

INSURANCE TRUSTS SAMPLE WORDING

The wording below may be used by a lawyer in the preparation of an individual's will when the intention is to make an insurance declaration in the will that will result in the insurance proceeds being paid to a testamentary trust upon an individual's death.

Note: the advice of a lawyer who is experienced in the drafting of trust deeds should be sought before making any changes to a will to create an insurance trust.

Option 1

I REVOKE all beneficiary designations by me heretofore made with respect to all insurance policies on my life [issued before July 1, 1962 under which my spouse and/or my children or any of them has the status of [preferred] beneficiary] and I declare that the proceeds of all such policies shall be payable and paid to my Trustees and the proceeds shall be held in a separate trust in the same manner and on the same terms as I have provided for the residue of my estate by my Will. [For the purposes of this paragraph (and for the purposes of this paragraph only) the word "issue" shall be deemed to mean and include only such issue as are preferred beneficiaries within the meaning of Part V of the Insurance Act in force immediately before July 1, 1962. For the purposes of this paragraph (and for the purposes of this paragraph only) the provisions of my Will shall be construed as though no child of mine had left a spouse surviving him or her.] This declaration shall be a declaration within the meaning of the Insurance Act.

Note: Delete the words within the [] if the policies referred to were issued on or after July 1, 1962. If the testator is making designations for policies issued both before and after July 1, 1962, the clause must be amended to reflect that fact.

Option 2

I DECLARE that the proceeds of all policies of insurance on my life, whether payable in a lump sum or on a monthly or other instalment basis, shall be paid and payable to my spouse, [insert name], as the beneficiary of the said policies. If my spouse shall predecease me, I declare that the proceeds of such policies shall be paid and payable to my children alive at my death in equal shares per capita as the beneficiaries of such policies. I further declare that such proceeds shall be paid and payable to my Trustees and the proceeds shall be held in a separate trust in the same manner and on the same terms as I have provided for the residue of my estate by my Will. This declaration shall be a declaration within the meaning of the Insurance Act.