

Stacking Insurance Products to Diversify the Insurance Portfolio

Combining Whole Life and Indexed Universal Life

Permanent life insurance provides a death benefit that can help protect your clients' families and loved ones. Two popular choices are whole life and indexed universal life (Indexed UL or IUL)¹ that has an accumulation focus. MassMutual Whole Life provides a foundation of protection and upside potential, with three guarantees: guaranteed level premiums, guaranteed cash value growth, and a guaranteed death benefit. IUL is a flexible-premium policy that provides the potential to accumulate account value with index-linked (indexed) account options,² and also provides generally income tax-free death benefit protection. When **combining Whole life with Indexed UL**, your clients have the potential for additional upside growth.



Whole Life + Indexed UL

Aligning your clients' appetite for the upside with their goal to maintain sufficient life insurance coverage

To meet your clients' life insurance goals and align with their risk tolerance, owning a combination of whole life and IUL may be an option. Combining the guarantees of whole life insurance with the potential cash value accumulation of IUL gives policyowners additional downside protection along with upside potential.

Whole Life Insurance

- Guaranteed premiums
- Guaranteed death benefit
- Guaranteed cash value that grows each year
- Potential for annual policy dividends³
- The ability to take tax-advantaged distributions of available cash value in down markets⁴

Indexed Universal Life (IUL)

- Flexible premiums
- Index-linked account options- returns based on market index
- Fixed interest account option
- Account value growth potential
- Downside protection with a guaranteed floor

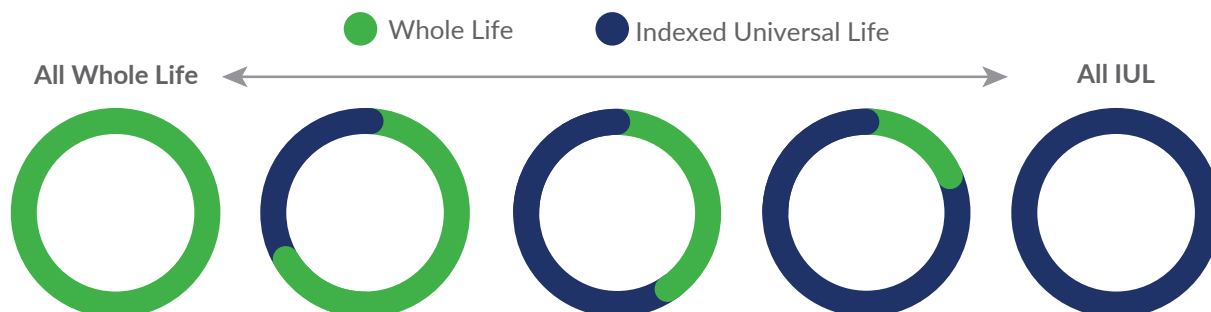
Whole life policyowners are eligible to receive annual dividends. Although dividends are not guaranteed, MassMutual® has paid them to eligible participating policyowners every year since 1869. Generally, dividends are declared and paid annually and can fluctuate over time. Whole Life policy dividends have three components that reflect the company's operating experience with respect to mortality (death claims), expenses, and investment results. The Dividend Interest Rate (DIR) is used to calculate the investment component of the policy dividends.³

NOT A BANK OR CREDIT UNION DEPOSIT OR OBLIGATION • NOT FDIC OR NCUA INSURED • MAY GO DOWN IN VALUE • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • NOT GUARANTEED BY ANY BANK OR CREDIT UNION

FOR FINANCIAL PROFESSIONALS. NOT FOR USE WITH THE PUBLIC.

Customizable Solution

Dial the product mix to capture the desired level of additional growth potential from IUL, combined with guaranteed protection from whole life.



Demonstrating the risk reward trade-off

Take a look at the strong and consistent historical results that MassMutual has delivered to Whole Life policyowners through dividends paid, driven by the DIR, as well as the strong potential for growth available with a IUL insurance product.

The chart and table on the following page compare MassMutual's DIR to the historical average annual results and standard deviations⁵ for the hypothetical Indexed UL (IUL) Index⁶ from 1980 through 12/31/2023:

IUL Index⁶ — The Standard & Poor's 500 Index excluding dividends assuming a cap rate of 10%, a minimum crediting rate of 0% and a 100% participation rate.

MassMutual's DIR This represents the Dividend Interest Rate for whole life insurance policies issued by MassMutual prior to the merger with Connecticut Mutual in 1996. These policies are no longer available for sale.

Different life insurance companies may quote and apply DIRs differently.

¹ MassMutual does not issue Indexed Universal Life insurance policies.

² The indexed accounts credit interest is based on the price performance of a certain market index. The indexed account options do not actually invest in the securities in the index. Individuals cannot invest directly in an index.

³ The dividend and dividend interest rate (DIR) are determined annually, subject to change and are not guaranteed. Dividends for eligible participating life insurance policies primarily consist of investment, mortality and expense components. The DIR is used to determine the investment component of the dividend. It is not the rate of return on the policy and should not be the sole basis for comparing insurers or policy performance.

