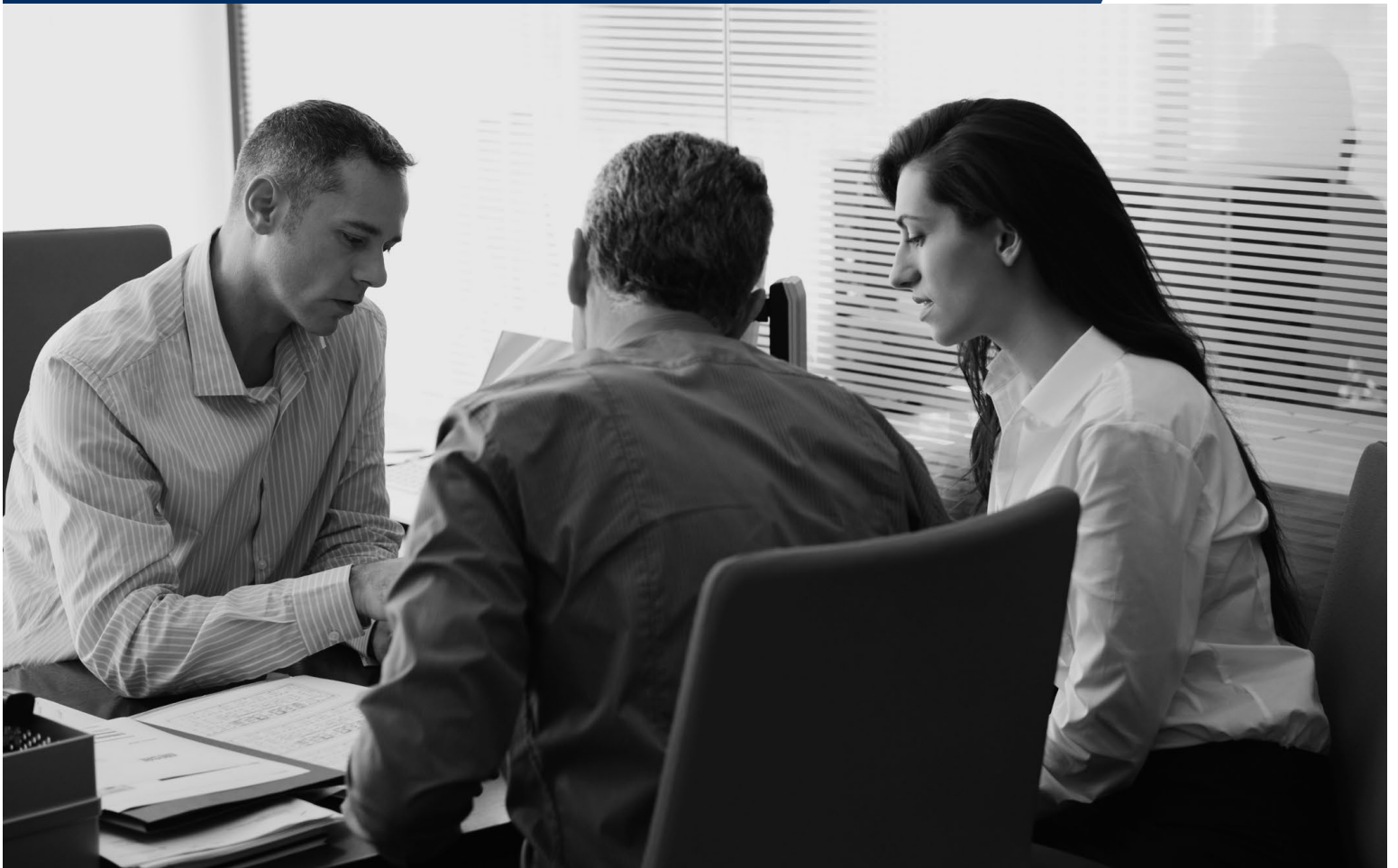


An **Educational** Guide
for Financial Professionals

It's time for graded premium

An economical approach to
disability income insurance coverage.



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We'll help you get there.®

We know you are committed to providing your clients with competitive and flexible income protection plans with the budget-conscious approach they expect and deserve. With that in mind, MassMutual along with input and direction from some of our most prominent general agents and producers created just that – an economical method to providing effective disability income insurance coverage to the young professional – *Graded Premium*.

The market

One of the many advantages disability income (DI) insurance offers producers is its vast appeal; it can be an attractive protection product for people who depend on their incomes, whether single or married, with several dependents or none at all. In fact, DI insurance can open new markets for you and supplement your existing business.

The millennial generation, a demographic that is young, healthy and full of potential, are moving into a time in their lives when income protection is a very important factor but they currently may not be able to afford it. Given this, you have a very powerful reason for selling DI insurance with graded premium.

What is graded premium?

Graded premium is an alternative premium structure under which the initial premiums are significantly less than a level premium structure in the earlier years of the policy. These premiums gradually increase annually until they automatically become level at age 50 for the duration of the policy.

Why graded premium?

