

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

STATUTORY FINANCIAL STATEMENTS

As of December 31, 2021 and 2020 and
for the years ended December 31, 2021, 2020 and 2019

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
STATUTORY FINANCIAL STATEMENTS

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MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
STATUTORY FINANCIAL STATEMENTS

	As of	
	December 31,	
	2021	2020
	<u>(In Millions)</u>	
Assets:		
Bonds	\$ 124,287	\$ 114,684
Preferred stocks	555	470
Common stocks – subsidiaries and affiliates	24,640	19,895
Common stocks – unaffiliated	1,277	1,192
Mortgage loans	26,345	26,078
Policy loans	16,120	15,597
Real estate	395	362
Partnerships and limited liability companies	12,545	9,534
Derivatives	16,379	21,076
Cash, cash equivalents and short-term investments	5,943	5,738
Other invested assets	1,286	1,503
Total invested assets	<u>229,772</u>	<u>216,129</u>
Investment income due and accrued	3,584	3,859
Federal income taxes	55	-
Net deferred income taxes	710	509
Other than invested assets	4,686	3,996
Total assets excluding separate accounts	<u>238,807</u>	<u>224,493</u>
Separate account assets	76,160	75,966
Total assets	<u>\$ 314,967</u>	<u>\$ 300,459</u>
Liabilities and Surplus:		
Policyholders' reserves	\$ 138,269	\$ 125,167
Liabilities for deposit-type contracts	17,041	14,580
Contract claims and other benefits	797	726
Policyholders' dividends	1,828	1,708
General expenses due or accrued	1,385	1,253
Federal income taxes	-	670
Asset valuation reserve	6,414	5,205
Repurchase agreements	2,802	4,006
Commercial paper	250	250
Collateral	6,158	5,551
Derivatives	10,877	17,349
Funds held under coinsurance	19,255	17,929
Other liabilities	6,900	5,772
Total liabilities excluding separate accounts	<u>211,976</u>	<u>200,166</u>
Separate account liabilities	76,012	75,966
Total liabilities	<u>287,988</u>	<u>276,132</u>
Surplus	26,979	24,327
Total liabilities and surplus	<u>\$ 314,967</u>	<u>\$ 300,459</u>

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Revenue:			
Premium income	\$ 19,891	\$ 10,323	\$ 22,781
Net investment income	8,845	8,752	7,693
Fees and other income	1,253	3,726	1,381
Total revenue	29,989	22,801	31,855
Benefits, expenses and other deductions:			
Policyholders' benefits	11,513	24,784	24,573
Change in policyholders' reserves	11,649	(10,003)	1,138
General insurance expenses	2,269	2,394	2,391
Commissions	1,224	1,091	1,067
State taxes, licenses and fees	326	275	271
Other deductions	810	1,626	298
Total benefits, expenses and other deductions	27,791	20,167	29,738
Net gain from operations before dividends and federal income taxes	2,198	2,634	2,117
Dividends to policyholders	1,808	1,697	1,671
Net gain from operations before federal income taxes	390	937	446
Federal income tax expense (benefit)	72	135	(15)
Net gain from operations	318	802	461
Net realized capital losses	(534)	(586)	(37)
Net (loss) gain	\$ (216)	\$ 216	\$ 424

See accompanying notes to statutory financial statements

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF CHANGES IN SURPLUS

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Surplus, beginning of year	\$ 24,327	\$ 18,893	\$ 15,610
Net increase/(decrease) due to:			
Net (loss) income	(216)	216	424
Change in net unrealized capital gains, net of tax	3,366	1,422	3,433
Change in net unrealized foreign exchange capital (losses) gains, net of tax	(673)	1,010	282
Change in other net deferred income taxes	544	(23)	(55)
Change in nonadmitted assets	20	50	747
Change in asset valuation reserve	(1,209)	(535)	(1,363)
Change in reserve valuation basis	-	(48)	-
Change in surplus notes	841	1,537	(33)
Change in minimum pension liability	21	111	(68)
Prior period adjustments	31	33	(70)
Deferred gain on reinsurance transactions	-	1,665	-
Other	(73)	(4)	(14)
Net increase (decrease)	2,652	5,434	3,283
Surplus, end of year	\$ 26,979	\$ 24,327	\$ 18,893

See accompanying notes to statutory financial statements

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Cash from operations:			
Premium and other income collected	\$ 20,237	\$ 20,788	\$ 24,250
Net investment income	9,238	7,281	8,303
Benefit payments	(11,349)	(24,243)	(24,526)
Net transfers from separate accounts	1,129	4,020	5,814
Commissions and other expenses	(4,557)	(3,911)	(3,816)
Dividends paid to policyholders	(1,688)	(1,674)	(1,700)
Federal and foreign income taxes (paid) recovered	(849)	142	552
Net cash from operations	<u>12,161</u>	<u>2,403</u>	<u>8,877</u>
Cash from investments:			
Proceeds from investments sold, matured or repaid:			
Bonds	37,911	23,128	22,233
Preferred and common stocks – unaffiliated	584	547	839
Common stocks – affiliated	45	8	5
Mortgage loans	4,889	4,098	2,418
Real estate	75	1	192
Partnerships and limited liability companies	1,629	1,051	1,207
Derivatives	(490)	1,855	996
Other	198	542	(995)
Total investment proceeds	<u>44,841</u>	<u>31,230</u>	<u>26,895</u>
Cost of investments acquired:			
Bonds	(47,343)	(38,209)	(25,867)
Preferred and common stocks – unaffiliated	(515)	(321)	(1,443)
Common stocks – affiliated	(3,966)	(2,003)	(204)
Mortgage loans	(5,170)	(4,293)	(6,211)
Real estate	(174)	(120)	(120)
Partnerships and limited liability companies	(4,033)	(1,847)	(1,368)
Derivatives	(66)	(428)	(302)
Other	86	78	(81)
Total investments acquired	<u>(61,181)</u>	<u>(47,143)</u>	<u>(35,596)</u>
Net increase in policy loans	<u>(522)</u>	<u>(872)</u>	<u>(852)</u>
Net cash used in investing activities	<u>(16,862)</u>	<u>(16,785)</u>	<u>(9,553)</u>
Cash from financing and miscellaneous sources:			
Net deposits (withdrawals) on deposit-type contracts	2,359	(1,031)	868
Cash provided (applied to) by surplus note issuance	607	697	(39)
Change in repurchase agreements	(1,204)	172	(935)
Change in collateral	574	2,270	550
Other cash provided (used)	2,570	14,219	(293)
Net cash from financing and miscellaneous sources	<u>4,906</u>	<u>16,327</u>	<u>151</u>
Net change in cash, cash equivalents and short-term investments	205	1,945	(525)
Cash, cash equivalents and short-term investments:			
Beginning of year	5,738	3,793	4,318
End of year	<u>\$ 5,943</u>	<u>\$ 5,738</u>	<u>\$ 3,793</u>

See accompanying notes to statutory financial statements

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS

1. Nature of operations

Massachusetts Mutual Life Insurance Company (MassMutual or the Company), a mutual life insurance company domiciled in the Commonwealth of Massachusetts, and its domestic life insurance subsidiaries provide individual and group life insurance, disability insurance (DI), individual and group annuities and guaranteed interest contracts (GIC) to individual and institutional customers in all 50 states of the United States of America (U.S.), the District of Columbia and Puerto Rico. Products and services are offered primarily through the Company's MassMutual Financial Advisors (MMFA), MassMutual Strategic Distributors (MMSD), Digital Direct to Consumer and Business to Business (DTC&B2B), Institutional Solutions (IS) and Worksite distribution channels.

MMFA is a sales force that includes financial professionals that operate in the U.S. MMFA sells individual life, individual annuities, long-term care (LTC) and DI. The Company's MMSD channel sells life insurance, disability, annuity, and hybrid life and LTC solutions through a network of third-party distribution partners. The Company's DTC&B2B distribution channel sells individual life and supplemental health insurance primarily through direct response television advertising, digital media, search engine optimization and search engine marketing. The Company's IS distribution channel sells group annuities, group life and GIC primarily through retirement advisory firms, actuarial consulting firms, investment banks, insurance benefit advisors and investment management companies. The Company's Worksite channel works with advisors and employers across the country to provide American workers with voluntary and executive benefits such as group whole life, critical illness, accident insurance and executive variable life and disability, through the workplace.

2. Summary of significant accounting policies

a. Basis of presentation

The statutory financial statements have been prepared in conformity with the statutory accounting practices of the National Association of Insurance Commissioners (NAIC) and the accounting practices prescribed or permitted by the Commonwealth of Massachusetts Division of Insurance (the Division).

Statutory accounting practices are different in some respects from financial statements prepared in accordance with U.S. GAAP. The more significant differences between statutory accounting practices and U.S. GAAP are as follows:

Invested assets

- Bonds are generally carried at amortized cost, whereas U.S. GAAP reports bonds at fair value for bonds available for sale and trading or at amortized cost for bonds held to maturity
- Changes in the fair value of derivative financial instruments are recorded as changes in surplus, whereas U.S. GAAP generally reports these changes in revenue unless deemed an effective hedge
- Interest rate and credit default swaps associated with replicated synthetic investment transactions are carried at amortized cost, whereas U.S. GAAP would carry them at fair value
- Embedded derivatives are recorded as part of the underlying contract, whereas U.S. GAAP would identify and bifurcate certain embedded derivatives from the underlying contract or security and account for them separately at fair value
- Income recognition on partnerships and limited liability companies, which are accounted for under the equity method, is limited to the amount of cash distribution, whereas U.S. GAAP is without limitation
- Certain majority-owned subsidiaries and variable interest entities are accounted for using the equity method, whereas U.S. GAAP would consolidate these entities

Policyholders' liabilities

- Statutory policy reserves are generally based upon prescribed methods, such as the Commissioners' Reserve Valuation Method, Commissioners' Annuity Reserve Valuation Method or net level premium method, and prescribed statutory mortality, morbidity and interest assumptions at the time of issuance, whereas U.S. GAAP policy reserves would generally be based upon the net level premium method or the estimated gross margin method with estimates, at time of issuance, of future mortality, morbidity, persistency and interest

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

- Liabilities for policyholders' reserves, unearned premium, and unpaid claims are presented net of reinsurance ceded, whereas U.S. GAAP would present the liabilities on a direct basis and report an asset for the amounts recoverable or due from reinsurers
- Payments received for universal and variable life insurance products, certain variable and fixed deferred annuities and group annuity contracts are reported as premium income and corresponding change in reserves, whereas U.S. GAAP would treat these payments as deposits to policyholders' account balances

General insurance expenses and commissions

- Certain acquisition costs, such as commissions and other variable costs, directly related to successfully acquiring new business are charged to current operations as incurred, whereas U.S. GAAP generally would capitalize these expenses and amortize them based on profit emergence over the expected life of the policies or over the premium payment period

Net realized capital gains (losses)

- After-tax realized capital gains (losses) that result from changes in the overall level of interest rates for all types of fixed-income investments and interest-related hedging activities are deferred into the interest maintenance reserve (IMR) and amortized into revenue, whereas U.S. GAAP reports these gains and losses as revenue

Surplus

- Changes in the balances of deferred income taxes, which provide for book versus tax temporary differences, are subject to limitation and are recorded in surplus, whereas U.S. GAAP would generally include the change in deferred taxes in net income without limitation
- Assets are reported at admitted asset value and assets designated as nonadmitted are excluded through a charge against surplus, whereas U.S. GAAP recognizes all assets, net of any valuation allowances
- An asset valuation reserve (AVR) is reported as a contingency reserve to stabilize surplus against fluctuations in the statement value of real estate, partnerships and limited liability companies and certain common stocks as well as credit-related changes in the value of bonds, mortgage loans and certain derivatives, whereas U.S. GAAP does not record this reserve
- Changes to the mortgage loan valuation allowance are recognized in net unrealized capital gains (losses), net of tax, in the Statutory Statements of Changes in Surplus, whereas U.S. GAAP reports these changes in net realized capital gains (losses)
- The overfunded status of pension and other postretirement plans, which is the excess of the fair value of the plan assets over the projected benefit obligation, is a nonadmitted asset for statutory accounting whereas U.S. GAAP recognizes the overfunded status as an asset
- Surplus notes are reported in surplus, whereas U.S. GAAP reports these notes as liabilities
- Statutory Statements of Changes in Surplus includes net income, change in net unrealized capital gains (losses), change in net unrealized foreign exchange capital gains (losses), change in other net deferred income taxes, change in nonadmitted assets, change in AVR, prior period adjustments and change in minimum pension liability, whereas U.S. GAAP presents net income as retained earnings and net unrealized capital gains (losses), change in net unrealized foreign exchange capital gains (losses), change in minimum pension liability as other comprehensive income
- The change in the fair value for unaffiliated common stock is recorded in surplus, whereas the change in the fair value for ownership interests in an entity not accounted for under the equity method or consolidated are recorded in revenue for U.S. GAAP

Other

- Assets and liabilities associated with certain group annuity and variable universal life contracts, which do not pass-through all investment experience to contract holders, are maintained in separate accounts and are

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

presented on a single line in the statutory financial statements, whereas U.S. GAAP reports these contracts as general investments and liabilities of the Company

The preparation of financial statements requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities, the disclosure of assets and liabilities as of the date of the statutory financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant estimates and assumptions include those used in determining the carrying values of investments including the amount of mortgage loan investment valuation reserves, other-than-temporary impairment(s) (OTTI), the value of the investment in MassMutual Holding LLC (MMHLLC), the liabilities for policyholders' reserves, the determination of admissible deferred tax assets (DTA), the liability for taxes and the liability for litigation or other contingencies. Future events including, but not limited to, changes in the level of mortality, morbidity, interest rates, persistency, asset valuations and defaults could cause results to differ from the estimates used in the statutory financial statements. Although some variability is inherent in these estimates, management believes the amounts presented are appropriate.

b. Corrections of errors and reclassifications

For the years ended December 31, 2021 and 2020, corrections of prior years' errors were recorded in surplus, net of tax:

	Years Ended December 31, 2021 and 2020					
	Increase (Decrease) to:					
	Prior Years' Net Income		Current Year Surplus		Asset or Liability Balances	
	(In Millions)					
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Common stocks -subsidiaries and affiliates ⁽¹⁾	\$ -	\$ -	\$ (2)	\$ (35)	\$ (2)	\$ (35)
Net deferred income taxes ⁽¹⁾	-	-	50	8	50	8
Policyholders' reserves	(12)	33	(12)	33	12	(33)
Other Liabilities	17	-	17	-	(17)	-
Liabilities for deposit-type contracts	26	-	26	-	(26)	-
Total	<u>\$ 31</u>	<u>\$ 33</u>	<u>\$ 79</u>	<u>\$ 6</u>	<u>\$ 17</u>	<u>\$ (60)</u>

⁽¹⁾ The change in common stocks subsidiaries and affiliates and net deferred income taxes were recorded through surplus as a change in unrealized capital losses, net of tax.

c. Bonds

Bonds are generally valued at amortized cost using the constant yield interest method with the exception of NAIC Category 6 bonds, which are in or near default, and certain residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS), which are rated by outside modelers, which are carried at the lower of amortized cost or fair value. NAIC ratings are applied to bonds and other investments. Categories 1 and 2 are considered investment grade, while Categories 3 through 6 are considered below investment grade. Bonds are recorded on a trade date basis, except for private placement bonds, which are recorded on the funding date.

For loan-backed and structured securities, such as asset-backed securities (ABS), mortgage-backed securities (MBS), including RMBS and CMBS, and structured securities, including collateralized debt obligations (CDOs), amortization or accretion is revalued quarterly based on the current estimated cash flows, using either the prospective or retrospective adjustment methodologies.

Fixed income securities, with the highest ratings from a rating agency follow the retrospective method of accounting.

All other fixed income securities, such as floating rate bonds and interest only securities, including those that have been impaired, follow the prospective method of accounting.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The fair value of bonds is based on quoted market prices when available. If quoted market prices are not available, values provided by other third-party organizations are used. If values provided by other third-party organizations are unavailable, fair value is estimated using internal models by discounting expected future cash flows using observable current market rates applicable to yield, credit quality and maturity of the investment or using quoted market values for comparable investments. Internal inputs used in the determination of fair value include estimated prepayment speeds, default rates, discount rates and collateral values, among others. Structure characteristics and cash flow priority are also considered. Fair values resulting from internal models are those expected to be received in an orderly transaction between willing market participants.

Refer to *Note 2dd. "Net realized capital (losses) gains including other-than-temporary impairments and unrealized capital gains (losses)"* for information on the Company's policy for determining OTTI.

d. Preferred stocks

Preferred stocks in good standing, those that are rated Categories 1 through 3 by the Securities Valuation Office (SVO) of the NAIC, are generally valued at amortized cost. Preferred stocks not in good standing, those that are rated Categories 4 through 6 by the SVO, are valued at the lower of amortized cost or fair value. Fair values are based on quoted market prices, when available. If quoted market prices are not available, values provided by third-party organizations are used. If values provided by third-party organizations are unavailable, fair value is estimated using internal models. These models use inputs not directly observable or correlated with observable market data. Typical inputs integrated into the Company's internal discounted expected earnings models include, but are not limited to, earnings before interest, taxes, depreciation and amortization estimates. Fair values resulting from internal models are those expected to be received in an orderly transaction between willing market participants.

Refer to *Note 2dd. "Net realized capital (losses) gains including other-than-temporary impairments and unrealized capital gains (losses)"* for information on the Company's policy for determining OTTI.

e. Common stocks – subsidiaries and affiliates

On May 28, 2021, the Company, through a wholly owned subsidiary, Glidepath Holdings Inc. (Glidepath), acquired Great American Life Insurance Company and other subsidiaries and affiliated entities (GALIC) for \$3,570 million in cash. GALIC primarily offers traditional fixed and fixed indexed annuity products.

In December 2020, MassMutual contributed its ownership in MassMutual Asset Finance (MMAF), LLC and MML Management LLC, wholly owned subsidiaries with a combined carrying value of \$1,602 million, to MM Investment Holding (MMIH), a wholly owned subsidiary, in an affiliated transaction and therefore no gain or loss was recognized on the transaction. There was no impact to surplus.

Common stocks of unconsolidated subsidiaries, primarily MassMutual Holding LLC (MMHLLC), Glidepath and MM Investment Holding (MMIH), are accounted for using the statutory equity method. The Company accounts for the value of MMHLLC at its underlying U.S. generally accepted accounting principles (U.S. GAAP) equity value less adjustments for the limited statutory basis of accounting related to foreign insurance subsidiaries and controlled affiliates entities as well as an adjustment of \$612 million as of December 31, 2021 for a portion of its noncontrolling interests (NCI). Glidepath is valued on it is underlying GAAP equity with adjustment to recognize its investment in GALIC based on GALIC's underlying statutory surplus, adjusted for any unamortized goodwill that would have been recognized under the statutory purchase method. Operating results, less dividends declared, for MMHLLC, Glidepath and MMIH are reflected as net unrealized capital gains in the Statutory Statements of Changes in Surplus. Dividends declared from MMHLLC, Glidepath and MMIH are recorded in net investment income when declared and are limited to MMHLLC, Glidepath and MMIH's U.S. GAAP retained earnings. The cost basis of common stocks – subsidiaries and affiliates is adjusted for impairments deemed to be other than temporary.

Refer to *Note 5c. "Common stocks - subsidiaries and affiliates"* for further information on the valuation of MMHLLC.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

f. Common stocks – unaffiliated

Unaffiliated common stocks are carried at fair value, which is based on quoted market prices when available. If quoted market prices are not available, values provided by third-party organizations are used. If values from third parties are unavailable, fair values are determined by management using estimates based upon internal models. The Company's internal models include estimates based upon comparable company analysis, review of financial statements, broker quotes and last traded price. Fair values resulting from internal models are those expected to be received in an orderly transaction between willing market participants.

Refer to *Note 2dd. "Net realized capital (losses) gains including other-than-temporary impairments and unrealized capital gains (losses)"* for information on the Company's policy for determining OTTI.

g. Mortgage loans

Mortgage loans are valued at the unpaid principal balance of the loan, net of unamortized premium, discount, mortgage origination fees and valuation allowances. Interest income earned on impaired loans is accrued on the outstanding principal balance of the loan based on the loan's contractual coupon rate. Interest is not accrued for (a) impaired loans more than 60 days past due, (b) delinquent loans more than 90 days past due, or (c) loans that have interest that is not expected to be collected. The Company continually monitors mortgage loans where the accrual of interest has been discontinued, and will resume the accrual of interest on a mortgage loan when the facts and circumstances of the borrower and property indicate that the payments will continue to be received according to the terms of the original or modified mortgage loan agreement.

h. Policy loans

Policy loans are carried at the outstanding loan balance less amounts unsecured by the cash surrender value of the policy and amounts ceded to reinsurers.

i. Real estate

Investment real estate, which the Company has the intent to hold for the production of income, and real estate occupied by the Company are carried at depreciated cost, less encumbrances. Depreciation is calculated using the straight-line method over the estimated useful life of the real estate holding, not to exceed 40 years. Depreciation expense is included in net investment income.

Real estate held for sale is initially carried at the lower of depreciated cost or fair value less estimated selling costs and is no longer depreciated. Adjustments to carrying value, including for further declines in fair value, are recorded in a valuation reserve, which is included in net realized capital (losses) gains.

Fair value is generally estimated using the present value of expected future cash flows discounted at a rate commensurate with the underlying risks, net of encumbrances. The Company also obtains external appraisals for a rotating selection of properties annually. If an external appraisal is not obtained, an internal appraisal is performed.

j. Partnerships and limited liability companies

Partnerships and limited liability companies, except for partnerships that generate and realize low income housing tax credits (LIHTCs), are accounted for using the equity method with the change in the equity value of the underlying investment recorded in surplus. Distributions received are recognized as net investment income to the extent the distribution does not exceed previously recorded accumulated undistributed earnings.

Investments in partnerships that generate LIHTCs are carried at amortized cost unless considered impaired. Under the amortized cost method, the excess of the carrying value of the investment over its estimated residual value is amortized into net investment income during the period in which tax benefits are recognized.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The equity method is suspended if the carrying value of the investment is reduced to zero due to losses from the investment. Once the equity method is suspended, losses are not recorded until the investment returns to profitability and the equity method is resumed. However, if the Company has guaranteed obligations of the investment or is otherwise committed to provide further financial support for the investment, losses will continue to be reported up to the amount of those guaranteed obligations or commitments.

k. Derivatives

Interest rate swaps and credit default swaps associated with replicated assets are valued at amortized cost and all other derivative types are carried at fair value, which is based primarily upon quotations obtained from counterparties and independent sources. These quotations are compared to internally derived prices and a price challenge is lodged with the counterparties and independent sources when a significant difference cannot be explained by appropriate adjustments to the internal model. When quoted market values are not reliable or available, the value is based on an internal valuation process using market observable inputs that other market participants would use. Changes in the fair value of these instruments other than interest rate swaps and credit default swaps associated with replicated synthetic investments are recorded as unrealized capital gains (losses) in surplus. Gains and losses realized on settlement, termination, closing or assignment of contracts are recorded in net realized capital (losses) gains. Amounts receivable and payable are accrued as net investment income.

l. Cash, cash equivalents and short-term investments

Cash and cash equivalents, which are carried at amortized cost, consist of all highly liquid investments purchased with original maturities of three months or less.

Short-term investments, which are carried at amortized cost, consist of short-term bonds, money market mutual funds and all highly liquid investments purchased with maturities of greater than three months and less than or equal to 12 months.

