

# Product Reference Guide

## Survivorship Whole Life Insurance

Issued by Massachusetts Mutual Life Insurance Company (MassMutual®)

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**MassMutual Survivorship Whole Life policies insure two people and pay the death benefit at the second death. In general, the premium for a survivorship policy is lower than it would be for a policy insuring just one person for the same face amount.**

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The decision to purchase life insurance should be based on long-term financial goals and the need for a death benefit. Life insurance is not an appropriate vehicle for short-term savings or short-term investment strategies. While the policy allows for loans, you should know that there may be little to no cash value available for loans in the policy's early years.

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## **Second-to-die life insurance has traditionally been used by couples for estate planning because it offers a cost-effective and tax-efficient way to pay estate taxes at the second death.**

In the past, policies have typically been owned by irrevocable life insurance trusts in order to keep them out of the insureds' estates. However, today's higher estate tax exemption amounts enable more affluent couples to personally own their policies without worrying about paying estate taxes on the death proceeds. This also means they can make the most of the living benefits that permanent life insurance provides.

Survivor Whole Life policies offer an attractive way to help ensure a financial legacy, while accumulating cash value policyowners can access later in retirement as their other assets have been depleted.<sup>1</sup>

<sup>1</sup> Distributions under the policy (including cash dividends and partial/full surrenders) are not subject to taxation up to the amount paid into the policy (cost basis). If the policy is a Modified Endowment Contract (MEC), policy loans and/or distributions are taxable to the extent of gain and are subject to a 10% tax penalty if the policyowner is under age 59½. Reducing your death benefit, as well as certain surrenders or distributions, may cause the policy to become a MEC because survivorship policies are subject to a special MEC reduction rule.

Access to cash values through borrowing or partial surrenders will 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.

# Product Specifications

	Survivorship Whole Life 100	Survivorship Whole Life 12 Pay
Markets	Qualified and Nonqualified	
Issue Ages	Ages 18-85	Issue ages: 25-75
	Maximum difference in age between the two insureds is 25 years. Backdating up to six months to save age will be allowed, subject to statutory limitations.	
Risk Classes	Ultra Preferred Non-Tobacco Select Preferred Non-Tobacco Non-Tobacco Select Preferred Tobacco Tobacco	
Substandard Ratings/Premium	<p>Table ratings (permanent or temporary) of A, B, C, D, E, F, H, J, L, P, and U (used for an uninsurable) are available.</p> <p>Temporary and permanent flat extra premiums are available. The substandard extra premiums associated with permanent table ratings (for original issue coverage and for face increase segments) are payable to age 65 of the rated insured, or for 20 years if longer, not to exceed the policy's premium payment period. Permanent flat extra premiums (for original issue coverage and for face increase segments) are payable to age 100 of the rated insured, not to exceed the policy's premium payment period.</p> <p>Ultra Preferred Non-Tobacco, Select Preferred Non-Tobacco and Select Preferred Tobacco risk classes are not available with table ratings or medical flat extras.</p> <p>Substandard ratings have a permanent effect on the purchase rates for Survivorship Additional Life Insurance Rider (ALIRS) and Survivorship Life Insurance Supplement Rider (LISRS). ALIRS and LISRS flat extras do not need to be converted to table ratings.</p>	
Minimum Face Amount	\$100,000	

## PRODUCT SPECIFICATIONS (CONT.)

	Survivorship Whole Life 100	Survivorship Whole Life 12 Pay
Face Amount Increase	<p>Increases are allowed subject to these rules:</p> <ol style="list-style-type: none"> <li>1   A written application must be submitted.</li> <li>2   Both insureds must be living and satisfactory evidence of insurability must be provided for both. However, there is an exception to this rule when one or both insureds are converting existing MassMutual term insurance. Refer to the latest company memo about Term Conversions to Second-to-Die SWL and SUL Guard Policies for additional information.</li> <li>3   No increase may be made after the Policy Anniversary Date nearest the older insured's 85th birthday.</li> <li>4   Increases are not allowed on policies that include the Waiver of Premium upon Death of a Specified Insured Rider.</li> <li>5   The minimum increase is \$25,000 (10,000 for qualified). The same minimums apply to increases from term conversions.</li> </ol> <p>A face amount increase is effective on the date the Home Office approves the application. A face amount increase is accomplished by issuing an additional insurance coverage segment. Each such segment has distinct issue ages, risk classes, premiums and commissions. The agent/producer may be different from the original writing agent/producer. The issue ages for a segment will be determined by the age nearest birthday for each insured on the effective date of the increase. If the policy has the Waiver of Premium upon Disability Rider for one or both of the insureds, the increase segment must also have that rider. If one or both insureds provide full underwriting and qualify for a better risk class than previously issued, those risk classes will change for existing segments. If one or both insureds qualify for a better risk class as a result of a conversion, then those risk classes will only change for the new segment. There is no additional policy fee for new segments. The contestable and suicide periods for the new segment will begin on the effective date of the face amount increase. If the face amount is changed, we will send the policyowner any revised or additional Policy Specifications for attachment to the policy.</p>	Not available

