



## Comparison of Mortgage Insurance Sources

Lending Institution Insurance	Individual Life Insurance
At renewal, you generally need to <b>re-qualify</b> for your life insurance option. <b>Should there have been a negative change in your health, you may longer be able to obtain coverage.</b>	You are underwritten at application time, and <b>once approved, this coverage can not be revoked</b> , provided the premiums are paid.
It is common to consider changing lending institutions at renewal, unfortunately <b>your life insurance coverage is not transferable</b> to the next institution. Health issues could negate your ability to obtain coverage at the new institution.	Once you have a individual policy, <b>your coverage is not tied to your mortgage.</b>
Typically mortgage insurance names <b>the lending institution as the beneficiary of the insurance</b> , rather than your significant other. On death, the mortgage is paid off, but without additional income loss protection, your significant other may have to sell the home to survive.	On death, your significant other has the choice of paying off the mortgage, or continuing to make the monthly payments based on the situation. <b>The key benefits here are control and choice.</b>
The <b>death benefit is usually on the declining balance of the mortgage.</b>	The death benefit is either the <b>original coverage amount, or may increase</b> , dependent on the type of policy chosen. Increased flexibility.
Typically lending institution life insurance <b>does not offer a discount for excellent health.</b>	For insured's in excellent health, <b>discounts of up to 35% are possible.</b> In additional individual polices are <b>generally less expensive</b> than lender
Lender insurance generally <b>does not allow for coverage amounts in excess of the mortgage amount.</b>	An individual policy allows you to <b>combine your mortgage and family requirements in one policy</b> , allowing you to take advantage of lower costs per \$,000 for larger death benefits.
<b>Premiums are not guaranteed</b>	<b>Premiums can be guaranteed</b> for a specific term, or a lifetime.
<b>Some lenders include disability and critical illness insurance</b> , as part of their mortgage insurance packages.	Typically life, disability and critical illness insurance are separate policies. <b>Individual disability and critical illness policies typically offer more options, and flexibility</b> , compared to the basic coverage of lenders.