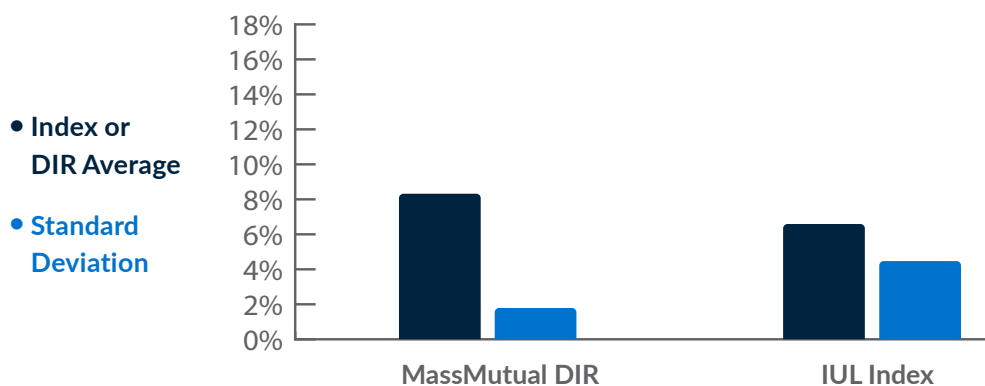
⁴ Distributions under a whole life (WL) policy, including cash dividends and partial/full surrenders, and withdrawals from a indexed universal life insurance (IUL) policy, are not subject to taxation up to the amount paid into the policy (cost basis). If the policy is a Modified Endowment Contract, policy loans and/or withdrawals/distributions are taxable to the extent of gain and are subject to a 10% tax penalty if the policyowner is under age 59½.

Access to WL cash values or IUL account values through borrowing, WL partial surrenders or IUL withdrawals, will reduce the policy's cash/account value and death benefit, increase the chance the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured.

⁵ Standard Deviation is a commonly used statistical measure of the variability of historical investment returns and is often used in comparing the risk versus average return of different types of investments. A higher standard deviation indicates greater variability in returns, and typically higher investment risk. To put it in perspective, if the average annual return is 6 percent and the standard deviation is 1 percent, there is a 68 percent probability that future returns will be between 5 percent and 7 percent.

⁶ The IUL index used in this comparison does not reflect the fees and charges associated with an actual IUL product. Had fees and charges been reflected, the returns would be lower. Indices are used for informational purposes only. Individuals cannot invest directly in an index.

MASSMUTUAL DIR AND HYPOTHETICAL INDEXED UL (IUL) INDEX⁶ 1980-2023



This comparison demonstrates that the investment component of our policy dividends, reflected in MassMutual's DIR, comparatively has substantially less variability.

Index or DIR Average	8.32%	6.59%
Standard Deviation	1.79%	4.47%
Number of Negative Years	0	0
Largest Decrease	N/A	N/A

Historical results are not an indicator of future performance.

This above chart demonstrates over time how MassMutual's DIR compares to the historical results for investment options typically based on a stock market index, such as the Standard & Poor's 500 Index, often available with Indexed Life (IUL) policies. While the overall mechanics of indexed universal life products and whole life insurance are very different, both types of policies deliver investment results to policyowners.

IUL policies allow policyowners to invest in fixed interest and index-linked (indexed) accounts.⁶ The indexed accounts credit interest based on the price performance of an index. The accounts do not actually invest in the securities in the index. Instead, a portion of the money allocated to the account is used to purchase options on the securities index to support the interest crediting rate. IUL indexed accounts have a minimum crediting rate, a maximum

crediting rate or cap and a participation rate, which is the percentage of the index return used to determine the crediting rate. As an example, a typical indexed account may be linked to the price performance (excluding dividends) of the Standard & Poor's 500 Index and have a minimum crediting rate of 0%, a cap rate of 10% and a 100% participation rate.

The investment results and DIR shown in the comparisons above are not the rate of return on the policies. The actual rate of return will be less due to the cost of the life insurance protection and other charges associated with each type of policy. There may be little or no cash or surrender value available in the early policy years, and it may take a number of years to realize a positive return on premiums paid into the policy. It is important for clients to review a life insurance illustration based on their specific situation to fully understand how the policy works and how investment results impact the long-term performance.



A combination of Whole Life and IUL may offer additional upside potential along with guaranteed protection.

FOR FINANCIAL PROFESSIONALS. NOT FOR USE WITH THE PUBLIC.

The information provided is not written or intended as specific tax or legal advice. MassMutual, its subsidiaries, employees, and representatives are not authorized to give tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel.

The products and/or certain features may not be available in all states. State variations will apply.

All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company.

Whole Life Legacy series policies ((Policy Forms: MMWL-2018 and ICC18-MMWL in certain states, including North Carolina)/ (MMWLA-2018 and ICC18-MMWLA in certain states, including North Carolina)) and MassMutual Whole Life series policies on the digital platform (Policy Forms: WL-2018 and ICC18WL in certain states, including North Carolina) are level-premium, participating, permanent life insurance policies issued by Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111-0001.

