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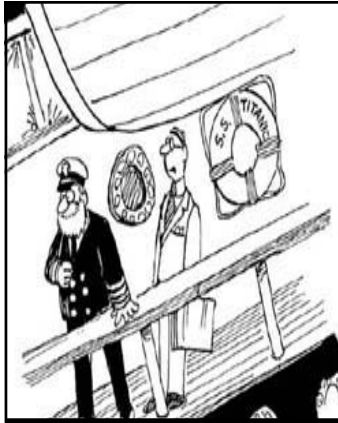
## **Risk Less & Gain More**

*People don't plan to fail, they fail to have a good plan. If you want to know how good your plan is call Maureen*

### **Life Insurance/Mortgage Insurance**

#### **Individual Insurance**

#### **What's the difference?**



**"So, now you come to me looking for insurance"**

Almost everyone who has a mortgage carries life insurance. It just makes good sense to have your debts insured. What type of mortgage insurance coverage do you have? Do you know the difference between the type of life insurance a bank, trust company, credit union or other lending institution offer compared to having your own life insurance policy?

Here are several differences you should be aware of;

#### **Financial Institutions**

- You are insured under a group policy
- Your policy is subject to change by the insurance company and the terms of the agreement
- Your mortgage lender owns the insurance policy
- Your mortgage lender is the beneficiary
- The amount of coverage reduces as you make mortgage payments
- No changes are permitted under the plan
- The insurance protection stops when you sell your home
- The cost of insurance doesn't decrease, but the amount of protection does
- The insurance is not transferable and is limited to the mortgage, the property and lender you have at that time

- You are insured under an individual policy
- The insurance company can't change the policy provisions or the guaranteed premiums
- You are the owner of the mortgage insurance policy
- You choose the beneficiary or beneficiaries
- The insurance coverage never decreases unless you request to have it reduced
- You can make changes to your policy
- The insurance protection stays in place even if you sell your home
- If you reduce your coverage, your payments will be reduced as well
- Individual insurance stays in place when you change homes or mortgage lenders

Owing your own mortgage life insurance policy gives you options. If a death occurred, the insurance proceeds could be used to pay off the mortgage (if that is what you want to do) or it could be used to pay for items such as a child's education, taxes or other expenses.

The insurance is also portable, meaning you don't need to re-qualify for coverage if you buy a new home or switch mortgage providers. This is a real benefit as you may be older or unhealthy and not qualify for coverage.

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## Money Saving Insurance Facts

The main reason for buying life insurance is to replace your income for your family, pay debts/funeral expenses. Some other reasons may be to provide education for your children, leave money to loved one, leave money to a charity or provide estate protection.

***"It used to be a fool and their money were soon parted. Now it happens to everybody"***

The amount of life insurance you need depends on factors such as your source of income, how many dependents you have, your debts and your life style. The general guideline is between five to ten times your annual salary.

There are many types of life insurance available. Some are quite complicated and expensive. Here, we'll focus on life insurance products only. There are also disability, critical illness, long term care and medical insurance products available.

### Term Life

Term insurance is affordable, has no cash value, lasts for a term or period of time and doesn't grow to match inflation

### Whole Life

Whole life insurance last for life, has cash values, dividends, borrowing power and the death benefit can grow to match inflation.

### Universal Life

Universal life is a combination of term and whole life insurance, has tax free cash values, lasts for life, can grow with inflation and has many investment options available.

The least expensive life insurance is likely available from your employer's group products. These policies are usually term products, which means you are covered as long as you work for that employer. Some policies can be converted to an individual product when you leave the employer. The cost can be very expensive to convert.

When choosing life insurance, ask questions and seek professional advice. The cost of life insurance varies greatly, depending on how much you buy and the type of policy. Understand the difference between accidental and life insurance.

If the price is too good to be true, it usually is.

For more information about investments, insurance and affordable ways to make your financial plan a success, call Maureen.

To receive a copy of my book *The Gender Gap, what every woman should know about money*, contact us.

## For more information:

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Maureen has been in the financial industry since 1972. Education and relationship building are the foundation for Maureen and her clients. She understands that each person is unique, having goals and dreams. She works with them and prepares a financial plan they can follow to achieve those dreams.

**AMARACK:**  
The spirit of the wolf represents strength and guidance as a pathfinder, teacher and protector



## Amarack

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Tips, techniques and practical solutions for planning your future.