The carrying value reported in the Statutory Statements of Financial Position for cash, cash equivalents and short-term investment instruments approximates the fair value.

m. Investment income due and accrued

Accrued investment income consists primarily of interest and dividends. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date.

n. Federal income taxes

Total federal income taxes are based upon the Company's best estimate of its current and DTAs or deferred tax assets or liabilities. Current tax expense (benefit) is reported in the Statutory Statements of Operations as federal income tax expense (benefit) if resulting from operations and within net realized capital (losses) gains if resulting from invested asset transactions. Changes in the balances of net deferred taxes, which provide for book-to-tax temporary differences, are subject to limitations and are reported within various lines within surplus. Accordingly, the reporting of book-to-tax temporary differences, such as reserves and policy acquisition costs, and of book-to-tax permanent differences, such as tax-exempt interest and tax credits, may result in effective tax rates in the Statutory Statements of Operations that differ from the federal statutory tax rate.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

o. Other than invested assets

Other than invested assets primarily includes the Company's investment in corporate-owned life insurance, deferred and uncollected life insurance premium, receivable from subsidiaries and affiliates, reinsurance recoverable, fixed assets and other receivables.

p. Separate accounts

Separate accounts and sub-accounts are segregated funds administered and invested by the Company, the performance of which primarily benefits the policyholders/contract holders with an interest in the separate accounts. Group and individual variable annuity, variable life and other insurance policyholders/contract holders select from among the separate accounts and sub-accounts made available by the Company. The separate accounts and sub-accounts are offered as investment options under certain insurance contracts or policies. The returns produced by separate account assets increase or decrease separate account reserves. Separate account assets consist principally of marketable securities reported at fair value. Except for the Company's seed money, supplemental accounts and certain guaranteed separate accounts issued in Minnesota, separate account assets can only be used to satisfy separate account liabilities and are not available to satisfy the general obligations of the Company. Separate account administrative and investment advisory fees are included in fees and other income.

Assets may be transferred from the general investments of the Company to seed the separate accounts. When assets are transferred, they are transferred at fair market value. Gains related to the transfer are deferred to the extent that the Company maintains a proportionate interest in the separate account. The deferred gain is recognized as the Company's ownership decreases or when the underlying assets are sold. Losses associated with these transfers are recognized immediately.

Separate accounts reflect two categories of risk assumption: nonguaranteed separate accounts for which the policyholder/contract holder assumes the investment risk and guaranteed separate accounts for which the Company contractually guarantees a minimum return, a minimum account value, or both to the policyholder/contract holder. For certain guaranteed separate account products such as interest rate guaranteed products and indexed separate account products, reserve adequacy is performed on a contract-by-contract basis using, as applicable, prescribed interest rates, mortality rates and asset risk deductions. If the outcome from this adequacy analysis produces a deficiency relative to the current account value, a liability is recorded in policyholders' reserves or liabilities for deposit-type contracts in the Statutory Statements of Financial Position with the corresponding change in the liability recorded as change in policyholders' reserves or policyholders' benefits in the Statutory Statements of Operations.

Premium income, benefits and expenses of the separate accounts are included in the Statutory Statements of Operations with the offset recorded in the change in policyholders' reserves. Investment income, realized capital gains (losses) and unrealized capital gains (losses) on the assets of separate accounts, other than seed money, accrue to policyholders/contract holders and are not recorded in the Statutory Statements of Operations.

q. Nonadmitted assets

Assets designated as nonadmitted by the NAIC primarily include pension plan assets, intangibles, certain electronic data processing equipment, advances and prepayments, certain investments in partnerships and LLCs for which qualifying audits are not performed, the amount of DTAs (subject to certain limitations) that will not be realized by the end of the third calendar year following the current year end, furniture and equipment, certain other receivables and uncollected premium greater than 90 days past due. Due and accrued income is nonadmitted on: (a) bonds delinquent more than 90 days or where collection of interest is improbable; (b) impaired bonds more than 60 days past due; (c) bonds in default; (d) mortgage loans in default where interest is 180 days past due; (e) rent in arrears for more than 90 days; and (f) policy loan interest due and accrued more than 90 days past due and included in the unpaid balance of the policy loan in excess of the cash surrender value of the underlying contract. Assets that are designated as nonadmitted are excluded from the Statutory Statements of Financial Position through a change in nonadmitted assets on the Statutory Statements of Changes in Surplus.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

r. Reinsurance

The Company enters into reinsurance agreements with affiliated and unaffiliated insurers in the normal course of business to limit its insurance risk or to assume business.

Premium income, policyholders' benefits (including unpaid claims) and policyholders' reserves are reported net of reinsurance. Premium, benefits and reserves related to reinsured business are accounted for on bases consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. The Company records a receivable for reinsured benefits paid, but not yet reimbursed by the reinsurer and reduces policyholders' reserves for the portion of insurance liabilities that are reinsured. Commissions and expense allowances on reinsurance ceded and modified coinsurance (Modco) reserve adjustments on reinsurance ceded are recorded as revenue. Commissions and expense allowances on Retirement Plan Group reinsurance assumed and Modco reserve adjustments on reinsurance assumed are recorded as an expense.

s. Policyholders' reserves

Policyholders' reserves are developed by actuarial methods that will provide for the present value of estimated future obligations in excess of estimated future premium on policies in force and are determined based on either statutory prescribed mortality/morbidity tables using specified interest rates and valuation methods, or principles-based reserving under Valuation Manual (VM)-20 which considers a wide range of future economic conditions, computed using justified company experience factors, such as mortality, policyholder behavior and expenses.

On January 1, 2020, the Company transitioned from Actuarial Guideline 43 to VM-21 for valuing guaranteed living benefits on certain annuity products for statutory reserves.

The Company waives deduction of deferred fractional premium at death and returns any portion of the final premium beyond the date of death. Reserves are computed using continuous functions to reflect these practices.

The Company charges a higher premium on certain contracts that cover substandard mortality risk. For these policies, the reserve calculations are based on a substandard mortality rate, which is a multiple of the standard mortality tables.

Certain variable universal life and universal life contracts include features such as guaranteed minimum death benefits (GMDB) or other guarantees that ensure continued death benefit coverage when the policy would otherwise lapse. The value of the guarantee is only available to the beneficiary in the form of a death benefit. The liability for variable and universal life GMDBs and other guarantees is included in policyholders' reserves and the related change in this liability is included in change in policyholders' reserves in the Statutory Statements of Operations.

Certain individual variable annuity and fixed annuity products have a variety of additional guarantees such as GMDBs and variable annuity guaranteed living benefits (VAGLB). The primary types of VAGLBs include guaranteed minimum accumulation benefits (GMAB), guaranteed minimum income benefits (GMIB) including GMIB Basic and GMIB Plus and guaranteed lifetime withdrawal benefits (GLWB). In general, these benefit guarantees require the contract owner or policyholder to adhere to a company-approved asset allocation strategy. The liabilities for individual variable annuity GMDBs and VAGLBs are included in policyholders' reserves in the Statements of Financial Position and the related changes in these liabilities are included in change in policyholders' reserves in the Statutory Statements of Operations.

Separate accounts include certain group annuity contracts used to fund retirement plans that offer a guarantee of a contract holder's principal, which can be withdrawn over a stated period of time. These contracts offer a stated rate of return backed by the Company. Contract payments are not contingent upon the life of the retirement plan participants.

Unpaid claims and claim expense reserves are related to disability and LTC claims. Unpaid disability claim liabilities are projected based on the average of the last three disability payments. LTC unpaid claim liabilities are projected using policy specific daily benefit amounts and aggregate utilization factors. Claim expense reserves are based on an analysis of the unit expenses related to the processing and examination of new and ongoing claims. Interest accrued on reserves is calculated by applying NAIC prescribed interest rates to the average reserves by year incurred.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Tabular interest, tabular reserves, reserves released, and tabular cost for all life and annuity contracts and supplementary contracts involving life contingencies are determined in accordance with NAIC Annual Statement instructions. For tabular interest, whole life and term products use a formula that applies a weighted average interest rate determined from a seriatim valuation file to the mean average reserves. Universal life, variable life, group life, annuity and supplemental contracts use a formula that applies a weighted average credited rate to the mean account value. For contracts without an account value (e.g., a Single Premium Immediate Annuity) a weighted average statutory valuation rate is applied to the mean statutory reserve or accepted actuarial methods using applicable interest rates are applied.

All policyholders' reserves and accruals are presented net of reinsurance. Management believes that these liabilities and accruals represent management's best estimate and will be sufficient, in conjunction with future revenues, to meet future anticipated obligations of policies and contracts in force.

t. Liabilities for deposit-type contracts

Liabilities for funding agreements, dividend accumulations, premium deposit funds, investment-type contracts such as supplementary contracts not involving life contingencies and certain structured settlement annuities are based on account value or accepted actuarial methods using applicable interest rates.

u. Participating contracts

Participating contracts are those that may be eligible to share in any dividends declared by the Company. Participating contracts issued by the Company represented 58% of the Company's policyholders' reserves and liabilities for deposit-type contracts as of December 31, 2021 and 61% as of December 31, 2020.

v. Policyholders' dividends

Dividends expected to be paid to policyholders in the following year are approved annually by MassMutual's Board of Directors and are recorded as an expense in the current year. The allocation of these dividends to policyholders reflects the relative contribution of each group of participating policies to surplus and considers, among other factors, investment returns, mortality and morbidity experience, expenses and taxes. The liability for policyholders' dividends includes the estimated amount of annual dividends and settlement dividends. A settlement dividend is an extra dividend payable at termination of a policy upon maturity, death or surrender.

w. Asset valuation reserve

The Company maintains an AVR that is a contingency reserve to stabilize surplus against fluctuations in the carrying value of common stocks, real estate, partnerships and limited liability companies as well as credit-related changes in the value of bonds, preferred stocks, mortgage loans, and certain derivatives. The AVR is reported as a liability within the Statutory Statements of Financial Position and the change in AVR, net of tax, is reported within the Statutory Statements of Changes in Surplus.

x. Repurchase agreements

Repurchase agreements are contracts under which the Company sells securities and simultaneously agrees to repurchase the same or substantially the same securities. These repurchase agreements are carried at cost and accounted for as collateralized borrowings with the proceeds from the sale of the securities recorded as a liability while the underlying securities continue to be recorded as an investment by the Company. Earnings on these investments are recorded as investment income and the difference between the proceeds and the amount at which the securities will be subsequently reacquired is amortized as interest expense. Repurchase agreements are used as a tool for overall portfolio management to help ensure the Company maintains adequate assets in order to provide yield, spread and duration to support liabilities and other corporate needs.

The Company provides collateral, as dictated by the repurchase agreements, to the counterparty in exchange for a loan. If the fair value of the securities sold becomes less than the loan, the counterparty may require additional collateral.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The carrying value reported in the Statutory Statements of Financial Position for repurchase agreements approximates the fair value.

y. Commercial paper

The Company issues commercial paper (CP) in the form of unsecured notes. Interest on CP is calculated using a 360-day year based on the actual number of days elapsed. Due to the short-term nature of CP, the carrying value approximates fair value.

z. Interest maintenance reserve

The Company maintains an IMR that is used to stabilize net income against fluctuations in interest rates. After-tax realized capital gains (losses), which result from changes in interest rates for all types of fixed-income investments and interest-related derivatives, are deferred into the IMR and amortized into net investment income using the grouped amortization method. In the grouped amortization method, assets are grouped based on years of maturity. IMR is reduced by the amount ceded to reinsurers when entering into in force coinsurance ceding agreements. The IMR is included in other liabilities, or if negative, is recorded as a nonadmitted asset.

aa. Employee compensation plans

The Company has a long-term incentive compensation plan, under which certain employees of the Company and its subsidiaries may be issued phantom share-based compensation awards. These awards include Phantom Stock Appreciation Rights (PSARs) and Phantom Restricted Stock (PRS). These awards do not grant an equity or ownership interest in the Company.

PSARs provide the participant with the opportunity to share in the value created in the total enterprise. The PSAR value is the appreciation in the phantom stock price between the grant price and the share price at the time of exercise. Awards can only be settled in cash. PSARs typically cliff vest at the end of three years and expire five years after the date of grant. Vested PSARs may be exercised during quarterly two-week exercise periods prior to expiration. The compensation expense for an individual award is recognized over the service period.

PRS provide the participant with the opportunity to share in the value created in the total enterprise. Participants receive the full phantom share value (grant price plus/minus any change in share price) over the award period. Awards can only be settled in cash. PRS typically vests on a graded basis over five years, one third per year after years three, four and five. On each vesting date, a lump sum cash settlement is paid to the participant based on the number of shares vested multiplied by the most recent phantom stock price. Compensation expense is recognized on the accelerated attribution method. The accelerated attribution method recognizes compensation expense over the vesting period by which each separate payout year is treated as if it were, in substance, a separate award.

All awards granted under the Company's plans are compensatory classified awards. Compensation costs are based on the most recent quarterly calculated intrinsic value of the PSARs (current share price less grant price per share not less than zero) and PRS (current share price per share), considering vesting provisions, net of forfeiture assumptions and are included in the Statutory Statements of Financial Position as a liability in general expenses due or accrued. The compensation expense for an individual award is recognized over the service period. The cumulative compensation expense for all outstanding awards in any period is equal to the change in calculated liability period over period. The requisite service period for the awards is the vesting period.

At the time of death or disability, awards contain vesting conditions, whereby employees' unvested awards immediately vest on an accelerated basis with a one-year exercise period for PSARs, full accelerated vesting and settlement for PRS awards granted 2016 and after. For PRS awards granted prior to 2016, awards vest on a pro-rata basis with immediate settlement.

At the time of retirement, for awards granted beginning in 2016, both PRS and PSAR vest according to the original grant terms. For awards granted prior to 2016, unvested awards immediately vest on an accelerated basis with a two-year exercise period for PSARs, and a pro-rata basis with immediate settlement for PRS.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The phantom share price is determined as the greater of the share price calculated using management basis core operating income or the share price calculated using management basis equity. This phantom share price is calculated and communicated to all participants quarterly and is used in calculating the liability of the Company based on intrinsic value.

bb. Other liabilities

Other liabilities primarily consist of the derivative interest expense liability, remittances and items not allocated, other miscellaneous liabilities, liabilities for employee benefits and accrued separate account transfers.

cc. Premium and related expense recognition

Life insurance premium revenue is generally recognized annually on the anniversary date of the policy. However, premium for flexible products, primarily universal life and variable universal life contracts, is recognized as revenue when received. Annuity premium is recognized as revenue when received. Disability income and LTC premium is recognized as revenue when due.

Premium revenue is adjusted by the related deferred premium adjustment. Deferred premium adjusts for the overstatement created in the calculation of reserves as the reserve computation assumes the entire year's net premium is collected annually at the beginning of the policy year and does not take into account installment or modal payments.

Commissions and other costs related to issuance of new policies and policy maintenance and settlement costs are charged to current operations when incurred. Surrender fee charges on certain life and annuity products are recorded as a reduction of benefits and expenses.

dd. Net realized capital (losses) gains including other-than-temporary impairments and unrealized capital gains (losses)

Net realized capital (losses) gains, net of taxes, exclude gains (losses) deferred into the IMR and gains (losses) of the separate accounts. Net realized capital (losses) gains, including OTTI, are recognized in net income and are determined using the specific identification method.

Bonds - general

The Company employs a systematic methodology to evaluate OTTI by conducting a quarterly analysis of bonds. OTTI is evaluated in a manner consistent with market participant assumptions. The Company considers the following factors, where applicable depending on the type of securities, in the evaluation of whether a decline in value is other than temporary: (a) the likelihood that the Company will be able to collect all amounts due according to the contractual terms of the debt security; (b) the present value of the expected future cash flows of the security; (c) the characteristics, quality and value of the underlying collateral or issuer securing the position; (d) collateral structure; (e) the length of time and extent to which the fair value has been below amortized cost; (f) the financial condition and near-term prospects of the issuer; (g) adverse conditions related to the security or industry; (h) the rating of the security; (i) the Company's ability and intent to hold the investment for a period of time sufficient to allow for an anticipated recovery to amortized cost; and (j) other qualitative and quantitative factors in determining the existence of OTTI including, but not limited to, unrealized loss trend analysis and significant short-term changes in value.

In addition, if the Company has the intent to sell, or the inability, or lack of intent to retain the investment for a period sufficient to recover the amortized cost basis, an OTTI is recognized as a realized loss equal to the entire difference between the investment's amortized cost basis and its fair value at the balance sheet date.

When a bond is other-than-temporarily impaired, a new cost basis is established.

Bonds - corporate

For corporate securities, if it is determined that a decline in the fair value of a bond is other than temporary, OTTI is recognized as a realized loss equal to the difference between the investment's amortized cost basis and, generally, its fair value at the balance sheet date.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The Company analyzes investments whose fair value is below the cost for impairment. Generally, if the investment experiences significant credit or interest rate related deterioration, the cost of the investment is not recoverable, or the Company intends to sell the investment before anticipated recovery, an OTTI is recognized as realized investment loss.

Bonds - loan-backed and structured securities

For loan-backed and structured securities, if the present value of cash flows expected to be collected is less than the amortized cost basis of the security, an OTTI is recognized as a realized loss equal to the difference between the investment's amortized cost basis and the present value of cash flows expected to be collected. The expected cash flows are discounted at the security's effective interest rate. Internal inputs used in determining the amount of the OTTI on structured securities include collateral performance, prepayment speeds, default rates, and loss severity based on borrower and loan characteristics, as well as deal structure including subordination, over-collateralization and cash flow priority.

ABS and MBS are evaluated for OTTI using scenarios and assumptions based on the specifics of each security including collateral type, loan type, vintage and subordination level in the structure. Cash flow estimates are based on these assumptions and inputs obtained from external industry sources along with internal analysis and actual experience. Where applicable, assumptions include prepayment speeds, default rates and loss severity, weighted average maturity and changes in the underlying collateral values.

The Company has a review process for determining if CDOs are at risk for OTTI. For the senior, mezzanine and junior debt tranches, cash flows are modeled using multiple scenarios based on the current ratings and values of the underlying corporate credit risks and incorporating prepayment and default assumptions that vary according to collateral attributes of each CDO. The prepayment and default assumptions are varied within each model based upon rating (base case), historical expectations (default), rating change improvement (optimistic), rating change downgrade (pessimistic) and fair value (market). The default rates produced by these multiple scenarios are assigned an expectation weight according to current market and economic conditions and fed into a final scenario. OTTI is recorded if this final scenario results in the loss of any principal or interest payments due.

For the most subordinated junior CDO tranches, the present value of the projected cash flows in the final scenario is measured using an effective yield. If the current book value of the security is greater than the present value measured using an effective yield, an OTTI is taken in an amount sufficient to produce its effective yield. Certain CDOs cannot be modeled using all of the scenarios because of limitations on the data needed for all scenarios. The cash flows for these CDOs, including foreign currency denominated CDOs, are projected using a customized scenario management believes is reasonable for the applicable collateral pool.

For loan-backed and structured securities, any difference between the new amortized cost basis and any increased present value of future cash flows expected to be collected is accreted into net investment income over the expected remaining life of the bond.

Common and preferred stock

The cost basis of common and preferred stocks is adjusted for impairments deemed to be other than temporary. The Company considers the following factors in the evaluation of whether a decline in value is other than temporary: (a) the financial condition and near-term prospects of the issuer; (b) the Company's ability and intent to retain the investment for a period sufficient to allow for a near-term recovery in value; and (c) the period and degree to which the value has been below cost. The Company conducts a quarterly analysis of issuers whose common or preferred stock is not-in-good standing or valued below 80% of cost. The Company also considers other qualitative and quantitative factors in determining the existence of OTTI including, but not limited to, unrealized loss trend analysis and significant short-term changes in value.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Mortgage loans

The Company performs internal reviews at least annually to determine if individual mortgage loans are performing or nonperforming. The fair values of performing mortgage loans are estimated by discounting expected future cash flows using current interest rates for similar loans with similar credit risk. For nonperforming loans, the fair value is the estimated collateral value of the underlying real estate. If foreclosure is probable, the Company will obtain an external appraisal.

Mortgage loans are considered to be impaired when, based upon current available information and events, it is probable that the Company will be unable to collect all amounts of principal and interest due according to the contractual terms of the mortgage loan agreement. A valuation allowance is recorded on a loan-by-loan basis in net unrealized capital losses for the excess of the carrying value of the mortgage loan over the fair value of its underlying collateral. Such information or events could include property performance, capital budgets, future lease roll, a property inspection as well as payment trends. Collectability and estimated decreases in collateral values are also assessed on a loan-by-loan basis considering all events and conditions relevant to the loan. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revisions as more information becomes available, as changes occur in the market or as negotiations with the borrowing entity evolve. If there is a change in the fair value of the underlying collateral or the estimated loss on the loan, the valuation allowance is adjusted accordingly. An OTTI occurs upon the realization of a credit loss, typically through foreclosure or after a decision is made to accept a discounted payoff, and is recognized in realized capital losses. The previously recorded valuation allowance is reversed from unrealized capital losses. When an OTTI is recorded, a new cost basis is established reflecting estimated value of the collateral.

Real estate

For real estate held for the production of income, depreciated cost is adjusted for impairments whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable, with the impairment being included in realized capital losses. An impairment is recorded when the property's estimated future net operating cash flows over ten years, undiscounted and without interest charges, is less than book value.

Adjustments to the carrying value of real estate held for sale are recorded in a valuation reserve as realized capital losses when the fair value less estimated selling costs is less than the carrying value.

Partnerships and limited liability companies

When it is probable that the Company will be unable to recover the outstanding carrying value of an investment based on undiscounted cash flows, or there is evidence indicating an inability of the investee to sustain earnings to justify the carrying value of the investment, OTTI is recognized in realized capital losses reflecting the excess of the carrying value over the estimated fair value of the investment. The estimated fair values of limited partnership interests are generally based on the Company's share of the net asset value (NAV) as provided in the financial statements of the investees. In certain circumstances, management may adjust the NAV by a premium or discount when it has sufficient evidence to support applying such adjustments.

For determining impairments in partnerships that generate LIHTCs, the Company uses the present value of all future benefits, the majority of which are tax credits, discounted at a risk-free rate for future benefits of ten or more years and compares the results to its current book value. Impairments are recognized in realized capital losses reflecting the excess of the carrying value over the estimated fair value of the investment.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Unrealized capital gains (losses)

Unrealized capital gains (losses) include changes in the fair value of derivatives, excluding interest rate swaps and credit default index swaps associated with replicated assets; currency translation adjustments on foreign-denominated bonds; changes in the fair value of unaffiliated common stocks; changes in the fair value of bonds and preferred stocks that are carried at fair value; and changes in the inflation adjustments on U.S Treasury inflation-indexed securities. Changes in the Company's equity investments in partnerships and LLCs, including the earnings as reported on the financial statements, earnings recorded as accumulated undistributed earnings, foreign exchange asset valuation and mark-to-market on operating assets, and certain subsidiaries and affiliates are also reported as changes in unrealized capital gains (losses). Unrealized capital gains (losses) are recorded as a change in net unrealized capital gains (losses), net of tax, within the Statutory Statements of Changes in Surplus.

3. *New accounting standards*

Adoption of new accounting standards

In July 2020, the NAIC adopted modifications to Statements of Statutory Accounting Principles (SSAP) No. 26R, *Bonds*, effective January 1, 2021. The modifications apply similar reporting for gains or losses due to a tender offer as previously adopted for calls. The difference between consideration and par is recognized as net investment income, while any difference between book value and par is recognized as realized gain or loss. The modifications did not have a material effect on the Company's financial statements.

In July 2020, the NAIC adopted modifications to SSAP No. 32, *Preferred Stock*, effective January 1, 2021. The modifications define carrying value of redeemable preferred stock as amortized cost for NAIC 1-3 designations, the lower of amortized cost or fair value for NAIC 4-6 designations, and new fair value measurement for perpetual and mandatorily convertible preferred stock. They clarify when failure to meet certain dividends or redemption payments could trigger an impairment assessment that preferred shares issued by joint ventures are included in the scope of this guidance, and clarifies scope related to sinking fund schedules, mandatory conversions, and various other features. They also clarify fair value would be capped by any currently effective call price. The revisions impacted the Company's current unaffiliated and affiliated perpetual preferred stock investments. The modifications did not have a material effect on the Company's financial statements.

In March 2021, the NAIC adopted modifications to SSAP No. 26R, *Bonds*, effective January 1, 2021. The modifications expand the called bond disclosures to also include bonds terminated early through a tender offer. The modifications did not have a material effect on the Company's financial statements.

In March 2021, the NAIC adopted modifications to SSAP No. 26R, *Bonds*, effective January 1, 2021. The modifications clarify that perpetual bonds are within scope. Perpetual bonds shall be reported at fair value regardless of NAIC designation, not to exceed any current effective call price. For perpetual bonds with an effective call option, any applicable premium shall be amortized to the next effective call date. For perpetual bonds purchased at a discount, any applicable discount shall be accreted utilizing the yield-to-worst concept. The modifications did not have a material effect on the Company's financial statements.

