



LIFE INSURANCE

The benefits of giving a life insurance policy to Connecticut Community Foundation are often overlooked. If your client is carrying more insurance coverage than family obligations now require, your client may want to consider gifting an unneeded, paid-up policy to the Foundation.

If all rights and incidents of ownership of the policy are transferred to the Foundation, your client will be eligible for a charitable income tax deduction equal to the policy's cash surrender value or cost basis, whichever is less. The insurance policy must be whole life, not term insurance.

The Foundation reserves the right to cash in any policy it owns at any time at its sole discretion.

Of course, your client may designate Connecticut Community Foundation as the beneficiary of a life insurance policy at any time. Such a designation will not, however, provide any immediate tax benefits.