

New York Only

Suitability – it’s a mutual responsibility

A producer guide to the Life Insurance Suitability Questionnaire

Description

Use this guide to MassMutual’s life insurance suitability under NY Regulation 187 to help determine which life insurance suitability questionnaires and forms to use in certain situations and to assist in gathering full client information in order to perform a needs assessment.

*As a reminder, **Best Interest** is about a mindset, whereas suitability is a **process** with defined requirements of what we must do in order to comply with the regulation. Specifically, the regulation requires an assessment and determination of suitability by the producer **and** the insurance carrier for any **sales transaction**. Sales transactions for life insurance are defined as any applications for new coverage where first-year commissions are paid, whether this is a new policy, term conversion or exercise of an insurability option, addition of a rider or a face increase.*

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Massachusetts Mutual Life Insurance Company (MassMutual) and its nationwide network of financial professionals are committed to meeting individual client needs. As an organization, we have a responsibility to our clients to do business ethically and in compliance with all laws and regulations. This philosophy has guided us from the beginning, and it's a fundamental part of our success.

About this guide

This guide provides an overview of the life insurance suitability requirements and the Life Insurance Suitability Questionnaires.

How to Complete the Form:

- MassMutual's Suitability Questionnaire is designed to elicit information in a way to pass through an automated suitability rules engine.
- In some instances where cases are unable to clear suitability in an automated process, the case will be manually reviewed by the suitability team.
- The information asked in this form is designed to help the suitability team provide an overall assessment of the case.
- Our goal in having a more detailed questionnaire is to be able to clear a manual suitability review more quickly rather than needing more outreach to the producer and to minimize producer follow up.
- By collecting a breadth of information upfront, this will help to minimize outreach to producers and make a manual review more effective.
- Producers need to make a "reasonable effort" to gather all of a client's suitability information.
- The best interest obligation does require a certain level of cooperation from the client.
- At MassMutual, if you are unable to collect all information or if the client is unwilling to provide it, then you're unable to fulfill the requirements under the regulation and should refrain from doing business with the client.

MassMutual's Life Insurance Suitability Philosophy for NY Regulation 187

When developing the suitability methodology for life insurance—it really comes down to three things: **affordability**, the **purpose of the insurance** and **product risks**. So when producers are gathering a client's information, analyzing the case information and then making a recommendation that is suitable, they should always keep those three “gates” in mind.

Affordability

When we think about affordability, the questions and information gathered focus on the premium-to-income ratios and can the client's **household** afford to pay their premium when they're the owner of the policy.

These ratios are considered not only from a gross income perspective during underwriting, but also from a disposable income perspective during the suitability review process. So producers need to ensure that they're asking the right questions in order to fully gather information about a client's financial situation including their expenses and other obligations.

It's MassMutual's goal to ensure that clients understand that purchasing a life insurance policy is a long-term commitment and that premium payments can be sustained over the life of the policy.

For example, if clients use so much of their income or other assets that they're leaving themselves unable to afford all their other retirement or medical needs—then the recommendation to purchase a certain type of life insurance would not be suitable.

Purpose of Insurance

This topic is concerned with understanding the client's **purpose** for purchasing a life insurance policy, if it is for some purpose **other** than life insurance. We recognize that life insurance, especially cash value life insurance, can be used for a lot of opportunities.

But fundamentally, if it is not being used for a death benefit need, then we need to understand the value of purchasing that life insurance policy, especially if the client does not have siblings, heirs, or any other reason to buy life insurance.

So in order to help protect clients, NY Regulation 187 requires specific questions to be asked in order to help assess clients' overall financial objective(s). Ultimately the suitability review process ensures that there is consistency between the recommendations, primary purpose of life insurance, the client's financial objectives, how the product features will work, and that the client has the sophistication and the means to understand that alignment.

Product Risks

Product Risk is about understanding the risks associated with the policy, including, for example, the fact that charges may be raised in the future, dividends may change over time, and for variable products, market performance may have a significant impact on policy values. Clients

should be aware of the impact of these risks on the policy they are purchasing, and that in some cases, they may be required to make additional premium payments in the future to keep the policy in force. The goal is to ensure that the client understands and acknowledges these risks prior to purchasing the policy.

A Guide to the Life Insurance Suitability Questionnaire

General Key Points & When to Complete this Questionnaire

- Complete the **Life Insurance Suitability Questionnaire** for **new** policy applications **except** for variable universal life business.
 - Follow the MMLIS variable suitability process in those cases.
- Term conversions in the first policy year must use this questionnaire and must be submitted through EZ-app.
- Product training must be completed by the soliciting and all other producers on the case.
- Producers are required to complete **all** information on this questionnaire.
- All sections of the questionnaire must be completed in order to submit the application. If they are not, you will encounter a hard stop.
- This form should be filled out based on the **insured's/owner's information**.

Do Not Use This Questionnaire: for the following:

Type of Business	Correct Questionnaire to Use
VUL Policies	Placeholder
Worksite	Placeholder
Trusts	Placeholder
Business Cases / Business Owned Business Employer	Business Financial Supplement (FR2074) and Suitability Disclosures for Business Cases FR2289

- **For juvenile policies**, complete suitability for the owner and the owner's household. If third parties are paying or gifting the premium, please indicate where asked.
- **Qualified Plan** – these are exempt from the rule. You do not need to complete this questionnaire.
- **Business Employer** – Do not complete this questionnaire. Use the [Business Financial Supplement](#) (FR2074).

