

PLANNED GIVING

Canada Life's Simple Solution for a Lasting Legacy

My Par Gift introduces an insurance product with a single premium payment designed for charitable giving. Planned giving is a bequest that allows donors to have a positive impact on a cherished cause long after they are gone. While the idea is simple, the practicalities can be complicated, especially if someone wants to donate the proceeds of an insurance policy.

It's a problem that experts at Canada Life have been discussing for years, and in March they announced their solution.

"There have been a number of complexities and barriers that have made it difficult to use insurance in the planned giving space," said Andrea Frossard, Senior Vice-President, Par Insurance Solutions at Canada Life. "So we created My Par Gift, a unique, simple solution that addresses the pain points associated with planned giving."

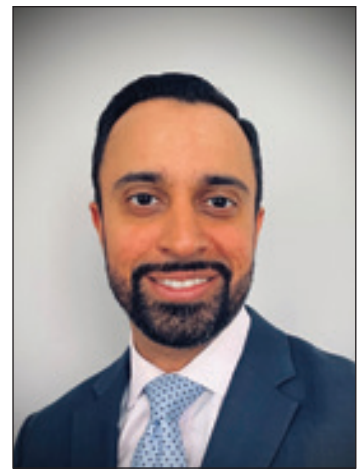
A key pain point with the use of insurance in charity is the need for donors to maintain regular premium payments. Donors may not always be able to continue to make premium payments. This creates a source of uncertainty for the receiving charity, which could lose the gift if those premiums aren't paid.

My Par Gift solves this problem by creating a single premium payment solution.

"The donor just makes a one-time premium payment, and the charity is the owner and beneficiary of the policy," explains Vikram Malik, Vice-President,



Andrea Frossard,
Senior vice-president,
Par Insurance Solutions



Vikram Malik,
Vice President, Par Pricing & Special
Initiatives in Insurance Solutions

Par Pricing & Special Initiatives at Canada Life.

"From that point forward, the charity has full control of the policy. They can access the cash values, get any dividends the policy may receive, and of course they also get the death benefit at the end. That's what makes it so simple – for the donor, the charity, and the advisor as well."

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Solving problems

Planned giving has become an increasingly popular form of charity. It can provide tax benefits to the donor, while ensuring they leave a lasting legacy for the organizations and causes they support. However, it's an area where insurers have struggled to keep pace.

"While there has been a lot of growth in planned giving over the last 15 years, there has been very little growth with insurance in planned giving," Malik says. "So, when we stepped back and asked why, we saw an opportunity to change how this insurance could support planned giving."

"This was in the works for almost two years," Frossard says. "It was a new market for Canada Life. We took the time to learn about the challenges for donors, as well as the nuanced needs of charities."

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Charity begins at home

Although this particular slice of the

insurance market may have been new to the creators of My Par Gift, they are no strangers to the importance of charity. As a company, Canada Life donated over \$11 million to communities across the country last year, while employees contributed another \$2.3 million on their own.

"My Par Gift is very aligned with Canada Life's values," Frossard says. "When we worked with advisors, charities, and the Canadian Association of Gift Planners to understand the challenges, we saw a way to demonstrate our commitment to others."

One of the first challenges they faced was the complexity surrounding the use of insurance for charity. While it's typical for an insurance product to be continuously serviced for decades after a policy begins, this ongoing need to revisit the policy was a burden for both the donor and charity.

"It created a lot of inertia," Malik says. "We were hearing that ongoing premium payments were triggering difficult conversations between advisors and their clients. By removing those barriers, we enabled new conversations and created new opportunities."

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The launch

My Par Gift is very new. Launched on March 30, it's been circulating among advisors and donors, creating a lot of buzz in the industry.

Asked what charities will benefit most

from the introduction of My Par Gift, Malik pointed to the more than 80,000 registered charities in Canada that would welcome less administration and more certainty.

“Some charities may be more likely to embrace insurance,” he said. “Charities that have a legacy planning focus are

typically a good fit, but My Par Gift is really for any charity that wants to invest in its future.”

Frossard agrees.

“Since its launch, we've heard from a lot of charities that want to learn more. It's been described as a game-changer, and this is just the beginning.”

Andrea Frossard is Senior vice-president, Par Insurance Solutions

Vikram Malik is Vice President, Par Pricing & Special Initiatives in Insurance Solutions at Canada Life.

Will New AMT Proposals Crimp Canadian's Charitable Giving?

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slowly closes before the new AMT rules take effect, he says charitable institutions should be aware of how the AMT proposals could impact them. Those institutions that are most in need, he says, should think about contacting their largest donors to look at creating gifts immediately.

“The charitable industry was greatly impacted by Covid-19. People are more nervous about their personal financial situation, so their giving is a

little bit tighter,” Halpern says. “The government can't sustain the social fabric of Canada on their own, so if anything, we should be finding more ways to encourage people to give.”

Mark Halpern, Certified Financial Planner (CFP), Trust and Estate Practitioner (TEP), and Master Financial Advisor - Philanthropy (MFA-P) has helped business owners, entrepreneurs, professionals, and affluent families for 32 years. Mark is a faculty member and contributed curric-

ulum content for the ground-breaking Master Financial Advisor-Philanthropy (MFA-P) designation. He is building a national community of 100 financial professionals and charities with the goal of creating \$1 Billion of philanthropy annually. <https://wealthinsurance.com/billion.php>

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