

# 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. 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:

**93<sup>rd</sup>**

A *FORTUNE*<sup>®</sup> 500 Company (ranked 93<sup>rd</sup>)<sup>1</sup> and one of the largest financial services firms in the U.S.

**\$17.4** BILLION

\$17.4 billion of Total Adjusted Capital at year-end 2017. MassMutual was ranked 6<sup>th</sup> in the industry<sup>2</sup> based on capital and surplus.

**#1**

#1 in whole life sales<sup>3</sup> in both 2016 and 2017. At year-end 2017 MassMutual had over 1.2 million whole life policies in force.

**\$5.1** BILLION

\$5.1 billion in insurance and annuity benefits paid in 2017.

**\$1.72** BILLION

\$1.72 billion estimated dividend payout<sup>4</sup> to eligible participating policyowners in 2019.



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> SNL Financial; SNL Life Group data (as of 12/31/17) includes parent and life subsidiaries adjusted with eliminating entries by SNL where relevant. The industry consists of more than 400 groups/unaffiliated companies in the SNL database with year-end 2017 capital and surplus greater than zero.

<sup>3</sup> LIMRA International, U.S. Individual Life Insurance Sales Surveys (2012–2017).

<sup>4</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 are among the highest of any company in any industry. Our ratings are reviewed periodically and are subject to change.



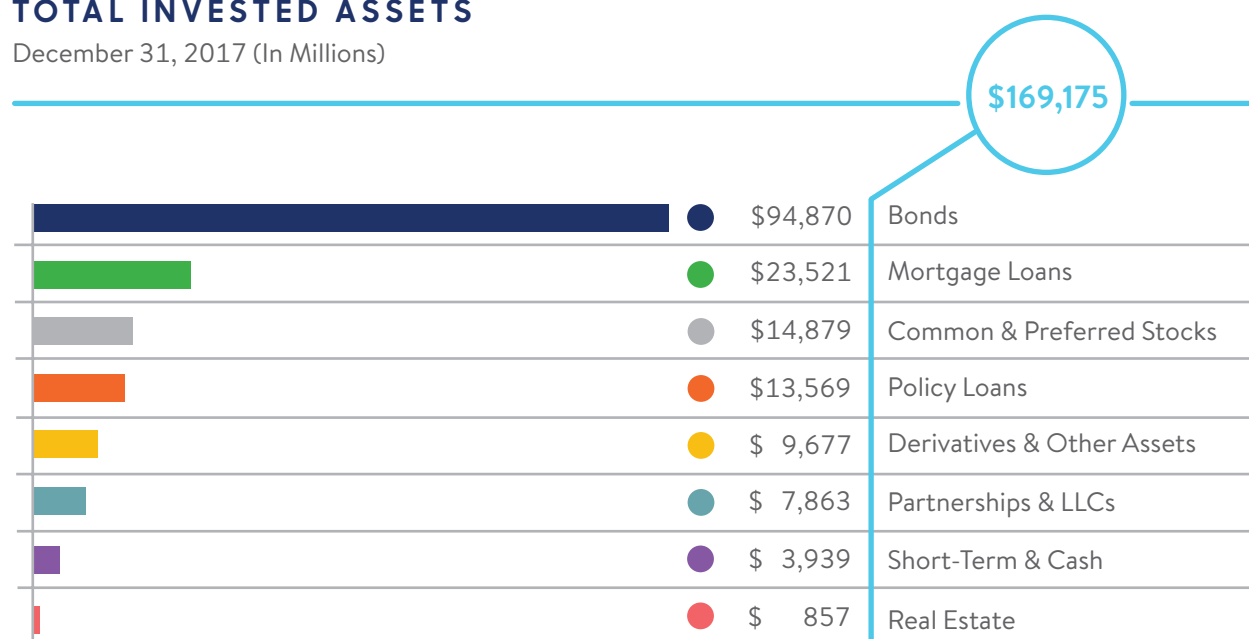
<b>A.M. Best Company:</b>	<b>A++</b> (Superior; top category of 15)
<b>Fitch Ratings:</b>	<b>AA+</b> (Very Strong; second category of 21)
<b>Moody's Investors Service:</b>	<b>Aa2</b> (Excellent; third category of 21)
<b>Standard &amp; Poor's:</b>	<b>AA+</b> (Very Strong; second category of 21)

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

Our General Investment Account (GIA) 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

December 31, 2017 (In Millions)



Financial strength ratings are as of 10/1/2018 and are subject to change. Ratings are for MassMutual (Springfield, MA 01111) and its subsidiaries, C.M. Life Insurance Company and MML Bay State Life Insurance Company (Enfield, CT 06081).