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## PRODUCT SPECIFICATIONS (CONT.)

	Survivorship Whole Life 100	Survivorship Whole Life 12 Pay
Premium Billing Frequencies	<p>Available premium frequencies and billing types are:</p> <ul style="list-style-type: none"> <li>• Regular Billing – Annual, Semi-annual, Quarterly</li> <li>• Monthly Check Service – MassMutual Monthly “Triple M”/PAC</li> <li>• Franchise/Invoice – Annual, Semi-annual, Quarterly, Monthly Frequency modal factors are:                             <ul style="list-style-type: none"> <li>• Semi-annual – 0.5117</li> <li>• Quarterly – 0.2589</li> <li>• Monthly – 0.0870</li> </ul> </li> </ul>	
Policy Fee	The annual policy fee is \$50	There is no policy fee
Face Amount Decrease	<p>After the first policy year, the face amount may be decreased by the policyowner’s written request and while one or both of the insureds are living. No decrease is permitted within one year following the effective date of any elected increase. There is no specific minimum decrease amount. However, the face amount remaining after the decrease must be at least \$100,000. All riders continue to be subject to stated minimums. There are no maximum limits.</p> <p>Decreases in face amount are taken on a last-in-first-out basis. In other words, the decrease is taken from the most recent increase(s). Dividends are calculated pro rata on active segments using the face amount of those segments as of the time the dividend is paid.</p> <p>Any decrease is effective on the date we receive written request satisfactory to us at the Home Office. If the face amount is changed, we will send the policyowner any revised or additional Policy Specifications for attachment to the policy.</p> <p>Underwriting is not required.</p>	
Conversions	Term conversions to Survivorship policies are available. Refer to the latest company memo about Term Conversions to Second-to-Die SWL and SUL Guard Policies for additional information.	
Policy Loans	<p>Policy loans are allowed after the first policy anniversary, except for 1035 carryover loans and Automatic Premium Loans, which are allowed at any time. In addition, policy loans are available at any time for policies issued in Florida.</p> <p>Policyowners can choose between an adjustable loan interest rate without direct recognition and a fixed 6% loan interest rate with direct recognition. The adjustable loan interest rate is automatic if no election is made. After issue, the loan provision cannot be changed.</p>	<p>Policyowners will have a choice between a fixed loan rate of 6% with direct recognition or an adjustable loan rate. Like other products, the floor for the adjustable loan rate will be based on the rate used to calculate guarantee cash values plus 1%, or 4% in this case (unless the guaranteed interest rate is determined to be something other than 3%).</p>

