

Life Insurance, Another Way to Give



A life insurance policy is different from a bequest or major gift.

It serves a dual purpose, as a means to grow your savings and also transfer your assets. It is a renewable policy that offers two kinds of insurance, for which the benefits to be paid depend on whether the insured party is living or deceased.

- **If the insured party is living** when the policy ends, the accumulated capital will be paid either as a lump sum or an annuity. This is a good way to complement one's income or retirement pension.
- **If the insured party dies**, the policy provides for the accumulated capital to be paid to one or more designated beneficiaries. The designated beneficiary clause therefore enables you to transfer your assets to any designated person or organization.

As an institution of recognized public benefit, the American Hospital of Paris can be

designated as the beneficiary of a life insurance policy. All of the funds received will be used to finance the American Hospital of Paris's investments and future projects. The Hospital will owe no taxes on the money received.

One Policy, Several Beneficiaries

It is possible to state specific wishes in the beneficiary clause. You can name a single beneficiary – either a person or an institution like the American Hospital of Paris – or you may divide the benefit among several people and/or organizations, specifying the percentage each party is to receive.

Using the beneficiary clause, you can also allocate the life insurance benefit to a particular philanthropic cause such as an investment or renovation project.



Simultaneously Support a Cause and Your Loved Ones

If you have several life insurance policies as well as property and liquid assets, and you wish to support both your loved ones and the American Hospital of Paris, you can easily distribute your assets to ensure no one is left out. Whatever your needs, ask our philanthropy expert who can help you optimize your planned giving.

Policy Taxation

Life insurance policies are not included in a person's estate, which means that life insurance benefits are not subject to the French rule of forced heirs by which heirs must inherit a specified portion of an estate (réserve héréditaire). However, life insurance must not be used as a way of bypassing forced heirship.

A judge may decide to include a life insurance policy in an estate if the premiums paid by the policy owner are deemed demonstrably excessive. Life insurance policies are subject to specific taxation rules that depend on the age of the insured party when the premiums were paid.

Naming the Beneficiary of Your Life Insurance Policy

You must carefully complete your life insurance policy's beneficiary clause and clearly state the beneficiary, especially when designating a foundation, by specifying the exact name and address. If you would like to designate our Hospital as a beneficiary, please indicate the name as follows: American Hospital of Paris 63, boulevard Victor Hugo - 92200 Neuilly-sur-Seine - FRANCE

Taxation Summary Table for Life Insurance Policy Beneficiaries

DATE OF POLICY PURCHASE	PREMIUMS PAID		If the AHP is a beneficiary Tax-exempt regardless of policy purchase date or when premiums were paid.	
	BEFORE 10/13/1998	AFTER 10/13/1998		
BEFORE 11/20/1991	Tax-free	Taxed at the rate of 20% or 31.25% (after an allowance of €152,500)		
AFTER 11/20/1991	Before the insured party's 70 th birthday	Tax-free		Taxed at the rate of 20% or 31.25% (after an allowance of €152,500)
	After the insured party's 70 th birthday	Inheritance tax due on the portion of the premiums that exceeds €30,500		



Talk to an Expert

Pierre-Henri Ollier holds a degree in notary law and provides expert assistance for your planned giving to the American Hospital of Paris. He is available for free, confidential consultations to discuss your situation and perform an audit of your estate and tax obligations and to determine the best way to share your generosity between the Hospital and your loved ones.

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