Trust (Not including qualified plan trust)

b. Is the trust a revocable trust?

Yes (Answer below):

i. Is the grantor/settlor the Insured or the Insured's spouse?

Yes (Complete this form answering for the household of the Insured and Insured's spouse.)

No (Do not complete the rest of the form and consult advanced sales.)

No (Answer below):

ii. Is the Insured/Insured's spouse planning to fund the trust (by gift or otherwise) to pay the life insurance premiums?

Yes (Complete this form answering for the household of the Insured and the Insured's spouse.)

No (Answer below):

iii. Are current trust assets expected to be used to pay the premium?

Yes (Do not answer the rest of this questionnaire. The trust supplemental form will need to be completed.)

No (Do not complete the rest of the questionnaire and consult advanced sales.)

Section B, Trusts - How to Fill Out this Section:

Massmutual's approach to suitability for trusts is based on whether it is an existing, well-funded trust or a newly created trust for the purpose of funding the life insurance.

- For newly created trusts, we will conduct suitability on the Grantor.

- For limited situations where a well-established trust will be the owner **and** will pay the premiums, suitability will be performed on the trust. Do **not** complete this questionnaire, rather complete the [Trust Supplement Questionnaire](#) link.
- When completing application data entry into EZ-app, the appropriate reflexive will appear to guide you on the appropriate form that you need to complete for suitability.
- For any questions regarding trust ownership and trust suitability, consult Advanced Sales.

LLC/Partnership (Including Limited Partnerships and Limited Liability Partnerships)

c. Is the primary purpose of the LLC/Partnership for personal planning?

Yes (Answer below):

i. Is the Insured a member or partner of the LLC/Partnership? Yes No (If Yes, proceed with questionnaire based on Insured's household information. If No, attach the Business Financial Supplement.)

No (Attach the Business Financial Supplement.)

Other Entity

Other Individual Owner (Relationship to Insured): _____

Joint Owner (Select primary) (Relationship to Insured): _____

Section B - How to Fill Out this Section:

LLC/Partnership – For LLC where the primary purpose of the LLC/Partnership is for **personal planning** and the insured **is a member** or partner of the LLC/Partnership complete the questionnaire based on the insured's household information.

- For LLC where the primary purpose of the LLC/Partnership is **not for personal planning** or where the insured **is not a member** or partner of the LLC/Partnership do not complete the questionnaire, rather complete the Business Supplement FR2074 and Suitability Disclosures for Business Cases FR2289TBD
- **Other Entity** –TBD
- **Other Individual Owner** – Complete this form based on the owner.
- **Joint Owner** - Complete this form based on the primary owner. This is owner whose social security number was used on the application.

SECTION C: PRODUCT INFORMATION

General:

- Select the product applied for.
- You must include a signed illustration / presentation and submit it with the application.

<input type="checkbox"/> Term	Select one:		
	<input type="checkbox"/> Vantage Term Annual Renewable Term (ART)	<input type="checkbox"/> Vantage Term 25	<input type="checkbox"/> Vantage Term 20 ECP
	<input type="checkbox"/> Vantage Term 10	<input type="checkbox"/> Vantage Term 30	<input type="checkbox"/> Vantage Term 25 ECP
	<input type="checkbox"/> Vantage Term 15	<input type="checkbox"/> Vantage Term 15 ECP	<input type="checkbox"/> Vantage Term 30 ECP
	<input type="checkbox"/> Vantage Term 20		
Do you intend on converting this policy? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Uncertain (Want to preserve the option)			

Section C, Term Product - How to Fill Out this Section:

- **Tip!** This question helps to determine the suitability of convertible term insurance.
 - Convertible term insurance is priced to include the cost of conversion.
 - If clients do not have an intention now or a desire to preserve for the future ability to convert the applied for term insurance policy, then producers must document in the rationale section why convertible term insurance is purchased.

<input type="checkbox"/> Whole (WL)	Select one:	<input type="checkbox"/> Whole Life Legacy 100	<input type="checkbox"/> Whole Life Legacy 12 Pay
		<input type="checkbox"/> Whole Life Legacy 65	<input type="checkbox"/> Whole Life Legacy 10 Pay
		<input type="checkbox"/> Whole Life Legacy 20 Pay	<input type="checkbox"/> Whole Life Legacy High Early Cash Value
		<input type="checkbox"/> Whole Life Legacy 15 Pay	<input type="checkbox"/> Survivorship Whole Life Legacy
	Riders selected (if applicable):	<input type="checkbox"/> ALIR	
		<input type="checkbox"/> LISR	
		<input type="checkbox"/> RTR	
		<input type="checkbox"/> LTC Access (If selected answer below):	
	Is existing Long Term Care coverage being replaced?	<input type="checkbox"/> Yes <input type="checkbox"/> No (If yes answer below):	
	Existing coverage monthly benefit:	\$ _____	
	Existing coverage benefit period (years):	_____	
	Existing coverage premium:	\$ _____	

<input type="checkbox"/> Care Choice One/ Select	Is existing Long Term Care coverage being replaced?	<input type="checkbox"/> Yes <input type="checkbox"/> No (If yes answer below):	
	Existing coverage monthly benefit:	\$ _____	
	Existing coverage benefit period (years):	_____	
	Existing coverage premium:	\$ _____	

Section C, Whole Life Product - How to Fill Out this Section:

- Select the product applied for and any riders
- If you are applying for LTC Access, Care Choice One or Care Choice Select and replacing LTC insurance, you must provide the requested information about the existing policy.