In May 2021, the NAIC adopted modifications to SSAP No. 2R, *Cash, Cash Equivalents, Drafts and Short-Term Investments*, effective May 20, 2021. The modifications clarify that cryptocurrencies do not meet the definition of cash, cash equivalents and short-term investments and therefore should be non-admitted assets if held directly by an insurer. The modifications did not have a material effect on the Company's financial statements.

Future adoption of new accounting standards

In November 2021, the NAIC adopted modifications to SSAP No. 43R, *Loan-Backed and Structured Securities*, effective December 31, 2022. The modifications require investments in residual tranches to be reported on Schedule BA as Other Invested Assets. Residual tranches will be carried at the lower of amortized cost or fair value, with changes in value recorded as unrealized gains or losses. The modifications are not expected to have a material effect on the Company's financial statements.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

4. Fair value of financial instruments

The following presents a summary of the carrying values and fair values of the Company's financial instruments:

	December 31, 2021				
	Carrying	Fair			
	Value	Value	Level 1	Level 2	Level 3
(In Millions)					
Financial assets:					
Bonds:					
U. S. government and agencies	\$ 4,125	\$ 4,769	\$ -	\$ 4,769	\$ -
All other governments	1,844	1,969	-	1,908	61
States, territories and possessions	297	350	-	350	-
Political subdivisions	442	504	-	504	-
Special revenue	4,741	5,582	-	5,573	9
Industrial and miscellaneous	106,290	112,386	36	55,849	56,501
Parent, subsidiaries and affiliates	6,548	6,586	-	43	6,543
Preferred stocks	555	669	42	-	627
Common stocks - subsidiaries and affiliates	390	390	137	-	253
Common stocks - unaffiliated	1,277	1,277	524	-	753
Mortgage loans - commercial	21,536	22,259	-	-	22,259
Mortgage loans - residential	4,809	4,849	-	-	4,849
Derivatives:					
Interest rate swaps	15,004	16,234	-	16,234	-
Options	321	321	15	306	-
Currency swaps	948	948	-	948	-
Forward contracts	68	68	-	68	-
Credit default swaps	-	1	-	1	-
Financial futures	38	38	38	-	-
Cash, cash equivalents and short-term investments	5,943	5,943	1,453	4,490	-
Separate account assets	76,160	76,160	52,405	21,861	1,894
Financial liabilities:					
GICs	13,832	13,828	-	-	13,828
Group annuity contracts and other deposits	1,755	1,812	-	-	1,812
Individual annuity contracts	12,109	14,581	-	-	14,581
Supplementary contracts	1,167	1,168	-	-	1,168
Repurchase agreements	2,802	2,802	-	2,802	-
Commercial paper	250	250	-	250	-
Derivatives:					
Interest rate swaps	10,598	11,431	-	11,431	-
Options	4	4	4	-	-
Currency swaps	200	200	-	200	-
Forward contracts	69	69	-	69	-
Credit default swaps	1	2	-	2	-
Financial futures	5	5	5	-	-

Common stocks - subsidiaries and affiliates do not include unconsolidated subsidiaries, which had statutory carrying values of \$24,250 million.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

	December 31, 2020				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
	(In Millions)				
Financial assets:					
Bonds:					
U. S. government and agencies	\$ 4,438	\$ 5,351	\$ -	\$ 5,351	\$ -
All other governments	1,848	2,121	-	2,034	87
States, territories and possessions	424	498	-	498	-
Political subdivisions	431	507	-	507	-
Special revenue	6,241	7,257	-	7,247	10
Industrial and miscellaneous	94,990	103,560	110	57,947	45,503
Parent, subsidiaries and affiliates	6,312	6,409	-	-	6,409
Preferred stocks	470	516	1	-	515
Common stocks - subsidiaries and affiliates	361	361	172	-	189
Common stocks - unaffiliated	1,192	1,192	780	-	412
Mortgage loans - commercial	22,216	23,150	-	-	23,150
Mortgage loans - residential	3,862	3,885	-	-	3,885
Derivatives:					
Interest rate swaps	20,081	22,591	-	22,591	-
Options	411	411	64	347	-
Currency swaps	517	517	-	517	-
Forward contracts	62	62	-	62	-
Credit default swaps	-	2	-	2	-
Financial futures	5	5	5	-	-
Cash, cash equivalents and short-term investments	5,738	5,738	272	5,466	-
Separate account assets	75,966	75,966	51,281	22,851	1,834
Financial liabilities:					
GICs	11,464	11,807	-	-	11,807
Group annuity contracts and other deposits	1,736	1,892	-	-	1,892
Individual annuity contracts	9,764	12,473	-	-	12,473
Supplementary contracts	1,129	1,130	-	-	1,130
Repurchase agreements	4,006	4,006	-	4,006	-
Commercial paper	250	250	-	250	-
Derivatives:					
Interest rate swaps	16,134	16,843	-	16,843	-
Options	8	8	8	-	-
Currency swaps	864	864	-	864	-
Forward contracts	279	279	-	279	-
Credit default swaps	1	1	-	1	-
Financial futures	63	63	63	-	-

Common stocks - subsidiaries and affiliates do not include unconsolidated subsidiaries, which had statutory carrying values of \$19,534 million.

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance for fair value establishes a measurement framework that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques into three levels. Each level reflects a unique description of the inputs that are significant to the fair value measurements. The levels of the fair value hierarchy are as follows:

Level 1 – Observable inputs in the form of quoted prices for identical instruments in active markets.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be derived from observable market data for substantially the full term of the assets or liabilities.

Level 3 – One or more unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using internal models, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

When available, the Company generally uses unadjusted quoted market prices from independent sources to determine the fair value of investments, and classifies such items within Level 1 of the fair value hierarchy. If quoted prices are not available, prices are derived from observable market data for similar assets in an active market or obtained directly from brokers for identical assets traded in inactive markets. Investments that are priced using these inputs are classified within Level 2 of the fair value hierarchy. When some of the necessary observable inputs are unavailable, fair value is based upon internally developed models. These models use inputs not directly observable or correlated with observable market data. Typical inputs, which are integrated in the Company's internal discounted cash flow models and discounted earnings models include, but are not limited to, issuer spreads derived from internal credit ratings and benchmark yields such as LIBOR, cash flow estimates and earnings before interest, taxes, depreciation and amortization estimates. Investments that are priced with such unobservable inputs are classified within Level 3 of the fair value hierarchy.

The Company reviews the fair value hierarchy classifications at each reporting period. Overall, reclassifications between levels occur when there are changes in the observability of inputs and market activity used in the valuation of a financial asset or liability. Such reclassifications are reported as transfers between levels at the beginning fair value for the reporting period in which the changes occur. Given the types of assets classified as Level 1 (primarily equity securities including mutual fund investments), transfers between Level 1 and Level 2 measurement categories are expected to be infrequent. Transfers into and out of Level 3 are summarized in the schedule of changes in Level 3 assets and liabilities.

The fair value of group annuity contracts and other deposits is determined by multiplying the book value of the contract by an average market value adjustment factor. The market value adjustment factor is directly related to the difference between the book value of client liabilities and the present value of installment payments discounted at current market value yields. The market value yield is measured by the Barclay's Aggregate Bond Index, subject to certain adjustments, and the installment period is equivalent to the duration of the Company's invested asset portfolio.

The fair value of individual annuity and supplementary contracts is determined using one of several methods based on the specific contract type. For short-term contracts, generally less than 30 days, the fair value is assumed to be the book value. For contracts with longer durations, GICs and investment-type contracts, the fair value is determined by calculating the present value of future cash flows discounted at current market interest rates, the risk-free rate or a current pricing yield curve based on pricing assumptions using assets of a comparable corporate bond quality. Annuities receiving dividends are accumulated at the average minimum guaranteed rate and discounted at the risk-free rate. All others are valued using cash flow projections from the Company's asset/liability management analysis.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following presents the Company's fair value hierarchy for assets and liabilities that are carried at fair value:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
	(In Millions)			
Financial assets:				
Bonds:				
Special revenue	\$ -	\$ 2	\$ -	\$ 2
Industrial and miscellaneous	45	248	187	480
Preferred stocks	43	-	18	61
Common stocks - subsidiaries and affiliates	137	-	253	390
Common stocks - unaffiliated	524	-	753	1,277
Derivatives:				
Interest rate swaps	-	15,004	-	15,004
Options	15	306	-	321
Currency swaps	-	948	-	948
Forward contracts	-	68	-	68
Credit default swaps	-	1	-	1
Financial futures	38	-	-	38
Separate account assets	52,405	21,861	1,894	76,160
Total financial assets carried at fair value	\$ 53,207	\$ 38,438	\$ 3,105	\$ 94,750
Financial liabilities:				
Derivatives:				
Interest rate swaps	\$ -	\$ 10,598	\$ -	\$ 10,598
Options	4	-	-	4
Currency swaps	-	200	-	200
Forward contracts	-	69	-	69
Credit default swaps	-	1	-	1
Financial futures	5	-	-	5
Total financial liabilities carried at fair value	\$ 9	\$ 10,868	\$ -	\$ 10,877

For the year ended December 31, 2021 and the year ended December 31, 2020, the Company did not have any financial instruments that were carried at net asset value as a practical expedient.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following presents the Company's fair value hierarchy for assets and liabilities that are carried at fair value:

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
	(In Millions)			
Financial assets:				
Bonds:				
Special revenue	\$ -	\$ 2	\$ -	\$ 2
Industrial and miscellaneous	110	221	112	443
Preferred stocks	-	-	18	18
Common stocks - subsidiaries and affiliates	172	-	189	361
Common stocks - unaffiliated	780	-	412	1,192
Derivatives:				
Interest rate swaps	-	20,081	-	20,081
Options	64	347	-	411
Currency swaps	-	517	-	517
Forward contracts	-	62	-	62
Credit default swaps	-	2	-	2
Financial futures	5	-	-	5
Separate account assets	51,281	22,851	1,834	75,966
Total financial assets carried at fair value	\$ 52,412	\$ 44,083	\$ 2,565	\$ 99,060
Financial liabilities:				
Derivatives:				
Interest rate swaps	\$ -	\$ 16,134	\$ -	\$ 16,134
Options	8	-	-	8
Currency swaps	-	864	-	864
Forward contracts	-	279	-	279
Credit default swaps	-	1	-	1
Financial futures	63	-	-	63
Total financial liabilities carried at fair value	\$ 71	\$ 17,278	\$ -	\$ 17,349

The Company reviews the fair value hierarchy classifications each reporting period. Changes in the observability of the valuation attributes and the level of market activity may result in a reclassification of certain financial assets or liabilities between fair value hierarchy classifications. Such reclassifications are reported as transfers between levels in the beginning fair value for the reporting period in which the changes occur.

Valuation Techniques and Inputs

The Company determines the fair value of its investments using primarily the market approach or the income approach. The use of quoted prices for identical assets and matrix pricing or other similar techniques are examples of market approaches, while the use of discounted cash flow methodologies is an example of the income approach. The Company attempts to maximize the use of observable inputs and minimize the use of unobservable inputs in selecting whether the market or the income approach is used.

A description of the significant valuation techniques and inputs to the determination of estimated fair value for the more significant asset and liability classes measured at fair value on a recurring basis and categorized within Level 2 and Level 3 of the fair value hierarchy is as follows:

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Separate account assets – These assets primarily include bonds (industrial and miscellaneous; U.S. government and agencies), and derivatives. Their fair values are determined as follows:

Bonds (Industrial and miscellaneous) – These securities are principally valued using the market or the income approaches. Level 2 valuations are based primarily on quoted prices in markets that are not active, broker quotes, matrix pricing or other similar techniques that use standard market observable inputs such as benchmark yields, spreads versus benchmark yields, new issuances, issuer ratings, duration, and trades of identical or comparable securities. Privately placed securities are valued using discounted cash flow models using standard market observable inputs, and inputs derived from, or corroborated by, market observable data including market yield curve, duration, call provisions, observable prices and spreads for similar publicly traded or privately traded issuances that incorporate the credit quality and industry sector of the issuer. This level also includes securities priced by independent pricing services that use observable inputs. Valuations based on matrix pricing or other similar techniques that utilize significant unobservable inputs or inputs that cannot be derived principally from, or corroborated by, observable market data, including adjustments for illiquidity, delta spread adjustments or spreads to reflect industry trends or specific credit-related issues are classified as Level 3. In addition, inputs including quoted prices for identical or similar securities that are less liquid and based on lower levels of trading activity than securities classified in Level 2 are classified as Level 3.

Bonds (U.S. government and agencies) – These securities are principally valued using the market approach. Level 2 valuations are based primarily on quoted prices in markets that are not active, or using matrix pricing or other similar techniques using standard market observable inputs such as the benchmark U.S. Treasury yield curve, the spreads versus the U.S. Treasury yield curve for the identical security and comparable securities that are actively traded.

Derivative assets and liabilities – These financial instruments are primarily valued using the market approach. The estimated fair value of derivatives is based primarily on quotations obtained from counterparties and independent sources, such as quoted market values received from brokers. These quotations are compared to internally derived prices and a price challenge is lodged with the counterparties and an independent source when a significant difference cannot be explained by appropriate adjustments to the internal model. When quoted market values are not reliable or available, the value is based upon an internal valuation process using market observable inputs that other market participants would use. Significant inputs to the valuation of derivative financial instruments include overnight index swaps and LIBOR basis curves, interest rate volatility, swap yield curve, currency spot rates, cross currency basis curves and dividend yields. Due to the observability of the significant inputs to these fair value measurements, they are classified as Level 2.

The use of different assumptions or valuation methodologies may have a material impact on the estimated fair value amounts. For the periods presented, there were no significant changes to the Company's valuation techniques.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following presents changes in the Company's Level 3 assets carried at fair value:

	Balance as of 1/1/21	Gains (Losses) in Net Income	Losses (Gains) in Surplus	Purchases	Issuances	Sales	Settlements	Transfers			Balance as of 12/31/21
								In	Out	Other	
(In Millions)											
Financial assets:											
Bonds:											
Industrial and miscellaneous	\$ 112	\$ (21)	\$ 4	\$ -	\$ 99	\$ -	\$ (1)	\$ -	\$ (1)	\$ (5)	\$ 187
Preferred stocks	18	-	(1)	-	-	-	-	-	-	1	18
Common stocks - subsidiaries and affiliates	189	1	(376)	23	422	-	(6)	-	-	-	253
Common stocks - unaffiliated	412	8	115	244	3	(26)	(3)	-	-	-	753
Separate account assets	1,834	15	-	363	-	(294)	-	2	(26)	-	1,894
Total financial assets	\$ 2,565	\$ 3	\$ (258)	\$ 630	\$ 524	\$ (320)	\$ (10)	\$ 2	\$ (27)	\$ (4)	\$ 3,105

	Balance as of 1/1/20	Gains (Losses) in Net Income	Losses (Gains) in Surplus	Purchases	Issuances	Sales	Settlements	Transfers			Balance as of 12/31/20
								In	Out	Other	
(In Millions)											
Financial assets:											
Bonds:											
Industrial and miscellaneous	\$ 111	\$ (2)	\$ (16)	\$ 4	\$ 11	\$ -	\$ (2)	\$ 2	\$ (28)	\$ 32	\$ 112
Preferred stocks	13	-	(13)	7	2	-	-	-	-	9	18
Common stocks - subsidiaries and affiliates	120	-	18	41	15	-	(4)	-	-	(1)	189
Common stocks - unaffiliated	268	18	19	118	30	(6)	(36)	1	-	-	412
Separate account assets	966	50	1	836	-	(19)	-	-	-	-	1,834
Total financial assets	\$ 1,478	\$ 66	\$ 9	\$ 1,006	\$ 58	\$ (25)	\$ (42)	\$ 3	\$ (28)	\$ 40	\$ 2,565

Other transfers include assets that are either no longer carried at fair value, or have just begun to be carried at fair value, such as assets with no level changes but a change in the lower of cost or market carrying basis. Industrial and miscellaneous bonds in other contain assets that are now carried at fair value due to ratings changes and assets are no longer carried at fair value where the fair value is now higher than the book value.

Level 3 transfers in are assets that are consistently carried at fair value but have had a level change. Common stocks unaffiliated assets were transferred from Level 2 to Level 3 due to a change in the observability of pricing inputs, at the beginning fair value for the reporting period.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

5. Investments

The Company maintains a diversified investment portfolio. Investment policies limit concentration in any asset class, geographic region, industry group, economic characteristic, investment quality or individual investment.

a. Bonds

The carrying value and fair value of bonds were as follows:

	December 31, 2021			
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
(In Millions)				
U.S. government and agencies	\$ 4,125	\$ 656	\$ 12	\$ 4,769
All other governments	1,844	144	19	1,969
States, territories and possessions	297	53	-	350
Political subdivisions	442	62	-	504
Special revenue	4,741	845	4	5,582
Industrial and miscellaneous	106,290	6,742	642	112,390
Parent, subsidiaries and affiliates	6,548	57	19	6,586
Total	\$ 124,287	\$ 8,559	\$ 696	\$ 132,150

The December 31, 2021 gross unrealized losses exclude \$74 million of losses included in the carrying value. These losses include \$73 million from NAIC Class 6 bonds and \$1 million from residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS) whose ratings were obtained from outside modelers. These losses were primarily included in industrial and miscellaneous or parent, subsidiaries and affiliates.

	December 31, 2020			
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
(In Millions)				
U.S. government and agencies	\$ 4,438	\$ 914	\$ 1	\$ 5,351
All other governments	1,848	274	1	2,121
States, territories and possessions	424	74	-	498
Political subdivisions	431	76	-	507
Special revenue	6,241	1,020	4	7,257
Industrial and miscellaneous	94,990	9,122	552	103,560
Parent, subsidiaries and affiliates	6,312	97	-	6,409
Total	\$ 114,684	\$ 11,577	\$ 558	\$ 125,703

The December 31, 2020 gross unrealized losses exclude \$72 million of losses included in the carrying value. These losses include \$70 million from NAIC Class 6 bonds and \$2 million from RMBS and CMBS whose ratings were obtained from outside modelers. These losses were primarily included in industrial and miscellaneous or parent, subsidiaries and affiliates.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The quality of the bond portfolio is determined by the use of SVO ratings and the equivalent rating agency designations, except for RMBS and CMBS that use outside modelers. The following sets forth the NAIC class ratings for the bond portfolio including RMBS and CMBS:

NAIC Class	Equivalent Rating Agency Designation	December 31,			
		2021		2020	
		Carrying Value	% of Total	Carrying Value	% of Total
(\$ In Millions)					
1	Aaa/ Aa/ A	\$ 62,714	50 %	\$ 58,267	51 %
2	Baa	49,437	40	45,426	40
3	Ba	5,401	4	4,830	4
4	B	3,409	3	3,082	3
5	Caa and lower	2,513	2	2,558	2
6	In or near default	813	1	521	-
	Total	<u>\$ 124,287</u>	<u>100 %</u>	<u>\$ 114,684</u>	<u>100 %</u>

The following summarizes NAIC ratings for RMBS and CMBS investments subject to NAIC modeling:

NAIC Class	December 31,							
	2021				2020			
	RMBS		CMBS		RMBS		CMBS	
Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	
(\$ In Millions)								
1	\$ 584	88 %	\$ 1,672	76 %	\$ 1,520	90 %	\$ 1,993	75 %
2	12	2	115	5	167	10	173	6
3	25	4	213	10	-	-	275	10
4	13	2	97	4	-	-	95	4
5	29	4	75	3	-	-	54	2
6	2	-	42	2	-	-	87	3
	<u>\$ 665</u>	<u>100 %</u>	<u>\$ 2,214</u>	<u>100 %</u>	<u>\$ 1,687</u>	<u>100 %</u>	<u>\$ 2,677</u>	<u>100 %</u>

The following is a summary of the carrying value and fair value of bonds as of December 31, 2021 by contractual maturity. Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without prepayment penalties. Securities with more than one maturity date are included in the table using the final maturity date.

	Carrying Value	Fair Value
(In Millions)		
Due in one year or less	\$ 5,874	\$ 5,900
Due after one year through five years	22,160	22,806
Due after five years through ten years	37,050	38,622
Due after ten years	59,203	64,822
Total	<u>\$ 124,287</u>	<u>\$ 132,150</u>

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Sales proceeds and related gross realized capital gains (losses) from bonds were as follows:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Proceeds from sales	\$ 21,687	\$ 15,457	\$ 13,979
Gross realized capital gains from sales	406	1,416	256
Gross realized capital losses from sales	(135)	(251)	(96)

The following is a summary of the fair values and gross unrealized losses aggregated by bond category and length of time that the securities were in a continuous unrealized loss position:

	December 31, 2021					
	Less Than 12 Months			12 Months or Longer		
	Fair Value	Unrealized Losses	Number	Fair Value	Unrealized Losses	Number
			of Issuers			of Issuers
(\$ In Millions)						
U.S. government and agencies	\$ 740	\$ 5	5	\$ 74	\$ 7	6
All other governments	240	7	21	166	13	10
States, territories and possessions	-	-	2	6	-	1
Political subdivisions	1	-	2	-	-	-
Special revenue	205	3	22	32	1	23
Industrial and miscellaneous	16,855	315	1,408	6,122	400	647
Parent, subsidiaries and affiliates	580	10	3	316	9	1
Total	<u>\$ 18,621</u>	<u>\$ 340</u>	<u>1,463</u>	<u>\$ 6,716</u>	<u>\$ 430</u>	<u>688</u>

The December 31, 2021 gross unrealized losses include \$74 million of losses included in the carrying value. These losses include \$73 million from NAIC Class 6 bonds and \$1 million from RMBS and CMBS whose ratings were obtained from outside modelers. These losses were primarily included in industrial and miscellaneous or parent, subsidiaries and affiliates.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

	December 31, 2020					
	Less Than 12 Months			12 Months or Longer		
	Fair Value	Unrealized Losses	Number of Issuers	Fair Value	Unrealized Losses	Number of Issuers
(\$ In Millions)						
U.S. government and agencies	\$ 65	\$ 1	7	\$ -	\$ -	2
All other governments	72	1	6	10	-	1
States, territories and possessions	2	-	1	-	-	-
Special revenue	342	3	35	14	1	9
Industrial and miscellaneous	9,956	447	872	4,540	177	412
Parent, subsidiaries and affiliates	134	-	1	85	-	1
Total	\$ 10,571	\$ 452	922	\$ 4,649	\$ 178	425

The December 31, 2020 gross unrealized losses include \$72 million of losses included in the carrying value. These losses include \$70 million from NAIC Class 6 bonds and \$2 million from RMBS and CMBS whose ratings were obtained from outside modelers. These losses were primarily included in industrial and miscellaneous or parent, subsidiaries and affiliates.

As of December 31, 2021 and 2020, management has not deemed these unrealized losses to be other than temporary because the investment's carrying value is expected to be realized and the Company has the ability and intent not to sell these investments until recovery, which may be at maturity.

As of December 31, 2021, investments in structured and loan-backed securities that had unrealized losses, which were not recognized in earnings, had a fair value of \$8,162 million. Securities in an unrealized loss position for less than 12 months had a fair value of \$6,285 million and unrealized losses of \$66 million. Securities in an unrealized loss position for greater than 12 months had a fair value of \$1,877 million and unrealized losses of \$134 million. These securities were primarily categorized as industrial and miscellaneous or parent, subsidiaries and affiliates.

As of December 31, 2020, investments in structured and loan-backed securities that had unrealized losses, which were not recognized in earnings, had a fair value of \$6,979 million. Securities in an unrealized loss position for less than 12 months had a fair value of \$3,970 million and unrealized losses of \$206 million. Securities in an unrealized loss position for greater than 12 months had a fair value of \$3,009 million and unrealized losses of \$86 million. These securities were primarily categorized as industrial and miscellaneous or parent, subsidiaries and affiliates.

In the course of the Company's investment management activities, securities may be sold and reacquired within 30 days to enhance the Company's yield on its investment portfolio. The Company did not sell any securities with the NAIC Designation 3 or below for the years ended December 31, 2021 or 2020, that were reacquired within 30 days of the sale date.

