



MORTGAGE PROTECTION POLICY

A Mortgage Protection Assurance is a life insurance contract that pays the lender of a mortgage loan (mortgagee) the outstanding principal on a mortgage upon the demise of the borrower (mortgagor).

WHO NEEDS A MORTGAGE PROTECTION POLICY?

Mortgage Protection Policies are normally requirements of lenders to enhance the credit risk of a loan transaction. It repays the bank the outstanding principal following the death of the mortgagor. The typical loan types are for real estate property.

ADVANTAGES OF THE POLICY

- The estate of the borrower is guaranteed of a home notwithstanding the death of the borrower
- The lender is assured of payment of outstanding principal if the mortgagee should die

FEATURES OF THE POLICY

- The policy covers Death and can be extended to cover Critical Illness and Total and Permanent Disability resulting from an accident.
- Outstanding loan are based on reducing principle balance method.
- The loan covers outstanding from date of death. Arrears prior to death are not covered.

WHAT DETERMINES THE PREMIUM?

- The Loan Amount
- Date of Birth of the Assured Life
- Term of the Loan
- The Interest Rate on the loan (used to determine outstanding principal)

FREQUENCY OF PAYMENT

- Single Premium (premium paid once and for all, no matter the term of the policy)
- Monthly, Quarterly, Semi-Annually and Annual premium payment.

VARIANTS

- It is possible to obtain Mortgage Protection Insurance using other types of loan repayment. This includes scenarios like extended moratorium period, other types of capital repayment differently from that mentioned above.
- We also consider loans where the Mortgagor is more than one person, ie multiple lives.
- Certain portion of outstanding interests may also be factored in as part of the outstanding to be repaid in case the policy crystalizes. Details will be required to be costed as part of the Sum Insured.
- Any of these are priced according to the structure and details can be obtained directly from any of our offices or calling our customer services unit.

