

Life Insurance FAQs



Beneficiary Gift of an Existing Whole Life Policy

Q: How do I make the Village the beneficiary of an existing whole life policy?

A: To name the Village as a beneficiary, request a change of beneficiary form from your insurer. Complete and return the form to your insurer, designating the Village as the partial or entire beneficiary.

Q: Do I need to notify the Village?

A: Yes, please. Insurers don't notify organizations about beneficiary designations until after the policy matures. Informing us will allow us to celebrate your generosity during your lifetime.

Q: Can I change my mind later?

A: Yes, you can change beneficiaries at any time by completing another change of beneficiary form.

Ownership Gift of an Existing Whole Life Policy

Q: How do I make the Village the owner of an existing whole life policy?

A: Request a change of ownership form from your insurer. Complete and return the form to your insurer, designating the Village as the owner of your whole life policy.

Q: What happens to my policy after the Village becomes the owner?

A: The Village can either redeem the policy for its cash value or continue paying the premiums until maturity. Donors often choose to continue paying the premiums on the village's behalf via tax-deductible donations to the Village that result in a larger eventual gift.

Q: What are the benefits of continuing to pay premiums on the Village's behalf?

A: Premium payments made to the Village can be tax-deductible, and continuing to pay premiums will eventually result in a gift to the Village that is larger than the policy's cash redemption value.

Q: Do I need to notify the Village about an ownership designation?

A: Yes, it's essential. The Village must decide whether to pay future premiums or redeem the policy for its cash value. Your input is a key factor in that decision.

Q: Can I change my mind later?

A: No, once the Village becomes the owner of your whole life policy, the decision is permanent.

Beneficiary & Ownership Gift of a New Whole Life Policy

Q: How do I make the Village the beneficiary and owner of a new whole life policy?

A: Contact your insurer to set up a new whole life policy with the village as the beneficiary and owner. You'll also need to enter into a binding agreement with the Village to pay future premium payments until maturity.

Q: Do I need to notify the Village about a beneficiary and ownership designation of a new policy?

A: Yes, it's essential. The Village must cover future premium payments, so you'll need to enter into a binding agreement with the Village to pay the premiums on the Village's behalf until maturity.

Q: What are the benefits of paying premiums on a policy the Village owns?

A: The out-of-pocket cost for future premiums will be far less than the value of your eventual gift to the Village. The payments may also be tax-deductible.

Q: Can I change my mind about ownership and beneficiary designation later?

A: You can stop paying the premiums, but you cannot change the ownership and beneficiary designation. If you stop paying the premiums, the Village can choose, at its sole discretion, to redeem the policy for its cash surrender value.