## PRODUCT SPECIFICATIONS (CONT.)

	Survivorship Whole Life 100	Survivorship Whole Life 12 Pay
Dividends	Survivorship policies are participating and are eligible to receive dividends. Dividends will vary by genders, underwriting classes, issue ages, duration and tax-qualified status. The base coverage and ALIRS can have multiple coverage segments. Each of these segments, as well as the LISRS segment, will have its own set of dividends that varies by issue ages and duration. There are no changes to the policy's cash value or dividend schedule resulting from the first death.	
Dividend Options	<ul style="list-style-type: none"> <li>• Cash (CS)</li> <li>• Reduce Premiums (RP)               <ul style="list-style-type: none"> <li>- Excess to cash (RPC)</li> <li>- Excess to Paid-Up Additions (RPD)</li> </ul> </li> <li>• Paid-Up Additions (PD)</li> <li>• Dividend Accumulations (DA)</li> <li>• LISRS/Flex (FLX)</li> <li>• Reduce Loan (RN)</li> <li>• Reduce Loan Interest (RI)</li> </ul>	
1035 Exchanges	<p>1035 exchanges will be permitted, as well as 1035 exchanges with loans. 1035 exchange amounts can be applied toward base premium (including EPRS, WP, and WPDS), ALIRS or LISRS purchase payments. 1035 money received will be put into the base policy and ALIRS as directed. The premium expense charge will be deducted from the payment. If the policy being surrendered has a loan, the loan may be carried over to the new policy with the 1035 exchange. The following conditions must be met in order for a loan amount to be carried over in connection with the 1035 Exchange with Loans process:</p> <ol style="list-style-type: none"> <li>1   The minimum net cash amount received by MassMutual in connection with the 1035 exchange must be equal to or greater than \$10,000;</li> <li>2   The amount of the loan transferred to MassMutual will be applied as an unscheduled Survivorship Additional Life Insurance Rider (ALIRS) payment, which may require additional evidence of insurability;</li> <li>3   The new policy, with the loan, must illustrate that it will not lapse based on current rates; and</li> <li>4   Producers must submit all 1035-related paperwork, including Request to Surrender Policy, Assignment to Effect Section 1035(a) Exchange, applicable state replacement forms, forms required by the other carrier, and Policy Loan Transfer Request.</li> </ol>	



# Riders

## Accelerated Death Benefit for Terminal Illness of Surviving Insured Rider (ABRS)

This rider is issued automatically and allows the policyowner to receive an advance of the policy's death benefit when MassMutual receives satisfactory proof a surviving insured has a terminal illness expected to result in death within a certain period (based on the state of issue). The funds may be used for any purpose. This rider terminates upon acceleration.

**This rider can only be exercised after one insured has died.**

### ABRS

Issue Age	Same as base policies.
Limits	Maximum benefit is the lesser of \$500,000 and 75% of the policy's death benefit, not including the EPRS death benefit.
Rider Charges	There is no premium for this rider, but there is a fee if exercised.

## Estate Protection Rider (EPRS)

The Estate Protection Rider is term coverage that provides a level death benefit if both insureds die during the first four policy years. It is designed to offset additional estate taxes due if the policy is included in the estate. This rider has no cash value.

### EPRS

Issue Age	For SWL 100: 18-80 For SWL 12 Pay: 25-75
Limits	The coverage amount is equal to 125% of the initial base policy and LISRS face amounts. Available at issue only. Neither insured can be uninsurable.
Rider Charges	Premium payable for four years.





## Policy Split Option Rider (PSOS)

The Policy Split Option allows the policy to be exchanged for two single life policies, each equaling half of the death benefit (not including EPRS) of the policy immediately before the split. No new evidence of insurability is required at the time of the split.

The rider can be exercised when certain events occur, such as divorce, dissolution of a corporation or partnership, or changes in the federal estate tax laws (as more fully described in the rider).

### PSOS

Issue Age	Same as base policies.
Limits	Automatically issued as long as neither insured is uninsurable.
Rider Charges	There is no premium for this rider, but there is a fee if exercised.

## Survivorship Additional Life Insurance Rider (ALIRS)

This rider allows the policyowner to purchase additional participating paid-up survivorship whole life insurance coverage (paid-up additions). The amount purchased will be based on the amount of the rider payment made (net of the expense charge and any applicable modal charges), as well as the attained ages and risk classes of the insureds.

The purchase payments for this rider can be made by scheduled or unscheduled amounts. Scheduled payments are selected by the policyowner at time of application.

### ALIRS

Issue Age	Payments can be made up to and including the younger insured's age 90.
Limits	Payments are not eligible to be waived under a waiver of premium rider. Existing scheduled payments may continue after one insured has died, but no new scheduled or unscheduled payments would be allowed.
Rider Charges	The current premium expense charge will be 10%, with a guaranteed premium expense charge of 12%.

# Survivorship Life Insurance Supplement Rider (LISRS)

This rider provides additional survivorship life insurance protection at a lower cost than base policy coverage. The rider death benefit is a level amount, referred to as the Target Face Amount (TFA), and is selected by the policyowner at the time of application. Each year, rider premiums (less a premium expense charge and applicable modal charges) and policy dividends purchase a combination of one-year term insurance and paid-up additional insurance.

The mix of term insurance and paid-up additions in the TFA changes each year. It is anticipated, but not guaranteed, that over time the amount of term insurance will decrease and the amount of paid-up additions will increase until the crossover year. The crossover year is the point in time when the paid-up additional insurance death benefit is equal to the TFA and the purchase of one-year term is no longer necessary.

