

Historical Dividend Studies From Massachusetts Mutual Life Insurance Company

Massachusetts Mutual Life Insurance Company (MassMutual) has a long-standing reputation for not only standing behind its obligations, but also for providing good value to its policyholders. One example is its dividend paying history.



Customers who purchase certain types of “participating” policies, such as whole life insurance, are eligible to receive a portion of the Company’s earnings, known as “divisible surplus,” in the form of policy dividends. Dividends are not guaranteed. Divisible surplus is paid out after the company sets aside funds required to cover contractual obligations (reserves), operating expenses, contingencies for unexpected losses (such as worsening mortality or economic recession) and general business purposes. Each year the Board of Directors votes on the amount and allocation of divisible surplus.

Mutual companies, such as MassMutual, set initial premiums using conservative assumptions to ensure that the company will collect enough to pay all benefits even under very adverse future scenarios. If the premiums are more than adequate, an eligible MassMutual participating policyholder receives a policy dividend. The size of the dividend each policyholder receives is determined by the “Contribution Principle,” which states that divisible surplus is returned to policyholders in the same proportion as policyholders contributed to the surplus.

Following are charts of numbers that demonstrate MassMutual’s actual historical dividend information on different whole life insurance products that were issued in 1980. In these historical examples, we used the best underwriting class that was available at time of issue (non-smoker). The issue ages are shown in the examples. The examples assume that dividends are used to purchase paid up additional whole life insurance. In the charts dividends are shown as initially illustrated in 1980 and compared to the dividends that were actually paid each year.

The historical study gives an interesting perspective on the history of illustrated vs. actual numbers, and shows that illustrated numbers really don’t reflect what will actually happen. The results were more favorable than those initially illustrated in 1980. One reason for the difference is that the dividend interest rates since 1980 were higher in some years, compared to the initial dividend interest rate of 8.27%. When the initial illustration shows a dividend interest rate that is higher than the actual dividend interest rates paid, the actual values will typically be lower than initially illustrated.

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Life Insurance

The results shown in the following tables are based on the actual experience of the company over the period of time in terms of interest rates, mortality and expenses. This example shows that dividends shown on a policy illustration are neither estimates nor guarantees. Dividends paid in future years will be lower or higher than illustrated, depending on MassMutual's actual experience.

Description of terms used in charts

Guar CV – Refers to Guaranteed Cash Surrender Value and is the amount of the cash surrender value which is guaranteed under the policy.

“IRR” – The Internal Rate of Return (IRR) is the amount at which outlays up to that year must be compounded at each and every year to generate the Total Cash Value or Total Death Benefit. For example, in the Male, Age 45 historical study of a Convertible Whole Life policy issued in 1980, the IRR on the Total Cash Value was initially illustrated at 3.11%, however, the IRR based on actual dividends paid was 5.08%

MM Block – Refers to policies issued by Massachusetts Mutual Life Insurance Company prior to the merger with the former Connecticut Mutual Life Insurance Company in 1996. Policies in this block of business are no longer sold.

Termination Dividend (Also known as Settlement Dividend) – The termination dividend is not guaranteed and is payable only on surrender, maturity or at death. It is included in the Total Cash Surrender Value and the Total Death Benefit.

Actual Historical Performance Since 1980

Hypothetical policy issued in 1980*

Life Paid-up at 65 Whole Life - MM Block

\$250,000 Policy

Male Age 35, Nonsmoker

Premium **\$4,427.50**

Reserve Basis (CSO and percent)

