FOR HOMEOWNERS

Mortgage Protection 101: What You're Actually Buying

5 min read · Guensdy Paulemon, Independent Life Insurance Broker

You may have seen mail or ads for “Mortgage Protection Insurance” shortly after buying a home. It's a real product — but often not the best or most affordable way to protect your mortgage.

What mortgage protection insurance actually is

A policy specifically marketed to pay off your mortgage balance if you pass away. The payout typically decreases over time as your balance goes down, but the premium usually stays the same.

The alternative most people don't realize they have

A standard Term Life policy, sized to cover your mortgage, usually costs less and pays a level death benefit directly to your family — not directly to the lender.

> Key difference: Mortgage protection insurance often pays the lender directly. A term policy pays your beneficiary, who has full control over how the money is used.

What to check before you buy either one

- Compare the cost of mortgage protection insurance to a same-amount Term policy
- Check whether the payout goes to your family or directly to the lender
- Confirm whether coverage decreases over time or stays level
- Factor in more than just the mortgage — taxes, upkeep, and other bills too

Not sure which option fits your home?

Let's talk through your specific situation — no pressure, no obligation.

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