

THE VALUE OF A MUTUAL COMPANY



| insure | invest | retire |



We'll help you get there.™



**WHO DO YOU TRUST TO INSURE YOUR FUTURE?** When you purchase a life insurance policy, you're making a promise to protect those you love even after death. To help you meet that promise, a life insurance company needs to be committed to you, to making sure that the benefit will be there 10, 20, 30 or even more years from now when it's needed to pay a claim, to provide supplemental retirement income, or help with the costs of long term care.\* Massachusetts Mutual Life Insurance Company (MassMutual) strives to make the proper decisions today so that we can continue to meet our obligations to our policyholders in the future. That's MassMutual's commitment – value for our policyholders, for both today and tomorrow.

## THE MUTUAL ADVANTAGE

What should you look for in a financial services company? Integrity. Honesty. Reliability. A company that treats people the right way. A company that does the right thing for its policyholders. A company that you're comfortable doing business with because of its reputation for quality. A company with which you can have a *mutual*, long-term relationship.

There are two common forms of insurance company structure: mutual and stock. A mutual insurance company is typically owned by its members. For MassMutual, this generally means that if you are an insured under a life insurance policy issued by MassMutual, you are eligible to share in the ownership of the company as a member, and, as a member, are entitled to vote for the company's board of directors. Moreover, if you also own the policy, you may be entitled to share in any dividends that may be declared by the company. MassMutual's mutual company structure dates back to the company's founding in 1851.



The other most common form of insurance company structure is a publicly owned stock company. A stock insurance company differs significantly from a mutual insurance company. For example, a stock company is owned by its shareholders, who may or may not be insured by the company. A stock insurance company must balance the interests of its policyholders with the earnings expectations of its shareholders. Shareholders typically judge a company's performance based on a number of factors, including projected earnings for the next quarter or the next year, which might conflict with the long-term interests of policyholders.

Over the years, several life insurance companies have “demutualized,” or reorganized from a mutual company to a publicly traded stock company. Generally, among the reasons for reorganizing to a stock company are to raise capital for faster growth and acquire other companies. At MassMutual today, we do not have to issue stock to generate capital – our Total Adjusted Capital at year-end 2006 was over \$9 billion.\*\* While we frequently review organizational options, MassMutual has determined that, at present time, we can continue to serve our policyholders and members best by using the capital resources provided by our mutual form of ownership. We believe our mutual ownership provides a competitive advantage and offers distinct benefits.

## **WORKING IN YOUR INTEREST**

MassMutual has no shareholders, so we face no pressures from the market or to enhance stock prices. Because of this, we are able to ensure that our policyholders come first. After setting aside a safe margin for reserves and surplus, MassMutual pays any amount left over to “participating” policyholders in the form of declared dividends.

Publicly owned stock companies may be subject to “hostile takeovers” and other stock market and shareholder pressures. As a mutual company, MassMutual is not subject to these pressures. As a result, we believe we can stay better focused on our business and our customers. In addition, we have experienced strong growth and, where prudent, excellent opportunities for acquisitions. MassMutual has been involved in numerous acquisitions, including OppenheimerFunds, Inc., Babson Capital Management, LLC, and most recently, Baring Asset Management. MassMutual’s place in the Fortune 100\*\*\* offers ample evidence that a mutual company can be among the largest in the nation.

Since 1851, MassMutual’s guiding principle is to do the right thing for its policyholders. Because the long-term interest of our policyholders is one of our top priorities, maintaining the financial strength and stability of the Company is critical to meeting future obligations. With \$456 billion in assets under management\*\* at the end of 2006, MassMutual is very well positioned to continue our long history of exceptional financial strength and growth, and to uphold our reputation for quality and integrity.



## **THE VALUE**

Who do you trust to insure your future? When you choose MassMutual, we offer you the value of our company for today and tomorrow.

Our objective is to provide you with the highest quality products at the fairest price we can offer. MassMutual has one of the broadest portfolios of insurance products in the industry, designed to meet a wide range of customers' personal and business financial needs.



MassMutual and our affiliated domestic insurance companies have received certification from IMSA, an industry organization dedicated to promoting ethical conduct in all customer contacts involving sales and service of individual life insurance, annuity and long term care products.

We treat our policyholders fairly. Some insurance companies try to entice new customers by offering discounts or special benefits not available to current policyholders. At MassMutual, we don't do that. In fact, whenever possible we have made new benefits and cost reductions available to *all* policyholders, not just new ones.

We are in business to keep our commitment to you for the long run, and to manage ourselves prudently so that we'll be there when you need us. As of December 31, 2006, 88,000 policies had been in force with Massachusetts Mutual Life Insurance Company for 50 or more years, a testimony to the value their owners have received from our products and services. Reputations can't be bought – we've spent over 155 years building ours by doing the right thing for policyholders, year after year. Rest assured that no matter what the future holds, MassMutual will continue to put customers first.

## HERE'S HOW TOP INDUSTRY RATING AGENCIES RATE MASSMUTUAL'S FINANCIAL STRENGTH<sup>†</sup>:

- A.M. Best Company: A++ (Superior)
- Moody's Investors Service, Inc.: Aa1 (Excellent)
- Standard & Poor's Corp.: AAA (Extremely Strong)
- Fitch Ratings: AAA (Exceptionally Strong)

For more than a century and a half, MassMutual has been in business to help customers achieve success. Built on a foundation of integrity, honesty and reliability, one of Fortune Magazine's Most Admired Companies,<sup>††</sup> we're proud to operate under the highest standards of a mutual organization. Who can you trust to insure your future? Since 1851, the answer is MassMutual.

\* Distributions under your policy (including cash dividends and partial/full surrenders) are not subject to taxation up to the amount paid into the policy (your cost basis). If the policy is a Modified Endowment Contract, policy loans and/or distributions are taxable to the extent of gain and are subject to a 10% tax penalty. Access to cash values through borrowing or partial surrenders can reduce the policy's cash 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.

\*\* 2006 Annual Report. Assets under management include assets and certain external investment funds managed by our subsidiaries.

\*\*\* *Fortune Magazine*, April 30, 2007

† Ratings are for Massachusetts Mutual Life Insurance Company (MassMutual) and its subsidiaries, C.M. Life Insurance Company and MML Bay State Life Insurance Company. Ratings are as of June 1, 2007 and are subject to change.

†† *Fortune Magazine*, March 19, 2007





Massachusetts Mutual Life Insurance Company  
and affiliates, Springfield, MA 01111-0001

[www.massmutual.com](http://www.massmutual.com)



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1295 State Street, Springfield, MA 01111.

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