

# Mortgage Insurance vs Life Insurance

*Make an Educated Choice*



When signing a mortgage, many lenders will offer borrowers the opportunity to purchase mortgage insurance to protect their families. However, people are often unaware that mortgage insurance is generally more expensive and a vastly inferior product relative to a Life Insurance Policy. Please review the comparison below, and make an educated decision when the time comes.

	MORTGAGE INSURANCE ❌	LIFE INSURANCE ✅
<b>Ownership</b>	Lender owns policy, and your coverage is provided under a group plan.	You own the individual policy.
<b>Control of Policy</b>	Lender can make changes to premiums, and can cancel coverage if they choose.	Policy can only be changed or cancelled at your request.
<b>Amount of Insurance</b>	Based on mortgage balance at time of death (amount declines as mortgage is paid down).	Based on a level benefit of your choosing.
<b>Value for Premiums</b>	Level premium, decreasing benefit.	Level premium, level benefit.
<b>Cost of Coverage</b>	Mortgage Insurance is generally more expensive.	Life Insurance is generally less expensive.
<b>Portability</b>	If you change your mortgage, you must re-apply for insurance at the higher rates due to your increased age.	Your coverage remains the same no matter where you have your mortgage. Also remains the same if you move to another home.
<b>Benefit Proceeds</b>	Paid directly to lender and applied to outstanding mortgage balance.	Tax-free benefit paid to beneficiaries who may choose how to best use funds (ie. Invest rather than pay off a lower interest mortgage balance).
<b>Conversion Opportunity</b>	Not Convertible.	Convertible to Permanent Insurance.
<b>Underwriting</b>	Policy is underwritten at time of claim and benefit may not be payable if determined that the deceased should not have qualified for coverage to begin with.	Policy is underwritten at time of application, and benefit is guaranteed to be paid to beneficiaries.

**Bold Financial** is a Toronto-based financial advisory that specializes in helping business owners and professionals thrive. We bring a thorough understanding of financial instruments, insurance products and strategies that work best for business and career-minded individuals.

Our services include:

### Personal Planning

- Life Insurance
- Critical Illness Insurance
- Disability Insurance
- Education Planning
- Retirement Planning
- Tax & Estate Planning

### Financial Planning

- RRSP's | TFSA's | RESP'S
- Mutual Funds
- Exchange Traded Funds
- Segregated Funds
- RRIF's
- LIF's
- Annuities

### Employee Benefits

- Life Insurance
- Short & Long Term Disability
- Health & Dental Plans
- Registered Pension Plans
- Group RRSP's

### Business Planning

- Buy/Sell Agreement Funding
- Key Person Coverage
- Business Loan Protection
- Executive Disability Plans
- Deferred Compensation
- Succession Planning