

Protect and Preserve - Give Life Insurance

When you bought your life insurance policy, you probably did so to protect your spouse and family and preserve their financial stability.

Life insurance is a powerful tool for these purposes. But it can also protect and preserve the mission and values of a great institution like Embry-Riddle Aeronautical University.

Sometimes your circumstances change, and you find you have a life insurance policy you don't need. Or maybe you have a dream of helping your university in a meaningful way, but you presently lack the resources needed to make that dream a reality. You may even be planning to make a significant bequest to Embry-Riddle, provided your family's future inheritance is not affected.

Whatever your situation, life insurance can play an important role in realizing your philanthropic goals. It can also help Embry-Riddle continue to transform lives and create tomorrow's leaders of aviation and aerospace.



There are four common ways to make a gift of life insurance to Embry-Riddle:

- **Name Embry-Riddle as your primary beneficiary.** Example: David purchased a policy several years ago to help pay for his daughter Jessica's education, but she's now grown and no longer needs the assistance. David designates Embry-Riddle as primary beneficiary so that his estate will receive a charitable deduction and the policy's death benefit will pass to Embry-Riddle tax-free.
- **Name Embry-Riddle as your successor beneficiary.** Example: Jim owns a policy and names his wife Sally as the beneficiary. He names Embry-Riddle as successor beneficiary because he knows that if Sally predeceases him, his death benefit would be included in his taxable estate and leave his heirs with a greater tax burden.
- **Donate an existing policy to Embry-Riddle.** Sometimes, you'll find that you no longer need your older insurance policies. For example, you may have sold your business and realize you no longer need the business insurance policy. Or, now that you're retired and secure, you can give up the income replacement insurance. Whatever your situation, you can donate these contracts to Embry-Riddle. As long as all of the rights of ownership are completely transferred to Embry-Riddle, you receive a current income tax deduction equal to the lesser of your cost basis or the fair market value of the policy (roughly equal to the cash surrender value).
- **Use life insurance to replace assets you give to Embry-Riddle.** An increasingly popular way to take care of your university and loved ones, this plan creates a "win-win" situation for all involved. Make a charitable gift to Embry-Riddle and then use the tax and financial benefits resulting from that gift to purchase a life insurance policy to provide for those you care about most.

Life insurance is a flexible planning tool that you can use to meet a variety of your personal financial needs. Talk to your legal and tax advisors before deciding how a gift of life insurance can help you reach your goals. If you would like to discuss a life insurance or other estate gift for Embry-Riddle, please contact our director of gift planning, James W. Fogal, at **(800) 362-9285** or at **James.Fogal@erau.edu**.