



Objection: I have  
mortgage insurance

## Path to Success

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Clients who use the objection “I have mortgage insurance” often do own mortgage insurance which they assume covers them against both critical illness and death. Often this is not the case – typically their mortgage is only protected in the event of death.

Even if the client is covered for critical illness insurance through their mortgage coverage, you should review that coverage and point out the key differences between critical illness insurance provided for mortgage insurance versus a more comprehensive plan. These differences typically include:

- only four conditions compared to comprehensive critical illness plans that can cover over 25 covered conditions
- the lending institution (i.e the bank) uses the funds to waive the mortgage payments or clear the mortgage, meaning the client does not receive the funds
- as the mortgage is paid down the premiums remain the same for the decreased coverage
- less up-front medical qualification which could mean more restrictive exclusions for claim

To introduce these differences, you might say:



### Advisor script

It's important to confirm that you actually have critical illness insurance included with your mortgage coverage as often these products only cover you in the event of death.

If you do have critical illness insurance through your mortgage coverage, we should take the time to review it as most mortgage critical illness insurance plans have some significant differences compared to the more comprehensive options I am showing you.

First, many of these mortgage plans only cover four critical illnesses compared to the \_\_ we are looking at.

With most mortgage critical illness insurance, you are relieved of the mortgage payments which helps your cash flow but does not provide you a lump-sum benefit that you can choose to use however works best for you at that time. Many clients, for example, would rather have \$50,000 tax-free show up than have their \$2,000/month mortgage payment go away. The lump sum gives them all the options we spoke of including time off for a healthy spouse, accessing alternate care, topping up disability insurance or flying in friends or family for support.

Also, most mortgage critical illness insurance charges a level premium but the coverage decreases as you pay down your mortgage so each year the same premium actually provides you less coverage. Last, some of these bank products can be obtained with very little medical qualification which sometimes means that there are additional exclusions and restrictions on when and how people can claim.

Let's take a look at your current coverage and make sure that we do a fair comparison of your options.

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