

What is Mortgage Life Insurance and How Does Mortgage Life Assurance Work?



Mortgage life insurance pays your mortgage if you die before the loan is paid off in full, as well as helping any joint mortgage holders or dependents stay in the house.

What Is Mortgage Life Insurance?

[Mortgage life insurance](#) is a type of life insurance policy that helps your spouse or dependants pay off the loan if you pass away before it is paid off completely. It protects them by assuring that they'll have a roof above their heads in the case of an emergency.

It's sometimes known as mortgage insurance or mortgage protection. Should not be confused with mortgage payment protection insurance (MPPI), which only includes your payments if something holds you from working, such as long-term sickness or retirement. The policy expires after you or your dependents have filed a claim. You will not get anything returned at the end of the term if you pay into the plan and never need to make a claim.

How Does Mortgage Life Assurance Work?

There are two basic types of mortgage life insurance; each one works differently. Whatever option you choose, make sure you complete your research and pricing comparisons first. Mortgage life insurance is not essential to apply for a loan, though it is a great idea for many customers. I recommend speaking to a financial service for correct Mortgage life assurance advice. And [Mountview Financial Solutions](#) is one of them who gives correct advice on mortgage life assurance

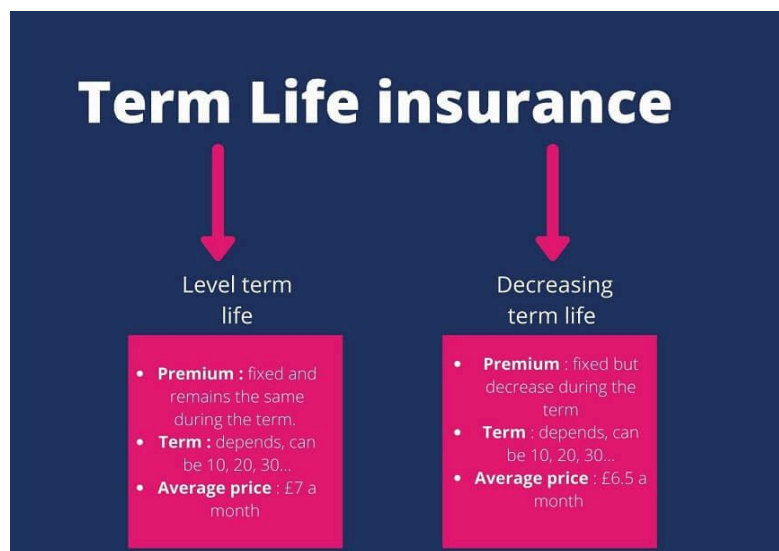
plans. They are a trustable protection adviser and gain the trust of many by solving financial problems.



Also Read: [Standard Income Protection Rarely Covers Contractors](#)

Level Term Insurance:

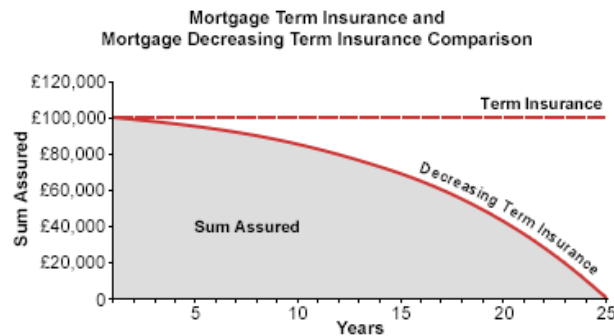
[Level term insurance](#) helps set the payout amount – for example, £2, 00,000 – which is then fixed for the duration of the policy. The premiums are also maintained, essentially making it a bit expensive option.



If you died, your family would get the lump sum payment, and the insurance terminated. The money can then be used to pay off a mortgage and, if there is any leftover, to support other home expenses

or even cover your funeral expenses. If you have an interest only mortgage, a level insurance policy may be a good choice because the mortgage debt remains the same throughout the term.

Decreasing Term Insurance:



This illustrates the amount of cover our Mortgage Term Insurance and Mortgage Decreasing Term Insurance would provide over the same period of time. We've based the graph on £100,000 over 25 years

This is an illustration only. The amount of cover will depend on individual circumstances.

Decreasing term insurance protects you against a loan that is getting smaller. If you have a repayment mortgage, the amount you pay will gradually decrease over time.

Your payout decreases as your responsibility reduces, and your premiums decrease as well. It makes it less expensive than level term insurance and means that the possible payout towards the end of the policy's life will be significantly lower than at the beginning.

Also Read: [What New Parents Should Know About Life Insurance](#)

Is it necessary for me to buy mortgage life insurance?



Mortgage life insurance can help people who are married, in a civil partnership, or cohabiting and can't afford their mortgage payments on a single salary. It's also important for anyone with dependents, whether children, elderly relatives, or anyone who financially depends on you or stays with you.

Even if you are ill, you may not need insurance if you have a [buy to let mortgage](#) because the homeowner's rent should usually cover the mortgage. The property has to be sold or remortgaged anyhow if you die.

What will happen to my mortgage if I pass away?

Put, if you die before [paying off your mortgage](#), the loan will pass on to your heirs, who are forced to sell your home. However, if you have mortgage life insurance, the mortgage debt is paid for you, and anyone who stays in the house does not have to think about making the mortgage payments.

Mortgage life insurance pays your mortgage payments if you die before the loan is paid off in full, as well as helping any joint mortgage holders or dependents stay in the house.

Final Words:

Mortgage life insurance pays your mortgage payments if you die before the loan is paid off in full, as well as helping any joint mortgage holders or dependents stay in the house.

Original Source: <https://mountviewfs.co.uk/know-how-does-mortgage-life-insurance-work/>