1958 CSO - 4.00%

Policy Anniversary	Guar CV	Cash Dividends		Total Dividends		Total Cash Value		Total Death Benefit	
		Illust.	Actual	Illust.	Actual	Illust†	Actual†	Illust†	Actual†
1981	\$0	\$270	\$270	\$270	\$270	\$270	\$270	\$250,965	\$250,965
1982	2,823	355	355	362	362	3,463	3,463	252,218	252,218
1983	6,793	448	448	464	464	7,919	7,919	253,773	253,773
1984	10,880	548	955	577	1,026	12,620	13,069	255,643	257,102
1985	15,088	650	1,205	695	1,384	17,579	18,733	257,827	261,450
1986	19,408	770	1,475	835	1,774	22,814	24,944	260,366	266,847
1987	23,848	893	1,753	981	2,207	28,345	31,769	263,259	273,353
1988	28,405	1,028	1,985	1,145	2,615	34,190	39,192	266,530	280,826
1989	33,083	1,155	2,188	1,306	2,945	40,355	47,154	270,148	288,985
1990	37,885	1,290	2,173	1,480	3,071	46,865	55,467	274,125	297,236
1991	42,660	1,425	2,425	1,660	3,550	53,577	64,334	278,452	306,487
1992	47,553	1,568	2,230	1,854	3,461	60,657	73,349	283,141	315,241
1993	52,560	1,718	2,213	2,063	3,553	68,122	82,688	288,205	323,964
1994	57,685	1,865	2,360	2,275	3,890	75,985	92,599	293,629	333,239
1995	62,923	2,015	2,498	2,497	4,138	84,962	103,705	300,118	343,528
1996	68,278	2,153	2,513	2,713	4,157	94,467	115,196	307,045	353,706
1997	73,745	2,330	2,735	2,982	4,614	104,555	127,469	314,508	364,706
1998	79,330	2,500	2,988	3,253	5,139	115,244	140,437	322,491	376,454
1999	85,038	2,673	3,260	3,536	5,713	126,560	154,261	330,998	389,103
2000	90,868	2,848	3,435	3,833	6,155	137,519	168,819	339,030	402,328
2001	96,825	3,008	3,738	4,123	6,804	148,707	183,929	347,131	416,103
2002	102,915	3,165	3,830	4,421	7,113	160,441	199,670	355,598	430,128
2003	109,138	3,320	4,070	4,726	7,751	172,734	216,380	364,424	445,008
2004	115,503	3,485	3,705	5,059	7,354	185,626	233,039	373,640	458,809
2005	122,018	3,653	3,250	5,407	6,748	199,144	249,427	383,255	471,212
2006	128,693	3,833	4,115	5,786	8,586	213,331	267,978	393,302	486,528
2007	135,545	4,010	4,390	6,180	9,324	228,225	287,645	403,789	502,754
2008	142,588	9,188†	13,200†	11,590†	19,106†	243,856	309,405	414,724	521,447
Termination Dividend		5,000	8,083	5,000	8,083				
IRR 28 Years						4.35%	5.77%	7.46%	8.75%

* Assumes policy originally issued with fixed loan rate updated to adjustable loan rate in 1983.

** Assumes no paid-up additions are surrendered.

† Numbers include termination dividend in 2008 for cash dividends and total dividends. Termination dividend included in Total Cash Surrender Value and Total Death Benefit beginning in year 15.

Actual Historical Performance Since 1980

Hypothetical policy issued in 1980*

Life Paid-up at 65 Whole Life - MM Block

\$250,000 Policy

Female Age 35, Nonsmoker

Premium **\$4,077.50**

Reserve Basis (CSO and percent)

