

“If Asked By The Bank - Just Say NO To Critical Illness Coverage”

Have you heard this line recently?

If not – you will!

“Of course, you will want critical illness insurance coverage with that new mortgage loan, won’t you Mr. and Mrs. Bank Customer?”

Well. we're not yet at the point where banks are posing this question like fast food restaurants asking if you want fries with that burger, but we're getting there.

Right now, at least three banks offer critical illness mortgage insurance that is sold alongside that old standby, mortgage life insurance.

Wondering how to respond to your bank's sales pitch on mortgage critical illness coverage? The answer is the same as for mortgage life: No, thank you!

Critical illness insurance is an appealing product in today's world, where you're statistically much more likely to be sidelined with diseases such as cancer, stroke or heart disease than you are to die prematurely.

If you had critical illness mortgage insurance and you were diagnosed with these conditions, then your mortgage debt would be paid off. (Depending on the bank and what it is offering).

That’s it!

No matter if you get better quickly or remain off work for an extended period, your mortgage is history.

As tempting as this sounds, it's just not a good value for the money you'll spend on premiums.

If you really want critical illness coverage, then you're better off buying a separate policy for a specified amount, say \$50,000 or \$100,000.

Compare the cost of regular critical illness coverage and the mortgage variety sold by banks, and you'll find the banks do have a slight price advantage.

But that's all they have.

This product benefits them – NOT you!

One of the "big 3 banks", a powerhouse in selling mortgage critical illness, advertises a rate of 39 cents a month per \$1,000 of single coverage for people aged 41 to 45, which works out to \$468 a year on a \$100,000 mortgage.

(I just learned that this same bank sells 3,000 people each week! It is the DUTY of every employee to show everyone!)

Now, male of a similar age could get \$100,000 worth of critical illness coverage from an insurance company for between \$514 and \$609 and a female for between \$509 and \$590.

Pricing for this type of product is based on age, sex, type of policy, smoking status and health and premiums do vary between companies.

With the banks policy, you pay less for critical illness mortgage insurance, but you also get less.

Typically, cancer, heart disease and stroke are the only conditions covered!

Now, while these diseases account for about 85 per cent of critical illness insurance claims, it's also worth noting that critical illness policies from insurance companies usually list more than 20 conditions, including multiple sclerosis, Parkinson's disease, Alzheimer's disease, Amyotrophic Lateral Sclerosis and kidney failure.

As a side note: Being a group insurance product means that you have no personal control over your policy. And if you change lenders you may not even be eligible for your new mortgage lenders group plan...

When you buy critical illness coverage from an insurance agent or company, you choose how much coverage you want and the term, say 10 years or until you're age 65.

And that policy is yours.

Controlled and maintained by you! For as long as you pay the premiums – the CI policy is in force.

In fact, there are many companies where after a stated period of time – if you have not experienced any critical illness and made a claim they will refund you 75% of the premiums which you had paid!

(Talk about having your cake and eating it too.)

The critical illness coverage through the banks works differently in that the amount of your coverage is tied to your outstanding mortgage balance!

This means that as your mortgage balance shrinks over the years, so does the potential benefit of your insurance policy.

Yet your premiums remain the same over the years unless you request that they be recalibrated to reflect a significantly lowered mortgage balance.

The point is, you have to stay on top of this or you'll end up paying stable premiums for declining coverage.

Then again, it's way easier to get mortgage critical illness coverage through the bank than it is a policy from an insurer.

Most of the banks application forms just ask five basic questions.

While an insurance agent offering critical illness coverage will have to do a full underwriting questionnaire that could be supplemented with requests for blood and urine tests, depending on how much insurance you're looking for.

On the face of it, mortgage critical illness coverage is cheaper through the bank but definitely less all-encompassing.

And in the real world, though, the price advantage may not work in your favor.

For one thing, you could find mortgage critical illness bundled together with mortgage life insurance, as is the practice at with most of the "big 3" banks.

This would increase your premium costs substantially.

Another issue is that the banks mortgage critical illness coverage can ONLY be bought for the exact amount of your outstanding mortgage balance -- you can't just say you want to cover \$100,000 when you have a \$150,000 mortgage.

If you live in a city like Vancouver or Toronto where real estate prices are high – well then – you are going to be in for a surprise.

Now, from a business owners perspective when he or she suffers an incapacitating illness, the financial consequences can be catastrophic and very dramatic.

However, with some proper planning a contingency plan for a major illness should include a critical illness insurance program.

So, in summary, if you have taken the time to say "no thanks" to the banks and to get your very own critical illness coverage in place – while your mortgage won't disappear if you become critically ill -

You will be able to be comforted in knowing that you have an affordable, individual critical illness coverage that can carry your mortgage payments for a year or two, with money left over for other things.

So in summary, does creating and managing wealth just mean making it grow?

No!

It also means keeping it safe!

In today's economy, protection is more important than ever!

And we all know that everything in life carry's risk!

You have to decide if you want to: Avoid It. Assume It. or Transfer It!

If insurance products were free – we'd all have as much as we could possibly handle!

However, insurance products – while not FREE – do cover-off risks, preserve assets and property and give you peace of mind

And the ability to achieve your life's goals and dreams!

So there you have it!

"If Asked By The Bank - Just Say NO To Critical Illness Coverage"

Remember: **It's YOUR life. Plan for it. Then live life like you mean it!**

Your next step?

For your very own **FREE Insurance Investigation** Consultation

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Who Is Mark Huber?



Mark Huber, CFP, Author

Mark Huber is a practicing certified financial planner (CFP) with over 22 years of experience in the financial services industry.

Mark's boutique planning practice works with a select group of clients who all share a passionate vision for creating true wealth and living their dream lives.

Here's A Sampling Of What A Few People Have Said Already...

To whom it may concern:

Most of us trust our car mechanic, family doctor, postman, but somehow we decide to manage our financial affairs ourselves.

We spend a lot of time reading, researching and making doubtful decisions.

Everyone can go on internet and buy some stocks or mutual funds.

Information today is basically free, but know-how is priceless.

You can buy all the tools you need to fix your teeth, but would you do it yourself?

If your financial well being is important to you, talk to great financial planner Mark Huber.

<http://HowToBeSetForLife.com>
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It is your map to financial stability.

Sincerely yours,

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Hi!

Thanks for your guidance and advice Mark. Our biggest regret is that we did not make the changes that we have made under you years ago!

Craig and Michele - Vancouver, BC

Dear Mark,

We just wanted to say that we are very happy with your financial advice and the services you offer.

You always respond to us quickly and thoroughly on all our inquiries and we always feel that you given priority to all our requests - big and small.

Thank you for helping us to look at our investments in a creative and effective way.

It is a pleasure working with you and we definitely recommend your services to all our friends/family looking for good financial advice to 'make their money move'!

L and A

Vancouver, BC

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