

## Comparison - Life Insuring Your Mortgage (Loan)

With a Life Insurance Company	With a Bank or Trust Company
You purchase an individual policy.	The coverage is under a group policy.
You own the policy - you have complete control over it.	The bank owns the policy - you have no control over it.
You have a premium rate that is guaranteed in advance, the company cannot decide to change it.	The group policy premiums can be changed if the company decides to raise premiums for the group.
You may purchase any amount of coverage. You can simply add the coverage to existing insurance. It does not reduce.	The coverage is for the outstanding amount of the debt. As your mortgage reduces, your insurance decreases.
The insurance company cannot cancel your insurance, only you can.	The policy can be cancelled by the bank or by the issuing company.
Your individual policy is fully portable. It is not connected to the mortgage and if you re-finance your mortgage with another bank, you do not need to re-qualify.	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.
You can convert this policy, regardless of your health, to permanent insurance.	The group mortgage policy is not convertible to permanent insurance.
You decide who your beneficiary is. Upon death your beneficiary will receive the proceeds and your beneficiary decides how and where to use those funds. The proceeds of a life policy are protected from all creditors, including a bank.	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 use level term, and insure both the husband and wife individually (our recommendation) then both policies pay benefits in the event of both deaths.	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 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.	You are buying insurance from a bank employee who is not licensed and who receives no training in your total need for life insurance.
If you become terminally sick, and are laid off work, and are not able to make your mortgage payments, but you are able to make your insurance premium, your policy will pay the death claim.	If you become terminally sick, and are laid off work, and are not able to make your mortgage payments then you automatically lose your insurance when you desperately need it to protect your family.



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