1958 CSO - 4.00%

Policy Anniversary	Guar CV	Cash Dividends		Total Dividends		Total Cash Value		Total Death Benefit	
		Illust.	Actual	Illust.	Actual	Illust [†]	Actual [†]	Illust [†]	Actual [†]
1981	\$0	\$270	\$270	\$270	\$270	\$270	\$270	\$250,965	\$250,965
1982	2,823	355	355	362	362	3,463	3,463	252,218	252,218
1983	6,793	448	448	464	464	7,919	7,919	253,773	253,773
1984	10,880	548	955	577	1,026	12,620	13,069	255,643	257,102
1985	15,088	650	1,205	695	1,384	17,579	18,733	257,827	261,450
1986	19,408	770	1,475	835	1,774	22,814	24,944	260,366	266,847
1987	23,848	893	1,753	981	2,207	28,345	31,769	263,259	273,353
1988	28,405	1,028	1,985	1,145	2,615	34,190	39,192	266,530	280,826
1989	33,083	1,155	2,188	1,306	2,945	40,355	47,154	270,148	288,985
1990	37,885	1,290	2,173	1,480	3,071	46,865	55,467	274,125	297,236
1991	42,660	1,425	2,425	1,660	3,550	53,577	64,334	278,452	306,487
1992	47,553	1,568	2,230	1,854	3,461	60,657	73,349	283,141	315,241
1993	52,560	1,718	2,213	2,063	3,553	68,122	82,688	288,205	323,964
1994	57,685	1,865	2,360	2,275	3,890	75,985	92,599	293,629	333,239
1995	62,923	2,015	2,498	2,497	4,138	84,962	103,705	300,118	343,528
1996	68,278	2,153	2,513	2,713	4,157	94,467	115,196	307,045	353,706
1997	73,745	2,330	2,735	2,982	4,614	104,555	127,469	314,508	364,706
1998	79,330	2,500	2,988	3,253	5,139	115,244	140,437	322,491	376,454
1999	85,038	2,673	3,260	3,536	5,713	126,560	154,261	330,998	389,103
2000	90,868	2,848	3,435	3,833	6,155	137,519	168,819	339,030	402,328
2001	96,825	3,008	3,738	4,123	6,804	148,707	183,929	347,131	416,103
2002	102,915	3,165	3,830	4,421	7,113	160,441	199,670	355,598	430,128
2003	109,138	3,320	4,070	4,726	7,751	172,734	216,380	364,424	445,008
2004	115,503	3,485	3,705	5,059	7,354	185,626	233,039	373,640	458,809
2005	122,018	3,653	3,250	5,407	6,748	199,144	249,427	383,255	471,212
2006	128,693	3,833	4,115	5,786	8,586	213,331	267,978	393,302	486,528
2007	135,545	4,010	4,390	6,180	9,324	228,225	287,645	403,789	502,754
2008	142,588	9,188 [†]	13,200 [†]	11,590 [†]	19,106 [†]	243,856	309,405	414,724	521,447
Termination Dividend		5,000	8,083	5,000	8,083				
IRR 28 Years						4.85%	6.25%	7.93%	9.21%

* Assumes policy originally issued with fixed loan rate updated to adjustable loan rate in 1983.

** Assumes no paid-up additions are surrendered.

† Numbers include termination dividend in 2008 for cash dividends and total dividends. Termination dividend included in Total Cash Surrender Value and Total Death Benefit beginning in year 15.

Actual Historical Performance Since 1980

Hypothetical policy issued in 1980*

10 Payment Whole Life - MM Block

\$250,000 Policy

Male Age 50, Nonsmoker

Premium **\$14,445.00**

Reserve Basis (CSO and percent)