One-year term insurance may be converted as a base policy segment increase (if face amount increases are available for the policy) or as a new policy within the lesser of 10 years and age 65 of the older insured.

## LISRS

Issue Age	Same as base policies.
Limits	The maximum target face amount is three times the base face amount, but state variations may apply. LISRS cannot be added after issue if WPDS is included. Policies that include LISRS cannot have both waiver riders; they can have either WPDS or WP.
Rider Charges	The current premium expense charge is 10%; the maximum is 12%.

Adding LISRS may be an attractive alternative to a survivorship universal life (SUL) policy with a secondary guarantee. SUL policies with a secondary guarantee offer a guaranteed death benefit option for a fixed premium, but have limited potential for account value accumulation. For a slightly higher premium, a Survivor policy with LISRS can provide significant additional value.

## Waiver of Premium upon Death of Specified Insured Rider (WPDS)

This rider is only available on Survivorship Whole Life 100. It waives the policy's premiums if an insured covered by the rider dies within the first 20 years of the policy. After the death, MassMutual will waive any contract premium due through policy year 20. This rider is available on one or both insureds.

### WPDS

Issue Age	18-59
Limits	Premiums will not be waived after policy year 20. Insured must be rated table J or better. Available at issue only. Not available in New York. ALIRS payments are not covered. Face increases are not allowed on policies that include this rider.
Rider Charges	Premiums are payable for the first 15 policy years.

## Waiver of Premium Rider (WP)

This rider waives the policy's premiums if an insured covered by the rider becomes totally disabled, as defined in the rider. If disability occurs prior to age 60 of the covered insured and lasts for at least six months, premiums will be waived while the insured remains disabled and is living.

### WP

Issue Age	Payments can be made up to and including the younger insured's age 90.
Limits	<p>If the younger insured is under 50, the maximum coverage limits (base plus LISRS face amount) is:</p> <ul style="list-style-type: none"> <li>• \$8 million for Survivorship Whole Life 100</li> <li>• \$6 million for Survivorship Whole Life 12 Pay</li> </ul> <p>If the younger insured is 50 or older, the maximum coverage limits (base plus LISRS face amount) is:</p> <ul style="list-style-type: none"> <li>• \$5 million for Survivorship Whole Life 100</li> <li>• \$4 million for Survivorship Whole Life 12 Pay</li> </ul> <p>Temporary waiver benefits are available to age 70 if disability begins after age 59, but prior to age 65. ALIRS payments are not covered. Insured must not have a rating higher than table F or a flat extra higher than \$10 per thousand on the base policy.</p>
Rider Charges	Premiums are payable to age 65 of the covered insured or to the end of the premium paying period of the policy, if earlier. If added after issue, premiums based on attained age.



## Accumulation and MEC Rules

It is important to recognize that survivorship coverage is more susceptible to becoming a MEC because:

- A face amount decrease or lapse to a paid-up policy may result in a retroactive reduction in the MEC limit, which could cause previously paid premiums to exceed the reduced MEC limit. This could happen on either product, but is more likely to occur on Survivorship Whole Life 12 Pay because the annual premium requirement is larger and often approaches the MEC limit. For this reason, a face amount reduction or lapse to a paid-up policy on this policy is more likely to result in the policy becoming a MEC, especially when the policy has ALIR attached.
- The premiums per dollar of coverage are lower than the cost of single-life coverage, and the MEC premium limits for survivorship may similarly be lower. As a result, it may be easier to inadvertently create a MEC by including ALIRS purchase payments that are too high.
- Unlike single life policies, which are only subject to MEC testing for the first seven policy years (unless a material change to the policy creates a new MEC testing period), any face amount decrease that occurs on a survivorship policy will trigger premiums already paid to be measured against the new lower face amount for MEC testing purposes.

Since 1851, our business decisions have been guided by our customers' needs. Today, we offer a wide range of financial products and services to help people secure their future and protect the ones they love.

Any guarantees explicitly referenced herein are based on the claims-paying abilities of the issuing insurance company.

Survivorship Whole Life Legacy Insurance (Policy Forms: SWL-2015, ICC15SWL and ICC15SWL in North Carolina, SWL-NY-2019 and SWL-FL-2015 (Rev 2021), is issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

