

INSURANCE

Home Owners Insurance

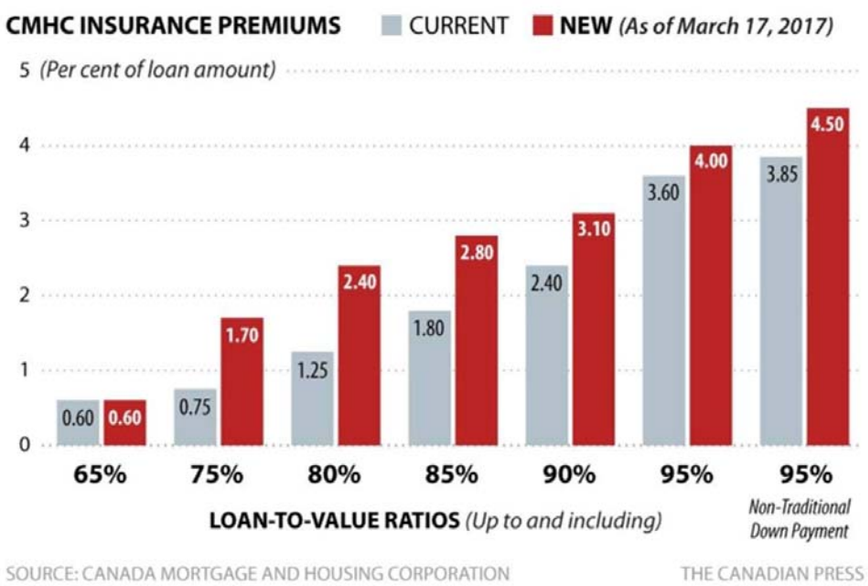
When you purchase a home, consider how you will protect your investment. Most mortgage lenders insist on fire insurance coverage at least equal to the loan amount or the building value, whichever is less. You may also consider a homeowner's policy that combines fire insurance on the building and its contents with personal liability coverage. Consult your general insurance agent or broker for professional advice on home insurance.

Mortgage Insurance

When lenders refer to mortgage insurance, they're referring to insurance that covers the principal amount of the Mortgage in the event of non payment by the borrower and this insurance is usually provided by CMHC or GE. In the event of non payment by the borrower the insurer will pay the lender the principal amount still left owing on the default mortgage.

This mortgage premium is usually added to the mortgage and paid by the borrower over the life of the mortgage. However you do have an option to pay the premium up front.

High Ratio Insurance Premiums Calculated on Principal Amount of Mortgage



Note the13% HST in Ontario may apply on the above noted premiums and must be paid on closing.

Mortgage Life Insurance (MLI)

This insurance is usually offered through your lender and is a way of reducing term insurance and is available to all borrowers. In the event of a death of the home owner (borrower) or one of the owners, the insurance pays the balance owing on the mortgage. The intent is to protect survivors from losing their home. For just pennies a day, you will have peace of mind knowing your beneficiaries will be mortgage free. MLI premiums are based on two factors: your age and mortgage amount. Your premium is added to your mortgage payment so there's no extra paperwork, and it remains the same until your mortgage is paid off. Joint coverage for spouses is also available.

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