The Company had assets on deposit with government authorities or trustees, as required by law, in the amount of \$10 million as of December 31, 2021 and December 31, 2020.

Residential mortgage-backed exposure

RMBS are included in the U.S. government and agencies, special revenue, and industrial and miscellaneous bond categories. The Alt-A category includes option adjustable-rate mortgages and the subprime category includes 'scratch and dent' or reperforming pools, high loan-to-value pools, and pools where the borrowers have very impaired credit but the average loan-to-value is low, typically 70% or below. In identifying Alt-A and subprime exposure, management used a combination of qualitative and quantitative factors, including FICO scores and loan-to-value ratios.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

As of December 31, 2021, RMBS had a total carrying value of \$2,068 million and a fair value of \$2,154 million, of which approximately 16%, based on carrying value, was classified as Alt-A. Alt-A and subprime RMBS had a total carrying value of \$975 million and a fair value of \$1,025 million. As of December 31, 2020, RMBS had a total carrying value of \$2,561 million and a fair value of \$2,670 million, of which approximately 11%, based on carrying value, was classified as Alt-A. Alt-A and subprime RMBS had a total carrying value of \$1,006 million and a fair value of \$1,062 million.

During the year ended December 31, 2021, there were no significant credit downgrades for the securities held by the Company that were backed by residential mortgage pools.

Leveraged loan exposure

Leveraged loans are loans extended to companies that already have considerable amounts of debt. The Company reports leveraged loans as bonds. These leveraged loans have interest rates higher than typical loans, reflecting the additional risk of default from issuers with high debt-to-equity ratios.

As of December 31, 2021, total leveraged loans and leveraged loan CDOs had a carrying value of \$19,707 million and a fair value of \$19,842 million, of which approximately 78%, based on carrying value, were domestic leveraged loans and CDOs. As of December 31, 2020, total leveraged loans and leveraged loan CDOs had a carrying value of \$17,173 million and a fair value of \$17,286 million, of which approximately 78%, based on carrying value, were domestic leveraged loans and CDOs.

Commercial mortgage-backed exposure

The Company holds bonds backed by pools of commercial mortgages. The mortgages in these pools have varying risk characteristics related to underlying collateral type, borrower's risk profile and ability to refinance and the return provided to the borrower from the underlying collateral. These investments had a carrying value of \$ 2,678 million and fair value of \$ 2,689 million as of December 31, 2021 and a carrying value of \$ 2,670 million and fair value of \$ 2,731 million as of December 31, 2020.

b. Preferred stocks

The carrying value and fair value of preferred stocks were as follows:

	December 31,	
	2021	2020
	<u>(In Millions)</u>	
Carrying value	\$ 555	\$ 470
Gross unrealized gains	<u>115</u>	<u>47</u>
Fair value	<u>\$ 670</u>	<u>\$ 517</u>

As of December 31, 2021, investments in preferred stocks in an unrealized loss position included holdings with a fair value of \$37 million in three issuers, \$11 million of which was in an unrealized loss position for more than 12 months. As of December 31, 2020, investments in preferred stocks in an unrealized loss position included holdings with a fair value of \$12 million in 3 issuers, \$5 million of which was in an unrealized loss position for more than 12 months. Based upon the Company's impairment review process discussed in *Note 2dd. "Net realized capital (losses) gains including other-than-temporary impairments and unrealized capital gains (losses)"* the decline in value of these securities was not considered to be other than temporary as of December 31, 2021 or 2020.

The Company held preferred stocks for which the transfer of ownership was restricted by contractual requirements with carrying values of \$409 million as of December 31, 2021 and \$422 million as of December 31, 2020.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

c. Common stocks – subsidiaries and affiliates

The Company has two primary domestic life insurance subsidiaries, C.M. Life, which primarily provides fixed and variable annuities and universal life insurance business, and MML Bay State, a subsidiary of C.M. Life, which primarily issues variable life and bank-owned life insurance policies.

Summarized below is certain combined statutory financial information for the unconsolidated domestic life insurance subsidiaries:

	As of and for the Years Ended		
	December 31,		
	2021	2020	2019
	(In Millions)		
Total revenue	\$ 682	\$ 674	\$ 792
Net income	106	114	130
Assets	14,270	14,489	13,463
Liabilities	12,636	12,750	11,728
Shareholder's equity	1,634	1,739	1,735

MMHLLC, a wholly-owned subsidiary of MassMutual, is the parent of subsidiaries that include Barings LLC (Barings) and deals in markets that include retail and institutional asset management entities and registered broker dealers.

The MMHLLC statutory carrying value was \$17.2 billion, which included \$58 million of nonadmitted asset adjustments as of December 31, 2021 and \$16.2 billion as of December 31, 2020, which included no nonadmitted asset adjustments.

Summarized below is certain U.S. GAAP financial information for MMHLLC:

	As of and for the Years Ended								
	December 31,								
	2021			2020			2019		
	(In Billions)								
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Total revenue	\$ 4.9	\$ -	\$ 4.9	\$ 3.2	\$ -	\$ 3.2	\$ 3.6	\$ 5.2	\$ 8.8
Net income	1.7	-	1.7	0.7	-	0.7	0.9	3.5	4.4
Assets	25.5	-	25.5	24.9	-	24.9	22.9	-	22.9
Liabilities	7.6	-	7.6	8.4	-	8.4	8.3	-	8.3
Member's	17.9	-	17.9	16.5	-	16.5	14.6	-	14.6

MMHLLC paid \$1,200 million in dividends to MassMutual for the year ended December 31, 2021, \$1,000 million of which were declared in 2020. MMHLLC paid \$266 million in dividends for the year ended December 31, 2020, \$200 million of which were declared in 2019.

MMHLLC declared an additional \$344 million in dividends to MassMutual for the year ended December 31, 2021.

MassMutual contributed capital of \$389 million to MMHLLC for the year ended December 31, 2021.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

MassMutual contributed capital of \$1,948 million to MMHLLC for the year ended December 31, 2020, of which \$1,884 million was used for the Rothesay additional investment. On December 1, 2020, MassMutual purchased, through an indirect, wholly owned subsidiary, an additional investment in Rothesay Holdco UK Limited (RHUK) for \$1,875 million. RHUK wholly owns Rothesay Life. The purchase increased MassMutual's indirect ownership in Rothesay Life from 24.9% to 48.9%.

In 2021, C.M. Life paid \$173 million in dividends to MassMutual and \$173 million in 2020.

On May 28, 2021, the Company, through a wholly owned subsidiary, Glidepath, acquired GALIC for \$3,570 million in cash. GALIC primarily offers traditional fixed and fixed indexed annuity products.

The Glidepath statutory carrying value was \$3.6 billion as of December 31, 2021.

Summarized below is certain U.S. GAAP financial information for Glidepath as of December 31, 2021 and for the period from May 28, 2021 to December 31, 2021 (in billions):

Total revenue	\$	0.6
Net loss		(0.1)
Assets		50.3
Liabilities		46.9
Member's equity		3.4

In December 2020, MassMutual contributed its ownership in MMAF and MML Management LLC, wholly owned subsidiaries with a combined carrying value of \$1,602 million, to MMIH, a wholly owned subsidiary, in an affiliated transaction and therefore no gain or loss was recognized on the transaction. There was no impact to surplus.

Summarized below is certain U.S. GAAP financial information for MMIH:

	As of and for the Years Ended		
	December 31,		
	2021	2020	2019
	(In Billions)		
Total revenue	\$ 0.3	\$ 0.3	-
Net income	0.1	0.1	-
Assets	8.8	9.0	-
Liabilities	7.0	7.4	-
Member's equity	1.8	1.6	-

On May 24, 2019, an indirectly wholly owned subsidiary of MassMutual, MM Asset Management Holding LLC (MMAMH) executed the sale of its retail asset management affiliate, Oppenheimer Acquisition Corp. (OAC), to Invesco Ltd (Invesco), a global asset manager. Under the terms of the sale, MMAMH and OAC employee shareholders received 81.8 million of Invesco common shares and \$4.0 billion in perpetual, non-cumulative preference shares with a fixed cash dividend rate of 5.9%. MMAMH is a directly wholly owned subsidiary of MMHLLC. In turn, at the time of the transaction, MMAMH received a 15.7% common equity interest in post transaction Invesco and MMAMH entered into a shareholder agreement pursuant to which MMAMH has customary minority shareholder rights, including the appointment of a director to Invesco's board of directors. MassMutual's investment in MMHLLC was

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increased from the impact of this sale through change in unrealized capital gains of \$3,361 million, with an approximate net increase to surplus of \$2,500 million.

Subsidiaries of MMHLLC are involved in litigation and investigations arising in the ordinary course of their business, which seek compensatory damages, punitive damages and equitable remedies. Although the Company is not aware of any actions or allegations that reasonably could give rise to a material adverse impact to the Company's financial position or liquidity, the outcome of litigation cannot be foreseen with certainty. It is the opinion of management that the ultimate resolution of these matters will not materially impact the Company's financial position or liquidity. However, the outcome of a particular proceeding may be material to the Company's Statutory Statements of Changes in Surplus for a particular period depending upon, among other factors, the size of the loss and the level of the Company's changes in surplus for the period.

The Company does not rely on dividends from its subsidiaries to meet its operating cash flow requirements. For the domestic life insurance subsidiaries, substantially all of their statutory shareholder's equity of \$1,634 million as of December 31, 2021 was subject to dividend restrictions imposed by the State of Connecticut.

For further information on related party transactions with subsidiaries and affiliates, see *Note 17. "Related party transactions"*.

d. Common stocks - unaffiliated

The adjusted cost basis and carrying value of unaffiliated common stocks were as follows:

	December 31,	
	2021	2020
	<u>(In Millions)</u>	
Adjusted cost basis	\$ 983	\$ 979
Gross unrealized gains	312	254
Gross unrealized losses	<u>(18)</u>	<u>(41)</u>
Carrying value	<u>\$ 1,277</u>	<u>\$ 1,192</u>

As of December 31, 2021, investments in unaffiliated common stocks in an unrealized loss position included holdings with a fair value of \$271 million in 134 issuers, \$243 million of which were in an unrealized loss position for more than 12 months. As of December 31, 2020, investments in unaffiliated common stocks in an unrealized loss position included holdings with a fair value of \$206 million in 112 issuers, \$131 million of which were in an unrealized loss position for more than 12 months. Based upon the Company's impairment review process discussed in *Note 2dd. "Net realized capital (losses) gains including other-than-temporary impairments and unrealized capital gains (losses)"* the decline in value of these securities was not considered to be other than temporary as of December 31, 2021 or 2020.

The Company held common stocks, for which the transfer of ownership was restricted by contractual requirements, with carrying values of \$158 million as of December 31, 2021 and \$119 million as of December 31, 2020.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

e. Mortgage loans

Mortgage loans are comprised of commercial mortgage loans and residential mortgage loans. The Company's commercial mortgage loans primarily finance various types of real estate properties throughout the U.S., the United Kingdom and Canada. The Company holds commercial mortgage loans for which it is the primary lender or a participant or co-lender in a mortgage loan agreement and mezzanine loans that are subordinate to senior secured first liens. The Company's loan agreements with the senior lender contain negotiated provisions that are designed to maximize the Company's influence with the objective of mitigating the Company's risks as the secondary lender for mezzanine loans. Commercial mortgage loans have varying risk characteristics including, among others, the borrower's liquidity, the underlying percentage of completion of a project, the returns generated by the collateral, the refinance risk associated with maturity of the loan and deteriorating collateral value.

Residential mortgage loans are primarily seasoned pools of homogeneous residential mortgage loans substantially backed by Federal Housing Administration (FHA) and Veterans Administration (VA) guarantees. As of December 31, 2021 and 2020, the Company did not have any direct subprime exposure through the purchases of unsecuritized whole-loan pools.

Geographical concentration is considered prior to the purchase of mortgage loans and residential mortgage loan pools. The mortgage loan portfolio is diverse with no significant collateral concentrations in any particular geographic region as of December 31, 2021 or 2020.

The carrying value and fair value of the Company's mortgage loans were as follows:

	December 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In Millions)			
Commercial mortgage loans:				
Primary lender	\$ 21,419	\$ 22,141	\$ 22,116	\$ 23,048
Mezzanine loans	117	118	100	102
Total commercial mortgage loans	21,536	22,259	22,216	23,150
Residential mortgage loans:				
FHA insured and VA guaranteed	4,107	4,138	3,127	3,158
Other residential loans	702	711	735	727
Total residential mortgage loans	4,809	4,849	3,862	3,885
Total mortgage loans	\$ 26,345	\$ 27,108	\$ 26,078	\$ 27,035

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The loan-to-value ratios by property type of the Company's commercial mortgage loans were as follows:

	December 31, 2021				
	Less Than 81%	81% to 95%	Above 95%	Total	% of Total
	(\$ In Millions)				
Office	\$ 7,047	\$ 130	\$ -	\$ 7,177	33 %
Apartments	5,626	91	175	5,892	27
Industrial and other	3,572	26	27	3,625	17
Retail	2,554	-	14	2,568	12
Hotels	2,087	119	68	2,274	11
Total	<u>\$ 20,886</u>	<u>\$ 366</u>	<u>\$ 284</u>	<u>\$ 21,536</u>	<u>100 %</u>

More than 97% of the Company's commercial mortgage loans' loan-to-value ratios are below 81% for the year ended December 31, 2021. As of December 31, 2020, the loan-to-value ratios of 99% of the Company's commercial mortgage loans were less than 81%.

The Company uses an internal rating system as its primary method of monitoring credit quality. The following illustrates the Company's mortgage loan portfolio rating, translated into the equivalent rating agency designation:

	December 31, 2021					
	AAA/AA/A	BBB	BB	B	CCC and Lower	Total
	(In Millions)					
Commercial mortgage loans:						
Primary lender	\$ 7,453	\$ 10,028	\$ 3,525	\$ 304	\$ 109	\$ 21,419
Mezzanine loans	-	42	75	-	-	117
Total commercial mortgage loans	<u>7,453</u>	<u>10,070</u>	<u>3,600</u>	<u>304</u>	<u>109</u>	<u>21,536</u>
Residential mortgage loans:						
FHA insured and VA guaranteed	4,107	-	-	-	-	4,107
Other residential loans	2	581	119	-	-	702
Total residential mortgage loans	<u>4,109</u>	<u>581</u>	<u>119</u>	<u>-</u>	<u>-</u>	<u>4,809</u>
Total mortgage loans	<u>\$ 11,562</u>	<u>\$ 10,651</u>	<u>\$ 3,719</u>	<u>\$ 304</u>	<u>\$ 109</u>	<u>\$ 26,345</u>
	December 31, 2020					
	AAA/AA/A	BBB	BB	B	CCC and Lower	Total
	(In Millions)					
Commercial mortgage loans:						
Primary lender	\$ 7,372	\$ 10,257	\$ 3,915	\$ 475	\$ 97	\$ 22,116
Mezzanine loans	-	20	80	-	-	100
Total commercial mortgage loans	<u>7,372</u>	<u>10,277</u>	<u>3,995</u>	<u>475</u>	<u>97</u>	<u>22,216</u>
Residential mortgage loans:						
FHA insured and VA guaranteed	3,128	-	-	-	-	3,128
Other residential loans	2	711	21	-	-	734
Total residential mortgage loans	<u>3,130</u>	<u>711</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>3,862</u>
Total mortgage loans	<u>\$ 10,502</u>	<u>\$ 10,988</u>	<u>\$ 4,016</u>	<u>\$ 475</u>	<u>\$ 97</u>	<u>\$ 26,078</u>

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The maximum percentage of any one commercial mortgage loan to the estimated value of secured collateral at the time the loan was originated, exclusive of mezzanine, insured, guaranteed or purchase money mortgages, was 100.0% as of December 31, 2021 and 81.2% as of December 31, 2020.

The geographic distribution of commercial mortgage loans was as follows:

	December 31, 2021	
	Average	
	Carrying	Loan-to-Value
	Value	Ratio
	(\$ In Millions)	
California	\$ 4,809	52 %
New York	2,057	55 %
United Kingdom	2,486	49 %
Texas	1,954	57 %
Illinois	1,598	67 %
Washington	1,139	50 %
District of Columbia	1,051	56 %
All other	6,442	55 %
Total commercial mortgage loans	\$ 21,536	55 %

All other consists of 30 jurisdictions, with no individual exposure exceeding \$889 million.

	December 31, 2020	
	Average	
	Carrying	Loan-to-Value
	Value	Ratio
	(\$ In Millions)	
California	\$ 5,115	50 %
New York	2,342	52 %
United Kingdom	2,123	50 %
Illinois	1,990	62 %
Texas	1,920	57 %
Washington	1,125	49 %
District of Columbia	1,127	55 %
All other	6,474	56 %
Total commercial mortgage loans	\$ 22,216	54 %

All other consists of 29 jurisdictions, with no individual exposure exceeding \$900 million.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Interest rates, including fixed and variable, on the Company's portfolio of mortgage loans were:

	Years Ended December 31			
	2021		2020	
	Low	High	Low	High
Commercial mortgage loans	1.6%	9.0 %	1.9 %	9.3 %
Residential mortgage loans	2.7%	10.0 %	2.9 %	9.3 %
Mezzanine mortgage loans	3.3%	6.6 %	3.5 %	6.6 %

Interest rates, including fixed and variable, on new mortgage loans were:

	Years Ended December 31,			
	2021		2020	
	Low	High	Low	High
Commercial mortgage loans	1.6%	5.9%	1.9%	7.4%
Residential mortgage loans	2.8%	8.5%	3.6%	5.4%
Mezzanine mortgage loans	3.3%	5.9%	3.5%	6.6%

As of December 31, 2021, the Company had impaired mortgage loans with or without a valuation allowance or mortgage loans derecognized as a result of foreclosure, including mortgage loans subject to a participant or co-lender mortgage loan agreement with a unilateral mortgage loan foreclosure restriction or mortgage loan derecognized as a result of a foreclosure.

The following presents a summary of the Company's impaired mortgage loans as of December 31, 2021 and as of December 31, 2020:

	December 31, 2021				
	Average	Unpaid			
	Carrying	Carrying	Principal	Valuation	Interest
	Value	Value	Balance	Allowance	Income
	(In Millions)				
With no allowance recorded:					
Commercial mortgage loans:					
Primary lender	\$ 48	\$ 51	\$ 105	\$ -	\$ -
Total	48	51	105	-	-
Total impaired commercial mortgage loans	\$ 48	\$ 51	\$ 105	\$ -	\$ -

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

	December 31, 2020				
		Average	Unpaid		
	Carrying	Carrying	Principal	Valuation	Interest
	Value	Value	Balance	Allowance	Income
	(In Millions)				
With no allowance recorded:					
Commercial mortgage loans:					
Primary lender	\$ 63	\$ 82	\$ 103	\$ -	\$ 2
Total	63	82	103	-	2
Total impaired commercial mortgage loans	\$ 63	\$ 82	\$ 103	\$ -	\$ 2

The Company did not hold any restructured mortgage loans, mortgage loans with principal or interest past due, or mortgage loans with suspended interest accruals as of December 31, 2021 or 2020. The carrying value of commercial mortgage loans subject to a participant or co-lender mortgage loan agreement was \$1,279 million as of December 31, 2021 and \$1,249 million as of December 31, 2020.

f. Real estate

The carrying value of real estate was as follows:

	December 31,	
	2021	2020
	(In Millions)	
Held for the production of income	\$ 1,755	\$ 1,828
Accumulated depreciation	(846)	(781)
Encumbrances	(892)	(950)
Held for the production of income, net	17	97
Occupied by the Company	641	512
Accumulated depreciation	(263)	(247)
Occupied by the Company, net	378	265
Total real estate	\$ 395	\$ 362

Depreciation expense on real estate was \$91 million for the year ended December 31, 2021, \$85 million for the year ended December 31, 2020 and \$91 million for the year ended December 31, 2019.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

g. Partnerships and limited liability companies

The carrying value of partnership and LLC holdings by annual statement category were:

	December 31, 2021	December 31, 2020
	(In Millions)	
Joint venture interests:		
Common stocks - subsidiaries and affiliates	\$ 2,474	\$ 2,430
Common stocks - unaffiliated	3,252	2,554
Real estate	1,907	1,360
Bonds/preferred stock	1,139	1,140
Other	1,579	594
Mortgage loans	1,676	895
Surplus notes	358	362
LIHTCs	160	199
Total	\$ 12,545	\$ 9,534

The Company held three affiliated partnerships and limited liability companies in a loss position with accumulated losses of \$52 million as of December 31, 2021, and three affiliated partnerships and limited liability companies in a loss position with accumulated losses of \$3 million as of December 31, 2020.

The Company's unexpired tax credits expire within a range of less than 1 year to 13 years.

The Company recorded tax credits on these investments of \$47 million for the year ended December 31, 2021 and \$49 million for the year ended December 31, 2020. The minimum holding period required for the Company's LIHTC investments extends from 1 year to 15 years.

For determining impairments for LIHTC investments, the Company uses the present value of all future benefits, the majority of which are tax credits, discounted at a risk-free rate ranging from 0.1% for future benefits of two years to 0.9% for future benefits of ten or more years, and compares the result to its current carry value. The Company recorded \$3 million of impairments for the year ended December 31, 2021.

There were no write-downs or reclassifications of LIHTC partnerships made during the years ended December 31, 2021 or December 31, 2020, due to forfeiture or ineligibility of tax credits or similar issues. In addition, there are no LIHTC investments subject to regulatory review for the years ended December 31, 2021 or 2020.

In 2021, the Company recognized a \$411 million OTTI from one investment. In 2020, the Company recognized a \$257 million OTTI from one investment.

In 2020, there was a decrease in carrying value of an affiliated partnership and LLC of \$245 million, which included an OTTI of \$257 million from one investment.

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h. Derivatives

The Company uses derivative financial instruments in the normal course of business to manage risks, primarily to reduce currency, interest rate and duration imbalances determined in asset/liability analyses. The Company also uses a combination of derivatives and fixed income investments to create replicated synthetic investments. These replicated synthetic investments are created when they are economically more attractive than the actual instrument or when similar instruments are unavailable. Replicated synthetic investments are created either to hedge and reduce the Company's credit exposure or to create an investment in a particular asset. The Company held replicated synthetic investments with a notional amount of \$21,873 million as of December 31, 2021 and \$15,989 million as of December 31, 2020, as defined under statutory accounting practices as the result of pairing of a long derivative contract with cash instruments.

The Company's derivative strategy employs a variety of derivative financial instruments: including interest rate, currency, equity, bond, and credit default swaps; options; forward contracts and financial futures. Investment risk is assessed on a portfolio basis and individual derivative financial instruments are not generally designated in hedging relationships; therefore, as allowed by statutory accounting practices, the Company intentionally has not applied hedge accounting.

Interest rate swaps are primarily used to more closely match the cash flows of assets and liabilities. Interest rate swaps are also used to mitigate changes in the value of assets anticipated to be purchased and other anticipated transactions and commitments. The Company uses currency swaps for the purpose of managing currency exchange risks in its assets and liabilities.

The Company does not sell credit default swaps as a participant in the credit insurance market. The Company does, however, use credit default swaps as part of its investment management process. The Company buys credit default swaps as an efficient means to reduce credit exposure to particular issuers or sectors in the Company's investment portfolio. The Company sells credit default swaps in order to create synthetic investment positions that enhance the return on its investment portfolio by providing comparable exposure to fixed income securities that might not be available in the primary market.

Options grant the purchaser the right to buy or sell a security or enter a derivative transaction at a stated price within a stated period. The Company's option contracts have terms of up to 15 years. A swaption is an option to enter an interest rate swap to either receive or pay a fixed rate at a future date. The Company purchases these options for the purpose of managing interest rate risks in its assets and liabilities.

The Company adopted a clearly defined hedging strategy (CDHS) to enable the Company to incorporate currently held hedges in risk-based capital (RBC) calculations. The CDHS is used to significantly mitigate the impact that movements in capital markets have on the liabilities associated with annuity guarantees. The hedge portfolio consists mainly of interest rate swaps, equity swaps, interest rate swaptions and equity futures, and provides protection in the stress scenarios under which RBC is calculated. The hedge portfolio has offsetting impacts relative to the total asset requirement for RBC and surplus for GMDB and VAGLB.

