

## Covering your home base – come what may

Owning a home may well be the biggest financial decision you will ever make and the largest debt you will ever take on. But there's much more to a home than money. It's your haven, your base, the heart of your family's life. It's the place where you *live!* And you want to make sure your family will be able to enjoy your home come what may. That's why mortgage insurance makes such good sense – because it ensures your family will always have a home should something happen to you.

The question is *What type of mortgage insurance is best for you?* Let's look at your options.

### Traditional mortgage insurance

- This is the 'easy' option because it's readily available from your lender as part of your mortgage 'package' and the premium is simply added to your monthly mortgage payment – but it's usually not the best option.
- The policy has no cash value and the benefits are paid directly to the lender *not* to your beneficiaries at a time when funds may be required most.
- Your premiums can be raised or the policy can be cancelled at any time.
- Your lender owns the policy so if you find a better mortgage rate at another lending institution or move into a new home, you would have to re-qualify medically for new protection, perhaps for much higher premiums.
- The cost of coverage may increase every year even though your mortgage is being paid down – so you pay more for less and less coverage over the mortgage period.
- Your coverage ends when the mortgage is paid off.

### Personal life insurance

- You own the policy – so it insures you *not* the mortgage.
- You decide what type of policy is best for you – term or permanent insurance – and designate the beneficiaries who can choose how to use the funds – to pay off the mortgage, provide an income, or take care of immediate needs.
- Your coverage isn't reduced by your declining mortgage balance – so your beneficiaries stay protected.
- Your premiums are guaranteed to remain the same for the life of the plan and only you can cancel or make changes to your plan.
- Your coverage is portable – take it with you from home to home, mortgage to mortgage, and reduce the amount of coverage when you want.
- It's *your* plan, tailored to your needs with options, features and premiums that suit your budget. You can even add disability or critical illness insurance that can include such benefits as waiving your premiums should you become disabled and providing money so you can continue to make mortgage payments or to pay for medical expenses.

Your home is important – and that makes mortgage protection important. Talk to your professional advisor to *insure* you get protection for *you* and not your lender – and that blends with the needs of your overall financial life.

*This column, written and published by Investors Group Financial Services Inc. (in Québec – a Financial Services Firm), presents general information only and is not a solicitation to buy or sell any investments. Contact a financial advisor for specific advice about your circumstances. For more information on this topic please contact your Investors Group Consultant.*