

# MORTGAGE INSURANCE

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Most of us purchase mortgage insurance from the bank at the time that we set up our mortgage, **but is this the best choice?**

**There is a better alternative:** purchasing your mortgage insurance from a life insurance carrier.

Here's why:

	<u>Bank Insurance</u>	<u>Life Insurance</u>
1. Do I own the policy and can I name the beneficiary of my choice?	NO	YES
<u>Why is this important?</u>		
You are part of a group policy owned by the Bank. The Bank will receive the Death Benefit. With the insurance carrier your loved ones will receive the Death Benefit. At which point, your beneficiaries will decide how to use the payment. They are not required to repay the mortgage with the death benefit.		
2. Is the Payment guaranteed?	NO	YES
<u>Why is this important?</u>		
With the Bank, underwriting takes place at time of claim, where the Bank may uncover reasons not to pay. With the insurance carrier, underwriting takes place at time of issue. Once it is issued, it is guaranteed.		
3. Does my coverage remain level?	NO	YES
<u>Why is this important?</u>		
With the Bank, the coverage declines as you pay off your mortgage, it is always equal to the mortgage balance. The Death Benefit of the life insurance policy remains level.		
4. Is the coverage flexible?	NO	YES
<u>Why is this important?</u>		
Your Bank will insure you only for the amount of your mortgage. You cannot change the coverage at all. With an insurance carrier, you may choose different types of plans and you have the flexibility to convert into a permanent policy should you wish to do so or become uninsurable.		



5. Is the policy guaranteed? NO YES

Why is this important?

Your Bank can change or cancel the policy at any time. Your premiums and benefits are not guaranteed. With an insurance carrier, your premiums and benefits are guaranteed for the life of the policy.

6. May I get a preferred rate because I look after my health? NO YES

Why is this important?

Your Bank usually offers insurance through a group plan, therefore you pay the same rates as everyone else. With an insurance carrier, the premium you pay is based on your health and smoking status.