The Company utilizes certain other agreements including forward contracts and financial futures. In addition, the Company also uses "to be announced" forward contracts (TBAs) to hedge interest rate risk and participate in the mortgage-backed securities market in an efficient and cost-effective way. Typically, the price is agreed upon at contract inception and payment is made at a specified future date. The Company usually does not purchase TBAs with settlement by the first possible delivery date and thus, accounts for these TBAs as derivatives. TBAs that settle on the first possible delivery date are accounted for as bonds. The Company's futures contracts are exchange traded and have credit risk. Margin requirements are met with the deposit of securities. Futures contracts are generally settled with offsetting transactions. Forward contracts and financial futures are used by the Company to reduce exposures to various risks including interest rates and currency rates.

The Company's principal derivative exposures to market risk are interest rate risk, which includes inflation and credit risk. Interest rate risk pertains to the change in fair value of the derivative instruments as a result of changes in market interest rates. The Company is exposed to credit-related losses in the event of nonperformance by counterparties to derivative financial instruments. The Company regularly monitors counterparty credit ratings, derivative positions,

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valuations and the value of collateral posted to ensure counterparties are credit-worthy and the concentration of exposure is minimized and monitors its derivative credit exposure as part of its overall risk management program.

The Company enters derivative transactions through bilateral derivative agreements with counterparties, or through over the counter cleared derivatives with a counterparty and the use of a clearinghouse. To minimize credit risk for bilateral transactions, the Company and its counterparties generally enter into master netting agreements based on agreed upon requirements that outline the framework for how collateral is to be posted in the amount owed under each transaction, subject to certain minimums. For over the counter cleared derivative transactions between the Company and a counterparty, the parties enter into a series of master netting and other agreements that govern, among other things, clearing and collateral requirements. These transactions are cleared through a clearinghouse and each derivative counterparty is only exposed to the default risk of the clearinghouse. Certain interest rate swaps and credit default swaps are considered cleared transactions. These cleared transactions require initial and daily variation margin collateral postings. These agreements allow for contracts in a positive position, in which amounts are due to the Company, to be offset by contracts in a negative position. This right of offset, combined with collateral obtained from counterparties, reduces the Company's credit exposure.

Net collateral pledged by the counterparties was \$5,369 million as of December 31, 2021 and \$4,849 million as of December 31, 2020. In the event of default, the full market value exposure at risk in a net gain position, net of offsets and collateral, was \$230 million as of December 31, 2021 and \$194 million as of December 31, 2020. The statutory net amount at risk, defined as net collateral pledged and statement values excluding accrued interest, was \$579 million as of December 31, 2021 and \$296 million as of December 31, 2020.

The Company had the right to rehypothecate or repledge securities totaling \$717 million of the \$5,369 million as of December 31, 2021 and \$829 million of the \$4,849 million as of December 31, 2020 of net collateral pledged by counterparties. There were no securities rehypothecated to other counterparties as of December 31, 2021 or December 31, 2020.

The following summarizes the carrying values and notional amounts of the Company's derivative financial instruments:

	December 31, 2021			
	Assets		Liabilities	
	Carrying Value	Notional Amount	Carrying Value	Notional Amount
	(In Millions)			
Interest rate swaps	\$ 15,004	\$ 112,580	\$ 10,598	\$ 123,919
Options	321	15,970	4	-
Currency swaps	948	12,662	200	5,363
Forward contracts	68	4,532	69	5,041
Credit default swaps	-	60	1	35
Financial futures	38	2,303	5	373
Total	\$ 16,379	\$ 148,107	\$ 10,877	\$ 134,731

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NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

	December 31, 2020			
	Assets		Liabilities	
	Carrying Value	Notional Amount	Carrying Value	Notional Amount
	(In Millions)			
Interest rate swaps	\$ 20,081	\$ 110,698	\$ 16,134	\$ 106,433
Options	411	17,234	8	53
Currency swaps	517	6,163	864	10,624
Forward contracts	62	4,793	279	9,009
Credit default swaps	-	5	1	95
Financial futures	5	373	63	2,595
Total	\$ 21,076	\$ 139,266	\$ 17,349	\$ 128,809

The average fair value of outstanding derivative assets was \$16,833 million for the years ended December 31, 2021 and \$25,764 million for the years ended December 31, 2020. The average fair value of outstanding derivative liabilities was \$12,329 million for the years ended December 31, 2021 and \$19,396 million for the years ended December 31, 2020.

The following summarizes the notional amounts of the Company's credit default swaps by contractual maturity:

	December 31, 2021	December 31, 2020
	(In Millions)	
	Due after one year through five years	\$ 95
Total	\$ 95	\$ 100

The following presents the Company's gross notional interest rate swap positions:

	December 31,	
	2021	2020
	(In Millions)	
Open interest rate swaps in a fixed pay position	\$ 112,400	\$ 101,419
Open interest rate swaps in a fixed receive position	120,764	111,639
Other interest related swaps	3,335	4,073
Total interest rate swaps	\$ 236,499	\$ 217,131

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NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following summarizes the Company's net realized gains (losses) on closed contracts and change in net unrealized gains (losses) related to market fluctuations on open contracts by derivative type:

	Year Ended	
	December 31, 2021	
	Net Realized Gains (Losses) on Closed Contracts	Change In Net Unrealized Gains (Losses) on Open Contracts
	(In Millions)	
Interest rate swaps	\$ (451)	\$ 458
Currency swaps	(25)	1,094
Options	(126)	74
Credit default swaps	2	-
Forward contracts	109	216
Financial futures	(315)	92
Total	\$ (806)	\$ 1,934

	Year Ended	
	December 31, 2020	
	Net Realized Gains (Losses) on Closed Contracts	Change In Net Unrealized Gains (Losses) on Open Contracts
	(In Millions)	
Interest rate swaps	\$ 465	\$ 2,503
Currency swaps	196	(1,028)
Options	449	(111)
Credit default swaps	8	-
Forward contracts	(195)	(71)
Financial futures	381	50
Total	\$ 1,304	\$ 1,343

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NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

	Year Ended	
	December 31, 2019	
	Net Realized Gains (Losses) on Closed Contracts	Change In Net Unrealized Gains (Losses) on Open Contracts
	(In Millions)	
Interest rate swaps	\$ 172	\$ (534)
Currency swaps	25	58
Options	(30)	(273)
Credit default swaps	13	-
Interest rate caps and floors	-	(6)
Forward contracts	228	(239)
Financial futures	524	(309)
Total	\$ 932	\$ (1,303)

The following summarizes gross and net information of derivative assets and liabilities, along with collateral posted in connection with master netting agreements:

	December 31, 2021			December 31, 2020		
	Derivative Assets	Derivative Liabilities	Net	Derivative Assets	Derivative Liabilities	Net
	(In Millions)					
Gross	\$ 16,379	\$ 10,877	\$ 5,502	\$ 21,076	\$ 17,349	\$ 3,727
Due and accrued	1,093	1,769	(676)	1,030	1,607	(577)
Gross amounts	(12,429)	(12,429)	-	(17,273)	(17,273)	-
Net asset	5,043	217	4,826	4,833	1,683	3,150
Collateral posted	(6,873)	(1,503)	(5,370)	(6,381)	(1,532)	(4,849)
Net	\$ (1,830)	\$ (1,286)	\$ (544)	\$ (1,548)	\$ 151	\$ (1,699)

i. Repurchase agreements

The Company had repurchase agreements with carrying values of \$2,802 million as of December 31, 2021 and \$4,006 million as of December 31, 2020. As of December 31, 2021, the maturities of these agreements ranged from January 4, 2022 through February 7, 2022 and the interest rates ranged from 0.14% to 0.2%. The outstanding amounts were collateralized by cash and bonds with a carrying value of \$2,803 million as of December 31, 2021 and \$4,008 million as of December 31, 2020.

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j. Net investment income

Net investment income, including IMR amortization, comprised the following:

	Years Ended December 31,		
	2021	2020	2019
	<u>(In Millions)</u>		
Bonds	\$ 4,437	\$ 4,526	\$ 4,417
Preferred stocks	17	22	38
Common stocks - subsidiaries and affiliates	717	1,243	503
Common stocks - unaffiliated	55	34	40
Mortgage loans	1,145	1,225	1,084
Policy loans	1,103	965	927
Real estate	162	91	128
Partnerships and LLCs	1,171	583	878
Derivatives	539	487	335
Cash, cash equivalents and short-term investments	61	93	78
Other	18	44	40
Subtotal investment income	<u>9,425</u>	<u>9,313</u>	<u>8,468</u>
Amortization of the IMR	150	111	11
Investment expenses	<u>(730)</u>	<u>(672)</u>	<u>(786)</u>
Net investment income	<u>\$ 8,845</u>	<u>\$ 8,752</u>	<u>\$ 7,693</u>

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

k. Net realized capital (losses) gains

Net realized capital (losses), which include other-than-temporary impairments (OTTI) and are net of deferral to the IMR, comprised the following:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Bonds	\$ 199	\$ 1,025	\$ 56
Preferred stocks	9	(14)	-
Common stocks - subsidiaries and affiliates	10	1	1
Common stocks - unaffiliated	147	(89)	31
Mortgage loans	(7)	(72)	3
Real estate	24	(30)	33
Partnerships and limited liability companies	(413)	(73)	40
Derivatives	(806)	1,304	932
Other	7	(64)	3
Net realized capital (losses) gains before federal and state taxes and deferral to the IMR	(830)	1,988	1,099
Net federal and state tax expense	(86)	(361)	(116)
Net realized capital (losses) gains before deferral to the IMR	(916)	1,627	983
Net after tax losses (gains) deferred to the IMR	382	(2,213)	(1,020)
Net realized capital (losses)	<u>\$ (534)</u>	<u>\$ (586)</u>	<u>\$ (37)</u>

The IMR liability balance was \$1,552 million as of December 31, 2021 and \$2,084 million as of December 31, 2020 and was included in other liabilities on the Statutory Statements of Financial Position.

OTTI, included in the realized capital losses, consisted of the following:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Bonds	\$ (80)	\$ (140)	\$ (103)
Common stocks - unaffiliated	(11)	(80)	(8)
Mortgage loans	(17)	(40)	-
Partnerships and LLCs	(483)	(89)	(86)
Total OTTI	<u>\$ (591)</u>	<u>\$ (349)</u>	<u>\$ (197)</u>

The Company recognized OTTI of \$7 million for the year ended December 31, 2021 and \$9 million for the year ended December 31, 2020 on structured and loan-backed securities, which are included in bonds, primarily due to the present value of expected cash flows being less than the amortized cost.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The Company utilized internally-developed models to determine less than 1% of the \$80 million of bond OTTI for the year ended December 31, 2021, less than 1% of the \$140 million of bond OTTI for the year ended December 31, 2020 and less than 1% of the \$64 million of bond OTTI for the year ended December 31, 2019. The remaining OTTI amounts were determined using external inputs such as publicly observable fair values and credit ratings. Refer to *Note 2dd. "Net realized capital (losses) gains including other-than-temporary impairments and unrealized capital gains (losses)"* for more information on assumptions and inputs used in the Company's OTTI models.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

6. Federal income taxes

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020 and the Consolidated Appropriations Act (CAA), 2021 was signed into law on December 27, 2020. The CARES Act, among other things, permits net operating loss (NOL) carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. The CAA extends and expands certain tax provisions of the CARES Act. The CARES Act as well as the CAA did not have a material effect on the financial statements.

The Company provides for DTAs in accordance with statutory accounting practices and has met the required threshold to utilize the three-year reversal period and 15% of surplus limitation.

The net DTA or deferred tax liability (DTL) recognized in the Company's assets, liabilities and surplus is as follows:

	December 31, 2021		
	Ordinary	Capital	Total
	(In Millions)		
Gross DTAs	\$ 3,136	\$ 372	\$ 3,508
Statutory valuation allowance adjustment	-	-	-
Adjusted gross DTAs	3,136	372	3,508
DTAs nonadmitted	-	-	-
Subtotal net admitted DTA	3,136	372	3,508
Total gross DTLs	(2,090)	(708)	(2,798)
Net admitted DTA(L)	\$ 1,046	\$ (336)	\$ 710

	December 31, 2020		
	Ordinary	Capital	Total
	(In Millions)		
Gross DTAs	\$ 2,836	\$ 258	\$ 3,094
Statutory valuation allowance adjustment	-	-	-
Adjusted gross DTAs	2,836	258	3,094
DTAs nonadmitted	-	-	-
Subtotal net admitted DTA	2,836	258	3,094
Total gross DTLs	(2,114)	(471)	(2,585)
Net admitted DTA(L)	\$ 722	\$ (213)	\$ 509

	Change		
	Ordinary	Capital	Total
	(In Millions)		
Gross DTAs	\$ 300	\$ 114	\$ 414
Statutory valuation allowance adjustment	-	-	-
Adjusted gross DTAs	300	114	414
DTAs nonadmitted	-	-	-
Subtotal net admitted DTA	300	114	414
Total gross DTLs	24	(237)	(213)
Net admitted DTA(L)	\$ 324	\$ (123)	\$ 201

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The amount of adjusted gross DTA admitted under each component of the guidance and the resulting change by tax character are as follows:

	December 31, 2021		
	Ordinary	Capital	Total
	(In Millions)		
Admitted DTA 3 years:			
Federal income taxes that can be recovered	\$ -	\$ 89	\$ 89
Remaining adjusted gross DTAs expected to be realized within 3 years:			
1. Adjusted gross DTA to be realized	1,129	-	1,129
2. Adjusted gross DTA allowed per limitation threshold	3,938	-	3,938
Lesser of lines 1 or 2	1,129	-	1,129
Adjusted gross DTAs offset by existing DTLs	2,007	283	2,290
Total admitted DTA realized within 3 years	\$ 3,136	\$ 372	\$ 3,508

	December 31, 2020		
	Ordinary	Capital	Total
	(In Millions)		
Admitted DTA 3 years:			
Federal income taxes that can be recovered	\$ -	\$ 54	\$ 54
Remaining adjusted gross DTAs expected to be realized within 3 years:			
1. Adjusted gross DTA to be realized	1,056	-	1,056
2. Adjusted gross DTA allowed per limitation threshold	3,336	-	3,336
Lesser of lines 1 or 2	1,056	-	1,056
Adjusted gross DTAs offset by existing DTLs	1,780	204	1,984
Total admitted DTA realized within 3 years	\$ 2,836	\$ 258	\$ 3,094

	Change		
	Ordinary	Capital	Total
	(In Millions)		
Admitted DTA 3 years:			
Federal income taxes that can be recovered	\$ -	\$ 35	\$ 35
Remaining adjusted gross DTAs expected to be realized within 3 years:			
1. Adjusted gross DTA to be realized	73	-	73
2. Adjusted gross DTA allowed per limitation threshold	602	-	602
Lesser of lines 1 or 2	73	-	73
Adjusted gross DTAs offset by existing DTLs	227	79	306
Total admitted DTA realized within 3 years	\$ 300	\$ 114	\$ 414

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The Company's total realization threshold limitations are as follows:

	December 31,	
	2021	2020
	(\$ In Millions)	
Ratio percentage used to determine recovery period and threshold limitation	850%	928%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation above	\$ 26,256	\$ 22,238

The ultimate realization of DTAs depends on the generation of future taxable income during the periods in which the temporary differences are deductible. Management considers the scheduled reversal of DTLs, including the impact of available carryback and carryforward periods, projected taxable income and tax-planning strategies in making this assessment. The impact of tax-planning strategies is as follows:

	December 31, 2021		
	Ordinary	Capital	Total
	(Percent)		
Impact of tax-planning strategies:			
Adjusted gross DTAs (% of total adjusted gross DTAs)	- %	- %	- %
Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	46 %	- %	46 %
	December 31, 2020		
	Ordinary	Capital	Total
	(Percent)		
Impact of tax-planning strategies:			
Adjusted gross DTAs (% of total adjusted gross DTAs)	- %	- %	- %
Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	30 %	- %	30 %
	Change		
	Ordinary	Capital	Total
	(Percent)		
Impact of tax-planning strategies:			
Adjusted gross DTAs (% of total adjusted gross DTAs)	- %	- %	- %
Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	16 %	- %	16 %

There are no reinsurance strategies included in the Company's tax-planning strategies.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The provision for current tax expense on earnings is as follows:

	Years Ended December 31,		
	2021	2020	2019
	<u>(In Millions)</u>		
Federal income tax expense (benefit) on operating earnings	\$ 69	\$ 133	\$ (18)
Foreign income tax expense on operating earnings	<u>3</u>	<u>2</u>	<u>3</u>
Total federal and foreign income tax expense (benefit) on operating earnings	72	135	(15)
Federal income tax expense (benefit) on net realized capital gains before impact of change in enacted legislation	43	359	116
Impact of change in enacted tax legislation on net realized Total federal and foreign income tax expense (benefit)	<u>\$ 115</u>	<u>\$ 494</u>	<u>\$ 101</u>

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The tax effects of temporary differences that give rise to significant portions of the DTAs and DTLs are as follows:

	December 31,		
	2021	2020	Change
	(In Millions)		
DTAs:			
Ordinary			
Reserve items	\$ 1,363	\$ 1,191	\$ 172
Policy acquisition costs	759	649	110
Nonadmitted assets	295	299	(4)
Pension and compensation related items	71	220	(149)
Policyholders' dividends	208	193	15
Investment items	240	191	49
Expense items	67	56	11
Unrealized investment losses	-	10	(10)
Other	133	27	106
Total ordinary DTAs	<u>3,136</u>	<u>2,836</u>	<u>300</u>
Nonadmitted DTAs	-	-	-
Admitted ordinary DTAs	<u>3,136</u>	<u>2,836</u>	<u>300</u>
Capital			
Unrealized investment losses	38	209	(171)
Expense items	18	-	18
Investment items	316	49	267
Total capital DTAs	<u>372</u>	<u>258</u>	<u>114</u>
Admitted capital DTAs	<u>372</u>	<u>258</u>	<u>114</u>
Admitted DTAs	<u>3,508</u>	<u>3,094</u>	<u>414</u>
DTLs:			
Ordinary			
Reserve items	284	356	(72)
Unrealized investment gains	926	830	96
Deferred and uncollected premium	281	258	23
Pension items	61	211	(150)
Investment items	200	234	(34)
Other	338	225	113
Total ordinary DTLs	<u>2,090</u>	<u>2,114</u>	<u>(24)</u>
Capital			
Unrealized investment gains	546	471	75
Investment items	162	-	162
Total capital DTLs	<u>708</u>	<u>471</u>	<u>237</u>
Total DTLs	<u>2,798</u>	<u>2,585</u>	<u>213</u>
Net admitted DTA	<u>\$ 710</u>	<u>\$ 509</u>	<u>\$ 201</u>

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The change in net deferred income taxes comprised the following:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Net DTA(L)	\$ 201	\$ (599)	\$ 125
Less: Items not recorded in the change in net deferred income taxes:			
Tax-effect of unrealized gains/(losses)	343	576	(180)
Change in net deferred income taxes	\$ 544	\$ (23)	\$ (55)

As of December 31, 2021, the Company had no net operating or capital loss carryforwards to include in deferred income taxes. The Company has no tax credit carryforwards included in deferred taxes.

The components of federal and foreign income tax are recorded in the Statutory Statements of Operations and the Statutory Statements of Changes in Surplus and are different from those which would be obtained by applying the prevailing federal income tax rate to net gain from operations before federal income taxes. The significant items causing this difference are as follows:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
	21%	21%	21%
Provision computed at federal statutory rate	\$ (92)	\$ 967	\$ 324
Expense items	(38)	3	5
Foreign governmental income taxes	3	1	3
Investment items	(135)	(411)	(183)
Nonadmitted assets	4	11	(7)
Tax credits	(95)	(50)	(48)
Other	(76)	(4)	(72)
Total statutory income tax expense (benefit)	\$ (429)	\$ 517	\$ 22
Federal and foreign income tax expense	\$ 115	\$ 494	\$ 101
Change in net deferred income taxes	(544)	23	55
Total statutory income tax expense (benefit)	\$ (429)	\$ 517	\$ 156

The Company made payments in the amount of \$849 million in 2021 and received refunds in the amount of \$141 million in 2020.

The total income taxes incurred in the current and prior years that will be available for recoupment in the event of future net capital losses totaled \$61 million related to 2021, \$430 million related to 2020, and \$164 million related to 2019.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

MassMutual and its eligible U.S. subsidiaries are included in a consolidated U.S. federal income tax return. MassMutual and its eligible U.S. subsidiaries also file income tax returns in various states and foreign jurisdictions. MassMutual and its eligible U.S. subsidiaries and certain affiliates (the Parties) have executed and are subject to a written tax allocation agreement (the Agreement). The Agreement sets forth the manner in which the total combined federal income tax is allocated among the Parties. The Agreement provides MassMutual with the enforceable right to recoup federal income taxes paid in prior years in the event of future net capital losses, which it may incur. Further, the Agreement provides MassMutual with the enforceable right to utilize its net losses carried forward as an offset to future net income subject to federal income taxes.

Companies are generally required to disclose unrecognized tax benefits, which are the tax effect of positions taken on their tax returns that may be challenged by various taxing authorities, in order to provide users of financial statements more information regarding potential liabilities. The Company recognizes tax benefits and related reserves in accordance with existing statutory accounting practices for liabilities, contingencies and impairments of assets.

The following is a reconciliation of the beginning and ending liability for unrecognized tax benefits (in millions):

Balance, January 1, 2021	\$ 217
Gross change related to positions taken in prior years	-
Gross change related to settlements	-
Gross change related to positions taken in current year	2
Gross change related to lapse of statutes of limitations	-
Balance, December 31, 2021	<u>\$ 219</u>

Included in the liability for unrecognized tax benefits as of December 31, 2021, are \$206 million of tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The liability for the unrecognized tax benefits as of December 31, 2021 includes \$9 million of unrecognized tax benefits that, if recognized, would impact the Company's effective tax rate.

The Company recognized an increase of \$3 million in accrued interest related to the liability for unrecognized tax benefits as a component of the provision for income taxes. The amount of net interest recognized was \$20 million as of December 31, 2021 and \$17 million as of December 31, 2020. The Company has no accrued penalties related to the liability for unrecognized tax benefits. In the next year, the Company does not anticipate the total amount of uncertain tax positions to significantly increase or decrease.

The Internal Revenue Service (IRS) has completed its examination of MassMutual and its subsidiaries for the year 2013 and prior. The 2014-2016 tax years are in the process of going to Appeals for 3 carryforward issues. The IRS commenced its examination of years 2017-2018 in October 2020. The adjustments resulting from these examinations are not expected to materially affect the position or liquidity of the Company.

As of December 31, 2021 and 2020, the Company did not recognize any protective deposits as admitted assets.

7. Other than invested assets

a. Corporate-owned life insurance

The Company holds corporate-owned life insurance issued by unaffiliated third-party insurers to cover the lives of certain qualified senior employees. The primary purpose of the program is to offset future employee benefit expenses. The Company pays all premiums and is the owner and beneficiary of these policies. The Company had recorded cash surrender values of these policies of \$2,666 million as of December 31, 2021 and \$2,420 million as of December 31, 2020.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The cash surrender value is allocated by the following investment categories:

	December 31,	
	2021	2020
Bonds	33 %	34 %
Other invested assets	33	27
Stocks	19	20
Cash and short-term investments	13	17
Real estate	2	2
	100 %	100 %

b. Deferred and uncollected life insurance premium

Deferred and uncollected life insurance premium, net of loading and reinsurance, are included in other than invested assets in the Company's Statutory Statements of Financial Position. The following summarizes the deferred and uncollected life insurance premium on a gross basis, as well as, net of loading and reinsurance:

	December 31,			
	2021		2020	
	Gross	Net	Gross	Net
	(In Millions)			
Ordinary new business	\$ 186	\$ 119	\$ 148	\$ 77
Ordinary renewal	1,001	1,030	934	974
Group life	11	11	11	11
Total	\$ 1,198	\$ 1,160	\$ 1,093	\$ 1,062

Deferred premium is the portion of the annual premium not earned at the reporting date. Loading on deferred premium is an amount obtained by subtracting the valuation net deferred premium from the gross deferred premium and generally includes allowances for acquisition costs and other expenses.

