

# A Commitment to Financial Strength and Value

Massachusetts Mutual Life Insurance Company (MassMutual®)

Since 1851, MassMutual’s business decisions have been guided by a commitment to provide financial security and enduring value to our participating policyowners. We continue to be a mutual life insurance company that operates primarily for the benefit of these policyowners and one of the largest financial services firms in the U.S. This has allowed us to take a long-term business approach that has delivered superior results while maintaining financial strength ratings that are among the highest in our industry.

While MassMutual has grown to become a diversified financial services company, our purpose remains the same: **To help people secure their future and protect the ones they love.**

## MassMutual Fast Facts:

**84<sup>th</sup>**

MassMutual is ranked No. 84 on the 2019 *FORTUNE*® 500 list.<sup>1</sup>

**\$24.5** BILLION

Total adjusted capital increased by 23% to a record high of \$24.5 billion at year-end 2019.<sup>2</sup>

**\$1.2** BILLION

MassMutual continued to be an industry leader in whole life insurance with sales of over \$1.2 billion in 2019.<sup>2</sup>

**\$773** BILLION

Life Insurance in Force increased by 8% to \$773 billion in 2019. This represents the amount of protection the company has issued and outstanding.

**\$1.7** BILLION

\$1.7 billion estimated dividend payout<sup>3</sup> to eligible participating policyowners in 2020.



A long-term business and investment strategy that has allowed us to pay industry-leading dividends to policyowners.

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<sup>2</sup> These are consolidated statutory results of Massachusetts Mutual Life Insurance Company and its U.S. domiciled life insurance subsidiaries: C.M. Life Insurance Company and MML Bay State Life Insurance Company.

<sup>3</sup> Dividends are determined annually, subject to change and not guaranteed.

# Financial Strength

## Company Ratings

Independent rating agencies assess a company’s financial strength and capacity to meet its obligations to policyowners and other customers. MassMutual’s financial strength ratings<sup>4</sup> are among the highest of any company in any industry. Our ratings are reviewed periodically and are subject to change.



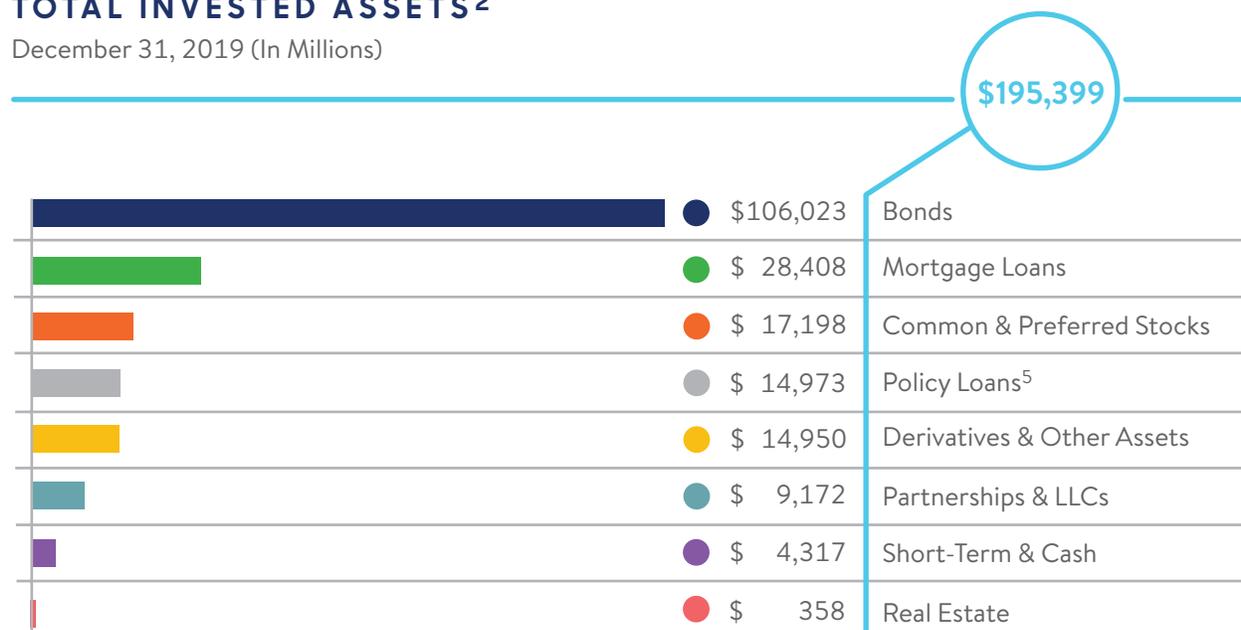
<b>A.M. Best Company:</b>	<b>A++</b> (Superior; top category of 15)
<b>Fitch Ratings:</b>	<b>AA+</b> (Very Strong; second category of 21)
<b>Moody’s Investors Service:</b>	<b>Aa3</b> (High Quality; fourth category of 21)
<b>Standard &amp; Poor’s:</b>	<b>AA+</b> (Very Strong; second category of 21)

## Investing for the Future – Quality, Diversification and Risk Management

Our General Investment Account consists primarily of bonds and real estate debt investments. Our goal is to generate competitive long-term results, while maintaining the ability to weather downturns in financial markets. Our focus on long-term, risk-adjusted returns and the consistent application of our investment strategy has resulted in a portfolio that has performed well for the company and our policyowners.

