

Contact your Assante advisor

Assante provides personalized financial and life management solutions to simplify and enhance your life. Your Assante advisor deals objectively with your unique situation, then chooses a solution from a number of leading financial services providers.



Don't bank on bank insurance

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PURCHASING LIFE INSURANCE THROUGH A BANK TO PROTECT A BANK LOAN CAN BE AN EASY AND CONVENIENT WAY OF BUYING INSURANCE.



THAT CONVENIENCE, HOWEVER, MAY COST YOU SOME BENEFITS.

Personally owned life insurance

Whether you are borrowing money from a bank for the purchase of a home or a car—or for any other reason—the bank may suggest purchasing life insurance dedicated to pay off the loan balance. This is a very good idea. Purchasing that insurance through the bank however may not be such a good idea.

Here are some things to consider when purchasing insurance through a bank:

- > Health status is not verified until a claim is made. This means that you could be paying premiums for many years and not be eligible for the insurance coverage.
- > If the mortgage is moved to another lender or is refinanced with the current lender, insurance benefits cease. You must re-qualify for this coverage and if your health has changed you may not be able to. This may force you to remain with your current lender.
- > If a mortgage payment is missed, the insurance policy may lapse.
- > Bank insurance is decreasing term insurance. If the loan principal is paid down faster than anticipated, the insurance premium does not reduce.
- > The bank is both the owner and the beneficiary of the life insurance contract and, therefore, the death benefit

must be used to repay the mortgage. Depending on interest rates and other economic factors, this is not always in the surviving family's best interest.

- > The insurance company may have the right to increase premiums at any time.

Alternatively, here is what you get when life insurance is purchased through a licensed financial advisor:

- > Health status is fully verified up-front.
- > You own the policy, not the bank. You have the freedom to switch your mortgage to another lending institution without jeopardizing your insurance coverage.
- > Coverage cannot be cancelled as long as premiums are paid.
- > Your coverage does not decrease as the mortgage/loan is paid down. This means that funds could be available at the time when your family may need it the most. Or you could reduce the face amount when you want.
- > The benefit will be paid directly to the family or estate and not directly to the bank. So your beneficiaries can choose how to use the funds—pay off the mortgage, provide a monthly income or take care of a more immediate need. It's their choice, not your lenders.
- > Premiums are guaranteed. You choose the type of insurance that best suits your needs with premiums to suit your budget. There are term and permanent life insurance solutions. You can choose a plan that will keep the premium you pay level for 10 or 20 years or for your life.