

PROTECTION

Mortgage vs. Life Insurance



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MORTGAGE PROTECTION INSURANCE VS. LIFE INSURANCE

Choosing between mortgage protection insurance and life insurance can be confusing, but each serves a different purpose in safeguarding your financial future. This guide will help you understand the differences and determine which is right for you.

WHAT IS MORTGAGE PROTECTION INSURANCE (MPI)?

- Designed specifically to pay off your mortgage if you pass away.
- Typically decreases in value as your mortgage balance decreases.
- Paid directly to your lender, not to your family.
- Some policies may cover disability or job loss.
- Generally easier to qualify for than traditional life insurance.



LIFE INSURANCE?

What is it

WHAT IS LIFE INSURANCE?

- Provides a lump sum payout to your beneficiaries, who can use the money however they choose.
- Two main types: Term Life Insurance (coverage for a set period) and Whole Life Insurance (lifelong coverage with cash value accumulation).
- Can cover more than just mortgage payments—funeral costs, daily living expenses, debts, and future financial needs.
- Typically requires a health exam for approval but offers more flexibility.

WHOLE LIFE INSURANCE:

*A Powerful
Financial Tool*

Whole life insurance isn't just about providing for your loved ones after you pass—it can also be a valuable financial planning tool. Here's how:

Builds Cash Value Over Time – A portion of your premium goes into a cash account that grows tax-deferred.

Borrow Against Your Policy – You can take out loans against your cash value, often with lower interest rates than traditional loans.

Retirement Income Supplement – The accumulated cash value can be used to supplement retirement income without the volatility of the stock market.

Tax Advantages – Withdrawals and loans from your policy can often be tax-free under certain conditions.

Guaranteed Coverage – Unlike term life insurance, whole life policies remain in effect for life as long as premiums are paid.

FREEDOM

KEY DIFFERENCES

at a Glance

This chart compares Mortgage Protection Insurance, Term Life Insurance, and Whole Life Insurance to help you choose the best fit. While MPI only covers your mortgage, Term and Whole Life Insurance offer broader financial benefits.

FEATURE	MORTGAGE PROTECTION INSURANCE	TERM LIFE INSURANCE	WHOLE LIFE INSURANCE
PAYOUT RECIPIENT	LENDER	BENEFICIARIES	BENEFICIARIES
COVERAGE AMOUNT	DECREASES WITH MORTGAGE	STAYS CONSTANT	STAYS CONSTANT OR INCREASES
USE OF FUNDS	MORTGAGE ONLY	ANY PURPOSE	ANY PURPOSE + CASH VALUE GROWTH
POLICY FLEXIBILITY	LIMITED	HIGHLY FLEXIBLE	INVESTMENT POTENTIAL & FINANCIAL PLANNING
HEALTH REQUIREMENTS	MINIMAL OR NONE	MAY REQUIRE MEDICAL EXAM	USUALLY REQUIRES MEDICAL EXAM

Whole Life stands out with cash value growth and long-term financial planning potential.

WHAT'S RIGHT FOR YOU?

+ final thoughts

WHICH ONE IS RIGHT FOR YOU?

- Choose MPI if your primary concern is ensuring your mortgage is paid off without burdening your family.
- Choose Term Life Insurance if you want affordable protection for a set period, like during your mortgage term.
- Choose Whole Life Insurance if you want lifelong coverage and the ability to build wealth through cash value growth.
- Some homeowners opt for a combination of these policies to ensure comprehensive financial security.

FINAL THOUGHTS

Both options offer financial protection, but whole life insurance provides additional benefits that can be leveraged throughout your lifetime. If you need personalized guidance, reach out to REMIFI to explore the best solution for your needs!



PROTECTION

for Peace of Mind



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