

PROVIDING BEQUESTS THROUGH LIFE INSURANCE.

(By Edward A. Woods).

Where now one person leaves an estate of sufficient available and convertible capital to provide bequests, there are many charitably inclined who would like to leave money to some cause, but do not because of difficulties in providing the funds from their estates. Life insurance meets this difficulty by providing the desired capital for a comparatively small annual payment—generally far less than interest—during lifetime. Money to furnish such a bequest can be thus provided without diminishing the remainder of the estate or forcing liquidation of assets at a loss.

Life insurance is payable at once and in cash. Many bequests, owing to delays in settling estates, are not available for at least one year, and sometimes many years, after death, during which time the charity is deprived of the principal and income.

Most charities need money at once. The average bequest not being available for one year or longer after death of the testator means a loss of interest. There are also the charges of executors or trustees.

Life insurance is received by the beneficiary at once, without deduction of tax, executors', administrators' or trustees' charges, or delay in interest.

The saving to the charity may be estimated somewhat as follows:

	P. c.
Interest from death until receipt of funds, say two years	12
Collateral inheritance tax	5
Executors' or trustees' fees, say	3
	20

This assumes no shrinkage in the bequest from depreciation of the estate and no litigation.

MAKES BEQUESTS CERTAIN.

Many bequests have failed or been reduced because the estate did not turn out sufficiently solvent. Life insurance guarantees this.

Many persons charitably inclined defer—often indefinitely—making bequests because of the natural aversion to, or hesitation in, drawing or altering a will. Such bequests may be made through life insurance policies without interfering with the will, and hold even if the donor were intestate.

Contesting wills providing large charitable bequests is common. Kindred—sometimes the most remote—are tempted by the very provision to attack the will. Life insurance is not open to such attacks.

One may alter a will providing an intended bequest, and never restore it, perhaps only for some temporary reason. If a life insurance policy payable to a charity is deposited with it, it is not so likely to be diverted or abandoned. Many institutions depending upon bequests once made have been bitterly disappointed in finding them altered at the expected giver's death.

A policy thus deposited, payable absolutely to a charity, gradually acquires an increasing cash value; or, if desired, in case of the giver's failure to maintain it, the institution named as beneficiary may keep up the policy in several ways, often without cost, either by taking extended or paid-up insurance, or by borrowing upon the policy itself, if the health of the testator appears to justify such a course. The cash values alone of a number of policies so payable eventually become valuable.

Many leave nothing to a charity to which they have long contributed because of hesitation to leave the insignificant amount that they could otherwise provide at their death. They very properly do not wish to compel their families to raise cash that they themselves could ill afford when living, by a liquidation of estates; consequently the bequest is not made at all. By the annual payment of a small amount a bequest worth while can be made by life insurance.

For illustration, one may wish to endow a hospital bed costing say \$5,000. He may think it too great a hardship upon his estate to provide this amount; a less sum would not answer. But by the payment of say \$150 a year through life insurance, the desired end could be accomplished without any hardship whatever upon the family of the donor, whose other estate would not be diminished thereby nor would it be injured by being forced to liquidate to that extent. Thus the only thing interesting to the donor is made possible.

BURDENSOME OBLIGATIONS.

Many bequests entail burdensome obligations upon the recipient—to maintain or liquidate property; to pay a life annuity or interest; often imposing a more or less heavy burden, sometimes one almost counterbalancing the value of the bequest. Life insurance is a clean, clear, cash asset, free from any such encumbrance.

Agents of insurance companies, often themselves active in charitable affairs, can frequently be utilized in such promotion of charitable causes without the expense of paid solicitors—partially relieving busy directors and trustees of such institutions from the onerous duty of raising funds.

If policies are taken upon the endowment plan, as has been recently done by the graduating class of several large universities, the money will certainly become the property of the intended donor at the end of a fixed number of years; and on whatever plan the insurance is taken, if a number of policies are issued payable to it, in the natural course of events deaths constantly occurring will bring a steady income to such institution.

The friction often caused by the family forced to liquidate valuable assets at a sacrifice to pay a bequest often causes complications and ill feeling between the family of the donor and the institution, greatly to the distress of both. This is avoided by a life insurance policy payable to it.

We have to acknowledge with thanks copy of a patriotic plate issued by the Law Union and Rock Insurance Company with the title "What we have we'll hold." The British bull-dog is doing business as usual; so is the Law Union and Rock.

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I cannot understand why there should be a single individual with any responsibility whatsoever, who has family, relatives or friends, who has not an insurance upon his life. I hold as benefactors of humanity and society those who go around using eloquence, poetry and persuasion and everything else, and win them to go out and insure their lives. I have very little regard for any man who leaves this world without having been able to leave behind him a life insurance policy, so that those dependent upon him are provided for; so that any debts he himself may have are paid, and if he has not much of an estate, so that he himself may be buried in decency and honor.—*Archbishop Ireland.*