<input type="checkbox"/> Universal Life (UL)	Select one:	<input type="checkbox"/> UL Guard	<input type="checkbox"/> SUL Guard
	Will the premium be paid by a single premium payment?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Section C – Universal Life Product - How to Fill Out this Section:

- Select the product applied for.
- Indicate if it will be a single premium payment.
 - **Tip!** 1035 Exchanges are addressed later in the questionnaire.

2. Primary purpose of insurance (Select one):
<input type="checkbox"/> Income Replacement (Replace current and future income that would be lost with the death of the insured, including paying off debts and liabilities such as mortgage, student loans, etc.)
<input type="checkbox"/> Legacy (heirs, charitable) (Provide significant funds to the insured's estate, surviving spouse and heirs or for charitable purposes on the death of the insured. The life insurance is often part of larger estate, asset protection or charitable giving planning.)
<input type="checkbox"/> Protect Future Insurability (Lock in coverage at an amount and rating based on the insured's current health; protect in the event the insured develops diseases, injuries, illnesses or other adverse medical conditions that prevent the insured from obtaining future insurance.)
<input type="checkbox"/> Tax-Deferred Cash Accumulation (Generate long term cash accumulation from the payment of premiums on a tax-deferred basis, with the goal of having access to cash values available in the future.)
<input type="checkbox"/> Supplemental Retirement Savings (Generate long term cash accumulation from the payment of premiums on a tax-deferred basis, with the goal of taking distributions from the policy in retirement to supplement other retirement sources.)
<input type="checkbox"/> Access to Cash / Financial Needs (Assist with significant/major purchases or expenses i.e.: purchase of a home, medical expenses.)
<input type="checkbox"/> Long Term Care (Cover long-term care expenses, with the ability to provide funds to surviving heirs on the death of the insured if long term care coverage is not fully used.)
<input type="checkbox"/> Pay Final Expenses (Cover final expenses, with the ability to provide funds to pay funeral costs and other debts of the insured.)
<input type="checkbox"/> Business Related (Provide coverage for the loss of a business partner but the funding is provided by the individual.)
<input type="checkbox"/> Estate taxes (Pay state and federal taxes of the estate at the time of death.)

Section C, Primary Purpose of Insurance - How to Fill Out this Section:

- Life insurance must always be sold to meet a death benefit need.
- A critical part of your recommendation is to ensure that the product is sold for a proper purpose and aligns with the client's overall financial objectives.
- While customers can utilize products for many purposes, a producer's product recommendation should ensure that it aligns with the client's **primary** purpose for purchasing this particular policy
- Select **one** of the purposes for the product applied for
- If **Income Replacement** is selected when there are no dependents, then producers need to document the primary purpose in the rationale
- **Tax-Deferred Cash Accumulation, Access to Cash, Supplemental Retirement Income** – When a policy is selected/recommended with an accumulation or retirement income focus, producers need to ensure:
 - Customers have sufficient other assets such that the policy is not their sole “savings or investment” strategy
 - Customers have the sophistication to understand the “income strategy”
 - Have sufficient assets to benefit from tax deferred accumulation of the policy
 - Have sufficient income to be able to afford the policy's premium commitment
 - This is critical for any whole life recommendation
 - Refer to MassMutual's policy regarding [Properly Presenting Whole Life Insurance to Prospects](#)
- **Long Term Care** – CareChoice One/Select policies are sold primarily for the purposes of long term care insurance. When selling these products, producers must provide specific rationale on why these products are recommended if the primary purpose is other than long term care.
 - Recommendations involving LTC Access rider, sold for the primary purpose of long term care, must be explained in detail given the high cost of the whole life policy
- **Protect Future Insurability** – this is for clients who may want to purchase additional coverage in the future without underwriting (e.g., recommendations to have a conversion option or guaranteed insurability rider)
- **Pay Final Expenses** – producer recommendations with a face amount exceeding \$50,000 involving for final expense purposes need to be detailed

3. Anticipated time coverage is needed (Select one): 0-10 years 10-20 years 20-30 years Lifetime

Section C, Anticipated Time Coverage Is Needed - How to Fill Out this Section:

- **Suitability Reminder:** The term of the policy being applied for should align with the time period that the coverage is needed.

SECTION E: Financial Information

E Financial Information

For revocable trust, use the grantor's financial information.