For clients:

For clients who may not be able to initially afford a level premium DI insurance policy, graded premium can reduce the cost early in your clients' careers, allowing them to put the protection in place now while they may be at their healthiest, rather than waiting until they can afford a level premium DI insurance policy. Once they are further established in their

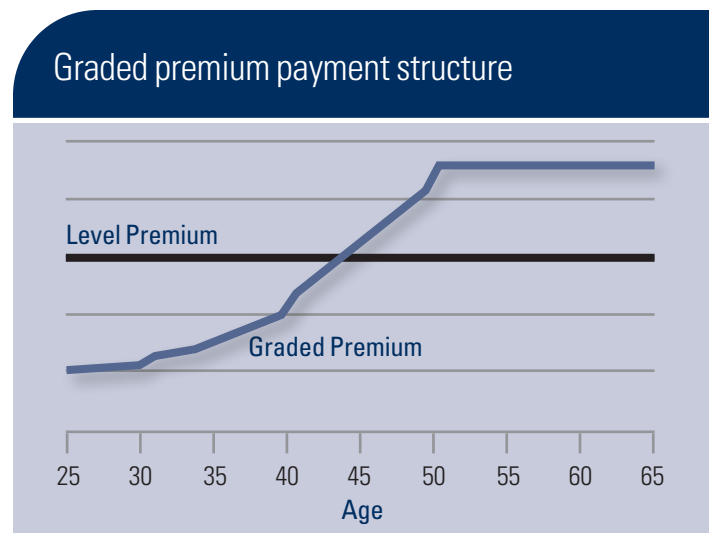
career they can choose to convert to a level premium payment structure until age 40. Should they choose not to convert, the premiums automatically levelize at age 50 for the duration of the policy.

For you:

The younger generation provides many opportunities for producers. Entering the workforce as a critical, untapped market, the young professional has great promise as they will soon be approaching their prime earning years. These clients provide you with a long term growth opportunity for your business. Graded premium may allow you to better capture your natural market early and establish an avenue for potential future life insurance sales.

How it works

As the hypothetical chart below demonstrates, the graded premium payment structure in general, begins at about 40% below the level premium option and increases incrementally each year until the premium amount becomes level at age 50 for the duration of the policy. Over the life of the policy, the cost for the graded premium structure may result in a higher overall cost than if the policy was issued with a level premium structure. However, this payment structure is very economical in the early years for clients who cannot currently afford a level premium policy but value the protection DI insurance offers. In addition, graded premiums are guaranteed so your clients will know the amount of their premiums each year.



Hypothetical graphic is for illustrative purposes only. Actual crossover points may vary.

Specifications:

Products: Radius® and RetireGuard® (standalone)

Riders: All

Occupation Classes: All

Issue Ages: 18-35

Premiums:

- Annual increase on contract anniversary
- Guaranteed rates
- Levelizes at age 50

Conversions: Up to age 40

Contract changes:

Future Insurability Option (FIO), Right to Apply (RTA) and Automatic Benefit Increase Rider (ABI)

- Purchases level premium
- FIO and RTA issued at current rate book
- ABI issued at illustrated rate book
- Results in a policy with both graded and level premiums

Waiting period or benefit period change

- New premium at graded attained age rates
- Original rate book, issued with policy

Adding a rider

- Level premium
- Attained age rate
- Current rate book

Conversions:

Availability: Up to age 40

Rates: Converts to guaranteed level premium attained age rates

- Rate book in effect at the time graded premium policy was issued
- Shown within illustration

The adjacent chart demonstrates converting from a graded premium structure to a level premium structure at age 40.

Meet Michael



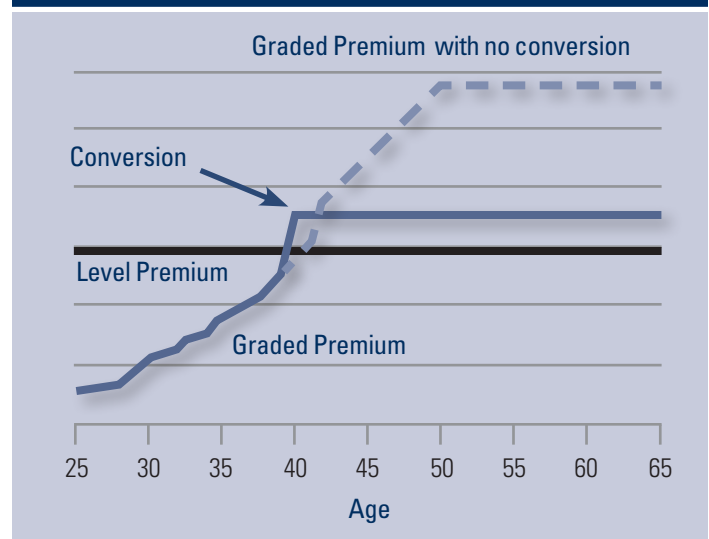
Michael is a 25 year old attorney just beginning his career. Michael understands the importance of protecting his income and is looking for a more economical approach. He purchases a DI insurance policy and elects the graded premium structure.

His initial premiums are substantially lower with the graded premium option. Each year his premium amount increases on the policy anniversary.

