

Important information for mortgage consumers

# YOUR PROTECTION CONNECTION



Fall 2011

Your Protection Connection is designed to help home owners and home buyers like you make informed decisions. We believe in protecting your ability to pay your mortgage, so that you can stay in your home even if something should happen to you or your spouse.. After all, life can change in an instant. **Be ready!**

## Is mortgage insurance really that important?

When it comes to the long list of important things you have to think about when buying a new home, insurance for your mortgage is likely nowhere near the top. Even when the topic does arise, you may try to convince yourself it's not necessary.

But the fact is that many people are forced to leave the family home due to economic hardship caused by an unexpected accident, illness or death. And, it can easily be avoided, with Mortgage Protection Plan.

### **“But I’m young and healthy. Nothing’s going to happen to me.”**

There’s a common misconception that only middle-aged or older people need to think about insurance. Unfortunately, our claims files are filled with eye-opening stories about young people in the prime of life having an accident, coming down with an illness and even dying.

Sure, once you are older it is generally true that there are more risks associated with your health. But young people also tend to have fewer assets than older ones. That means there are no extra resources to draw on if, all of a sudden, a regular source of income is gone.

### **“But I can’t afford it.”**

Anyone who has purchased a home has probably been there. You start out by setting a budget, but then you find the perfect house that is just a little bit beyond. You can’t say “no” to your dream for only \$10,000 or \$20,000.

Then, you find out that property taxes are higher than you expected, and that’s only the beginning. By the time you get to the point of finalizing your mortgage, you’re more than a little nervous about the new financial commitment you’re about to take on.

It’s only natural to want to avoid unnecessary costs at a time like this. But if you think you’re financially stretched now, how will you continue to meet the mortgage payments with only one income, or with none?

Your dream home could be that again – just a dream.

### **It pays to be covered by MPP**

Total claims paid in the last 10 years:

**\$88.4 million**

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### What our clients say . . .

"I want to thank Valerie Robin for her kindness, professionalism and that personal touch that seems to be lacking in the customer service field. Valerie surpassed her duties as a claims adjuster, with diligence to every aspect to her job. As someone who is on the phone all day with insurance companies, lawyers, doctors and banks, I can attest that her skill, calmness and trustworthiness stand apart. She even replies from home, when not in the office, to keep me up-to-date on the forms required. If there is a reward in your company for employee of the month, she deserves 12 awards, and a day off!"

"I found your service to be efficient and very kind and compassionate. Thank you for this."

"Last week, I bought a country house in a fabulous environment. My co-owner and I are saving \$142 per month with Mortgage Protection Plan compared to the life insurance offered by the Bank of Montreal."

This newsletter is published by Benesure Canada Inc., a Canadian company which provides a range of products and services to mortgage brokers and lenders, and to their clients. Benesure manages and administers such programs as Mortgage Protection Plan, MPPBroker Tools and Encompass Home Service.

### Answers to your three biggest insurance questions

#### **"If I'm going to buy insurance, shouldn't I talk to an insurance agent or financial planner?"**

By all means, make a plan to visit an insurance agent. But don't wait to protect your mortgage. When you sign up for Mortgage Protection Plan with your mortgage broker, you are covered immediately, as soon as you step out of the office. Since you're busy buying a home and planning a move, it could be a while before you get to an insurance agent, and what if you forget? This way, your home is protected in the meantime.

If you later find that Mortgage Protection Plan is not the best fit for you and your family, you can cancel it. We'll even refund all your premiums if you cancel within 60 days. That means you have two months to shop around, and if you find a protection option that you like better than Mortgage Protection Plan, we protected you for free.

#### **"Isn't term life insurance the least expensive choice?"**

Maybe, maybe not. Sometimes you need to look beyond an inexpensive quotation and get more details. For example, when considering a term life policy, find out if the premium is fixed, and for how long.

With some term insurance, the premiums go

up every five or ten years. Don't be fooled by a premium that is very attractive today, but will increase dramatically over time. Your premium could end up being double or even triple the amount you started out with.

With Mortgage Protection Plan, your premium is fixed and your coverage locked in for your entire amortization period. For this reason, Mortgage Protection Plan can be a cost-effective choice. And, you never need to apply or submit health evidence again. You only have to do that if you increase your mortgage balance and want additional coverage. Even then, the original amount of your coverage cannot be changed or taken away.

#### **"Shouldn't I consider the bank's insurance? Then my insurance and my mortgage are together in one place."**

This can sound attractive at first, but what happens if you want to switch your mortgage to a different lender? If, at that time, you are no longer in good health, you may have to pay a lot more for insurance, or you might not be able to get it at any price. This is where the lenders' insurance programs have a serious limitation.

Mortgage Protection Plan stays with you, no matter what. It doesn't matter if you sell your home, adjust your mortgage, or switch to a different lender.

### The electrician who was electrocuted.

Paul Penwarden, an electrician, had a devastating accident on the job. Nothing could have prepared him for the eight months that he would spend in recovery. But thankfully, he was fully prepared. Here is his story –

"I was working as an electrician and I was up on a 10-foot ladder when my right hand came in contact with an energized wire. I kicked myself off the ladder and hit a light fixture on the way down, cutting my fingers pretty badly. When I hit the ground, it felt like my feet had exploded."

In hospital, doctors they had to essentially screw and bolt Paul's feet back together. In total, it was 8 months before he could walk and go back to work. His mortgage protection covered his mortgage payments during that period.

"Money stress is not a healthy stress," says Paul. Having insurance in place changed my life because it allowed me to keep my savings account. I didn't have to worry about money during my rehabilitation. I just focused on getting better and my new career. It really took a lot of stress out of my life."



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