Choosing the right insurance protection for your home and family

Many people are not aware that their lending institution is not the only source for mortgage protection and that a better choice may exist. Personal life insurance can provide greater protection for you and your family with benefits and features that go beyond mortgage insurance from lending institutions.

Mortgage insurance vs. Personal life insurance			
Question	**Personally owned life, critical illness and disability Insurance**	**Mortgage insurance with lending institution**	**Why is this important?**
Is the coverage guaranteed?	Yes, most term plans offer a guaranteed renewable clause, allowing the policy holder to renew without medical evidence.	No, any change to a mortgage document — refinancing or a change of address, for instance — opens the door to collapsing the mortgage insurance agreement with the bank. You are then required to reapply for insurance, and rates increase with age upon renewal. If your health is poor at that time, the application may be turned down, leaving you with no protection.	If your health deteriorates, you will not be able to secure continuous, guaranteed and adequate mortgage life insurance coverage through the lending institution.
Are the insurance rates guaranteed?	Yes, however, rates upon conversion to permanent insurance are not guaranteed.	No, and current rates are typically significantly higher than other options.	Secure, affordable rates.
Are there price advantages if the client is a healthy non-smoker?	Yes.	No.	Potential savings available with personally owned insurance.
Do the death benefits remain the same?	Yes, and only you can make changes to the amount of coverage once a policy is issued.	No, this insurance only covers the amount of the loan outstanding. As you pay off your mortgage, the benefit decreases.	The lending institution will reduce the insurance benefit to equal the decreasing mortgage, however, your premiums remain level. This means you would pay the same amount for lower coverage, and as time goes by, it would become less advantageous for you.
Who is the beneficiary	You assign the beneficiary.	The lender is the beneficiary.	This gives your beneficiary the freedom to choose how best to spend the money. For example, some may decide that paying down the mortgage is the highest priority, while others may want to use the money for a more pressing expense.
Who is able to cancel the policy?	Only you, at any time.	You or the lender, at any time.	The lender's insurer could cancel the group policy which provides your coverage.
When is the policy underwritten? (100% processed and approved)	Before the policy is issued.	**After death.**	***The lender's insurer may decline a policy after death in certain situations (e.g. a pre-existing medical condition is identified).***
Can I keep this insurance for life?	Yes, through the non-medical conversion option.	No, it terminates at 65 and provides no option to convert.	Guarantees your heirs that the insurance will be there when they need it.
What if I move?	No effect on the insurance.	The insurance terminates.	You will need to re-qualify for insurance at the time of the new mortgage arrangement. There would be potential for decline on the insurance if your health has deteriorated.
Can I obtain additional coverage?	Yes, if medically qualified.	No.	You may wish to insure more than the value of the mortgage.

Professional Wealth Management Since 1901

RBC Dominion Securities