Mortgage life insurance offered through most lenders	Personal life and critical illness insurance
If the person who holds the mortgage dies prematurely or becomes critically ill, mortgage life insurance automatically pays the remaining mortgage balance directly to the lending institution. In the event of disability, under some contracts, the monthly payments are paid until the client is no longer disabled or until the mortgage is fully paid.	Critical illness insurance can pay a one-time lump sum if the policyowner is diagnosed with a covered critical illness (and satisfies the survival period). The benefit can be used for any purpose, including paying off a mortgage. Life insurance pays a death benefit if the insured dies while the policy is in force. Disability insurance can pay a monthly income benefit meant to help replace lost income. The benefit can be used to cover mortgage payments and other ongoing expenses, like groceries, vehicle payments and other household expenditures.
Generally, is non-convertible term insurance with no cash value, premium flexibility or the ability to move to a permanent insurance policy if needs change.	Term policies for life or critical illness insurance are usually convertible to permanent coverage, without a new medical exam. Offers flexible policy designs and provides more options to tailor coverage.
As the outstanding mortgage balance decreases, the coverage amount also decreases. Coverage terminates when the mortgage is paid off.	Coverage isn't reduced by a decline in the outstanding mortgage balance.
The cost per thousand dollars of coverage generally increases every year which means, technically, costs may increase while coverage decreases.	Consumers choose the type of insurance that best suits their needs, with premiums to suit their budget. For example, consumers can choose from a range of term and permanent insurance solutions. Many policies offer rates that do not change over the life of the policy.
The lender owns the policy. Mortgage insurance cannot be moved to another lender. If a better mortgage is found somewhere else, the client may have to re-qualify medically for mortgage insurance protection. If the client's health changes they may become uninsurable.	The client owns the policy, not the lender. They are free to switch their mortgage to another lender without jeopardizing coverage.
Fewer options available to customize coverage to best meet personal needs.	The insurance policy can be customized with many options and features, such as having life or critical illness insurance premiums waived in case of a disability. In addition, some policies have return of premium options that can help clients recoup the cost of insurance if no claim is made.

Make sure you get the protection that best suits your needs

If you need mortgage insurance, make sure you know all your options before you begin negotiating with your lending institution.