

## MORTGAGE INSURANCE VS. TERM LIFE INSURANCE

### Term Life Insurance

You purchase an individual policy.

You own the policy – you have complete control over it.

You have a premium rate that is guaranteed in advance, the company cannot decide to change it.

You may purchase any amount of coverage that will never decrease over the Term of the coverage.

The insurance company cannot cancel your insurance if premiums are paid, only you can.

Your individual policy is fully portable. It is not connected to the mortgage and if you re-finance your mortgage with another lender, you do not need to re-qualify.

You can convert this policy, regardless of your health.

You decide who your beneficiary is. Upon death, your beneficiary will receive the proceeds and your beneficiary decides how and where to use these funds. The proceeds of a life policy are protected from all creditors, including a bank.

If you use level term, and insure both the husband and wife individual, then both policies pay benefits in the event of both deaths.

You are buying the coverage from a licensed broker or agent who has been trained to understand your overall need for life insurance and how to integrate that with your total need.

### Bank/Mortgage Insurance

The coverage is under a group policy.

The bank owns the policy – you do not have control over it.

The group policy premiums can be changed if the company decides to raise premiums for the group.

The coverage is for outstanding amount of the debt. As your mortgage reduces, your insurance decreases.

The policy can be cancelled by the bank or by the issuing company.

The coverage will terminate if you re-finance your mortgage or if you sell your house, or if you pay off your mortgage, or if the bank forecloses on your mortgage.

The group mortgage is not convertible.

The bank is your beneficiary and the death benefit is automatically used to pay off the mortgage, regardless of the wishes or circumstances of your dependents.

If you and your spouse are both insured on a bank mortgage policy, then only one payment is made in the event of both deaths.

You are buying insurance from a bank employee who is perhaps not licensed and who receives no training in determining your total need for life insurance.

*Protecting peoples' life styles...*