

Update August 2018 Knowledge idea #2

If you or your kids have a mortgage, it is likely you or they have mortgage insurance. There are some key differences between mortgage insurance issued by a bank and term insurance. I believe most clients with mortgage insurance issued by a lender are unaware of the potential risks. Please take a moment to read about them below – **see points in bold**. I recently converted a client from mortgage insurance to term insurance with significant savings and a guaranteed contract.

**Term Insurance**

**Mortgage insurance issued by lender**

Your mortgage protection remains intact even if you switch lenders

**Portability**

When you switch mortgage providers, you usually need to reapply for your mortgage insurance.

You own the policy and choose the Beneficiary you want to receive the death benefit.

**Control**

With typical mortgage insurance, the lender owns the policy and assigns itself as the beneficiary.

Your coverage amount remains intact even as your mortgage balance decreases.

**Level coverage**

Typical mortgage insurance declines as your mortgage balance decreases, however your premiums stay the same.

You benefit from insurance underwritten at the time of application.

**Comfort**

Typical mortgage insurance is only Underwritten at the time of death.  
**(In other words, you find out if you really have insurance when you die - too late for alternatives.)**

Your rates are guaranteed for the life of the Policy – it’s right in the contract.

**Guaranteed Death Benefit & Premiums**

Typical mortgage insurance rates are not guaranteed.

<https://www.youtube.com/watch?v=MvtcfTrPJJE>

Please contact me with any questions or for a comparison quote.

National Bank Insurance  
Rob Hunter  
Life Underwriter

Sources: CBC Marketplace, Equitable Life

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