

Mortgage Life Insurance

Mortgage protection life insurance is simply insurance that is meant to pay off your mortgage in case of your death while the mortgage is not fully paid.

The original type of mortgage life insurance followed the amount of the mortgage balance so, as your mortgage obligation decreased, so did the amount of insurance. Today it usually makes more sense to get mortgage life insurance equal to the original mortgage amount but instead of a decreasing amount of insurance, you simply get the most inexpensive level term insurance.

Recently it has become more common to buy return of premium policies for mortgage term life insurance. The reason this type of insurance is used is that currently traditional mortgage life insurance rates are not as competitive as [most term life rates](#). and with return of premium, if you keep the policy, you get all the payments paid back to you.

The most affordable is the level premium, level benefit term life policy. This type of insurance can be purchased for a period of time such as 30 years, 25 years, 20 years etc. The policy amount is guaranteed not to decrease and the premium can be guaranteed for the full period of time.

Traditional mortgage protection life insurance is occasionally still marketed by banks and some agents but it may make more sense for you to get:

1. An insurance policy with guaranteed lower rates than a mortgage life insurance policy
2. One that will pay off your mortgage in case of your death
3. The insurance amount does not decrease.