1. Source(s) of premium (Select all that apply):

<input type="checkbox"/> Earned Income (individual or household)	
<input type="checkbox"/> Non-Retirement Savings	
<input type="checkbox"/> Investment/Unearned Income	
<input type="checkbox"/> Premium Financing/Borrowing	
<input type="checkbox"/> Gift/Inheritance	
<input type="checkbox"/> Withdrawals from Retirement Account (e.g., 401(k)/IRA)	Will there be a 10% tax penalty? <input type="checkbox"/> Yes <input type="checkbox"/> No Has there or will this be a hardship withdrawal? <input type="checkbox"/> Yes <input type="checkbox"/> No Will there be a surrender charge? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide the the surrender charge amount: \$ _____
<input type="checkbox"/> Pension/Social Security	
<input type="checkbox"/> 1035 of Existing Life Insurance	Provide the 1035 exchange amount: \$ _____ Will there be a surrender charge? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide the surrender charge amount: \$ _____
<input type="checkbox"/> Single Premium Program (SPP)	
<input type="checkbox"/> Annuitization or Surrender of Deferred Annuity	Will there be a surrender charge? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, provide the surrender charge amount: \$ _____
<input type="checkbox"/> Policy Loan	
<input type="checkbox"/> Trust Distribution	

Section E, Financial Information - How to Fill Out this Section:

Note: For clients with a household net worth greater than \$20 million, MassMutual will accept certain financial information in a form other than through the completion of the Questionnaire. In EZ-app, some of the income, asset and expense information will not be asked if this box is checked. In these cases, complete the application and contact the suitability team at: DigOpsLifeSuitability@massmutual.com in order to provide the additional financial information.

Source(s) of Premium

- o Select **all** applicable sources of premium
- o All cases (other than single premium policies) will run through a suitability rules engine to assess affordability based on the premium to income ratio
- o Cases where there are multiple sources of premium (e.g., income and investments) will not clear suitability through the rules engine and will be manually reviewed
- o Suitability of single premium policies will be based on a percentage of the owner's liquid net worth

Premium Financing/Borrowing: all premium financing cases must be disclosed at time of application and will be reviewed manually in conjunction with the advanced sales department review of the financing

Gift/Inheritance: If premiums are being paid by a gift or inheritance, please indicate on the questionnaire that the owner understands their obligation to pay all premiums.

Withdrawals from Retirement Account: (SOURCE OF FUNDS SECTION)

Select this box if:

- The client is taking a distribution from a retirement plan (e.g., 401 (k) or IRA) to pay the premium
- Or if client is taking a Required Minimum Distribution to pay the premium.

In EZ-app, these are the **Source of Funds** questions that appear at the start of the case. This information pre-fills into the Suitability Questionnaire.

- If you are recommending that the client withdrawal funds from a retirement account and will incur a 10% penalty or if they are taking a hardship withdrawal, these will be hard stops and you cannot submit the case.
- When using the **paper-based version** of this Suitability Questionnaire, these Source of Funds questions appear at the start of the case and pre-fill into this section of the Questionnaire.

1035 of Existing Life Insurance: Use the anticipated 1035 amount when this questionnaire is completed at the time of application.

Single Payment Program (SPP): This is the single payment program to use a MassMutual single premium immediate annuity to fund a MassMutual whole life policy.

- Suitability is required for both the life insurance policy and annuity contract under this program and will be conducted separately. You should submit the life application for approval and ensure the policy is issued **before** submitting the annuity application.

Annuitization or Surrender of Deferred Annuity If selected, this is considered a replacement under NY law. NY Regulation 60 paperwork will be required.

Policy Loan If selected, this is considered a replacement to borrow from one policy to buy another policy. NY Regulation 60 paperwork will be required.

Trust Distribution – Only select this item if amounts to pay the premiums are **not** coming from the insured and/or his/her spouse to fund the trust, but are coming under a right to distributions under the trust.

- **Do not** select this item if the trust is the owner of the policy.

2. Financial experience - Not applicable for Term (Select one choice for each investment experience):

Investment Experience	None	Limited	Extensive
Securities (Stocks, Bonds, Mutual funds, ETFs, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annuities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cash Value Life Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternative Investments (Commodities, REITS, Limited Partnerships, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section E, Financial Experience - How to Fill Out this Section:

- This section describes your client's expenses with regard to each of the investment categories in this section and is used to assess a client's overall financial investment sophistication.
- This question does not appear in EZ-app for a Term policy application.
- Complete for any permanent products. You do not need to complete this section for term policies.
- **For securities:** include experience in stocks, bonds, mutual funds, ETFs and other traditional / similar investment products (such as CDs, money market accounts, retirement accounts, municipal securities, 529 plans, etc.)
- **For Alternative Investments:** include experience in commodities, real estate investment trusts (REITs), limited partnerships, hedge funds, and options. Include experience in **investment** real estate.

3. Financial objectives (Select up to 3 objectives):

<input type="checkbox"/> Family protection (Protect family in the event of death)	<input type="checkbox"/> Long term cash accumulation
<input type="checkbox"/> Long Term Care (Financially prepare to pay for long term expenses in the future)	<input type="checkbox"/> Paying for child(s) education expenses
<input type="checkbox"/> Saving for retirement	<input type="checkbox"/> Wealth preservation
<input type="checkbox"/> Significant purchase (e.g., home)	<input type="checkbox"/> Providing executive benefits for key employees
<input type="checkbox"/> Business start-up / operations	<input type="checkbox"/> Planning for the future

Section E, Financial Objectives - How to Fill Out this Section:

This section is intended to gain an understanding of the customer's overall financial goals for both the near-and long-term. Your recommendation should be in line with the customer's overall financial objectives. If it is not, then you need to document why the policy is being recommended.

