

# CareChoice<sup>SM</sup> One

An alternative to self-insuring

**MassMutual CareChoice One (CareChoice One) is a single-premium whole life insurance policy with a qualified long term care insurance rider (LTCI Rider). CareChoice One, issued by Massachusetts Mutual Life Insurance Company (MassMutual), provides an LTC planning solution for consumers who value flexibility, guarantees and growth.**

**How might these benefits compare to setting aside some retirement savings (self-insuring) for possible LTC expenses?**

We will use a 60-year-old, non-smoking man for this comparison. We will assume:

- 1 | He puts \$100,000 into a CareChoice One policy with dividends used to buy paid-up additional whole life insurance (PUAs) and no inflation protection. Dividends are not guaranteed.
- 2 | He puts another \$100,000 into an account earning 5% annually and will pay 28% income tax on those earnings each year.

CareChoice One provides benefits whether a policyowner:

- Needs LTC.
- Dies without needing LTC.
- Changes plans and needs the money for something else.

**Here are the values at the end of the first year:**

	CareChoice One	Savings Account
What if he needs LTC?	LTC Benefit Pool: \$306,050	\$103,600
What if he dies without needing LTC?	Death Benefit: \$153,025	\$103,600
What if he needs the money?	Policy Surrender Value: \$ 88,225	\$103,600

Now let's compare the key CareChoice One benefits versus self-insuring 20 years into the future:

## CARECHOICE ONE/SAVINGS AFTER 20 YEARS



	CareChoice One	Savings Account
What if he needs LTC?	LTC Benefit Pool: \$386,428 <sup>1</sup>	\$202,859
What if he dies without needing LTC?	Death Benefit: \$233,403 <sup>1</sup>	\$202,859
What if he needs the money?	Policy Surrender Value: \$185,013 <sup>1,2</sup>	\$202,859

Although he would have more cash available early on in his savings, the tables turn in the future when he is much more likely to need the LTC and death benefit.



<sup>1</sup> These values are not guaranteed. They include dividends that are neither estimates nor guarantees, but are based on the 2019 dividend schedule. Dividends in future years may be lower or higher, depending on the company's actual experience. This supplemental illustration assumes that there are no loans or distributions and no benefits have been paid. Refer to the Basic Illustration for guaranteed elements, assumptions, explanations and other important information.

<sup>2</sup> Most CareChoice One policies will be Modified Endowment Contracts (MECs). If the policy is a MEC, policy loans and/or distributions from the policy (including dividends paid in cash and full/partial surrenders) are taxable to the extent of gain and are subject to a 10% tax penalty if the policyowner is under age 59½.

In general, the only non-MEC CareChoice One policies are those primarily funded with a tax-free exchange of another non-MEC life insurance policy under Internal Revenue Code Section 1035.

**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.**

Single Premium Whole Life Insurance, (SPWL-2013, ICC13SPWL and ICC13SPWL in North Carolina), is a participating, permanent single premium life insurance policy issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

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