













## Wealth Replacement

There are numerous charitable gift planning techniques involving life insurance. One example is the use of life insurance to replace assets that have been donated either on an outright basis or through other planning techniques.

The so-called *wealth replacement plan* comes in several varieties. The basic idea of the plan is to make a charitable gift (either outright or via a charitable remainder trust or other life income plan) and to use the tax or other financial benefits resulting from the gift to pay for life insurance.

The wealth replacement plan can be an excellent way for a charitably motivated person to make a gift while still providing for loved ones. It should be kept in mind, however, that the purchasing of insurance with the tax and other financial benefits of the charitable gift is simply an investment choice on the donor's part, and that the donor may wish to consider other investment alternative.

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