Life Insurance is a simple idea that takes many shapes. Its basic purpose, of course, is to provide cash to meet the needs of survivors at the insured person's death, and all policies provide this benefit. However, life insurance policies may also build up cash value that can be utilized for a variety of purposes. A particular policy may be intended primarily for *protection* through its death benefit, or it may be designed more for *investment* purposes through increasing cash value. Here are some general types of policies:

Term life maximizes the death benefit payable if the insured dies within a specified time, but it accumulates no cash value. Because it offers the most affordable protection, it is often the choice of young parents primarily concerned about security for their family in case of an untimely death.

Whole life combines a death benefit with predictable cash value growth. Normally the premium and death benefit are fixed, and the cash value grows according to a predetermined schedule. It provides family protection but may also be used as a savings plan for such expenses as children's education.

Universal or variable life. These policies place greater emphasis on growth. The premium and/or the death benefit may change, and growth in the cash value will depend on investment performance. Premiums may continue throughout life or end when sufficient reserves are accumulated to sustain the policy. Large initial premium deposits may render future premium payments unnecessary.

As time goes by, our priorities change. We find ourselves wanting to share our good fortune with those around us, to show our support of the causes and institutions we believe in, to leave the world a little better than we found it. When goals such as these take shape, the life insurance policy that served us well in years gone by can serve us in an entirely new way when we make a charitable gift. In other cases, a new policy can be the key to achieving philanthropic goals. Here are some possibilities:

Give the death proceeds. Christine no longer needs the $25,000 death benefit from the policy he took out years ago when his family was young. So he decides to have the YouthZone Foundation receive the proceeds payable at his death.

Give the policy itself. Jacqueline, age 75, had almost forgotten her paid up $50,000 policy until she began thinking about establishing a gift to the YouthZone Foundation in memory of her mother. She depends on the income from her other investments, but the insurance policy makes an ideal gift. Because she makes the YouthZone Foundation the beneficiary and also the *owner* of the policy, her gift is irrevocable, and she receives a tax deduction for the cash value of the policy. Jacqueline's policy is paid up, but if premiums were still owing and she continued to pay them, she would receive a tax deduction for those payments as well.

Give a new policy. Charles, in his mid-40's, would like to make a significant gift to the YouthZone Foundation. He has no existing policy or assets to contribute but he does have some discretionary income, so he purchases a new $40,000 policy naming the YouthZone Foundation as both owner and beneficiary, and pays for it in five annual payments of $1,200 each. He receives a tax deduction for each payment.

These are but some of the ways in which life insurance can help you achieve your personal and philanthropic goals. If you would like to explore a life insurance gift to the YouthZone Foundation tailored to your circumstances and interests, please contact us.