

Legacy Giving - Life Insurance

There are a number of ways that life insurance can be gifted to Hospice Niagara:

The donation of an existing policy - Irrevocable

Many individuals have existing insurance policies and are unaware that they can make valuable gifts to a charity. To make a gift of an existing life insurance policy, the donor must irrevocably transfer ownership of the policy to the charity, and the charity must be named as the beneficiary.

Your professional advisor should provide you with a change of ownership form. This form assigns ownership of the policy to Hospice Niagara, and requires your signature as the donor, as well as the signature of one official from Hospice Niagara. The signed form is sent to the insurance company who countersigns it, and returns it to the Hospice with an acknowledgement that the ownership of the policy has been transferred.

As owner of the policy, Hospice Niagara files a change of beneficiary form with the insurance company that is signed by one official of the charity. The insurance company will countersign the form, and return it to the Hospice confirming that they are now the beneficiary of the policy as well.

The donor's estate is entitled to a charitable receipt for the value of the policy when the policy is paid to the Hospice from the estate. For the purposes of the current receipt, the value is based on the cash premiums paid on the policy.

Usually, Hospice Niagara would retain the policy for the life of the donor, and receives the proceeds upon the donor's passing.

The donation of a new policy

Donating a new policy is the easiest and most direct form of a life insurance gift. The donor contacts their insurance agent, and establishes a new policy on his or her life, or establishes a joint policy on the lives of a husband and wife, and names the charity as beneficiary. The insurance agent collects the initial premium, and when the policy is issued, the insurance agent assists in transferring ownership as described above.

The donor can choose to pay the premium as a lump sum, or on a monthly, or yearly schedule. Charitable receipts can be issued whether the donor makes payments directly to the charity or to the insurance company. However, if contributions are being made to the insurance company, Hospice Niagara would not issue an official receipt without proof from the insurance company that the premiums have been paid.

The donation of life insurance proceeds – Revocable

There are several ways to make a gift of life insurance proceeds.

Name Hospice Niagara as the beneficiary

The donor signs a change of beneficiary form naming the charity as the beneficiary. In this case, no charitable receipt can be issued, but the donor has established a significant planned gift to the charity, while retaining the right to change the beneficiary in the event that circumstances are altered. Upon the passing of the donor, a charitable receipt would be issued to the donor's estate.

Name Hospice Niagara as the contingent beneficiary

The donor signs a change of beneficiary form, lists or confirms the primary beneficiary (ies), and names the charity as the contingent beneficiary, should the primary beneficiary (ies) predecease the policy holder. As indicated previously, no charitable receipt can be issued, but the donor has provided for a gift to the charity in the event of a prior death or a common disaster. In the event that the contingency actually occurs, a receipt would be issued to the estate of the policy holder.

We would be happy to answer any questions you may have. For more information, contact Alicia Merry, Director, Marketing, Communications and Fund Development at 905-984-8766, x230 or lastinglegacy@hospiceniagara.ca