- Unlike the purpose of insurance described above, this question is designed to identify the customer's overall financial goals and objectives. These are beyond why the client is purchasing this life insurance policy.
- Producer recommendations should ensure that the policy will meet the needs of the client's overall financial objective.
- The client should identify up to three of their long-term goals

REVERSE MORTGAGE:

This question is designed to determine whether the client has obtained or intends to attain a reverse mortgage regardless of whether any proceeds have been drawn down on that reverse mortgage.

A reverse mortgage is primarily intended for senior customers who do not have sufficient liquidity to meet their daily expenses.

Except in very limited situations, MassMutual's underwriting guidelines will not approve a policy where a client has a reverse mortgage.

As a result, MassMutual has determined that it will not approve any life insurance policy if the client has or intends to attain a reverse mortgage, unless the **primary** purpose of the policy is for long term care purposes. This will cause a **hard stop**.

The one exception is for long-term care because the reverse mortgage is helping the client fund their future long-term care expenses in order to allow them to stay in their home.

7. Do you anticipate any major/large purchases or expenses in the next 1 – 5 years, such as purchasing a home, home renovations, school tuition, etc.? (If yes, complete 7a) Yes No

a. Anticipated amount: \$ _____

8. Duration of existing liabilities and obligations (total amount):

Liability or obligation	Total Amount Outstanding	Remaining Duration (Select one per Liability/Obligation)
Home Mortgage (+)		<input type="checkbox"/> 0-5 yrs <input type="checkbox"/> 5-10 yrs <input type="checkbox"/> 10-15 yrs <input type="checkbox"/> 15-20 yrs <input type="checkbox"/> 20+ yrs
Student Loans		<input type="checkbox"/> 0-5 yrs <input type="checkbox"/> 5-10 yrs <input type="checkbox"/> 10-15 yrs <input type="checkbox"/> 15-20 yrs <input type="checkbox"/> 20+ yrs
Credit Card (+)		<input type="checkbox"/> 0-5 yrs <input type="checkbox"/> 5-10 yrs <input type="checkbox"/> 10-15 yrs <input type="checkbox"/> 15-20 yrs <input type="checkbox"/> 20+ yrs
Other Personal Loans (Specify):		<input type="checkbox"/> 0-5 yrs <input type="checkbox"/> 5-10 yrs <input type="checkbox"/> 10-15 yrs <input type="checkbox"/> 15-20 yrs <input type="checkbox"/> 20+ yrs

9. Total monthly household expenses (Other than life insurance premiums. Include all expenses such as housing/mortgage, food, student loans, child care, health insurance and other debts. Include regular expenses such as utilities, phone, cable etc.):
\$ _____

Assets / Net Worth

10. Owner's household Net Worth: \$ _____

11. Liquid Household Assets (MassMutual will calculate your liquid net worth based on the liquid assets below):

Asset Type	Explanation	Amount
Savings, Checking, Money Market Accounts	Cash, cash equivalents, CDs available without surrender charge, Stocks/Bonds readily convertible without penalty	
Tax Qualified Retirement Accounts (If over age 59 1/2)	Provided Owner is at least 59 1/2 and funds can be accessed without tax penalty	
Stocks, Bonds, Mutual Funds (If no CDSC or penalty)	Provided mutual fund is outside (or near the end of) the CDSC period, readily convertible to cash without penalty and not part of a qualified plan	

8. Duration of existing liabilities and obligations (total amount):

Liability or obligation	Total Amount Outstanding	Remaining Duration (Select one per Liability/Obligation)
Home Mortgage (+)		<input type="checkbox"/> 0-5 yrs <input type="checkbox"/> 5-10 yrs <input type="checkbox"/> 10-15 yrs <input type="checkbox"/> 15-20 yrs <input type="checkbox"/> 20+ yrs
Student Loans		<input type="checkbox"/> 0-5 yrs <input type="checkbox"/> 5-10 yrs <input type="checkbox"/> 10-15 yrs <input type="checkbox"/> 15-20 yrs <input type="checkbox"/> 20+ yrs
Credit Card (+)		<input type="checkbox"/> 0-5 yrs <input type="checkbox"/> 5-10 yrs <input type="checkbox"/> 10-15 yrs <input type="checkbox"/> 15-20 yrs <input type="checkbox"/> 20+ yrs
Other Personal Loans (Specify):		<input type="checkbox"/> 0-5 yrs <input type="checkbox"/> 5-10 yrs <input type="checkbox"/> 10-15 yrs <input type="checkbox"/> 15-20 yrs <input type="checkbox"/> 20+ yrs

9. Total monthly household expenses (Other than life insurance premiums. Include all expenses such as housing/mortgage, food, student loans, child care, health insurance and other debts. Include regular expenses such as utilities, phone, cable etc.):

\$ _____

Section E, Items 8 & 9 - How to Fill Out this Section:

Duration of Existing Liabilities and Obligations (Total Amount)

- If the client does not have any outstanding debt, do not write N/A or not applicable. Enter a "zero" and the remaining duration should be 0-5 years.
- For clients who pay their credit cards every month, enter "zero" and indicate 0 – 5 years as the Remaining Duration.

