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Mon, November 11
Online for 73 minut

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Conseco Halts Sale of Controversial Mortgage Insurance Product



NEW YORK, Feb. 21
(LendingIntelligence.com
— [Conseco Inc.](#)

disclosed today that it
has stopped selling

single-premium credit life insurance, which consumer advocates have long called an inappropriate product.

Single-premium insurance insures borrowers and their families from repaying the borrower's debt in the event of his death, disability and involuntary unemployment. Consumers pay a one-time lump sum for the insurance.

Consumer activists claim that single-premium credit life insurance effectively gouges consumers — most of whom earn low annual incomes and generally have damaged credit histories. They also say consumers are unable to cancel this type of insurance and that it takes away the consumers' ability to buy more of their homes' equity.

Conseco made mention of the change in its quarterly earnings announcement released this morning. Instead of single-premium credit life insurance, Conseco said it was selling a new mortgage insurance product, called "Homeshield."

The "new mortgage insurance product ... is being tested with promising results so far," the Conseco announcement said.

Conseco Insurance, a division of Conseco Inc., is underwriting the "Homeshield" policies.

Under pressure from consumer advocate, Household International and Citigroup last summer stopped selling single-premium insurance.

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