Michael, now age 40, has become very successful in his career and can now afford a level premium DI insurance policy. With the assistance from his agent he has decided to convert his graded premium policy to a level premium policy. His policy converts to guaranteed level premium at his attained age of 40, using the rate book in effect at the time his graded premium policy was issued (age 25).

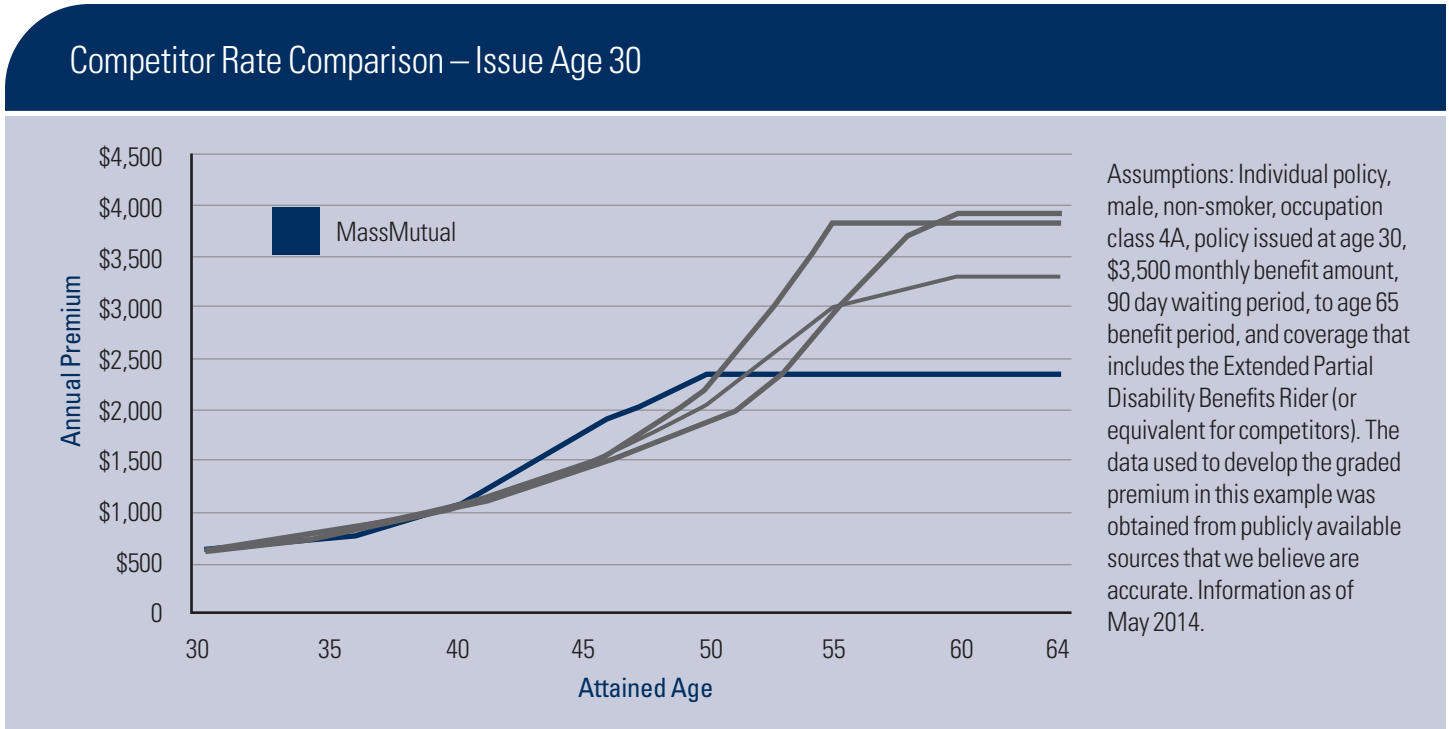
By using the graded premium structure and converting it to a level premium Michael was able to obtain the necessary DI protection he needs at a price he could currently afford. In addition, by converting to a level premium policy when he could afford it, Michael was able to avoid having to pay for an increasing premium each year, which over time becomes more expensive than a level premium policy.

Converting from a graded to a level premium structure



Competitive highlights

Below is an example of MassMutual's graded premium compared to some other carriers with similar rate structures.



- Among carriers that levelize graded premium at a certain age, MassMutual's levelization point – age 50 – is the lowest, thus making premiums more affordable in older ages.
- Level conversion rates are guaranteed; no other carrier does this. This means that when an insured converts to level premiums, he/she will receive the rates that were in effect at the time the policy was issued.

Competitive Information is based on a variety of publicly available sources we believe are accurate. Information as of April 2016.

Graded premium structure is subject to state availability. Please refer to the Disability Product Approval Grid on FieldNet (DI7137) for state-specific availability.

Radius [Policy Form XL-IS-92 and XL-IS-92 (NC)] and RetireGuard [Policy Form XL-IS-92 with EDI-10 and XL-IS-92 (NC) with EDI-10 in North Carolina] are issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001. RetireGuard is not available in New Jersey.

