



IN DENIAL Mortgage insurance: Not always a sure thing

(Click here to watch the video)

If you have a mortgage on your home, chances are good you also have mortgage insurance. The idea is that if you should become seriously ill or die before paying off the mortgage, the coverage will kick in and pay it off for you. It's meant to offer peace of mind and to reassure you that your family will

be able to stay in your home if anything should happen to you.

The reality falls a little short of that. In this week's Marketplace investigation, we meet two families who bought the coverage and thought they were protected, only to have their claims denied when they became sick or died. In each case, the insurer said the applicant person had lied on their initial application form.

It turns out a routine test at the doctor could be reason to deny your claim, if you don't mention it. Had a cuff inflated on your bicep? That counts as being tested for high blood pressure.

As Erica Johnson reports, the bank staffers selling mortgage insurance are unlicensed and rarely trained to explain the details and legalities of those insurance products. The result is people who pay premiums and think they are covered, only to realize later that they are not.

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As a TD visa holder for the past seven years, I immediately canceled my account upon watching this episode of Marketplace.

Posted by: Michelle | Feb 6, 08 07:01 PM

I was appalled at the actions of TD and Canada Life who falsely give people the impression that they are covered by Mortgage Insurance and take their premiums month after month to a tune of 1 Billion in Profit by TD in one year. When in fact the truth is really, sign here and if and when you need it we will then tell you if you can have it. The greatest crime is in giving the public false hope and taking away their right to investigate other options to protect themselves and their families by making them think they are already protected. My heart goes out to all Men and Women who have been victimized by this method.

Posted by: L. Broomhead | Feb 6, 08 07:06 PM

Oh my, I am sitting here looking at my two young children wondering what my husband may have signed and checked off on the check list with the bank. We just purchased our home in June 2007. He is deployed to the Gulf until May. When he returns home rest assured he will be going to the bank to go over his policy with a fine tooth comb. Until he does, I will have no rest! I am going to call a licensed broker and make an appointment to understand the fine details and the 'loop-hole' questions. Thank you so much for this program. I can not rest easy until I know our family is cared for! As for the two families that were on the program my heart goes out to them. I am sure there are many more in that situation. Shame on the banks, shame on the questions designed for a rejected claim.