

## Crash Test Your Mortgage Transcript

| Jill  | Jack   |
|---|--|
| Jack – you look terrible! What happened?  | Just for old times' sake, I was crash-testing an old Ford Pinto with some friends and things got a bit out of control. It's okay though – remember we have the mortgage insurance that we applied for last year?                           |
| I've been meaning to talk to you about that Jack  | What's wrong?  |
| Well, we spend most days crash-testing cars. I think we should crash-test other things also – like our mortgage insurance.  | How would we do that?  |
| Well, since you're in no condition for PHYSICAL crash tests today, why don't I ask you some troubling questions about the bank-issued mortgage insurance we have.   | Sounds like you've been giving this a lot of thought. What brought this on?  |
| Well, Richard Vetter of WealthSmart Financial Group sent us a postcard with a comparison between bank-issued mortgage insurance and our own private portable insurance contract.  | I've heard of him. Sure then, what's your first question?  |
| Before I begin, do you need any more pain medication? This might take a few minutes.  | Jill, what doesn't kill me only makes me stronger, go ahead.   |
| Okay Jack. My understanding is that the bank is both the beneficiary and owner of the policy. They control it.  | If that's right Jill, that means that if either of us get seriously injured, ill or die, they get the insurance money rather than us deciding what to do with the money?   |
| That's my fear exactly. I don't like the idea of anyone restricting my choices  | I agree. Choice is important and I'd prefer to make our own beneficiary decisions. What's your next question?  |
| Well, in reading the contract, it seems that as we pay down our mortgage, our insurance coverage also decreases. When our mortgage is finally paid off, our coverage ends! My concern here is that our other insurance needs might increase and our reducing mortgage insurance will not be enough. | Again, I'd rather be in control of whether we reduce our coverage or not. I'd also want the option of continuing the coverage after our mortgage is paid off.  |
| Jack, did anyone at the bank give us any choice or shop the market for a better rate?   | You're right Jill. We were only given one option and with things moving so fast I didn't really think about it too much.   |
| Exactly. Don't we always do our homework and shop carefully before we make a decision?  | I had a chance to view WealthSmart Financial Group's website. Looks like Richard Vetter is offering a service where he helps us plan and comparison shop for the best possible insurance program for our needs. What's your next question? |
| Jack, this one scares me. I've just realized that if we change mortgage lenders in the future, we cannot take the bank's mortgage insurance with us!  | In other words, if either of us becomes uninsurable, we may not qualify for any new lenders' insurance packages!   |

| <b>Jill</b>   | <b>Jack</b>   |
|---|---|
| Yes Jack! It's a miracle that they insured us this last time. If we can't get insurance in the future, we'll be stuck with this bank whether we like them or not!   | I'm thinking that we really need control over our own insurance.  |
| And I'm thinking you're the smartest dummy I know!  | Thank you. There's something else on your mind though, isn't there?   |
| Yes. Jack, although you look pretty beat up today, I've seen you like this before. However, it could have been a lot worse and I know that the risk of long term disability could put our home ownership at serious risk.               | You're right. Not a day goes by where I don't hear about someone having a heart attack, stroke, cancer or one of many other critical illnesses. I hear that disability and illness are the major cause of mortgage foreclosure. |
| You're right. The problem is that the bank's disability insurance has serious limitations and their critical illness insurance only covers heart attack, stroke and cancer. There are 19 other critical conditions that are not covered | That scares me more than the problems with the life insurance coverage. If I get seriously sick or hurt, my income stops but my expenses keep on going!   |
| Don't get me started on your expensive habits.  | Now Now!  |
| Jack, I don't think we've received the best possible advice or choice when we bought the mortgage insurance from the bank.  | As a matter of fact, we didn't receive any advice at all. All that was given to us was a brochure. I think we deserve a lot more than that.   |
| Richard Vetter is both a Certified Financial Planner and Chartered Life Underwriter, he specializes in these matters.   | We've got to do something. Our existing mortgage insurance only protects the bank's interests   |
| I'd rather protect our family.  | Agreed. Let's call Richard  |