### TOTAL INVESTED ASSETS<sup>2</sup>

December 31, 2019 (In Millions)



<sup>4</sup> Financial strength ratings are as of 3/1/2020 and are subject to change. Ratings are for MassMutual (Springfield, MA 01111-0001) and its subsidiaries, C.M. Life Insurance Company and MML Bay State Life Insurance Company (Enfield, CT 06081).

<sup>5</sup> Policy loans are loans taken by policyowners against the cash surrender value of their policies and, as such, are secured by the cash surrender value of those policies.

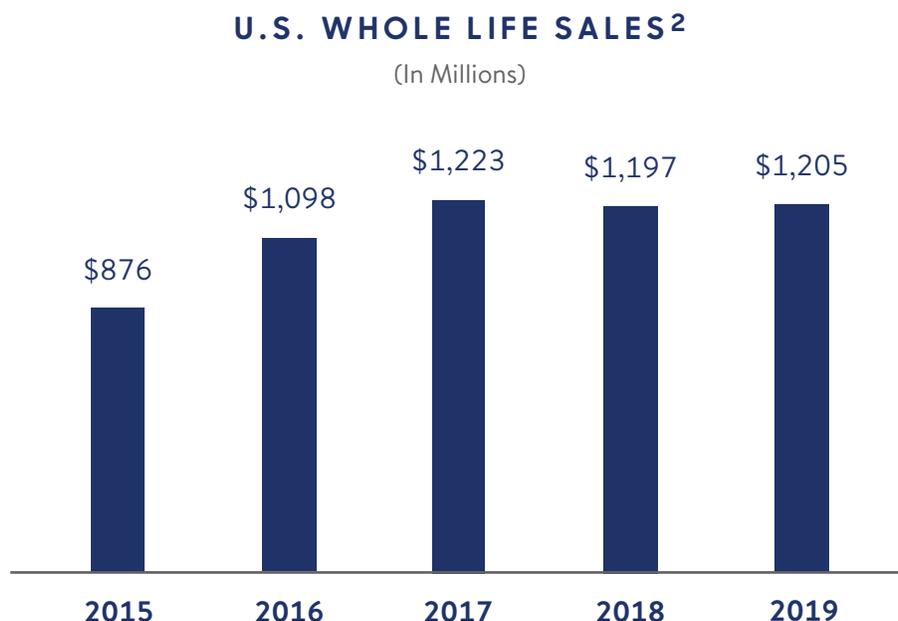
## Growth

### Total Adjusted Capital – \$24.5 Billion

Surplus and capital are key indicators of the company's overall financial strength. Both grew to record levels in 2019. Our surplus increased by 21 percent to \$18.9 billion. Total adjusted capital was up 23 percent to \$24.5 billion.<sup>2</sup> This underscores our enduring financial strength and gives us the flexibility to make long-term financial decisions that benefit the company and our policyowners.

### \$1.2 Billion in Whole Life Sales

Participating whole life insurance is MassMutual's core product. 2019 was the fourth consecutive year of whole life sales in excess of \$1 billion.<sup>2</sup> Our strong sales results reflect the competitive overall performance that our whole life products offer.



### Workplace and Institutional Sales – \$21.7 Billion

Workplace and Institutional businesses generated record sales, up over 18 percent from 2018, with solid results across a broad product line.

Workplace sales include defined contribution retirement plans in addition to disability and life insurance products sold at the workplace. Institutional sales include defined benefit pension plans, bank-owned life insurance, investment-only and pension risk transfer solutions, and funding agreements.

# Value

## Life Insurance Inforce – \$773 Billion

At the end of 2019, MassMutual's Life Insurance in Force grew to \$773 billion. This reflects our strong sales growth and high rate of policyowner retention. But more importantly, it is the realization of our purpose as a company - to help people secure their future, and protect the one's they love.

## Dividends to Policyowners – \$1.72 Billion

MassMutual has paid dividends to eligible participating policyowners every year since 1869. Our 2019 dividend payout exceeded **\$1.5 billion** for the sixth year in a row, and we will pay an estimated dividend payout of \$1.7 billion in 2020.<sup>3</sup>

## Creating Value for Policyowners – Other Business Earnings

Like most insurance companies, MassMutual invests in relatively conservative assets – primarily investment grade bonds. We also have a long history of investing in strategically aligned non-participating insurance and financial service businesses. These include our institutional and workplace operations, as well as ownership interests in global asset management and other strategic investments. These high performing businesses have added diversity to our portfolio and delivered very attractive long-term returns.

This long-term investment strategy has benefited our participating whole life policyowners in a couple of ways:

- First, it has allowed us to pay industry-leading dividends to our policyowners.
- Second, it has helped MassMutual maintain greater financial strength and stability.

The success of these businesses has been an important and distinct competitive advantage for MassMutual relative to our peer mutual companies. This approach has enabled us to deliver better results over varying market cycles. MassMutual continues to look for new business opportunities that have the potential to deliver better long-term investment results for the company and our whole life policyowners.

Participating whole life insurance policies are issued by Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111-0001.

