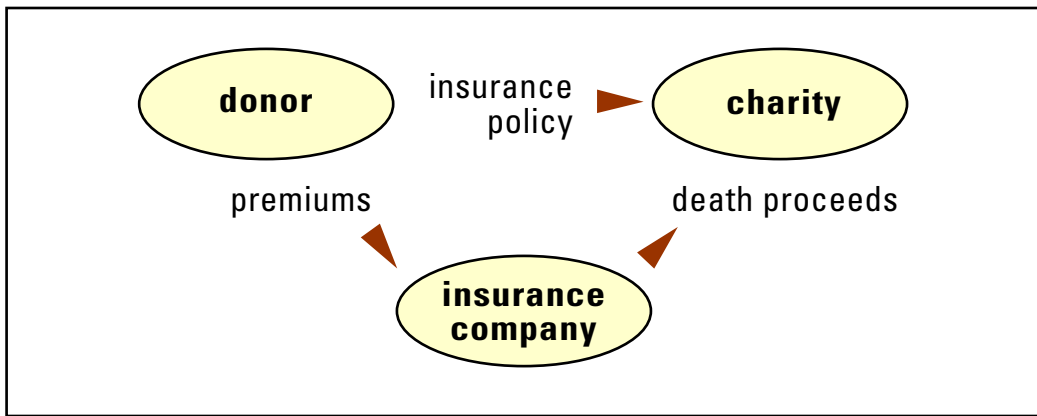


HOW CHARITABLE GIFTS OF LIFE INSURANCE WORK



The donor transfers ownership of a life insurance policy to a charity, which changes the beneficiary designation to itself.

Often, the donor also pays the premiums on the policy, as shown above. Alternatively, the donor may make annual cash transfers to charity, which then pays the premiums.

At the insured's death, the life insurance company pays the life insurance proceeds to the charitable beneficiary.

If state law provides that charity does not have an insurable interest in the donor, this tool may not be an option.

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