

Life Insurance

Life insurance policies can be an affordable way to make a substantial gift to Children's Hospital of The King's Daughters. New policies or policies paid in full can be used to fund a gift to the hospital. If you acquired life insurance when your family was younger, perhaps the coverage is now more than you need. When you donate that policy, your charitable deduction will be the lesser of the fair market value of the policy or your cost basis, which is the total of your net premium payments.

In another scenario, your annual income may be healthy, but you know that ongoing family obligations will make it difficult for you to accumulate capital. You want to make a significant gift to CHKD, but wonder how you will gather the resources to do so. When you purchase a new life insurance policy as a gift, with CHKD as the owner, you deliver a large benefit to CHKD from income rather than capital. You make tax deductible annual gifts to CHKD in the amount of the premium payments; we will, in turn, pay the premiums to the insurer. At your death, CHKD receives the value of the insurance policy.

You may also transfer ownership of an existing policy which is not yet paid up and make annual gifts to CHKD in the amount of the premium payments. Your charitable deduction will be determined in the same way as if you had given a paid-up policy; you will receive deductions annually for the amount of your gift to pay future premiums.

If you have borrowed against a life insurance policy, a subsequent gift of the policy will create taxable income for you – the difference between the loan balance and the fair market value of the policy. Your insurance agent or financial advisor can assist you in determining if this gift will be beneficial to you.

Please note: It is important that you name CHKD as the irrevocable owner of the policy and not just the beneficiary if you are interested in getting a tax deduction. The IRS does not allow deductions for your premium payments when you retain ownership of the policy.

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On the beneficiary designation form for your policy, use “Children’s Hospital of The King’s Daughters, 601 Children’s Lane, Norfolk, VA 23507, Federal Tax ID #54-0506321” as the beneficiary designation of the policy.

All donors who make planned gifts to Children’s Hospital of The King’s Daughters qualify for membership in *The Beth Duke Legacy Society*, our special group of donors who have committed to remembering CHKD as part of their legacy. For more information, please contact our office at 757-668-7070.

This information is taken from sources believed to be reliable, but is not guaranteed as to completeness or accuracy. You are urged to seek the advice of your financial planner, attorney and/or tax advisor to make certain a contemplated gift fits well into your overall circumstances and planning.