



**Jewish Community
OF GREATER
Foundation METROWEST NJ**

GUIDELINES FOR ACCEPTANCE OF LIFE INSURANCE

Life insurance offers donors a unique opportunity to create a large contribution tomorrow with a relatively small investment today.

JCF has established these guidelines to set norms for the use of life insurance as a charitable gift planning tool. In doing so, JCF seeks to reduce the risk of poor performance of insurance policies that are donated to the JCF and to protect the anticipated proceeds of the insurance, as well as the donors on whose lives they are based.

JCF will consider the creation of a new permanent life insurance policy on a donor or donors (and/or the acceptance of an existing policy when being donated from a donor or donors) for which it will become the owner and beneficiary, provided the following guidelines are followed:

- The insurance carrier must be rated A+ by AM Best, and at least AA- by S&P or at least Aa3 by Moody's.
- Illustrating proposals must show a maximum of a 10-year premium payment period. A payment period of less than 10 years will be accepted.
- For universal life policies, a secondary guarantee or its equivalent is preferred. If such a guarantee or equivalent cannot be provided, then original illustrations should use projections at 100 basis points below the company's current interest rate.
- For whole life policies, original illustrations should be to age 100, based on current assumptions. Also, illustrating proposals should use projections at 100 basis points below the company's current dividend rate.
- Generally, variable life insurance policies and term life insurance policies will not be accepted. Unique circumstances may be given special consideration.

JCF will consider the acceptance of an insurance policy that does not meet the above guidelines if the insurance gift acceptance committee approves the proposal. In reviewing the proposal, the committee will examine, among other things, the pledge agreement with the donor confirming the donor's understanding of his or her obligation to JCF, including the need to fund future premiums, thus ensuring that the policy remains in force. Or, if the policy lapses, the donor will confirm a commitment to fund the pledged amount from sources other than the insurance policy proceeds.

For more information, please contact:

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