1958 CSO - 4.00%

Policy Anniversary	Guar CV	Cash Dividends		Total Dividends		Total Cash Value		Total Death Benefit	
		Illust.	Actual	Illust.	Actual	Illust†	Actual†	Illust†	Actual†
1981	\$5,510	\$1,365	\$1,365	\$1,365	\$1,365	\$6,875	\$6,875	\$253,073	\$ 253,073
1982	18,408	1,548	1,548	1,584	1,584	21,395	21,395	256,539	256,539
1983	31,748	1,728	1,728	1,807	1,807	36,625	36,625	260,386	260,386
1984	45,558	1,910	3,633	2,040	3,948	52,610	54,518	264,613	268,566
1985	59,870	2,098	4,353	2,286	5,104	69,399	74,177	269,225	278,863
1986	74,728	2,405	5,195	2,660	6,397	87,170	95,812	274,452	291,434
1987	90,170	2,708	6,055	3,041	7,829	105,978	119,633	280,276	306,428
1988	106,253	3,013	6,055	3,436	8,471	125,901	144,940	286,692	322,246
1989	123,035	3,330	6,100	3,858	8,920	147,034	171,612	293,720	338,496
1990	140,593	3,645	5,828	4,292	9,063	169,471	199,423	301,351	354,611
1991	143,958	3,598	9,043	4,380	12,974	177,907	217,170	308,957	377,142
1992	147,323	3,708	8,283	4,633	12,678	186,698	234,924	316,818	398,656
1993	150,680	3,815	7,770	4,894	12,609	195,847	252,887	324,938	419,575
1994	154,025	3,918	7,058	5,159	12,609	205,354	271,110	333,312	440,042
1995	157,350	4,015	6,650	5,430	12,566	216,330	290,641	343,053	461,120
1996	160,650	4,118	5,988	5,718	11,987	227,831	309,970	353,221	481,044
1997	163,913	4,223	6,248	6,022	13,062	239,860	330,934	363,834	502,621
1998	167,128	4,340	6,923	6,358	14,735	252,038	353,426	374,535	526,008
1999	170,285	4,465	7,338	6,719	16,311	263,424	377,660	384,399	551,303
2000	173,375	4,605	8,350	7,121	18,407	275,234	404,143	394,667	579,189
2001	176,398	4,743	8,565	7,537	19,804	287,482	431,524	405,349	607,929
2002	179,360	4,853	8,370	7,930	20,319	300,157	458,946	416,403	636,253
2003	182,270	4,935	8,543	8,295	21,721	313,241	487,971	427,780	666,046
2004	185,143	5,008	7,865	8,657	20,984	326,755	516,508	439,470	694,381
2005	187,985	5,068	7,160	9,011	19,963	340,707	544,266	451,454	720,930
2006	190,798	5,113	8,318	9,350	24,078	355,079	576,356	463,705	752,479
2007	193,568	5,148	8,430	9,683	25,488	369,844	610,085	476,211	785,398
2008	196,280	10,183†	17,850†	15,025†	37,462†	384,982	647,224	488,979	821,968
Termination Dividend		5,000	8,750	5,000	8,750				
IRR 28 Years						4.23%	6.52%	5.28%	7.58%

* Assumes policy originally issued with fixed loan rate updated to adjustable loan rate in 1983.

** Assumes no paid-up additions are surrendered.

† Numbers include termination dividend in 2008 for cash dividends and total dividends. Termination dividend included in Total Cash Surrender Value and Total Death Benefit beginning in year 15.

Actual Historical Performance Since 1980

Hypothetical policy issued in 1980*

20 Payment Whole Life - MM Block

\$250,000 Policy

Male Age 35, Nonsmoker

Premium **\$5,530.00**

Reserve Basis (CSO and percent)

1958 CSO - 4.00%

Policy Anniversary	Guar CV	Cash Dividends		Total Dividends		Total Cash Value		Total Death Benefit	
		Illust.	Actual	Illust.	Actual	Illust†	Actual†	Illust†	Actual†
1981	0	418	418	418	418	418	418	251,493	251,493
1982	4,210	480	480	491	491	5,132	5,132	253,191	253,191
1983	9,303	550	550	574	574	10,829	10,829	255,114	255,114
1984	14,563	633	1,163	672	1,259	16,811	17,398	257,294	259,198
1985	19,990	715	1,445	773	1,677	23,085	24,595	259,723	264,466
1986	25,590	865	1,793	945	2,170	29,731	32,514	262,599	271,069
1987	31,363	1,018	2,153	1,125	2,721	36,761	41,229	265,916	279,090
1988	37,315	1,175	2,443	1,316	3,227	44,201	50,722	269,676	288,312
1989	43,458	1,338	2,705	1,517	3,647	52,077	60,933	273,879	298,415
1990	49,793	1,505	2,698	1,730	3,813	60,411	71,627	278,528	308,660
1991	56,215	1,670	3,025	1,948	4,422	69,110	83,144	283,606	320,184
1992	62,838	1,850	2,780	2,189	4,310	78,314	94,899	289,141	331,084
1993	69,665	2,033	2,748	2,440	4,414	88,048	107,107	295,131	341,920
1994	76,703	2,218	2,928	2,702	4,829	98,335	120,087	301,573	353,433
1995	83,958	2,403	3,105	2,972	5,144	109,902	134,464	309,163	366,051
1996	91,443	2,580	3,105	3,243	5,149	122,180	149,358	317,283	378,462
1997	99,165	2,790	3,405	3,562	5,739	135,233	165,324	326,017	391,924
1998	107,143	2,998	3,708	3,890	6,380	149,099	182,275	335,356	406,316
1999	115,388	3,208	4,038	4,232	7,085	163,814	200,395	345,305	421,807
2000	123,920	3,420	4,235	4,590	7,614	178,421	219,541	354,864	437,975
2001	127,215	3,133	5,030	4,458	8,837	187,490	234,492	363,624	455,746
2002	130,535	3,218	4,933	4,698	9,025	196,950	249,902	372,622	473,433
2003	133,875	3,300	5,105	4,944	9,700	206,806	266,256	381,855	491,952
2004	137,230	3,395	4,655	5,219	9,210	217,083	282,392	391,363	509,135
2005	140,593	3,490	4,148	5,507	8,516	227,786	298,071	401,156	524,681
2006	143,958	3,598	5,028	5,823	10,614	238,942	316,060	411,269	543,518
2007	147,323	3,708	5,190	6,159	11,350	250,569	335,033	421,721	563,184
2008	150,680	8,815†	13,918†	11,508†	21,280†	262,674	356,093	432,518	585,483
Termination Dividend		5,000	8,083	5,000	8,083				
IRR 28 Years						4.60%	6.18%	7.19%	8.75%