Uncollected premium is gross premium net of reinsurance that is due and unpaid as of the reporting date, net of loading. Net premium is the amount used in the calculation of reserves. The change in deferred and uncollected life insurance premium is included in premium income. The change in loading is included as an expense and is not shown as a reduction to premium income.

Ordinary new business and ordinary renewal business consist of the basic amount of premium required on the underlying life insurance policies.

In certain instances, gross premium is less than net premium according to the standard valuation set by the Division and the Department. The gross premium is less than the net premium needed to establish the reserves because the statutory reserves must use standard conservative valuation mortality tables, while the gross premium calculated in pricing uses mortality tables that reflect both the Company's experience and the transfer of mortality risk to reinsurers. The Company had life insurance in force of \$71,636 million as of December 31, 2021 and \$55,337 million as of December 31, 2020 for which gross premium was less than net premium.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

8. Policyholders' liabilities

a. Policyholders' reserves

The Company had life insurance in force of \$859,865 million as of December 31, 2021 and \$795,983 million as of December 31, 2020.

The following summarizes policyholders' reserves, net of reinsurance, and the range of interest rates by type of product:

	December 31,			
	2021		2020	
	Amount	Interest Rates	Amount	Interest Rates
	(\$ In Millions)			
Individual life	\$ 69,910	2.5% - 6.0%	\$ 65,343	2.5% - 6.0%
Group annuities	16,948	1.0% - 11.8%	15,352	2.3% - 11.8%
Individual universal and variable life	23,105	3.5% - 6.0%	20,155	3.5% - 6.0%
Individual annuities	18,300	1.0% - 11.8%	15,259	2.3% - 11.8%
Group life	5,958	2.5% - 4.5%	5,471	2.5% - 4.5%
Disabled life claim reserves	1,840	3.5% - 6.0%	1,833	3.5% - 6.0%
Disability active life reserves	1,760	3.5% - 6.0%	1,342	3.5% - 6.0%
Other	448	2.5% - 6.0%	412	2.5% - 6.0%
Total	<u>\$ 138,269</u>		<u>\$ 125,167</u>	

Individual life includes whole life and term insurance. Group life includes corporate-owned life insurance, bank-owned life insurance, group universal life and group variable universal life products. Individual annuities include individual annuity contracts, supplementary contracts involving life contingencies and structured settlements. Group annuities include deferred annuities and single premium annuity contracts. Disabled life claim reserves include disability income and LTC contracts and cover the future payments of known claims. Disability active life reserves include disability income and LTC contracts issued. Other is comprised of disability life and accidental death insurance. In 2019, certain corporate-owned life insurance and bank owned-life insurance policies were reclassified to individual as they did not meet the group classification qualifications.

b. Liabilities for deposit-type contracts

The following summarizes liabilities for deposit-type contracts and the range of interest rates by type of product:

	December 31,			
	2021		2020	
	Amount	Interest Rates	Amount	Interest Rates
	(In Millions)			
GICs:				
Note programs	\$ 10,864	0.0% - 5.6%	\$ 8,803	0.4% - 5.6%
Federal Home Loan Bank of Boston	1,505	0.8% - 3.4%	1,686	0.8% - 3.4%
Municipal contracts	1,463	0.2% - 7.3%	975	0.4% - 5.6%
Supplementary contracts	2,712	1.0% - 11.3%	2,605	0.3% - 7.0%
Dividend accumulations	472	3.0% - 3.2%	482	3.0% - 3.4%
Other deposits	25	4.0% - 8.0%	29	4.0% - 8.0%
Total	<u>\$ 17,041</u>		<u>\$ 14,580</u>	

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Note program

Funding agreements are investment contracts sold to domestic and international institutional investors. Funding agreement liabilities are equal to the account value and are established by contract deposits, increased by interest credited and decreased by contract coupon payments and maturities. Contract holders do not have the right to terminate the contract prior to the contractually stated maturity date. The Company may retire funding agreements prior to the contractually-stated maturity date by repurchasing the agreement in the market or, in some cases, by calling the agreement. If this occurs, the difference in value is an adjustment to interest credited to liabilities for deposit-type contracts in the Statutory Statements of Operations. Credited interest rates vary by contract and can be fixed or floating. Agreements do not have put provisions or ratings-based triggers. The liability of non-U.S. dollar denominated funding agreements may increase or decrease due to changes in foreign exchange rates. Currency swaps are employed to eliminate foreign exchange risk from all funding agreements issued to back non-U.S. dollar denominated notes.

Under the note program, the Company creates special purpose entities (SPEs), which are investment vehicles or trusts, for the purpose of issuing medium-term notes to investors. Proceeds from the sale of the medium-term notes issued by these SPEs are used to purchase funding agreements from the Company. The payment terms of any particular series of notes are matched by the payment terms of the funding agreement securing the series. Notes are currently issued from the Company's \$16.0 billion Global Medium-Term Note Program.

Federal Home Loan Bank of Boston

The Company has funding agreements with Federal Home Loan Bank of Boston (FHLB Boston) in an investment spread strategy, consistent with its other funding agreements. These funding agreements are collateralized by securities with estimated fair values of \$1,511 million as of December 31, 2021. The Company's borrowing capacity with FHLB Boston is subject to the lower of the limitation on the pledge of collateral for a loan set forth by law or by the Company's internal limit. The Company's unused capacity was \$4,495 million as of December 31, 2021. As a member of FHLB Boston, the Company held common stock of FHLB Boston with a statement value of \$75 million as of December 31, 2021 and \$81 million as of December 31, 2020.

Municipal contracts

Municipal guaranteed investment contracts (municipal contracts) include contracts that contain terms with above market crediting rates. Liabilities for these contracts includes the municipal contracts' account values, which are established by contract deposits, increased by interest credited (fixed or floating) and decreased by contract coupon payments, additional withdrawals, maturities and amortization of premium. Certain municipal contracts allow additional deposits, subject to restrictions, which are credited based on the rates in the contracts. Contracts have scheduled payment dates and amounts and interest is paid periodically. In addition, certain contracts allow additional withdrawals above and beyond the scheduled payments. These additional withdrawals have certain restrictions on the number per year, minimum dollar amount and are limited to the maximum contract balance. The majority of the municipal contracts allow early contract termination under certain conditions.

Certain municipal contracts contain make-whole provisions, which document the formula for full contract payout. Certain municipal contracts have ratings-based triggers that allow the trustee to declare the entire balance due and payable. Municipal contracts may also have terms that require the Company to post collateral to a third party based on the contract balance in the event of a downgrade in ratings below certain levels under certain circumstances. When the collateral is other than cash, the collateral value is required to be greater than the account balance. The collateral was \$146 million as of December 31, 2021 and \$137 million as of December 31, 2020. The Company employs a rigorous asset/liability management process to help mitigate the economic impacts of various liability risks. By performing asset liability management and performing other risk management activities, the Company believes that these contract provisions do not create an undue level of operating risk to the Company.

Other deposits

Other deposits primarily consist of investment contracts assumed as part of the indemnity reinsurance agreement discussed in *Note 9. "Reinsurance"*. These contracts are used to fund retirement plans. Contract payments are not contingent upon the life of the retirement plan participant.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

As of December 31, 2021, the Company's GICs by expected maturity year were as follows (in millions):

2022	\$	2,333
2023		1,953
2024		2,545
2025		1,415
2026		2,051
Thereafter		<u>3,535</u>
Total	\$	<u>13,832</u>

Most GICs only mature on their contractual maturity date. Actual maturities for municipal contracts may differ from their contractual maturity dates, as these contracts permit early contract termination under certain conditions.

c. Unpaid claims and claim expense reserves

The Company establishes unpaid claims and claim expense reserves to provide for the estimated costs of claims for individual disability and LTC policies. These reserves include estimates for both claims that have been reported and those that have been incurred but not reported, and include estimates of all future expenses associated with the processing and settling of these claims. This estimation process is primarily based on the assumption that experience is an appropriate indicator of future events and involves a variety of actuarial techniques that analyze experience, trends and other relevant factors. The amounts recorded for unpaid claims and claim expense reserves represent the Company's best estimate based upon facts and actuarial guidelines. Accordingly, actual claim payouts may vary from these estimates.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following summarizes the changes in disabled life and LTC unpaid claims and claim expense reserves:

	December 31,	
	2021	2020
	<u>(In Millions)</u>	
Claim reserves, beginning of year	\$ 2,118	\$ 2,095
Less: Reinsurance recoverables	259	242
Net claim reserves, beginning of year	<u>1,859</u>	<u>1,853</u>
Claims paid related to:		
Current year	(14)	(14)
Prior years	<u>(336)</u>	<u>(349)</u>
Total claims paid	<u>(350)</u>	<u>(363)</u>
Incurred related to:		
Current year's incurred	258	264
Current year's interest	6	7
Prior year's incurred	(5)	25
Prior year's interest	<u>72</u>	<u>76</u>
Total incurred	<u>331</u>	<u>372</u>
Adjustments through surplus	27	(3)
Net claim reserves, end of year	1,867	1,859
Reinsurance recoverables	<u>308</u>	<u>259</u>
Claim reserves, end of year	<u>\$ 2,175</u>	<u>\$ 2,118</u>

The changes in reserves for incurred claims related to prior years are generally the result of recent loss development trends. The \$5 million decrease in the prior years' incurred claims for 2021 and the \$25 million increase in the prior years' incurred claims for 2020 were generally the result of differences between actual termination experience and statutorily prescribed termination tables. In 2021, claim experience included normal claim volume with higher terminations, resulting in a reduction to the incurred reserve from favorable experience, while 2020 claims incurred was due to maturing LTC business partially offset by a corresponding increase in reinsurance recoverable.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following reconciles disabled life claim reserves to the net claim reserves at the end of the years presented in the previous table. Disabled life claim reserves are recorded in policyholders' reserves. Accrued claim liabilities are recorded in other liabilities.

	December 31,	
	2021	2020
	(In Millions)	
Disabled life claim reserves	\$ 1,840	\$ 1,833
Accrued claim liabilities	26	27
Net claim reserves, end of year	\$ 1,866	\$ 1,860

d. Additional liability for annuity contracts

Certain individual variable annuity and fixed index annuity products have additional death or other insurance benefit features, such as GMDBs, GMIBs, GMABs and GLWBs. In general, living benefit guarantees require the contract holder or policyholder to adhere to a company approved asset-allocation strategy. Election of these benefit guarantees is generally only available at contract issue.

The following shows the changes in the liabilities for GMDB, GMIB, GMAB and GLWB (in millions):

Liability as of January 1, 2020	\$ 584
Incurred guarantee benefits	(366)
Paid guarantee benefits	(7)
Liability as of December 31, 2020	211
Incurred guarantee benefits	(166)
Paid guarantee benefits	(3)
Liability as of December 31, 2021	\$ 42

The following summarizes the account values, net amount at risk and weighted average attained age for variable annuity contracts with GMDB, GMIB, GMAB and GLWB classified as policyholders' reserves and separate account liabilities. The net amount at risk is defined as the minimum guarantee less the account value calculated on a policy-by-policy basis, but not less than zero.

	December 31, 2021			December 31, 2020		
	Account Value	Net Amount at Risk	Weighted Average Attained Age	Account Value	Net Amount at Risk	Weighted Average Attained Age
	(\$ In Millions)					
GMDB	\$ 11,423	\$ 41	66	\$ 11,434	\$ 36	65
GMIB Basic	674	4	71	705	11	70
GMIB Plus	1,565	158	68	1,494	185	67
GMAB	2,219	1	62	2,415	1	61
GLWB	136	6	73	146	7	72

As of December 31, 2021, the GMDB account value above consists of \$4,830 million of Modco assumed within the separate accounts. As of December 31, 2020, the GMDB account value above consists of \$4,402 million of Modco assumed within the separate accounts.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Account values of variable annuity contracts with GMDB, GMIB, GMAB and GLWB are summarized below:

	December 31,					
	2021			2020		
	Separate Account	General Account	Total	Separate Account	General Account	Total
	(In Millions)					
GMDB	\$ 10,160	\$ 1,263	\$ 11,423	\$ 10,141	\$ 1,293	\$ 11,434
GMIB Basic	652	22	674	685	20	705
GMIB Plus	1,565	-	1,565	1,494	-	1,494
GMAB	2,176	43	2,219	2,371	44	2,415
GLWB	136	-	136	146	-	146

e. Additional liability for individual life contracts

Certain universal life and variable universal life contracts include features such as GMDBs or other guarantees that ensure continued death benefit coverage when the policy would otherwise lapse. The value of the guarantee is only available to the beneficiary in the form of a death benefit.

The following presents the changes in the liability, net of reinsurance, for guarantees on universal life and variable universal life type contracts:

	December 31,	
	2021	2020
	(In Millions)	
Beginning balance	\$ 4,299	\$ 4,003
Net liability increase	<u>302</u>	<u>296</u>
Ending balance	<u>\$ 4,601</u>	<u>\$ 4,299</u>

9. Reinsurance

The Company enters into reinsurance agreements with affiliated and unaffiliated insurers in the normal course of business in order to mitigate the impact of underwriting mortality and morbidity risks or to assume business. Such transfers do not relieve the Company of its primary liability to its customers and, as such, failure of reinsurers to honor their obligations could result in credit losses that could arise if a reinsurer defaults. The Company reduces reinsurance default risk by evaluating the financial condition of reinsurers and monitoring for possible concentrations within the Company's reinsurers and using trust structures, when appropriate. The Company reinsures a portion of its mortality risk in its life business under either a first dollar quota-share arrangement or an in excess of the retention limit arrangement with reinsurers. The Company also reinsures a portion of its morbidity risk in its disability and LTC business. The amounts reinsured are on a yearly renewable term, coinsurance funds withheld, coinsurance or Modco basis. The Company's highest retention limit for new issues of life policies ranges from \$15 million to \$25 million.

Refer to *Note 17. "Related party transactions"* for information about the Company's affiliated assumed reinsurance transactions.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The Company did not reinsure any policies with a company chartered in a country other than the U.S., excluding U.S. branches of these companies, which was owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business. There are no reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits. The Company has no reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies.

If all reinsurance agreements were terminated by either party as of December 31, 2021, the resulting reduction in surplus due to loss of reinsurance reserve credits, net of unearned premium, would be approximately \$10,503 million assuming no return of the assets, excluding assets in trust, backing these reserves from the reinsurer to the Company.

Reinsurance amounts included in the Statutory Statements of Operations were as follows:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Direct premium	\$ 30,907	\$ 32,089	\$ 25,407
Premium assumed	1,112	1,145	1,468
Premium ceded	<u>(12,128)</u>	<u>(22,911)</u>	<u>(4,094)</u>
Total net premium	<u>\$ 19,891</u>	<u>\$ 10,323</u>	<u>\$ 22,781</u>
 Ceded reinsurance recoveries	 \$ 1,699	 \$ 1,034	 \$ 757
 Assumed losses	 \$ 356	 \$ 219	 \$ 171

Reinsurance amounts included in the Statutory Statements of Financial Position were as follows:

	December 31,	
	2021	2020
	(In Millions)	
Reinsurance reserves:		
Assumed	\$ 7,351	\$ 7,615
Ceded	(43,837)	(40,280)
 Ceded amounts recoverable	 \$ 359	 \$ 285
 Benefits payable on assumed business	 \$ 99	 \$ 54
 Funds held under coinsurance		
Ceded	\$ 19,255	\$ 17,929

Reinsurance reserves ceded to unaffiliated reinsurers as of December 31, 2021 include \$8,799 million associated with life insurance policies, \$6,220 million for LTC, \$28,797 million for annuity, \$15 million for disability and \$6 million for group life and health. Reinsurance reserves ceded to unaffiliated reinsurers as of December 31, 2020 include \$8,385 million associated with life insurance policies, \$3,916 million for LTC, \$27,953 million for annuity, \$19 million for disability and \$7 million for group life and health.

On July 1, 2020, MassMutual recaptured a coinsurance agreement and ceded the recaptured inforce business to a subsidiary of the initial reinsurer through a coinsurance funds withheld agreement. This resulted in an increase of

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

invested assets of \$4,986 million with an offsetting funds withheld liability in the Statutory Statements of Financial Position and a decrease in premium and other income collected with an offset in other cash provided from financing and miscellaneous sources in the Statutory Statements of Cash Flows.

On December 31, 2020, the Company completed the sale of its retirement plan business to Great-West Life & Annuity Insurance Company (“Great-West”) in a reinsurance transaction for a ceding commission of \$2,351 million. Upon closing, Great-West or its affiliates have reinsured \$19,580 million of policyholders’ liabilities and \$47,154 million of separate account liabilities of the Company’s liabilities. As part of the reinsurance transaction, the Company also transferred invested assets with a carrying value of \$7,956 million, net of the ceding commission, to Great-West or its affiliates. These amounts are subject to change pending final determination of the net assets sold, transaction costs and other adjustments.

This reinsurance transaction includes a retrocession of the business that the Company reinsures under the terms of the reinsurance agreement between Talcott Resolution Life Insurance Company (Talcott, formerly known as Hartford Life Insurance Company) and the Company. Of the reinsured policyholder’s liabilities above, \$6,987 million is retroceded. Also, part of the retrocession are \$19,525 million of separate account liabilities of Talcott.

In 2020, a \$7 million net loss was recorded for the termination of certain yearly renewable term life insurance treaties, representing the write-off of net receivables and a \$6 million increase in surplus was realized for termination of unauthorized reinsurance.

For the year ended December 31, 2021, the Company increased its gross LTC policyholders’ reserve by \$2,465 million through a combination of various assumption changes to reflect the risk inherent in the cash flows of this business, totaling \$2,821 million, offset by a prior year error correction of \$356 million. The majority of the risk is ceded to an unaffiliated reinsurer resulting in the ceded policyholders’ reserves increasing by an additional \$2,165 million. The total net impact of the change is \$300 million, which was recorded as an increase to policyholders’ liabilities on the Statutory Statements of Financial Position and an increase to change in policyholders’ reserves on the Statutory Statements of Operations.

For the year ended December 31, 2020, the Company increased its gross LTC policyholders’ reserve by \$206 million through a combination of prior year error correction of \$159 million and various assumption changes to reflect the risk inherent in the cash flows of this business. This risk is ceded to an unaffiliated reinsurer, therefore the ceded policyholders’ reserves have also been increased by an additional \$206 million.

In 2019, the Company increased its gross LTC policyholders’ reserves by \$1,224 million through a combination of prior year error corrections of \$729 million and various assumption changes to reflect the risk inherent in the cash flows of this business. This risk is ceded to an unaffiliated reinsurer, therefore the ceded policyholders’ reserves have also been increased by an additional \$1,224 million.

	December 31, 2021		
	(In Millions)		
	Direct	Ceded	Net
LTC premium deficiency reserves, beginning of year	\$ 2,090	\$ (2,090)	\$ -
Prior year error correction	(356)	356	-
Assumption changes	2,821	(2,521)	300
LTC premium deficiency reserves, end of year	\$ 4,555	\$ (4,255)	\$ 300

As of December 31, 2021, one reinsurer accounted for 23% of the outstanding balance of the reinsurance recoverable and the next largest reinsurer had 21%. The Company continues to monitor its morbidity risk ceded to one unaffiliated reinsurer for its LTC business, in which 18% of the reserves are held in trust.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The Company holds invested assets associated with funds withheld that are managed externally, as of December 31, 2021 and 2020, these assets, at carry value, included:

	December 31,	
	2021	2020
	(In Millions)	
Bonds	\$ 12,820	\$ 12,113
Preferred stocks	116	79
Mortgage loans	1,285	1,093
Partnerships and LLCs	247	93
Cash, cash equivalents and short-term investments	268	343
Total	\$ 14,736	\$ 13,721

10. Withdrawal characteristics

a. Annuity actuarial reserves and liabilities for deposit-type contracts

The withdrawal characteristics of the Company's annuity actuarial reserves and deposit-type contracts as of December 31, 2021 are illustrated below:

Individual annuities

	General Account	Separate Account with Guarantees	Separate Account Non- Guaranteed	Total	% of Total
	(In Millions)				
Subject to discretionary withdrawal:					
With market value adjustment	\$ 27	\$ -	\$ -	\$ 27	-
At book value less current surrender charge of 5% or more	15,178	-	-	15,178	42
At fair value	-	-	10,794	10,794	29
Total with market value adjustment at fair value	<u>15,205</u>	<u>-</u>	<u>10,794</u>	<u>25,999</u>	71
At book value without adjustment (minimal or no charge or	4,487	-	-	4,487	12
Not subject to discretionary	<u>6,327</u>	<u>-</u>	<u>-</u>	<u>6,327</u>	17
Total	\$ 26,019	\$ -	\$ 10,794	\$ 36,813	100 %
Reinsurance ceded	<u>7,761</u>	<u>-</u>	<u>-</u>	<u>7,761</u>	
Total, net of reinsurance	\$ 18,258	\$ -	\$ 10,794	\$ 29,052	
Amount included in book value to at book value without adjustment after statement date	380	-	-	380	

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Group annuities

	General Account	Separate Account with Guarantees	Separate Account Non- Guaranteed	Total	% of Total
(In Millions)					
Subject to discretionary withdrawal:					
With market value adjustment	\$ 11,890	\$ -	\$ -	\$ 11,890	14 %
At fair value	-	16,318	30,672	46,990	58
Total with market value adjustment at fair value	<u>11,890</u>	<u>16,318</u>	<u>30,672</u>	<u>58,880</u>	72
At book value without adjustment (minimal or no charge or	3,365	-	518	3,883	5
Not subject to discretionary	<u>19,397</u>	-	-	<u>19,397</u>	23
Total	<u>\$ 34,652</u>	<u>\$ 16,318</u>	<u>\$ 31,190</u>	<u>\$ 82,160</u>	100 %
Reinsurance ceded	<u>17,711</u>	-	-	<u>17,711</u>	
Total, net of reinsurance	<u>\$ 16,941</u>	<u>\$ 16,318</u>	<u>\$ 31,190</u>	<u>\$ 64,449</u>	

Deposit-type contracts

	General Account	Separate Account with Guarantees	Separate Account Non- Guaranteed	Total	% of Total
(In Millions)					
Subject to discretionary withdrawal:					
With market value adjustment	\$ 2,664	\$ -	\$ -	\$ 2,664	8 %
At fair value	-	-	13,671	13,671	40
Total with market value adjustment at fair value	<u>2,664</u>	<u>-</u>	<u>13,671</u>	<u>16,335</u>	48
At book value without adjustment (minimal or no charge or	3,234	-	-	3,234	10
Not subject to discretionary	<u>14,467</u>	-	-	<u>14,467</u>	42
Total	<u>\$ 20,365</u>	<u>\$ -</u>	<u>\$ 13,671</u>	<u>\$ 34,036</u>	100 %
Reinsurance ceded	<u>3,324</u>	-	-	<u>3,324</u>	
Total, net of reinsurance	<u>\$ 17,041</u>	<u>\$ -</u>	<u>\$ 13,671</u>	<u>\$ 30,712</u>	

The following is a summary of total annuity actuarial reserves and liabilities for deposit-type contracts as of December 31, 2021 (in millions):

Statutory Statements of Financial Position:	
Policyholders' reserves – group annuities	\$ 16,941
Policyholders' reserves – individual annuities	18,258
Liabilities for deposit-type contracts	<u>17,041</u>
Subtotal	<u>52,240</u>
Separate Account Annual Statement:	
Annuities	58,302
Other annuity contract deposit-funds and GICs	<u>13,671</u>
Subtotal	<u>71,973</u>
Total	<u>\$ 124,213</u>

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

b. Analysis of life actuarial reserves by withdrawal characteristics

The withdrawal characteristics of the Company's life actuarial reserves as of December 31, 2021 are illustrated below:

General Account

	Account Value	Cash Value	Reserve
	(In Millions)		
Subject to discretionary withdrawal, surrender values, or policy loans:			
Universal life	\$ 20,559	\$ 20,552	\$ 20,616
Universal life with secondary guarantees	1,924	1,667	6,476
Other permanent cash value life insurance	-	72,632	76,134
Variable life	1	1	-
Variable universal life	395	390	438
Not subject to discretionary withdrawal or no cash values:			
Term policies without cash value	-	-	2,823
Accidental death benefits	-	-	3
Disability - active lives	-	-	171
Disability - disabled lives	-	-	288
Miscellaneous reserves	-	-	1,269
Total (gross: direct + assumed)	\$ 22,879	\$ 95,242	\$ 108,218
Reinsurance Ceded	4,371	4,758	8,798
Total (net)	\$ 18,508	\$ 90,484	\$ 99,420

Separate Account with Guarantees

	Account Value	Cash Value	Reserve
	(In Millions)		
Subject to discretionary withdrawal, surrender values, or policy loans:			
Variable universal life	\$ 1,569	\$ 1,568	\$ 1,569
Not subject to discretionary withdrawal or no cash values:			
Total (gross: direct + assumed)	1,569	1,568	1,569
Total (net)	\$ 1,569	\$ 1,568	\$ 1,569

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Separate Account Nonguaranteed

	Account Value	Cash Value	Reserve
	(In Millions)		
Subject to discretionary withdrawal, surrender values, or policy loans:			
Variable life	\$ 2	\$ 2	2
Variable universal life	1,738	1,724	1,732
Not subject to discretionary withdrawal or no cash values:			
Total (gross: direct + assumed)	1,740	1,726	1,735
Total (net)	\$ 1,740	\$ 1,726	\$ 1,735

c. Separate accounts

The Company has guaranteed separate accounts classified as the following: nonindexed, which have multiple concurrent guarantees, including a guarantee that applies for as long as the contract is in effect and does not exceed a 4% rate of return. The Company has nonguaranteed separate accounts which are variable accounts where the benefit is determined by the performance and/or market value of the investments held in the separate account with incidental risk, notional expense and minimum death benefit guarantees.

