

Mortgage Insurance

EXAMPLE

Marilee Parker had a \$45,000 mortgage for a term of 20 years. She died in the 15th year. Use the chart below to find the benefit of her mortgage insurance.

Percent of Mortgage Covered

Policy Year in which Death Occurs	30 Year Term	25 Year Term	20 Year Term	15 Year Term	10 Year Term
1	100%	100%	100%	100%	100%
5	94%	92%	88%	80%	66%
10	84%	77%	67%	49%	12%
15	71%	59%	41%	9%	
20	55%	36%	8%		
25	34%	7%			
30	7%				

Step 1 Read Chart

For a 20 year term mortgage,
the benefit in the 15th year is 41%

Step 2 Multiply the mortgage by 41%

$$\begin{array}{r} \$45,000 \\ \times .41 \\ \hline \$18,450 \end{array}$$

The insurance company paid a benefit of \$18,450.

Directions Find the amount paid by the insurance company in each of these situations.

	Policy Year in Which Death Occurs	Term of Mortgage	Amount of Mortgage	Benefit Paid
1.	5	30	\$30,000	_____
2.	10	15	\$15,000	_____
3.	15	20	\$35,000	_____
4.	20	30	\$64,500	_____
5.	10	10	\$28,900	_____
6.	30	30	\$145,600	_____
7.	1	25	\$47,800	_____
8.	25	30	\$98,700	_____
9.	20	25	\$56,300	_____
10.	5	20	\$99,900	_____

