

MORTGAGE LIFE INSURANCE: PROTECTING YOUR HOME AND FAMILY

You've found the right home and the right mortgage; now find the right mortgage life insurance protection.

When you apply for a mortgage with a bank, credit union, trust company, or mortgage broker you are offered mortgage life insurance as a part of their mortgage application process. Before you say yes to mortgage insurance, you should know that you have other options. Protecting your mortgage with a term life insurance plan offers you and your loved ones better guarantees and greater choice - and in most cases at a lower cost.

You've worked hard to find the right home. Shouldn't you take the time to find just the right mortgage life insurance protection for you and your family?

Take a look at the differences between protecting your mortgage using Term Life Insurance vs. most lenders' mortgage insurance.

TERM LIFE INSURANCE		INSURANCE WITH YOUR LENDER
<p>Yes You own your policy. Only you can change or cancel your policy.</p>	<p>I pay the premiums, so I own the policy. Right?</p>	<p>No You're part of a group policy owned by the lender. Your lender is the beneficiary.</p>
<p>Yes Your premiums are guaranteed for the term of the policy, regardless of how many times you refinance your home or change lenders.</p>	<p>Once I sign the contract, I have guaranteed monthly premiums.</p>	<p>No With most lending institutions your policy terminates when you refinance your mortgage. You will need to re-qualify medically and pay higher premiums as you age.</p>
<p>Yes The policy is underwritten when you apply for coverage not when you make a claim.</p>	<p>I signed the contract and paid premiums, so I have guaranteed coverage, right?</p>	<p>No The policy is underwritten at time of claim. The only thing you qualify for at time of application is ability to pay the premiums. If at time of claim the insurer decides you did not qualify for the coverage, you would only have your premiums returned.</p>
<p>Yes Your only obligation to keep your coverage is to pay your premiums.</p>	<p>With a signed contract, as long as I pay my premiums, I know my family is protected.</p>	<p>No Any default on the payment of your mortgage is also a default on your insurance premium. With the majority of lenders, after a default of 90 days, your mortgage insurance coverage is cancelled.</p>
<p>Yes Critical illness insurance can be part of your coverage and can cover up to 25 illnesses or conditions and is paid directly to you as a lump sum payment (ie \$50,000).</p>	<p>Protection against income loss from a critical illness is important. Now I know I'm covered for most insurable situations.</p>	<p>No Critical illness insurance offered by lenders typically covers only three or four basic illnesses or conditions and covers your mortgage payments.</p>



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PROTECTING THEIR MORTGAGE: KELLY AND DAVE'S STORY

Kelly and Dave, both 30 and just married, bought a home together. Now they need a 25-year mortgage for \$500,000. Dave is still in school, so they depend on Kelly's income to pay the bills right now. Although she is in excellent health, they decide to insure the loan in case something happens to her. How much will it cost?

Kelly and Dave look into two options:

1. Mortgage life insurance on the loan from the bank that holds their mortgage.
2. A 25-year term life insurance policy for Kelly.

If they get...	The death benefit today is	Death benefit still available when they pay off the mortgage	Monthly premiums	Total they spend over 25 years
Mortgage life insurance	\$500,000	\$0	\$50	\$15000
25-year term life insurance for Kelly (non-smoker)	\$500,000	\$500,000	\$33	\$9900

Male, Non Smoker

	MORTGAGE INSURANCE			PERSONALLY OWNED INSURANCE (T20)		
	\$250,000	\$400,000	\$500,000	\$250,000	\$400,000	\$500,000
>30	\$ 25	\$ 40	\$ 50	\$ 19	\$ 30	\$ 35
35	\$ 35	\$ 56	\$ 70	\$ 22	\$ 34	\$ 36
40	\$ 53	\$ 84	\$ 105	\$ 30	\$ 47	\$ 52
45	\$ 75	\$ 120	\$ 150	\$ 49	\$ 78	\$ 83
50	\$ 110	\$ 176	\$ 220	\$ 80	\$ 127	\$ 143
55	\$ 135	\$ 216	\$ 270	\$ 142	\$ 223	\$ 266
60	\$ 193	\$ 308	\$ 385	\$ 252	\$ 401	\$ 480

TD Mortgage Protection May 2015

Lifeguide Quoting Software June 5 2015, rounded to nearest dollar

Female, Non Smoker

	MORTGAGE INSURANCE			PERSONALLY OWNED INSURANCE (T20)		
	\$250,000	\$400,000	\$500,000	\$250,000	\$400,000	\$500,000
>30	\$ 25	\$ 40	\$ 50	\$ 15	\$ 24	\$ 23
35	\$ 35	\$ 56	\$ 70	\$ 17	\$ 26	\$ 25
40	\$ 53	\$ 84	\$ 105	\$ 22	\$ 35	\$ 36
45	\$ 75	\$ 120	\$ 150	\$ 33	\$ 53	\$ 56
50	\$ 110	\$ 176	\$ 220	\$ 55	\$ 88	\$ 93
55	\$ 135	\$ 216	\$ 270	\$ 96	\$ 150	\$ 176
60	\$ 193	\$ 308	\$ 385	\$ 168	\$ 266	\$ 322

TD Mortgage Protection May 2015

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