Information regarding the separate accounts of the Company as of and for the year ended December 31, 2021 is as follows:

	Guaranteed			Total
	Indexed	Nonindexed Less Than/ Equal to	Non Guarantee	
	(In Millions)			
Net premium, considerations or deposits for the year ended December 31, 2021	\$ -	\$ -	\$ 8,560	\$ 8,560
Reserves at December 31, 2021:				
For accounts with assets at:				
Fair value	\$ -	\$ 17,964	\$ 55,743	\$ 73,707
Amortized cost/book value	-	1,569	-	1,569
Subtotal SIA Reserves	-	19,533	55,743	75,276
Nonpolicy liabilities	-	-	736	736
Total Separate Account Liabilities	\$ -	\$ 19,533	\$ 56,479	\$ 76,012
Reserves by withdrawal characteristics:				
Subject to discretionary withdrawal:				
At fair value	\$ -	\$ 17,964	\$ 55,743	\$ 73,707
At book value without market value adjustment and current surrender charge of less than 5%	-	1,569	-	1,569
Subtotal	-	19,533	55,743	75,276
Nonpolicy liabilities	-	-	736	736
Total Separate Account Liabilities	\$ -	\$ 19,533	\$ 56,479	\$ 76,012

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The Company does not have any reserves in separate accounts for asset default risk in lieu of AVR.

The following is a reconciliation of amounts reported as transfers (from) to separate accounts in the Summary of Operations of the Company's NAIC Separate Account Annual Statement to the amounts reported as net transfers (from) to separate accounts in change in policyholders' reserves in the accompanying Statutory Statements of Operations:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
From the Separate Account Annual Statement:			
Transfers to separate accounts	\$ 3,971	\$ 9,867	\$ 7,260
Transfers from separate accounts	(11,152)	(12,701)	(12,313)
Subtotal	(7,181)	(2,834)	(5,053)
Reconciling adjustments:			
Miscellaneous	4,537	-	-
Net deposits on deposit-type liabilities	1,202	(812)	(967)
Net transfers from separate accounts	<u>\$ (1,442)</u>	<u>\$ (3,646)</u>	<u>\$ (6,020)</u>

Net deposits on deposit-type liabilities are not considered premium and therefore are excluded from the Statutory Statements of Operations.

11. Debt

MassMutual issues commercial paper in the form of Notes in minimum denominations of \$250 thousand up to a total aggregation of \$1,000 million with maturity dates up to a maximum of 270 days from the date of issuance. Noninterest bearing Notes are sold at par less a discount representing an interest factor. Interest bearing Notes are sold at par. The Notes are not redeemable or subject to voluntary prepayments by MassMutual. The Notes had a carrying value and face amount of \$250 million as of December 31, 2021 and 2020. Notes issued in 2021 had interest rates ranging from 0.1% to 0.15% with maturity dates ranging from 1 to 35 days. Interest expense for commercial paper was \$1 million for the year ended December 31, 2021 and \$2 million for the year ended December 31, 2020.

MassMutual has a \$1,000 million, five-year credit facility, with a syndicate of lenders that can be used for general corporate purposes and to support commercial paper borrowings. During December 2018, the facility was renewed and the scheduled maturity is December 2023. The facility includes two one-year extension options that may be exercised with proper notification as set forth in the agreement. The facility has an upsize option for an additional \$500 million. The terms of the credit facility additionally provide for, among other provisions, covenants pertaining to liens, fundamental changes, transactions with affiliates and adjusted statutory surplus. As of and for the years ended December 31, 2021 and 2020, MassMutual was in compliance with all covenants under the credit facility. For the years ended December 31, 2021 and 2020, there were no draws on the credit facilities. Credit facility fees were less than \$1 million for the years ended December 31, 2021 and December 31, 2020.

12. Employee benefit plans

The Company sponsors multiple employee benefit plans, providing retirement, life, health and other benefits to employees, certain employees of unconsolidated subsidiaries, agents, general agents and retirees who meet plan eligibility requirements.

a. Pension plans

The Company sponsors funded and unfunded noncontributory defined benefit pension plans for its eligible employees and agents. The qualified defined benefit plan includes a defined benefit formula and a cash balance formula. Participants earn benefits under the plan based on the defined benefit formula, the cash balance formula, or a combination of both formulas as determined by their date of hire or rehire. Under the defined benefit formula, benefits are calculated based on final average earnings and length of service. Benefits under the cash balance formula are determined based on age, service and salary during the participants' careers.

The Company's policy is to fund qualified pension costs in accordance with the Employee Retirement Income Security Act of 1974. The company contributed \$80 million to its qualified benefit plan in 2020 and there were no contributions in 2021.

b. Defined contribution plans

The Company sponsors funded (qualified 401(k) thrift savings) and unfunded (nonqualified deferred compensation thrift savings) defined contribution plans for its employees, agents and retirees. The qualified 401(k) thrift savings plans' net assets available for benefits were \$4,104 million as of December 31, 2021 and \$3,862 million as of December 31, 2020. The Company match for the qualified 401(k) thrift savings plans is limited to 5% of eligible W-2 compensation. The Company's total matching thrift savings contributions, included in general insurance expenses were \$48 million for the year ended December 31, 2021 and \$53 million for the year ended December 31, 2020 and \$54 million for 2019.

The Company also maintains a defined contribution plan for agents, which was frozen in 2001. The net assets available for these benefits were \$179 million as of December 31, 2021 and \$183 million as of December 31, 2020.

c. Other postretirement benefits

The Company provides certain life insurance and health care benefits (other postretirement benefits) for its retired employees and agents, their beneficiaries and covered dependents. MMHLLC has the obligation to pay the Company's other postretirement benefits. The transfer of this obligation to MMHLLC does not relieve the Company of its primary liability. MMHLLC is allocated other postretirement expenses related to interest cost, amortization of actuarial gains (losses) and expected return on plan assets, whereas service cost and prior service cost are recorded by the Company.

Substantially all of the Company's U.S. employees and agents may become eligible to receive other postretirement benefits. These benefits are funded as the benefits are provided to the participants. For employees who retire after 2009, except certain employees who were close to retirement in 2010, the Company's cost is limited to a retiree health reimbursement account (RHRA), which accumulates during an employee's career and can be drawn down by the retiree to purchase coverage outside of the Company or for other health care costs. Retired employees with a RHRA also may choose to purchase coverage through the private retiree exchange.

For other current and future retired employees, and current and future retired agents, the Company provides access to postretirement health care plans through a private retiree exchange. The Company's cost is limited to the fixed annual subsidy provided to retirees through a Health Reimbursement Account each year that the retiree can use to purchase coverage on the exchange or for other health care costs.

Company-paid basic life insurance is provided to retirees who retired before 2010 and certain employees who retire after 2009 but were close to retirement in 2010. Supplemental life insurance is available to certain retirees on a retiree-pay-all basis.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The Company provides retiree life insurance coverage for home office employees who, as of January 1, 2010, were age 50 with at least 10 years of service or had attained 75 points, generally age plus service, with a minimum 10 years of service.

d. Benefit obligations

Accumulated benefit obligations are the present value of pension benefits earned as of a December 31 measurement date (the Measurement Date) based on service and compensation and do not take into consideration future salary levels.

Projected benefit obligations for pension benefits are the present value of pension benefits earned as of the Measurement Date projected for estimated salary increases to an assumed date with respect to retirement, termination, disability or death.

Refer to *Note 12f. "Amounts recognized in the Statutory Statements of Financial Position,"* for details on the funded status of the plans.

Accumulated and projected postretirement benefit obligations for other postretirement benefits are the present value of postretirement medical and life insurance benefits earned as of the Measurement Date projected for estimated salary and medical claim rate increases to an assumed date with respect to retirement, disability or death.

Actuarial (gains) losses represent the difference between the expected results and the actual results used to determine the projected benefit obligation, accumulated benefit obligation and current year expense. Select assumptions used in this calculation include expected future compensation levels, healthcare cost trends, mortality and expected retirement age.

The following presents the total pension and other postretirement accumulated benefit obligation:

	December 31,			
	2021	2020	2021	2020
	Pension		Other Postretirement	
	Benefits		Benefits	
	(In Millions)			
Accumulated benefit obligation	\$ 3,099	\$ 3,254	\$ 374	\$ 389

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following sets forth the change in projected benefit obligation of the defined benefit pension and other postretirement plans:

	December 31,			
	2021	2020	2021	2020
	Pension Benefits		Other Postretirement Benefits	
	(In Millions)			
Projected benefit obligation, beginning of year	\$ 3,254	\$ 3,270	\$ 389	\$ 383
Service cost	109	114	10	14
Interest cost	77	98	9	11
Actuarial (gains) losses	(22)	12	(9)	(9)
Benefits paid	(206)	(92)	(14)	(14)
Change in discount rate	(120)	204	(11)	19
Special termination benefits	-	-	-	6
Settlements and curtailments	-	(198)	-	(3)
Change in actuarial assumptions	7	(154)	-	(18)
Projected benefit obligation, end of year	<u>\$ 3,099</u>	<u>\$ 3,254</u>	<u>\$ 374</u>	<u>\$ 389</u>

The determination of the discount rate is based upon rates commensurate with current yields on high quality corporate bonds as of the Measurement Date. A spot yield curve is developed from this data that is used to determine the present value for the obligation. The projected plan cash flows are discounted to the Measurement Date based on the spot yield curve. A single discount rate is utilized to ensure the present value of the benefits cash flow equals the present value computed using the spot yield curve. A 25 basis point change in the discount rate results in approximately a \$87 million change in the projected pension benefit obligation. The methodology includes producing a cash flow of annual accrued benefits. Refer to Note 12h. "Assumptions" for details on the discount rate. The 2021 change in actuarial assumptions is due to an updated demographics experience study, which consisted of updated retirement rates, turnover rates and the percentage of participants electing lump-sum.

e. Plan assets

The assets of the qualified pension plan are invested through a MassMutual group annuity contract and investments held in a trust. The group annuity contract invests in the General Investment Account (GIA) of the Company and separate investment accounts. The separate investment accounts are managed by the Company, the Company's indirectly wholly owned asset manager, subsidiaries, as well as unaffiliated asset managers.

The Company's qualified pension plan assets managed by the Company and its indirectly wholly owned subsidiaries are as follows:

	December 31,	
	2021	2020
	(In Millions)	
General Investment Account	\$ 196	\$ 237
Separate Investment Accounts:		
Barings Long Duration Bond Fund	310	318
	<u>\$ 506</u>	<u>\$ 555</u>

The approximate amount of annual benefits to be paid to plan participants covered by a group annuity contract issued by the employer or related parties is \$150 million for 2022.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The Company employs a total return investment approach whereby a mix of equities and fixed-income investments are used to maximize the long-term return of plan assets with a prudent level of risk. Risk tolerance is established through consideration of plan liabilities, plan funded status and the Company's financial condition. The investment portfolio contains a diversified blend of equity and fixed-income investments. Alternative assets such as private equity funds, hedge funds, private real estate funds, equity index exchange traded funds and bond index exchange traded funds are used to improve portfolio diversification. Investment risk is measured and monitored on an ongoing basis through quarterly investment portfolio reviews, annual liability measurements and periodic asset and liability studies.

The target range allocations for the qualified pension plan assets are 19% to 30% domestic equity securities, 0% to 0% long duration bond securities, 0% to 0% GIA and aggregate bond assets, 0% to 0% international equity securities and 25% to 36% alternative investments. Domestic equities primarily include investments in large capitalization (large cap) companies and small capitalization (small cap) companies. Long duration bond securities invest in several long-duration bond exchange traded funds. International equities include investments in American Depository Receipts and limited partnerships that trade primarily in foreign markets in Europe, Latin America and Asia. The pension plan assets invested in the GIA through the unallocated group annuity contract earn a fixed interest. These assets comprised approximately 6% of the plan assets as of December 31, 2021 and 8% as of December 31, 2020.

The following presents the change in fair value of plan assets:

	December 31,			
	2021	2020	2021	2020
	Pension		Other Postretirement	
	Benefits		Benefits	
	(In Millions)			
Fair value of plan assets, beginning of year	\$ 2,964	\$ 2,738	\$ 2	\$ 3
Actual return on plan assets	266	401	-	-
Employer contributions	29	101	14	12
Benefits paid	(206)	(91)	(14)	(13)
Other	-	(185)	-	-
Fair value of plan assets, end of year	<u>\$ 3,053</u>	<u>\$ 2,964</u>	<u>\$ 2</u>	<u>\$ 2</u>

The *General Investment Account* is designed to provide stable, long-term investment growth. The account value is maintained at a stable value (generally referred to as "book value") regardless of financial market fluctuations; however, if the plan sponsor initiates a full or partial termination, the amount liquidated is subject to an adjustment that could result in an increase or decrease in the book value of the plan's investment.

The following presents the GIA allocation by type of investment:

	December 31,	
	2021	2020
Bonds	58 %	57 %
Mortgage loans	13	14
Common stocks - subsidiaries and affiliates	11	10
Other investments	9	12
Partnerships and limited liability companies	6	5
Cash and cash equivalents	3	2
	<u>100 %</u>	<u>100 %</u>

The majority of the assets of the qualified pension plan are invested in the following separate investment account options as well as certain private equity funds, hedge funds, private real estate funds and an all cap U.S. equity index exchange traded fund held in the MassMutual Pension Plan Trust (Pension Trust Assets):

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Pacific Investment Management Company Long Duration Bond Fund is a separate investment account advised by Pacific Investment Management Company that invests in a diversified portfolio of fixed-income securities, including short-term, intermediate and long-term credit and government securities and cash. The specific performance objective is to outperform the total return of the Bloomberg U.S. Long Government/Credit Bond index.

Goldman Sachs Asset Management Long Duration Bond Fund is a separate investment account advised by Goldman Sachs Asset Management that invests in a diversified portfolio of fixed-income securities, including short-term, intermediate and long-term credit, government securities and cash. The specific performance objective is to outperform the total return of the Bloomberg U.S. Long Government/Credit Bond index.

Barings Long Duration Bond Fund is a separate investment account advised by Barings with a long duration bond strategy that invests in a diversified portfolio of fixed-income securities, including, short-term, intermediate and long-term credit, government securities and cash. The specific performance objective is to outperform the total return of the Bloomberg U.S. Long Government/Credit Bond index.

Vanguard Russell 1000 Index Fund is a separate investment account investing in a mutual fund advised by Vanguard Group Inc. that seeks to passively track the performance of the Russell 1000 Index, representing U.S. large capitalization stocks.

MFS Institutional International Equity Fund is a separate investment account investing in a mutual fund advised by Massachusetts Financial Services Company that seeks to outperform the MSCI EAFE Index over full market cycles. The fund's strategy is to construct a well-diversified portfolio of high-conviction ideas following a growth-at-a-reasonable price style with a quality bias.

MassMutual Pension Plan Trust is a trust account with a strategy of investing in alternative investments as directed by the Investment Fiduciary Committee. These investments include private equity, infrastructure, private debt, hedge funds, and private real estate, with allocations temporarily awaiting investment held in an all cap U.S. equity index exchange traded fund.

Fair Value Measurements

The Company's fair value hierarchy is defined in *Note 4. "Fair Value of financial instruments"*.

The following is a description of the valuation methodologies used to measure fair value for the investments in the qualified pension plan.

Separate Investment Accounts: There are two methods of determining unit value for the separate investment accounts. The portfolio method is used when the separate investment account invests in a portfolio of securities or two or more underlying mutual funds, bank collective trust funds or other investment vehicles (each an underlying fund). Under this method, the unit value of a separate investment account is determined by dividing the market value of such separate investment account on any valuation date by the total number of units in the separate investment account. The net investment factor method (NIF) is used when the separate investment account invests in shares or units of a single underlying fund. Under this method, the unit value of a separate investment account is determined by taking the unit value for the prior valuation day and multiplying it by the net investment factor for the current valuation day. Under both of these methods the separate investment accounts are therefore classified as Level 2. As of December 31, 2021, the Plan had no specific plans or intentions to sell investments at amounts other than NAV. These investments can be redeemed on a daily basis and have no lockups or funding commitments.

Corporate debt instruments: If Level 1 valuations are not available, the fair value is determined using models such as matrix pricing and therefore, is classified as Level 2, which uses quoted market prices of debt securities with similar characteristics. Valued using the closing price reported on the active market on which the individual securities are traded.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

PIMCO bond funds: Valued using the closing price reported on the active market on which the individual securities are traded and therefore classified as Level 1.

Government securities: Marked to market daily based on values provided by third-party vendors or market makers to the extent available or based on model prices. Valuations furnished by a pricing service take into account factors such as institutional-size trading in similar securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data and are therefore classified as Level 2.

Common stocks: Valued using the closing price reported on the active market on which the individual securities are traded and therefore classified as Level 1.

Collective investment trust: The net asset value per unit of the Funds is calculated on each business day by dividing the total value of assets, less liabilities, by the number of units outstanding. Unit issuances and redemptions are based on the net asset value determined at the end of the current day.

Limited partnerships: The Plan utilizes the practical expedient to calculate fair value of its investments based on the Plan's pro rata interest in net assets of each underlying partnership. All valuations utilize financial information supplied by the partnership, including income, expenses, gains and losses. The underlying investments of the partnership are accounted for at fair value as described in the partnership's audited financial statements. The multi-strategy hedge fund can be redeemed semi-annually with 95 day notice. The remaining funds can be redeemed periodically with notice that generally ranges from 45 to 90 days. There are no lockups or funding commitments.

Other: Valued using the closing price reported on the active market on which the individual securities are traded. If Level 1 valuations are not available, the fair value is determined using models such as matrix pricing and therefore, is classified as Level 2, which uses quoted market prices with similar characteristics. Investments included in this category include short term investments, real estate investment trusts, asset backed securities, mortgage backed securities, swaps, derivatives, futures and options. Investments in multi-strategy hedge fund and real estate are based on the Plan's pro rata interest in the net assets of the partnership and have a redemption period, therefore are based on NAV as a practical expedient and are reported in the NAV Practical Expedient column. The multi-strategy hedge fund is comprised of two funds, one of which has a quarterly redemption period and the other with a monthly redemption period. They both require 45 days notice. The real estate fund does not have a specific redemption period, but is dependent upon the liquidation of underlying assets. None of the funds have a lock up period or funding commitment.

Cash and cash equivalents: Stated at cost, which is equal to fair value, and held by an unaffiliated bank.

General Investment Account option: Liquidation value based on an actuarial formula as defined under the terms of the contract.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following presents the fair value hierarchy of the Company's pension plan assets by asset class:

	December 31, 2021				
	Level 1	Level 2	Level 3	NAV Practical Expedient	Total
	(In Millions)				
Investments in the qualified pension plan:					
Pooled separate accounts:					
Common stocks:					
U.S. large capitalization	\$ -	\$ 107	\$ -	\$ -	\$ 107
International large capitalization	-	101	-	-	101
Total pooled separate accounts	-	208	-	-	208
Nonpooled separate accounts:					
Common stocks:					
U.S. large capitalization	-	357	1	-	358
U.S. small capitalization	47	-	-	-	47
U.S. mid capitalization	27	-	-	-	27
International small/mid capitalization	1	-	-	-	1
International large capitalization	-	232	-	-	232
International emerging markets	-	81	-	-	81
Total common stocks	75	670	1	-	746
Debt instruments:					
Corporate and other bonds	-	469	-	-	469
Long-term bond mutual funds	155	-	-	-	155
Short-term bond mutual funds	33	-	-	-	33
Total debt instruments	188	469	-	-	657
Other:					
Government securities	-	397	-	-	397
Collective investment trust	-	-	-	88	88
Other	-	15	-	-	15
Total other	-	412	-	88	500
Total nonpooled separate accounts	263	1,551	1	88	1,903
Total separate investment accounts	263	1,759	1	88	2,111
Pension trust assets:					
Common stocks:					
Cash Equivalent	20	-	-	-	20
Collective investment trust	-	57	-	-	57
Hedge fund	-	-	-	24	24
Limited partnerships:					
Private equity/venture capital	-	-	-	361	361
Real estate	-	-	-	133	133
Hedge	-	-	-	173	173
Total pension trust assets	20	57	-	691	768
Total General Investment Account	-	-	196	-	196
Total	\$ 283	\$ 1,816	\$ 197	\$ 779	\$ 3,075

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following presents the fair value hierarchy of the Company's pension plan assets by asset class:

	December 31, 2020				
	Level 1	Level 2	Level 3	NAV Practical Expedient	Total
	(In Millions)				
Investments in the qualified pension plan:					
Pooled separate accounts:					
Common stocks:					
U.S. large capitalization	\$ -	\$ 134	\$ -	\$ -	\$ 134
International large capitalization	-	120	-	-	120
Total pooled separate accounts	-	254	-	-	254
Nonpooled separate accounts:					
Common stocks:					
U.S. large capitalization	-	322	-	-	322
U.S. small capitalization	45	-	-	-	45
U.S. mid capitalization	23	-	-	-	23
International small/mid capitalization	2	-	-	-	2
International large capitalization	-	278	-	-	278
International emerging markets	-	84	-	-	84
Total common stocks	70	684	-	-	754
Debt instruments:					
Corporate and other bonds	-	502	-	-	502
Long-term bond mutual funds	130	-	-	-	130
Short-term bond mutual funds	32	-	-	-	32
Total debt instruments	162	502	-	-	664
Other:					
Government securities	-	360	-	-	360
Collective investment trust	-	-	-	81	81
Other	-	32	-	-	32
Total other	-	392	-	81	473
Total nonpooled separate accounts	232	1,578	-	81	1,891
Total separate investment accounts	232	1,832	-	81	2,145
Pension trust assets:					
Common stocks:					
Cash Equivalent	15	-	-	-	15
Collective investment trust	-	48	-	-	48
Hedge fund	-	-	-	30	30
Limited partnerships:					
Private equity/venture capital	-	-	-	222	222
Real estate	-	-	-	125	125
Hedge	-	-	-	165	165
Total pension trust assets	15	48	-	542	605
Total General Investment Account	-	-	237	-	237
Total	\$ 247	\$ 1,880	\$ 237	\$ 623	\$ 2,987

The Company evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. Based on these criteria, there were no significant transfers into or out of Level 1, 2, or 3 for the years ended December 31, 2021 and December 31, 2020.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

f. Amounts recognized in the Statutory Statements of Financial Position

Unrecognized prior service cost is the adjustment to the projected benefit obligation as a result of plan amendments. It represents the increase or decrease in benefits for service performed in prior periods. For pension benefits, this cost is amortized into net periodic benefit cost over the average remaining service years of active employees at the time of the amendment. For other postretirement benefits, this cost is amortized into net periodic benefit cost over the average remaining lifetime of eligible employees and retirees at the time of the amendment.