Total Monthly Household Expenses

- Provide your best estimate of total monthly household expenses other than life insurance policy expenses.
- These are out-of-pocket expenses.
- Include amounts deducted for health plans and retirement plan contributions
- This is used to determine the household's overall disposable income

Assets / Net Worth		
10. Owner's household Net Worth: \$ _____		
11. Liquid Household Assets (MassMutual will calculate your liquid net worth based on the liquid assets below):		
Asset Type	Explanation	Amount
Savings, Checking, Money Market Accounts	Cash, cash equivalents, CDs available without surrender charge, Stocks/Bonds readily convertible without penalty	
Tax Qualified Retirement Accounts (If over age 59 1/2)	Provided Owner is at least 59 1/2 and funds can be accessed without tax penalty	
Stocks, Bonds, Mutual Funds (If no CDSC or penalty)	Provided mutual fund is outside (or near the end of) the CDSC period, readily convertible to cash without penalty and not part of a qualified plan	
12. Illiquid Household Assets:		
Asset Type	Explanation	Amount
Real Estate and/or Primary Residence	Primary Residence	
Tax Qualified Retirement Accounts (If under age 59 1/2)		
Cash Value Life Insurance		
Personal Property	Art, collectibles, etc.	
Commodities	e.g. Gold, precious metals	
Illiquid (Restricted) Securities		

Section E, Items 10 - 12 - How to Fill Out this Section:

Liquid Net Worth:

2. Are there policies in force or being applied for that are not being replaced by this policy? (If Yes, answer 2a & 2b): Yes No

a. Total face amount: \$ _____

b. Total annual premium: \$ _____

2. Inforce policies not being replaced:

- **Policies inforce:** provide the face amount and annual premium for any life insurance policies for this insured that are not covered by this questionnaire, including policies applied for with other carriers.
 - Do **not** include the premium cost of any inforce single premium policy that has already been paid for.

3. Is unscheduled ALIR chosen? (If yes, answer 3a & 3b): Yes No

a. Amount of unscheduled deposit: \$ _____

b. Will a 1035 exchange be a source of payment? Yes No *If yes, provide 1035 exchange amount \$ _____*

4. Is unscheduled LISR chosen? (If yes, answer 4a & 4b): Yes No

a. Amount of unscheduled lump sum: \$ _____

b. Will a 1035 exchange be a source of payment? Yes No *If yes, provide 1035 exchange amount \$ _____*

5. Annual premium/cost of any other life insurance policies that the household is paying for: \$ _____

Items 3, 4 and 5:

- **Note!** If ALIR or LISR are funded with a 1035 exchange, then the amounts for questions 3a and 3b and/or 4a and 4b should be the same.
- **Annual premium/cost:** Include the premiums for all **other** life insurance policies that the household is paying for including the owner, spouse, children and all other family members. All of these premium costs will be aggregated with the client's other expenses to determine the client's total ongoing expenses and to determine the total disposable income available to pay this policy premium.
 - Do **not** include the premium cost of any inforce single premium policy that has already been paid for.

SECTION G: LIFE INSURANCE COVERAGE AND COST INFORMATION

G Life Insurance Coverage & Cost Information: ::

Complete this section for this policy, other insurance applied for and policies already in force. Do not include employer paid.

1. Total Premium that will be paid for this life insurance policy (Including base policy and all riders other than unscheduled ALIR or LISR lump sum):
 - a. Proposed Annual Premium for all new policies (including riders): \$ _____
 - b. Face amount (including riders): \$ _____
2. Are there policies in force or being applied for that are not being replaced by this policy? (If Yes, answer 2a & 2b): Yes No
 - a. Total face amount: \$ _____
 - b. Total annual premium: \$ _____
3. Is unscheduled ALIR chosen? (If Yes, answer 3a & 3b): Yes No
 - a. Amount of unscheduled deposit: \$ _____
 - b. Will a 1035 exchange be a source of payment? Yes No If Yes, provide 1035 exchange amount: \$ _____
4. Is unscheduled LISR chosen? (If Yes, answer 4a & 4b): Yes No
 - a. Amount of unscheduled lump sum: \$ _____
 - b. Will a 1035 exchange be a source of payment? Yes No If Yes, provide 1035 exchange amount: \$ _____
5. Annual premium/cost of any other life insurance policies that the household is paying for: \$ _____

Section G, Life Insurance Coverage & Cost Information - How to Fill Out this Section:

- If **ALIR or LISR** are funded with a 1035 exchange, then the amounts for question 3a and 3b and/or 4a and 4b should be the same
- **Annual premium cost:** Include the premiums for all other life insurance policies that the household is paying for including the owner, spouse, children and all other family members. All of these premium costs will be aggregated with the client's other expenses to determine the client's total ongoing expenses and to determine the total disposable income available to pay this policy premium.

