Mortgage Protection Planning Guide

Calculate Your Real Coverage Gap in Under 60 Seconds

Why This Guide Matters: Most homeowners assume their employer group life insurance (often capped at 1x salary) is enough to protect their home. In reality, a mortgage balance is only part of your household's financial obligation. Use this 3-step worksheet to determine if your family has a coverage gap—and how to close it affordably.

STEP 1: CALCULATE TOTAL MORTGAGE & HOUSEHOLD OBLIGATIONS

FINANCIAL OBLIGATION CATEGORY	TYPICAL ESTIMATE	YOUR CALCULATION ($)
1. Principal Mortgage Balance *Exact payoff amount from recent statement*	*$275,000*	$
2. Mortgage Protection Reserve (12 Months) *Property taxes, homeowners ins. & HOA fees*	*$6,000*	$
3. Other Outstanding Debts *Auto loans, credit cards, personal loans*	*$15,000*	$
4. Income Replacement / Living Expenses *1 to 3 years of essential monthly bills*	*$60,000*	$
5. Children's Education / Final Expenses *College fund or immediate transition buffer*	*$25,000*	$
TOTAL HOUSEHOLD PROTECTION NEED (Line A)	***$381,000***	$

STEP 2: INVENTORY EXISTING EXISTING LIFE INSURANCE COVERAGE

CURRENT POLICY / ASSET	COMMON RISK FACTOR	YOUR PROTECTION ($)
1. Employer Group Life Insurance *Usually 1x annual salary*	*Terminates if job changes*	$
2. Existing Privately Owned Term Policies *Individual locked-in policies*	*Check expiration year*	$
3. Liquid Savings / Emergency Funds *Earmarked strictly for protection*	*Depletes rapidly*	$
TOTAL EXISTING COVERAGE (Line B)	***$65,000***	$

STEP 3: DETERMINE YOUR NET PROTECTION GAP

NET MORTGAGE PROTECTION GAP (Line A minus Line B)

This is the total dollar amount needed to keep your family in their home without financial stress.

$

💡 Living Benefit Riders: Protection Beyond Death

Did you know modern mortgage protection policies can pay out **while you are still alive**? If you suffer a critical illness (cancer, heart attack, stroke) or total disability, a policy with Living Benefits can replace your income and pay your mortgage monthly while you recover.

MORTGAGE PROTECTION POLICY AUDIT CHECKLIST

Review your existing coverage against these critical security criteria:

- ☐ **Is your policy portable?** Does it stay active if you change employers or retire?
- ☐ **Does it include Living Benefits?** Will it pay out for critical illness or disability?
- ☐ **Is the rate locked?** Will your monthly premium stay 100% level for 15, 20, or 30 years?
- ☐ **Is the beneficiary flexible?** Can your family use funds freely for mortgage or living costs?

3 STRATEGIC WAYS TO STRUCTURE YOUR MORTGAGE PROTECTION

1. Individual Level Term

Locks in a fixed premium for 20 to 30 years matching your mortgage term. 100% portable, affordable, and independent of your job.

2. Term with Living Benefits

Provides standard death benefit protection PLUS early access to tax-free cash if diagnosed with a qualifying critical illness or disability.

3. Policy Stacking

Keep your free employer policy as baseline extra coverage, while securing a private policy to permanently cover the home loan balance.

Ready to Close Your Mortgage Protection Gap?

Schedule a free, 15-minute Family Coverage Review with an AEC Insure advisor to compare top-rated carriers and lock in fixed rates.

SCHEDULE FREE REVIEW AT AECINSURE.COM/SCHEDULE

Disclaimers: Insurance products offered through Arnett Evans & Co. LLC (AEC Insure). Licensed in TN, MS, TX, FL, MI, and ME. Products available only where licensed. This worksheet is for educational and planning purposes only and does not constitute formal underwriting or financial advice. Actual policy premiums and coverage limits are subject to carrier underwriting approval.