

# FOREWORD

I'm a professional fundraising writer and a member of the Canadian Association of Gift Planners and the Association of Fundraising Professionals. One of my specialties is the promotion of different planned giving tools – and in particular, gifts of insurance.

I'm married to Jack Bergmans, a Canadian Certified Financial Planner and member of the Canadian Association of Gift Planners who is an expert in integrating philanthropy into his clients' financial and estate plans, and using insurance to its best advantage to meet and whenever possible exceed their goals.

Through our company, Bequest Insurance, with our co-founder Judy Doré, an experienced financial advisor and insurance professional, and also a member of the Canadian Association of Gift Planners, we have become experts in giving through insurance.

Jack and I felt compelled to write this book because there is no other book in North America that explores this topic in depth, and translates “insurance-ese” into everyday language. We think it is needed. Our conversations with countless fundraisers and financial planners have taught us that many don't really understand how beneficial it can be to integrate insurance products into financial and gift planning, or how to use insurance to its greatest advantage.

Many fundraisers are also worried that they will be gifted with policies that will simply fail if donors stop paying their premiums.

Many gift planners admit, “I find giving through insurance complicated. Apart from mentioning to donors that they can donate a paid-up policy, I'd prefer not to talk about this, since

I'm nervous about being asked questions I can't answer."

Others have told us, "Most of my donors only want to give gifts through their Will. Why shouldn't I help them do what they want to do?"

This book will answer all of these questions and concerns.

Giving using insurance is the second most popular way for Canadians to make estate gifts. Yes, this only constitutes about 5% of planned gifts, but if more people understood the benefits of giving in this way, and got advice that allowed them to structure effective and guaranteed gifts, charities could get larger gifts leveraged by insurance.

Donors can take advantage of benefits that can far outweigh giving through a standard bequest. I'll just tantalize you by saying donors can often use insurance to give bigger gifts than they could have imagined, which go quickly to their charity after their death. These gifts aren't diminished by taxes and probate-related fees, and donors receive generous tax breaks (either during their life or to benefit their estate) that allow them to leave more to their heirs. And that's just scratching the surface of the benefits using insurance in charitable giving.

This book will guide you through all the ins and outs of giving through insurance, how to identify donors that can benefit from using insurance as a philanthropic tool, how to easily talk to them about this beneficial option, and how to administer insurance gifts.

I'll also be very transparent about some of the risks involved in accepting some gifts of insurance. You'll learn how you can counter possible pitfalls, and get information and tools you can use to minimize or eliminate risks.

One challenge you may face is that many financial advisors working with your donors — even those who specialize in

insurance — don't really understand the many ways to use insurance products to help their clients meet their financial and philanthropic goals. In fact, *many financial advisors don't even ask their clients about their philanthropic goals because they feel it's either "too personal" or "too technical."*

Our companion volume, *Ripple effect: growing your business with insurance and philanthropy*, is an educational tool you can lend or give to your most trusted financial advisors. Jack Bergmans has written this comprehensive guide for financial advisors to teach them how to form deep and enduring relationships with their clients by helping them experience the profound happiness that comes from supporting charitable causes they truly believe in. And by providing holistic advice that meets all of their clients' goals, advisors will also gain more business through referrals.

Although the insurance and tax laws Jack mentions are Canadian, the overall concept of integrating insurance into financial and estate planning is common to any financial planner in any country.

So if you want to ensure the financial professionals on your charity's committees, boards and preferred lists are fully up to speed on gifts of insurance, you stand to benefit by giving them a copy of this book.

**Simply put, whether you are a gift planning newbie or old pro, this book will help you deepen your conversations with donors...revealing options that may remove obstacles donors have to giving, and opening the door to meaningful gifts that have an outstanding impact.**

*Marlena McCarthy*

### **What fundraisers will learn from this book**

Written in easy-to-understand, conversational English that you can use in discussions with your donors, you'll gain a firm grasp on everything you ever needed to know about giving through insurance, annuities, and other insurance products.

- 1. Incredible benefits of giving through all insurance products:** So enticing that you'll even consider making your own estate gifts in this way.
- 2. The pros and cons of establishing a life insurance program in your charity.** Decide whether proactively promoting gifts of insurance is good for your charity.
- 3. Insurance 101:** An easy-to-understand primer on insurance.
- 4. Using insurance for charitable giving:** The most common ways to use insurance to give more, leave more to other beneficiaries, and disinherit the taxman.
- 5. Creative uses for insurance to enhance charitable giving.** Details the back-to-back strategy, and many other options that offer donors great benefits.
- 6. Types of people best suited towards giving through insurance.** It's not for everyone. Learn for whom it's suitable to bring it up.
- 7. Promote gifts of insurance better.** Help your donors learn the benefits of giving through insurance, and if it can work for them. Donor talking points will allow you to confidently speak to donors and answer common questions.
- 8. Effectively administering your insurance giving program.** Step-by-step guide to accepting and effectively handling gifts of insurance, and stewarding these donors.