# Growth

## Total Adjusted Capital – \$17.4 Billion

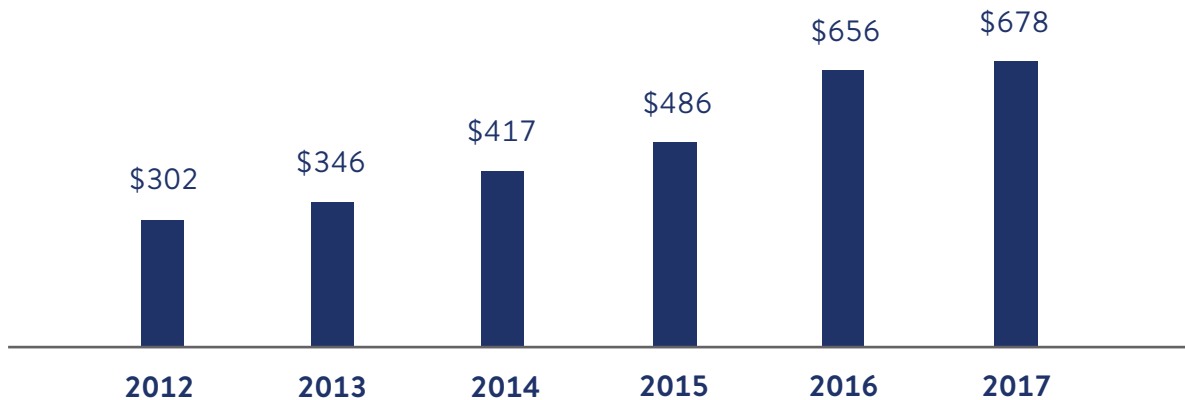
Statutory surplus and total adjusted capital are key measures of overall financial strength. Both reached record high levels in 2017. MassMutual’s surplus grew to \$15.7 billion (8.91% of invested assets) while total adjusted capital increased to \$17.4 billion. Over the last 20 years, MassMutual has grown surplus at an average annual rate of over 9%.

## #1 in Whole Life Sales

Participating whole life insurance is MassMutual’s core product. 2017 was our 12<sup>th</sup> consecutive year of record-breaking sales. From 2012 to 2017, MassMutual’s whole life sales increased at an average annual rate of **18%**. This far outpaced industry sales growth, which averaged **5%** over that same period.<sup>3</sup> In fact, MassMutual led the life insurance industry in whole life sales in both 2016 and 2017. These results reflect the competitive overall performance that our whole life products currently offer.

### WEIGHTED WHOLE LIFE SALES<sup>5</sup> (2012-2017)

(In Millions)



## Workplace and Institutional Sales – Over \$20 Billion

We achieved \$20.6 billion in total Workplace and Institutional sales, with record sales from our Institutional businesses of over \$10 billion in 2017. Over the last five years sales in these business lines have increased at an average annual rate of **12%**.

<sup>5</sup> Weighted sales are based on annualized new premium plus 10% of single premium payments.

# Value

## Benefits Paid – \$5.1 Billion

In 2017, MassMutual paid **\$5.1 billion** in insurance and annuity benefits, delivering on our purpose to help people secure their future and protect the ones they love.

## Dividends to Policyowners – \$1.72 Billion

MassMutual has paid dividends to eligible participating policyowners every year since 1869. Our 2018 dividend payout exceeded **\$1.5 billion** for the fifth year in a row, and we will pay an estimated dividend payout of \$1.72 billion in 2019.<sup>4</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 annuity and specialty life insurance products; our retirement and institutional businesses; our asset management companies; and our international insurance operations. These businesses have added diversity to our portfolio and delivered very attractive long-term returns. Total assets managed by MassMutual and its subsidiaries grew to a record **\$771 billion** in 2017.

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.



Whole Life Legacy Series (WL-2011, ICC11WL, and ICC11WL in North Carolina) are level-premium, participating, permanent life insurance policies issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

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