SECTION H: RISK TOLERANCE

1. Select the risk level regarding premium and death benefit that best describes your situation (**Complete for Whole, Term and Universal Life products only. If a CareChoice product was selected, skip to question 2.**):

Risk tolerance about premiums	<input type="checkbox"/> Desires guaranteed level premium for required payment period with no premium flexibility. <input type="checkbox"/> Desires guaranteed level premium for required payment period, but wants the ability to utilize non-guaranteed dividends and cash values to pay premiums at some point in the future. <input type="checkbox"/> Desires flexibility regarding paying premiums now, but willing to accept increasing and/or higher premiums in the future. <input type="checkbox"/> Desires low premium payments now, but willing to accept increasing and/or higher premiums in the future to maintain coverage.
Risk tolerance about death benefit	<input type="checkbox"/> Desires a guaranteed death benefit for a specified number of years only. <input type="checkbox"/> Desires a guaranteed permanent death benefit for life. <input type="checkbox"/> Desires a guaranteed permanent death benefit but desires opportunity for increasing death benefit based on non-guaranteed dividends. <input type="checkbox"/> Desires permanent death benefit, but willing to accept limited or no guarantees for premium flexibility.
Risk tolerance about Long Term Care	<input type="checkbox"/> Willing to accept potentially fewer long-term care benefits compared to a standalone LTC policy in order to have access to cash value growth and death benefit if LTC benefit not used. <input type="checkbox"/> Desires richest LTC benefits compared to a Life/LTC combo product with no desire for death benefit or cash value accumulation

2. Select the risk level regarding premium and death benefit that best describes your situation (**Complete for CareChoice products only**):

Risk tolerance about premiums	<input type="checkbox"/> Desires single premium to avoid future premium increases. <input type="checkbox"/> Desires guaranteed level premium over a period of years instead of single premium, but unwilling to accept risk of future premium increases rather than level premiums. <input type="checkbox"/> Desires premiums over a period of years and willing to accept future premium increases.
Risk tolerance about death benefit	<input type="checkbox"/> Desires an opportunity for death benefit if LTC benefits not used. <input type="checkbox"/> Does not desire a death benefit or cash value accumulation.
Risk tolerance about Long Term Care	<input type="checkbox"/> Willing to accept potentially fewer long-term care benefits compared to a standalone LTC policy in order to have access to cash value growth and death benefit if LTC benefit not used. <input type="checkbox"/> Desires richest LTC benefits compared to a Life/LTC combo product with no desire for death benefit or cash value accumulation.

Section H, Risk Tolerance - How to Fill Out this Section:

- The regulation requires, in most cases, an assessment of a client's risk tolerance to assess and ensure that a client understands product risks
- MassMutual's approach to risk tolerance is ensuring that the client understand the riskiest aspect of purchasing a life insurance policy—mainly the risks of having higher premiums or increased costs in the future or the risk of losing the death benefit.
- This is different than a traditional risk tolerance questionnaire that asks whether the client is a conservative, moderate or aggressive investor.
- MassMutual believes this approach is more in line with the products we offer.
- Depending on the product recommended, the client will be asked specific questions regarding the premium and death benefits of that product.
- This is to ensure that the client's risk tolerance is in line with the product being recommended.

- This Risk Tolerance section is calling out the difference between standalone LTC and the life insurance/LTC combination products to ensure that the client understands the difference and benefits of each.

SECTION I: UNDERSTANDING OF NON-GUARANTEED ELEMENTS

I Understanding of Non-Guaranteed Elements :::

For Term insurance – ART only:

1. I understand that premiums will increase each year.

For Term (all except ART) only:

2. I understand if I keep the policy after the level guarantee period my premiums will be substantially higher and will increase each year.

3. I understand that the insurance coverage is not permanent and that at the end of the term I may not be insurable.

For RTR only:

4. I reviewed an illustration showing the premiums for the Renewable Term Rider.

5. I understand that premiums for the Renewable Term Rider component of the policy will increase each year.

6. I understand that current premiums for the Renewable Term Rider are not guaranteed and can go up to the maximum guaranteed premiums shown in the current Illustration.

For LTC Access Rider only:

7. I reviewed an illustration showing the premiums for the LTC Access Rider.

8. I understand that current premiums for the LTC Access Rider are not guaranteed and can go up to the maximum shown in the Illustration.

For LISR only:

9. I reviewed an illustration showing how the Life Insurance Supplement Rider (LISR) works.

10. I understand that the LISR face amount is dependent on LISR premiums and paid up additions from dividends.

11. I understand that dividends shown in the illustration are not guaranteed.

12. I understand that if dividends are lower than shown in the Illustration, I may need to pay higher premiums to maintain the current LISR face amount.

13. I also understand that if the minimum LISR premium is not paid when due, the LISR face amount can decrease or terminate.

For all Whole Life only (For CareChoice One/Select, also answer questions 18-20):

