

THE
McCORMICK AGENCY

Mortgage Protection 101

Term Life Insurance
with Living Benefits

Protecting Your Family's Home



TERM LIFE OPTIONS



LIVING BENEFITS



LICENSED AGENTS



Why Mortgage Protection Matters

Life insurance designed around your home loan

A home depends on income

A death in the household can leave loved ones responsible for the mortgage and other bills.

Money for your family

A life insurance benefit can help beneficiaries pay off the loan or continue monthly payments.

Coverage that fits

Match the amount and term to your mortgage, existing insurance and household budget.



What Is Mortgage Protection?

Term life insurance for a homeowner's needs

A life insurance policy

Mortgage protection often refers to life insurance intended to help cover a home loan after death.

Your named beneficiary

With an individually owned policy, your beneficiary generally chooses how to use the proceeds.

A policy you own

Coverage can remain with you after moving or refinancing, subject to the policy terms.



How Term Life Coverage Works

Protection for a selected period

Choose a coverage amount

Consider your mortgage balance and other financial needs when choosing the death benefit.

Select the policy term

Common terms include 10, 20 or 30 years. Available terms depend on the insurer and your eligibility.

Keep premiums current

Coverage lasts for the policy term while required premiums are paid. Renewal terms may differ.



Choosing Your Coverage

Your mortgage is the starting point

Mortgage balance

Decide whether your goal is a full payoff or help with a number of monthly payments.

Years remaining

Compare the remaining loan term with how long your family will need financial protection.

Other household needs

Consider existing life insurance, dependents and savings before settling on an amount.



Policy Terms to Know

Details that shape your protection

Death benefit & beneficiary

The death benefit is the policy's payment after a covered death. You name the recipient.

Level premium & term

A level premium typically stays the same during the stated term. Coverage may end afterward.

Exclusions & policy provisions

Review exclusions, contestability provisions, lapse rules and any conversion option.



Living Benefits Explained

Early access may be available for qualifying illness

Accelerated death benefit

Some policies allow access to part of the death benefit after a qualifying terminal illness.

Critical or chronic illness

Certain riders may cover qualifying conditions. Definitions and eligibility vary by policy.

Effect on your policy

Early benefits generally reduce the amount left for beneficiaries. Fees or discounts may apply.



Living Benefit Limitations

The rider's definitions govern eligibility

A diagnosis may not qualify

A rider can require a specified severity, prognosis or limitations in daily living activities.

Benefit amounts vary

Limits, waiting periods and calculation methods depend on the policy and rider.

Separate coverage needs

Disability income and unemployment protection require specific coverage. Do not assume inclusion.



Mortgage Protection and PMI

Different purposes for different risks

Mortgage protection life insurance

A covered death can trigger a payment to your beneficiary under an individually owned policy.

Private mortgage insurance

PMI protects the lender against certain losses if the borrower defaults on the mortgage.

Both may be relevant

Life insurance does not replace a lender's PMI requirement. Review each separately.



What Affects Your Premium?

Quotes depend on your application and policy

Age, health & tobacco use

Insurers evaluate these factors when determining eligibility and pricing.

Amount & length of coverage

A larger death benefit or longer term generally costs more, all else equal.

Underwriting & riders

An exam may be required. No-exam options still have eligibility rules and coverage limits.



Frequently Asked Questions

Answers depend on the actual policy

What if I move or refinance?

An individually owned term policy generally continues. Recheck whether the amount and term still fit.

Can I apply with health conditions?

Options may exist, but acceptance and pricing depend on underwriting. Approval is not guaranteed.

Does it pay the mortgage automatically?

Beneficiaries generally choose how to use the life insurance proceeds. Review any lender assignment.



Comparing Household Needs

Illustrative scenarios, not actual client testimonials

A new homeowner

Compare the mortgage balance and term with existing coverage before buying another policy.

A family with one primary earner

Consider whether loved ones could manage housing costs if the main income stopped after death.

A homeowner nearing retirement

Review the remaining loan, savings and policy expiration date to identify a coverage gap.



Protecting Your Family's Home

Let's review your options together

Explore term life coverage

Compare available amounts, policy terms and living benefit riders for your needs.

Review the fine print

Eligibility, benefits and exclusions vary by policy and state. The contract governs coverage.

Contact The McCormick Agency

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