

MORTGAGE INSURANCE

vs. Individual Insurance

Consider these important points before purchasing mortgage insurance.

	Bank Mortgage Insurance	Individual Insurance
Definition	Group Creditor	Personally Owned
Coverage/Premium Changes	Only by Insurance Co. at Renewal	Insurance Co. Cannot Change After Issue
Who can Change the Contract	Insurance Company	Only the Insured
Ownership & Control	Financial Institution Owns and Controls the Insurance	You Own and Control the Contract
Coverage	Only the Outstanding Mortgage Balance is Covered (premiums remain the same)	No Decreases in Coverage
Coverage Duration	Until Renewal	Lifetime if Needed
Requalify at End of Renewal Period	Must Requalify Medically	No Requalification Needed
Portable	No	Yes
Flexibility	None	Very Flexible
Beneficiary	Financial Institution Receives Proceeds Upon Death	Named Beneficiary
Premiums	Premiums are subject to HST	No additional taxes
Coverage Continuation Option When Mortgage Ends	None	Yes, Full Coverage
Termination	End of Renewal Period	Age 80 or 85
Suicide	Usually Not Covered	Covered After 2 Years
Cost	Future Premiums Unknown	Fixed In Contract Until Age 80 or 85
Convertible to Term 100	No	Yes, and without a medical

Information provided by term/mart Insurance Agency Ltd. and Future Financial Planning Group.

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