14. I reviewed an illustration showing the nonguaranteed cash values for the whole life policy or policies applied for.

15. I intend to use, withdraw or borrow policy cash values in the future to supplement retirement income, pay child's

16. I understand that future policy cash values as shown in the illustration are dependent on the payment of dividends and that dividends are not guaranteed.	<input type="checkbox"/>
17. I understand that future policy cash values may be lower if future dividends are lower and therefore I may not be able to access as much as I intend to today.	<input type="checkbox"/>
For CareChoice One/Select only:	
18. I understand that long term care benefits after the four year benefit period are not guaranteed and are dependent on the payment of dividends and that dividends are not guaranteed.	<input type="checkbox"/>
19. I understand that if future dividends are lower than illustrated, my long term care benefits after the four year benefit period will not last as long as illustrated.	<input type="checkbox"/>
20. I understand that if I elected to have Paid Up Additions available for Long Term Care benefits, if dividends are lower than shown in the illustration, amounts available for LTC benefits after the 4-year guaranteed period will be lower than illustrated.	<input type="checkbox"/>
For UL Guard/SUL Guard (Guaranteed UL) only:	
21. I reviewed a policy presentation showing the guaranteed death benefit and guaranteed premium.	<input type="checkbox"/>
22. I understand that I must pay the guaranteed premium for the period of years identified in order for the death benefit to be guaranteed.	<input type="checkbox"/>
23. I understand that if I do not pay the guaranteed premium in the time frame required, then the policy guarantees will terminate.	<input type="checkbox"/>
24. I understand that if I take loans or otherwise access cash values in this policy, my policy guarantees will terminate.	<input type="checkbox"/>
25. I understand that I may be required to pay higher premiums in the future in the event the policy's guarantees terminate.	<input type="checkbox"/>

Section I, Understanding of Non-Guaranteed Elements - How to Fill Out this Section:

- The regulation requires that as part of suitability, the producer and MassMutual must assess the client's understanding of and willingness to accept changes in non-guaranteed values and charges.
 - For example, this could be related to lower dividends rates, increases of cost of insurance increases, increases in LISR premiums, or changes in a policy's adjustable loan rates and interest credited rates.
- Depending on the product selected, different questions will be presented to the client which are focused on the product's non-guaranteed elements.

SECTION J: AGREEMENTS & SIGNATURES

J Agreements & Signatures:.....

Producer Signature

Producer Attestation: By signing this questionnaire, I acknowledge that I am recommending the purchase of this MassMutual life insurance policy. I understand that MassMutual will rely on my attestation in order to approve this policy.

I acknowledge that:

- I have evaluated the suitability information in this questionnaire and determined that the purchase of this policy is suitable and in the Owner's best interest
- The purchase of this policy is consistent with, and in furtherance of, the needs and objectives of the Owner and the Owner will benefit from the policy and its features
- I have explained the premium requirements and commitment for this policy and described to the Owner that changes in non-guaranteed values could impact policy cash values or death benefit.
- I have informed the owner of the various features of the policy and potential consequences of the transaction, both favorable and unfavorable
- I have provided a summary of the relevant suitability considerations and product information that provide the basis for my recommendation
- I provided an illustration for the policy being applied for, including the Important Facts about the policy.
- If this purchase involves a replacement, I have reviewed with the Owner the costs and benefits associated with the existing policy and the proposed policy.

Suitability Summary Disclosure: In the following section, please provide specific information tailored to the client's overall financial situation and why you feel they will benefit from this recommendation. If this transaction is a replacement, please explain why the new contract puts the client in a better position.

Please provide the favorable suitability considerations for this transaction. (For example: provides guaranteed interest rate or provides guaranteed life time income, etc.)

Please provide the unfavorable suitability considerations for this transaction. (For example: loss of liquidity, loss of income, loss of riders, impact of costs, etc.)

Please provide the basis for your recommendation and the facts and analysis that support your recommendation.

▶ Signature of Primary Producer: _____
Printed name: _____ Date: _____

Section J, Agreements & Signatures - How to Fill Out this Section:

The regulation requires that as part of suitability, in order to meet your best interest and suitability obligations, at the time of and with every recommendation, a summary of the benefits, downside and the basis for your recommendation must be provided.

- Any information that is inaccurate or incomplete will result in the application not being in good order and you'll need to go back to the client and share the revised language in the suitability consideration boxes.
- Failure to complete this fully, may result in a rejection of the case or a not-in-good-order status, or will not be in compliance with the regulation.

Suitability Rationale Best Practices:

- These should be descriptive—not one-word answers
- It should explain why the recommendation is in the client's best interest—including any favorable or unfavorable impact of product features on the client
- And the rationale needs to be accurate in terms of how the product works

Favorable Considerations:

- Provide a summary of the key benefits that the recommended product will provide for the client.
- For example:
 - I am recommending a MassMutual 20-pay whole life policy for guaranteed pay periods for 20 years with flexibility or potential, depending on dividends, to stop payments early.
 - I am selecting MassMutual for its solid financial strength, its history of paying solid dividends, and the ability to grow cash value and death benefit over the long term.

Unfavorable Considerations:

- Provide a summary of the downsides and the risks of the product you're recommending.
- For example:
 - 20-pay whole life policy will have a higher premium for the same death benefit
 - Dividends are not guaranteed and may be lower than illustrated, which could impact the ability to stop paying premiums early.

Basis for your Recommendation:

- Use this section to:
 - Identify the specific features of the product that align with the client's objectives and purpose for purchasing the product.
 - For example, recommending MassMutual 20 pay for client who is looking to use a policy, in addition to long-term care death benefit, to be used for supplemental retirement income.
 - *This client is 45 years old, desires to have insurance paid by retirement age, desires to have death benefits, and for cash accumulation to provide supplemental retirement income. At a reasonable cost, MM's 20 pay allows for being paid off for the client by age 55, at a more affordable premium than a 10 pay for the same benefit.*