

COMPARISON

This chart shows a comparison of features and benefits between owning a life Policy that is provided by an Independent Insurer as opposed to a policy that is obtained directly from a lenders insurer.

	Individual Life	Creditor Group (Banks & Trust Co.)
Can I choose and name the beneficiary on my insurance policy?	Yes	No The lender is the beneficiary.
Do I own my "mortgage life insurance policy"?	Yes	No It's a group policy.
Am I the only one who can cancel my "mortgage life insurance" policy?	Yes	No The master policy can be changed or terminated by the insurance company or the lender
On a "Joint Life" policy, if my spouse and I died in the same accident, would my policy pay a double benefit?	Yes	No They pay on one life.
If either my spouse or I survive the other can we continue with our own policy and maintain the coverage?	Yes	No
Does my policy always pay the same level benefit I originally applied for?	Yes	No Decreasing coverage that matches the outstanding balance owing on the mortgage.
Does my policy go with me if I transfer to another lender?	Yes	No Usually have to re-apply for insurance at the new lender.
If I want either a larger or smaller policy than the amount of the mortgage- can I decide the size of the policy?	Yes	No
Are future premium rates guaranteed?	Yes	No The group can be altered by the insurance company or lender
Can my beneficiary use the money from my policy for any purpose they choose?	Yes	No The funds always go to the lender to pay off the outstanding mortgage.
Is the money paid to my beneficiary "tax free and creditor proof"?	Yes	No The money is paid to the lender and the mortgage is paid at which time the home becomes a debt free asset. Could then be exposed to creditors.