# Critical Period Concept

Critical Period refers to the idea of providing enough coverage to allow a beneficiary time to pay the mortgage and other bills, while they work to sell the home and make necessary living arrangements. Typically we want to look at providing at least 6-12 months of coverage, but this timeframe may be longer or shorter depending on the client's needs and budget.

You will use the Critical Period Concept regularly in your mortgage protection sales to provide some degree of coverage for a client when they cannot afford to cover the entire mortgage balance. The last thing we want to have happen is for someone pass away, and their family have no options at all. No one should have to deal with the grief of losing a loved one, and at the same time worry about where they are going live.

This concept is key and critical to your success as a Mortgage Protection Specialist. Learn the concept and utilize vivid examples so that that client can really visualize and feel what it would be like if the breadwinner were to pass away with no coverage in place at all.

Here is a simple example script:

"__________ & __________, I understand that the budget is a concern, but I also know how important is for you to provide this important protection for your loved ones. That's why we have designed a plan that helps take care of this situation. We call this our "Critical Period Plan." We know that during the time of a loved one's death, it is difficult enough with just having to deal with the funeral arrangements, the grief and life changes. The last thing you want to worry about is where the mortgage payments are going to come from. You know the lender will still come knocking on your door wanting their payment, and this plan buys your loved ones the time needed to make appropriate arrangements. It's designed to help provide peace of mind during this critical period following a death. It helps prevent this loss from turning into an even bigger tragedy for your spouse and family. So we can still protect your mortgage, even if the full amount of the mortgage cannot be paid off. You will rest easy knowing that the family will not be out on the street the minute you pass away. Let me explain.

In the event of your death, this plan will make the mortgage payment of $______ per month for _______ (months or years.) The benefit will be paid as a lump sum payment of $XX,XXX (whatever you have calculated.) This will pay the mortgage and provide time for your spouse and loved ones to make the right decisions, along with the added peace of mind they deserve."

NOTE: You calculate the number of months or years by taking the monthly mortgage payment and dividing it by the amount of insurance. Example: An $833 per month mortgage payment X 12 months = $10,000, which divided into $50,000 = 60 months / 5 years of payments.