

## The A, B, C's of lender mortgage life insurance

**Bank-owned mortgage life insurance:** Many people purchasing a home will buy the lenders mortgage life insurance. If you or your spouse pass, the mortgage is paid by the insurer. Makes sense, right? It is easy to obtain and completed conveniently at point of sale for the mortgage, however...

- **Did you know that this product is not underwritten until time of claim?** It is not until death of a life insured that the insurer will underwrite the policy. This means, they will go through your medical history to determine if the cause of death would have been covered when they issued the policy. This means they could decline the claim and insurance altogether based on a pre-existing condition or if they would have deemed you uninsurable altogether.  
**A personal policy is underwritten before the issue of the policy, guaranteeing you coverage.**
- **All your application has given you is the privilege to pay a monthly premium.** Because the insurance policy is not guaranteed and can be rejected upon claim, you have no real privilege or right. If the claim is rejected at underwriting, you will receive a refund of premiums.
- **Did you know that the creditor insurance you purchase through your bank or credit union has a decreasing death benefit yet you pay the same premium monthly?**  
As you make mortgage payments, the principal owed decreases and thus, so does your death benefit. However, your premium doesn't decrease!
- **If you decide to change lenders in the future, you have to re-qualify for the creditor insurance at the new institution.**  
Any health issues that occurred between the original issue of the mortgage and switching to the new lender may result in a future claim rejection.
- **Did you know that a term life insurance policy often costs up to 40% less than the bank mortgage life insurance?**

Call or email our office today and we will be pleased to provide you with a simple comparison quote at no cost or obligation. We are confident you will see the many benefits of working with a company that looks out for your interests first.



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