

# United Way of South Hampton Roads Foundation Insurance Endowment Agreement

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THIS AGREEMENT is made between \_\_\_\_\_, residing at \_\_\_\_\_, hereinafter referred to as the "Donor," and THE UNITED WAY OF SOUTH HAMPTON ROADS FOUNDATION located at 2515 Walmer Avenue, Norfolk, Virginia 23513-2604, hereinafter referred to as the "Foundation."

WHEREAS, the Donor wishes to make arrangements to establish a permanent endowment fund; and

WHEREAS, the Donor wishes to have the Foundation administer said fund, and the Foundation has agreed to serve in such capacity;

NOW, THEREFORE, in consideration of the mutual covenants and conditions stated in this agreement, the Donor and the Foundation agree as follows:

1. The Foundation shall apply for an insurance policy on the Donor's life described in Schedule A to this Agreement (the "Policy").
2. Upon receipt of each notice from the Policy's carrier that a premium will be due on the Policy, the Foundation shall bill the Donor for the amount of such premium, or such portion thereof as is specified on Schedule B to this Agreement, if any, and the Donor agrees to pay such amount to the Foundation. The Foundation agrees to use such payment from the Donor to pay such premiums.
3. [Initial A or B as follows:]
  - A. \_\_\_\_\_ The Policy will not be maintained pursuant  
(Donor) (Foundation)  
to the Premium Partnership Program of the Foundation.
  - B. \_\_\_\_\_ The Policy will be maintained pursuant to the  
(Donor) (Foundation)  
Premium Partnership Program of the Foundation, in the manner provided on Schedule B to this Agreement.

4. The Foundation shall be the owner and beneficiary of the Policy and shall have reserved to it all rights under the Policy as owner and beneficiary, subject to the terms and conditions of this Agreement. The Foundation shall have no obligation to maintain the Policy except insofar as it receives gifts from the Donor in amounts sufficient to pay the premiums due under the Policy, or such portion thereof as Donor agrees to pay under Schedule B to this Agreement, if any.

5. Except in the case of an emergency, as determined in the sole discretion of the Foundation, the Foundation agrees not to surrender the Policy, withdraw Policy dividends, borrow against the cash value of the Policy, or pledge such cash value as collateral for any indebtedness of the Foundation during the Donor's lifetime. Subject to the preceding sentence, so long as the Foundation receives from the Donor funds sufficient to pay Policy premiums in a timely manner, the Foundation agrees to keep the Policy in full force and effect.

6. Upon the death of the Donor, the Foundation shall collect the proceeds of the Policy and shall hold such proceeds as a permanent endowment fund (the "Fund"). The assets of the Fund shall be invested as the Foundation may from time to time determine. Distribution shall normally be made from the Fund in accordance with the payout policy established by the Foundation, except that in the event of an emergency, as determined by a two-thirds vote of a quorum of the Board of Trustees of the Foundation, any or all assets of the Fund may be used in the manner determined by the Trustees. Subject to the preceding sentence and to Schedule B hereto, if any, distributions from the Fund shall be made at least annually as follows:

A. Applied with, or in a manner similar to, distributions from the Foundation's Unrestricted Endowment Fund, \_\_\_\_\_%

B. Applied with, or in a manner similar to, distributions from the Foundation's \_\_\_\_\_ Fund (a designated or field of interest fund), \_\_\_\_\_%

C. Applied with, or in a manner similar to, distributions from the Foundation's Annual Campaign Endowment (ACE), \_\_\_\_\_%

D. The following charitable organizations (Specify Names and Percentages):

\_\_\_\_\_% \_\_\_\_\_  
\_\_\_\_\_% \_\_\_\_\_  
\_\_\_\_\_% \_\_\_\_\_  
\_\_\_\_\_% \_\_\_\_\_  
\_\_\_\_\_% \_\_\_\_\_

7. The Donor may, from time to time, submit to the Foundation recommendations to amend Section 6 by changing the allocation of distributions from the Fund specified in such section, such as by the substitution as recipients of other charitable organizations described in Sections 170(b)(1)(A) and 501(c)(3) of the Internal Revenue Code, or any successor provision. Any

such recommendations shall be solely advisory, and the Foundation is not bound by those recommendations.

8. If any beneficiary designated in paragraph 6D ceases to exist, the income payable to such organization shall be paid to its successor organization: or if there is no successor, then to any charitable organization(s) described in Sections 170(b)(1)(A) and 501(c)(3) of the Internal Revenue Code, or any successor provision, as determined by the Foundation (which may include the Foundation itself or United Way of South Hampton Roads).

9. This Agreement is hereby declared to be irrevocable.

IN WITNESS WHEREOF, the Donor and the Foundation have each executed this Agreement as of the date set forth opposite their respective signatures.

\_\_\_\_\_ Donor: \_\_\_\_\_  
Date Executed

The United Way of South Hampton Roads Foundation

\_\_\_\_\_ By: \_\_\_\_\_  
Date Executed Michael Hughes, Executive Director

**SCHEDULE A**

Policy Number: \_\_\_\_\_

Issuing Company: \_\_\_\_\_

Insured: \_\_\_\_\_

Beneficiary: The United Way of South Hampton Roads Foundation

Owner: The United Way of South Hampton Roads Foundation

**SCHEDULE B**

- a. The insurance carrier identified on Schedule A above is rated "A" or better by A.M. Best and at least "AA" or better by at least two of the three other major rating services.
- b. The Policy identified on Schedule A above shows a limited premium payment period, using projections at the issuing carrier's current interest rate and at one percentage point below that current interest rate.
- c. The payment schedule for the coverage shows that, at all times, the matching contributions made by the Foundation are available as cash surrender value, and the Policy's initial cash surrender value when the Policy is acquired by the Foundation shall be sufficient to cover the

Foundation's initial matching contributions.

d. Of the total premium of \$\_\_\_\_\_ per year provided for under the Policy, the Donor agrees to pay to the Foundation \$\_\_\_\_\_, as provided in paragraph 2 of the Agreement, and the Foundation agrees to pay the remaining \$\_\_\_\_\_, subject to paragraphs 4 and 5 of the Agreement.

e. Distribution: At least 25% of distributions made from the fund established with the policy's death proceeds are to applied with, or in a similar manner to, distributions from the Foundation's Unrestricted Endowment Fund or distributions from the Foundation's Annual Campaign Endowment (ACE). The balance of the distributions shall be made as indicated in Paragraph 6 of the Agreement.