* Assumes policy originally issued with fixed loan rate updated to adjustable loan rate in 1983.

** Assumes no paid-up additions are surrendered.

† Numbers include termination dividend in 2008 for cash dividends and total dividends. Termination dividend included in Total Cash Surrender Value and Total Death Benefit beginning in year 15.

Dividend Interest Rates for Participating Life Insurance Policies Issued by Massachusetts Mutual Life Insurance Company prior to March, 1996



The dividend interest rate is used to determine the investment component of dividends; it is not the rate of return on the policy. Dividends include an investment component, a mortality component and an expense component. Therefore, dividend interest rates should not be used as the basis for comparing insurers. Dividends are not guaranteed.

The way companies apply dividend interest rates to calculate dividends varies. Some companies quote gross rates. Others, including MassMutual, quote rates that are net of investment expenses only, while yet others quote rates that take additional items into consideration.

Year	Dividend Interest Rate	Year	Dividend Interest Rate
1980	8.27%	1995	9.00%
1981	8.27%	1996	8.40%
1982	9.22%	1997	8.40%
1983	11.60%	1998	8.40%
1984	11.60%	1999	8.40%
1985	12.20%	2000	8.30%
1986	12.20%	2001	8.30%
1987	12.20%	2002	8.10%
1988	11.35%	2003	7.90%
1989	11.15%	2004	7.50%
1990	10.50%	2005	7.00%
1991	10.50%	2006	7.55%
1992	9.95%	2007	7.55%
1993	9.45%	2008	7.90%
1994	9.30%		

Rates starting in 1983 assume an Adjustable Loan Rate.

Policies in this block of business are no longer sold.

Dividend Interest Rates for Participating Life Insurance Policies Issued by Massachusetts Mutual Life Insurance Company since March, 1996



The dividend interest rate is used to determine the investment component of dividends; it is not the rate of return on the policy. Dividends include an investment component, a mortality component and an expense component. Therefore, dividend interest rates should not be used as the basis for comparing insurers. Dividends are not guaranteed.

The way companies apply dividend interest rates to calculate dividends varies. Some companies quote gross rates. Others, including MassMutual, quote rates that are net of investment expenses only, while yet others quote rates that take additional items into consideration.

Year	Dividend Interest Rate
1996	8.40%
1997	8.40%
1998	8.40%
1999	8.40%
2000	8.20%
2001	8.20%
2002	8.05%
2003	7.90%
2004	7.50%
2005	7.00%
2006	7.40%
2007	7.50%
2008	7.90%

Rates starting in 1983 assume an Adjustable Loan Rate.



Insurance products issued by MassMutual, 1295 State Street, Springfield, MA 01111-0001.
Securities offered through registered representatives of MML Investors Services, Inc.,
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L17954 908
CRN201009-109817