

- A charitable organization as described in section 501©(3) or section 170© of the Internal Revenue Code or an educational institution may receive a transfer of property from a donor in exchange for an annuity payable over one or two lives, under which the actuarial value of the annuity is less than the value of the property transferred and the difference in value constitutes a charitable deduction for federal tax purposes.

The issuance of the annuity by a charitable organization does not constitute engaging in the business of insurance if the organization meets certain standards at the time of issue. Please note NCGS 58-3-6(a).

- NCGS 58-3-6(b): Charitable organizations or educational institutions must notify the Commissioner when issuing its first annuity.
- NCGS 58-3-6(d): The Department may fine an organization or education institution that fails to comply with all sections of NCGS 58-3-6.
- No annual reporting is required after the initial notification to the Department.
- If the legal name of the charitable organization or educational institution changes, a new notification form and copy of the most recent IRS exemption status letter will be required.