Unrecognized net actuarial (gains) losses are variances between assumptions used and actual experience. These assumptions include return on assets, discount rate, demographics and mortality. The unrecognized net actuarial (gains) losses are amortized if they exceed 10% of the projected benefit obligation and are amortized starting in the period after recognition. These are amortized for pension and other postretirement benefits into net periodic benefit cost over the remaining service-years of active employees.

The prepaid pension asset is a cumulative balance of employer contributions made to the plan netted against the plan's accumulated net periodic benefit costs. The prepaid pension asset is a non-admitted asset.

The accrued benefit cost recognized is the funded status of the plan adjusted for the remaining balance of unrecognized prior service cost, unrecognized net actuarial loss and the non-admitted prepaid pension asset.

The following sets forth the projected benefit obligation funded status of the plans:

	December 31,			
	2021	2020	2021	2020
	Pension Benefits		Other Postretirement Benefits	
	(In Millions)			
Projected benefit obligation	\$ 3,099	\$ 3,254	\$ 374	\$ 389
Less: fair value of plan assets	3,053	2,964	2	2
Projected benefit obligation funded status	\$ (46)	\$ (290)	\$ (372)	\$ (387)

The qualified pension plan was overfunded by \$383 million as of December 31, 2021 and \$147 million as of December 31, 2020. The nonqualified pension plans are not funded and have total projected benefit obligations of \$430 million as of December 31, 2021 and \$437 million as of December 31, 2020.

The qualified pension plan nonadmitted pension plan asset was \$636 million as of December 31, 2021 and \$637 million as of December 31, 2020.

The Company intends to fund \$52 million in 2022 to meet its expected current obligations under its qualified and nonqualified pension plans and other postretirement benefit plans.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

g. Net periodic cost

The net periodic cost represents the annual accounting income or expense recognized by the Company and is included in general insurance expenses in the Statutory Statements of Operations. The net periodic cost recognized is as follows:

	Years Ended December 31,					
	2021	2020	2019	2021	2020	2019
	Pension Benefits			Other Postretirement Benefits		
(In Millions)						
Service cost	\$ 110	\$ 114	\$ 111	\$ 10	\$ 14	\$ 13
Interest cost	77	98	118	9	11	13
Expected return on plan assets	(183)	(177)	(160)	-	-	-
Amortization of unrecognized net actuarial and	39	52	56	-	2	(1)
Amortization of unrecognized prior service cost	-	-	-	(6)	(6)	(6)
Total net periodic cost	<u>\$ 43</u>	<u>\$ 87</u>	<u>\$ 125</u>	<u>\$ 13</u>	<u>\$ 21</u>	<u>\$ 19</u>
Settlement and curtailment	-	36	-	-	-	-
Special termination benefits	-	-	-	-	6	-
Total net expense	<u>\$ 43</u>	<u>\$ 123</u>	<u>\$ 125</u>	<u>\$ 13</u>	<u>\$ 27</u>	<u>\$ 19</u>

The expected future pension and other postretirement benefit payments, which reflect expected future service, are as follows:

	Pension	Other
	Benefits	Postretirement Benefits
(In Millions)		
2022	\$ 184	\$ 19
2023	188	19
2024	191	20
2025	194	20
2026	194	20
2027-2031	965	103

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The net expense recognized in the Statutory Statements of Operations for all employee and agent benefit plans is as follows:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Health	\$ 120	\$ 124	\$ 139
Pension	43	123	125
Thrift	48	53	54
Postretirement	13	27	19
Disability	3	3	3
Life	10	4	4
Postemployment	(2)	(2)	8
Other benefits	16	11	13
Total	<u>\$ 251</u>	<u>\$ 343</u>	<u>\$ 365</u>

h. Assumptions

The assumptions the Company used to calculate the benefit obligations and to determine the benefit costs are as follows:

	Years Ended December 31,					
	2021	2020	2019	2021	2020	2019
	Pension Benefits			Other Postretirement Benefits		
Weighted-average assumptions used to determine:						
Benefit obligations:						
Discount rate	2.85 %	2.50 %	3.05 %	2.80 %	2.45 %	3.05 %
Expected rate of compensation increase	3.50 %	3.50 %	3.50 %	3.50 %	3.50 %	3.50 %
Interest Crediting rate	6.50 %	5.00 %	5.00 %	2.80 %	2.45 %	3.05 %
Net periodic benefit cost:						
Discount rate	2.50 %	3.05 %	4.20 %	2.45 %	3.05 %	4.05 %
Expected long-term rate of return on plan assets	6.50 %	6.50 %	6.75 %	3.00 %	3.00 %	3.00 %
Expected rate of compensation increase	3.50 %	3.50 %	3.50 %	3.50 %	3.50 %	3.50 %
Interest Crediting rate	6.50 %	5.00 %	6.00 %	2.45 %	3.05 %	4.05 %

The discount rate used to determine the benefit obligations as of year end is used to determine the expense in the next fiscal year.

The Company determines its assumptions for the expected rate of return on plan assets for its plans using a “building block” approach, which focuses on ranges of anticipated rates of return for each asset class. A weighted range of nominal rates is determined based on target allocations for each class of asset.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

13. Employee compensation plans

The Company has a long-term incentive compensation plan under which certain employees of the Company and its subsidiaries may be issued phantom stock-based compensation awards. These awards include PSARs and PRS. These awards do not grant an equity or ownership interest in the Company.

A summary of the weighted average grant price of PSARs and PRS shares granted, the intrinsic value of PSARs shares exercised, the PRS liabilities paid and the fair value of shares vested during the year is as follows:

	December 31,		
	2021	2020	2019
Weighted average grant date fair value:			
PSARs granted during the year	\$ 141.86	\$ 130.35	\$ 123.43
PRS granted during the year	153.38	130.10	123.29
Intrinsic value (in thousands):			
PSARs options exercised	124,551	53,676	35,065
PRS liabilities paid	48,298	43,616	34,391
Fair value of shares vested during the year	246,047	106,461	69,456

A summary of PSARs and PRS shares is as follows:

	PSARs			PRS		
	Number of Share Units (In Thousands)	Weighted Average		Number of Share Units (In Thousands)	Weighted Average	
		Price	Remaining Contract Terms (In Years)		Price	Remaining Contract Terms (In Years)
Outstanding as of						
December 31, 2019	4,806	\$ 102.04	3.9	1,270	\$ 96.33	2.6
Granted	1,599	130.35		271	130.10	
Exercised	(1,148)	83.13		(337)	89.08	
Forfeited	(89)	122.64		(47)	119.25	
Outstanding as of						
December 31, 2020	5,168	114.55	4.0	1,157	105.37	2.5
Granted	1,539	141.86		275	153.38	
Exercised	(2,102)	100.11		(337)	89.01	
Forfeited	(95)	132.07		(25)	124.02	
Outstanding as of						
December 31, 2021	4,510	130.23	4.1	1,070	122.41	2.5
Exercisable as of						
December 31, 2021	59	\$ 118.01	0.8	21	\$ 203.78	-

The PSARs compensation was an expense of \$253 million for the year ended December 31, 2021 and an expense of \$73 million for the year ended December 31, 2020 and an expense of \$56 million for the year ended December 31, 2019. The PSARs accrued compensation liability was \$259 million as of December 31, 2021 and \$132 million as of December 31, 2020. The unrecognized compensation expense related to nonvested PSARs awards was \$108 million for the year ended December 31, 2021, \$11 million for the year ended December 31, 2020 and \$35 million for the year ended December 31, 2019. The weighted average period over which the expense is expected to be recognized is

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

4.1 years. The PSARs unrecognized compensation expense represents the total intrinsic value of all shares issued if 100% vested at current stock price, minus current compensation liability.

The PRS compensation expense was \$77 million for the year ended December 31, 2021 and \$51 million for the year ended December 31, 2020 and \$46 million for the year ended December 31, 2019. The PRS accrued compensation liability was \$137 million for the year ended December 31, 2021 and \$107 million for the year ended December 31, 2020. The unrecognized compensation expense related to nonvested PRS awards was \$77 million as of December 31, 2021, \$53 million as of December 31, 2020 and \$67 million as of December 31, 2019 respectively. The weighted average period over which the expense is expected to be recognized is 2.5 years. The PRS unrecognized compensation expense represents the total value of all shares issued if 100% vested at the current stock price, minus current compensation liability

14. *Surplus notes*

The following table summarizes the surplus notes issued and outstanding as of December 31, 2021:

Issue Date	Face Amount	Carrying Value	Interest Rate	Maturity Date	Scheduled Interest Payment Dates
(\$ In Millions)					
11/15/1993	\$ 188	\$ 188	7.625%	11/15/2023	May 15 & Nov 15
03/01/1994	100	100	7.500%	03/01/2024	Mar 1 & Sept 1
05/12/2003	193	193	5.625%	05/15/2033	May 15 & Nov 15
06/01/2009	130	129	8.875%	06/01/2039	Jun 1 & Dec 1
01/17/2012	263	263	5.375%	12/01/2041	Jun 1 & Dec 1
04/15/2015	258	254	4.500%	04/15/2065	Apr 15 & Oct 15
03/23/2017	475	471	4.900%	04/01/2077	Apr 1 & Oct 1
10/11/2019	838	587	3.729%	10/15/2070	Apr 15 & Oct 15
04/16/2020	700	697	3.375%	04/15/2050	Apr 15 & Oct 15
06/26/2020	600	830	5.077%	02/15/2069	Feb 15 & Aug 15
03/01/2021	200	232	5.077%	02/15/2069	Feb 15 & Aug 15
11/18/2021	675	669	3.200%	12/01/2061	Jun 1 & Dec 1
Total	<u>\$ 4,620</u>	<u>\$ 4,613</u>			

All payments of interest and principal are subject to the prior approval of the Division. Interest expense is not recorded until approval for payment is received from the Division. As of December 31, 2021, the unapproved interest was \$43 million. Through December 31, 2021, the Company paid cumulative interest of \$2,168 million on surplus notes. Interest of \$173 million was approved and paid during the year ended December 31, 2021.

Anticipated sinking fund payments are due for the notes issued in 1993 and 1994 as follows: \$88 million in 2022, \$150 million in 2023 and \$50 million in 2024. There are no sinking fund requirements for the notes issued in 2003, 2009, 2012, 2015, 2017, 2019, 2020 or 2021.

These notes are unsecured and subordinate to all present and future indebtedness of the Company, all policy claims and all prior claims against the Company as provided by the Massachusetts General Laws. The surplus notes are all held by bank custodians for unaffiliated investors. All issuances were approved by the Division. Surplus notes are included in surplus on the Statutory Statements of Financial Position.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

15. Presentation of the Statutory Statements of Cash Flows

The following table presents those transactions that have affected the Company's recognized assets or liabilities but have not resulted in cash receipts or payments during the years ended December 31, 2021 and 2020. Accordingly, the Company has excluded these non-cash activities from the Statutory Statements of Cash Flows for the years ended December 31, 2021 and 2020.

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Premium income recognized for group annuity contracts	\$ 1,237	\$ 1,250	\$ 916
Bonds received as consideration for group annuity contracts	(1,231)	(1,250)	(916)
Bond conversions and refinancing	729	4,922	1,025
Premium ceded in exchange for invested assets	(514)	(11,197)	-
Bonds transferred in exchange for premium	511	9,379	-
Change in market value of COLI	272	140	175
Surplus notes issued in exchange for bonds	233	837	-
Bonds received as consideration for surplus notes	(233)	(837)	-
Transfer of bonds to cash equivalent	150	-	-
Stock conversion	107	79	64
Exchange of mortgage loans for other assets	18	-	-
Net investment income payment in-kind bonds	16	12	5
Transfer of mortgage loans to partnerships and LLCs	11	353	96
Transfer of stocks to partnerships	4	-	-
Preferred stock transferred in exchange for premium ceded	3	93	-
Common stock received as consideration for group annuity contracts	(6)	-	-
Premium income recognized for individual annuity contracts	-	3,721	-
Bonds received as consideration for individual annuity contracts	-	(3,720)	-
Mortgage loans transferred in exchange for premium ceded	-	1,725	-
Assets received in-kind for bond maturity	-	57	-
Preferred stock received as consideration for individual annuity contracts	-	(1)	-
Dividend reinvestment	-	-	3
Other	-	-	1

16. Business risks, commitments and contingencies

a. Risks and uncertainties

The Company operates in a business environment subject to various risks and uncertainties. The principal risks include insurance and underwriting risks, investment and interest rate risks, currency exchange risk and credit risk. The combined impact of these risks could have a material, adverse effect on the Company's financial statements or result in operating losses in future periods. The Company employs the use of reinsurance, portfolio diversification, asset/liability management processes and other risk management techniques to mitigate the impact of these risks.

Insurance and underwriting risks

The Company prices its products based on estimated benefit payments reflecting assumptions with respect to mortality, morbidity, longevity, persistency, interest rates and other factors. If actual policy experience emerges that is significantly and adversely different from assumptions used in product pricing, the effect could be material to the profitability of the Company. For participating whole life products, the Company's dividends to policyholders primarily reflect the difference between actual investment, mortality, expense and persistency experience and the experience embedded in the whole life premiums and guaranteed elements. The Company also reinsures certain life insurance and other long-term care insurance policies to mitigate the impact of its underwriting risk.

Investment and interest rate risks

The fair value, cash flows and earnings of investments can be influenced by a variety of factors including changes in interest rates, credit spreads, equity markets, portfolio asset allocation and general economic conditions. The Company employs a rigorous asset/liability management process to help mitigate the economic impacts of various investment risks, in particular interest rate risk. By effectively matching the market sensitivity of assets with the liabilities they support, the impact of interest rate changes is addressed, on an economic basis, as the change in the value of the asset is offset by a corresponding change in the value of the supported liability. The Company uses derivatives, such as interest rate swaps and swaptions, as well as synthetic assets to reduce interest rate and duration imbalances determined in asset/liability analyses.

The levels of U.S. interest rates are influenced by U.S. monetary policies and by the relative attractiveness of U.S. markets to investors versus other global markets. As interest rates increase, certain debt securities may experience amortization or prepayment speeds that are slower than those assumed at purchase, impacting the expected maturity of these securities and the ability to reinvest the proceeds at the higher yields. Rising interest rates may also result in a decrease in the fair value of the investment portfolio. As interest rates decline, certain debt securities may experience accelerated amortization and prepayment speeds than what was assumed at purchase. During such periods, the Company is at risk of lower net investment income as it may not be able to reinvest the proceeds at comparable yields. Declining interest rates may also increase the fair value of the investment portfolio.

Interest rates also have an impact on the Company's products with guaranteed minimum payouts and on interest credited to account holders. As interest rates decrease, investment spreads may contract as crediting rates approach minimum guarantees, resulting in an increased liability.

In periods of increasing interest rates, policy loans, surrenders and withdrawals may increase as policyholders seek investments with higher perceived returns. This could result in cash outflows requiring the Company to sell invested assets at a time when the prices of those assets are adversely affected by the increase in market interest rates, which could cause the Company to realize investment losses.

Currency exchange risk

The Company has currency risk due to its non-U.S. dollar denominated investments and medium-term notes along with its indirect international operations. The Company mitigates a portion of its currency risk through the use of cross-currency swaps and forward contracts. Cross-currency swaps are used to minimize currency risk for certain non-U.S. dollar assets and liabilities through a pre-specified exchange of interest and principal. Forward contracts are used to hedge movements in exchange rates.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Credit and other market risks

The Company manages its investments to limit credit and other market risks by diversifying its portfolio among various security types and industry sectors as well as purchasing credit default swaps to transfer some of the risk.

Stressed conditions, volatility and disruptions in global capital markets or in particular markets or financial asset classes can have an adverse effect on the Company, in part because the Company has a large investment portfolio and assets supporting the Company's insurance liabilities are sensitive to changing market factors. Global market factors, including interest rates, credit spread, equity prices, real estate markets, foreign currency exchange rates, consumer spending, business investment, government spending, the volatility and strength of the capital markets, deflation and inflation, all affect the business and economic environment and, ultimately, the profitability of the Company's business. Disruptions in one market or asset class can also spread to other markets or asset classes. Upheavals in the financial markets can also affect the Company's business through their effects on general levels of economic activity, employment and customer behavior.

Real estate markets are monitored continuously with attention on regional differences in price performance, absorption trends and supply and demand fundamentals that can impact the rate of foreclosures and delinquencies. Public sector strengths and weaknesses, job growth and macro-economic issues are factors that are closely monitored to identify any impact on the Company's real estate related investments.

The CMBS, RMBS and leveraged loan sectors are sensitive to evolving conditions that can impair the cash flows realized by investors and is subject to uncertainty. Management's judgment regarding OTTI and estimated fair value depends upon the evolving investment sector and economic conditions. It can also be affected by the market liquidity, a lack of which can make it difficult to obtain accurate market prices for RMBS and other investments, including CMBS and leveraged loans. Any deterioration in economic fundamentals, especially related to the housing sector could affect management's judgment regarding OTTI.

The Company has investments in structured products exposed primarily to the credit risk of corporate bank loans, corporate bonds or credit default swap contracts referencing corporate credit risk. Most of these structured investments are backed by corporate loans and are commonly known as collateralized loan obligations that are classified as CDO. The portfolios backing these investments are actively managed and diversified by industry and individual issuer concentrations. Due to the complex nature of CDO and the reduced level of transparency to the underlying collateral pools for many market participants, the recovery in CDO valuations generally lags the overall recovery in the underlying assets. Management believes its scenario analysis approach, based primarily on actual collateral data and forward looking assumptions, does capture the credit and most other risks in each pool. However, in a rapidly changing economic environment, the credit and other risks in each collateral pool will be more volatile and actual credit performance of CDO may differ from the Company's assumptions.

The Company continuously monitors its investments and assesses their liquidity and financial viability; however, the existence of the factors described above, as well as other market factors, could negatively impact the market value of the Company's investments. If the Company sells its investments prior to maturity or market recovery, these investments may yield a return that is less than the Company otherwise would have been able to realize.

Asset-based fees calculated as a percentage of the separate account assets are a source of revenue to the Company. Gains and losses in the investment markets may result in corresponding increases and decreases in the Company's separate account assets and related revenue.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Market risk arises within the Company's employee benefit plans to the extent that the obligations of the plans are not fully matched by assets with determinable cash flows. Pension and postretirement obligations are subject to change due to fluctuations in the discount rates used to measure the liabilities as well as factors such as changes in inflation, salary increases and participants living longer. The risks are that such fluctuations could result in assets that are insufficient over time to cover the level of projected benefit obligations. In addition, increases in inflation and members living longer could increase the pension and postretirement obligations. Management determines the level of this risk using reports prepared by independent actuaries and takes action, where appropriate, in terms of setting investment strategy and determining contribution levels. In the event that the pension obligations arising under the Company's employee benefit plans exceed the assets set aside to meet the obligations, the Company may be required to make additional contributions or increase its level of contributions to these plans.

The spread of the coronavirus, causing increased cases of COVID-19, has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. At this time, the Company is not able to reliably estimate the length and severity of the COVID-19 public health crises and, as such, cannot quantify its impact on the financial results, liquidity and capital resources and its operations in future periods.

Political Uncertainties

Political events, domestically or internationally, may directly or indirectly trigger or exacerbate risks related to product offerings, profitability, or any of the risk factors described above. Whether those underlying risk factors are driven by politics or not, the Company's dynamic approach to managing risks enables management to identify risks, internally and externally, develop mitigation plans, and respond to risks in an attempt to proactively reduce the potential impact of each underlying risk factor on the Company.

b. Leases

The Company leases office space and equipment in the normal course of business under various noncancelable operating lease agreements. Additionally, the Company, as lessee, has entered various sublease agreements with affiliates for office space, such as Barings. Total rental expense on net operating leases, recorded in general insurance expenses, was \$91 million for the year ended December 31, 2021 and \$114 million for the year ended December 31, 2020. Net operating leases are net of sublease receipts of \$5 million for the year ended December 31, 2021 and \$7 million for the year ended December 31, 2020.

The Company has entered into a sale-leaseback transaction with an unrelated party to sell and leaseback certain fixed assets with book values of \$90 million, which resulted in no gain or loss. The lease has a five-year term, which expires in 0.1 with annual lease payment of approximately \$0.15 million.

Future minimum commitments for all lease obligations as of December 31, 2021 were as follows:

	Gross	Affiliated Subleases	Nonaffiliated Subleases	Net
	(In Millions)			
2022	\$ 86	\$ -	\$ 1	\$ 85
2023	86	-	1	85
2024	75	-	-	75
2025	63	-	-	63
2026	46	-	-	46
Thereafter	364	-	-	364
Total	<u>\$ 720</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 718</u>

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

c. Guaranty funds

The Company is subject to state insurance guaranty fund laws. These laws assess insurance companies' amounts to be used to pay benefits to policyholders and policy claimants of insolvent insurance companies. Many states allow these assessments to be credited against future premium taxes. The Company believes such assessments in excess of amounts accrued will not materially impact its financial position, results of operations or liquidity.

d. Litigation and regulatory matters

In the normal course of business, the Company is involved in disputes, litigation and governmental or regulatory inquiries, administrative proceedings, examinations and investigations, both pending and threatened. These matters, if resolved adversely against the Company or settled, may result in monetary damages, fines and penalties or require changes in the Company's business practices. The resolution or settlement of these matters is inherently difficult to predict. Based upon the Company's assessment of these pending matters, the Company does not believe that the amount of any judgment, settlement or other action arising from any pending matter is likely to have a material adverse effect on the statement of financial position. However, an adverse outcome in certain matters could have a material adverse effect on the results of operations for the period in which such matter is resolved, or an accrual is determined to be required, on the financial statement financial position, or on our reputation.

The Company evaluates the need for accruals of loss contingencies for each matter. When a liability for a matter is probable and can be estimated, the Company accrues an estimate of the loss offset by related insurance recoveries or other contributions, if any. An accrual may be subject to subsequent adjustment as a result of additional information and other developments. The resolution of matters is inherently difficult to predict, especially in the early stages of matter. Even if a loss is probable, due to many complex factors, such as speed of discovery and the timing of court decisions or rulings, a loss or range of loss may not be reasonably estimated until the later stages of the matter. For matters where a loss is material and it is either probable or reasonably possible then it is disclosed. For matters where a loss may be reasonably possible, but not probable, or is probable but not reasonably estimated, no accrual is established, but the matter, if material, is disclosed.

In connection with the May 24, 2019 sale of Oppenheimer Acquisition Corp. (OAC) to Invesco Ltd (Invesco), Invesco identified an accounting matter related to four Master Limited Partnership funds managed by a subsidiary of OAC prior to the sale that Invesco has stated may result in an indemnification claim against MassMutual under the terms of the acquisition agreement. Under the terms of the agreement, MassMutual may be liable to Invesco under the acquisition agreement for a portion of any actual losses incurred by Invesco in excess of \$173 million and up to a cap of \$575 million. There are currently considerable uncertainties as to the nature, scope and amount of the potential losses for which Invesco may seek indemnity. In addition to the \$173 million deductible, it is uncertain whether the indemnification obligations set forth in the acquisition agreement would apply to this situation and MassMutual believes it has a number of defenses available that may mitigate or eliminate its exposure to any losses claimed by Invesco should such obligations apply. However, the outcome of any indemnification dispute (including any resulting litigation), should Invesco assert such a claim, and its potential impact on MassMutual's financial position cannot be foreseen with certainty at this time.

e. Commitments

In the normal course of business, the Company provides specified guarantees and funding to MMHLLC and certain of its subsidiaries. As of December 31, 2021, the Company had approximately \$510 million of these unsecured funding commitments to its subsidiaries and \$490 million as of December 31, 2020. The unsecured commitments are included in private placements in the table below. As of December 31, 2021 and 2020, the Company had not funded, nor had an outstanding balance due on, these commitments.

In the normal course of business, the Company enters into letter of credit arrangements. The Company had outstanding letter of credit arrangements of approximately \$84 million as of December 31, 2021 and approximately \$84 million as of December 31, 2020. As of December 31, 2021 and 2020, the Company did not have any funding requests attributable to these letter of credit arrangements.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

In the normal course of business, the Company enters into commitments to purchase certain investments. The majority of these commitments have funding periods that extend between one and five years. The Company is not required to fund commitments once the commitment period expires.

As of December 31, 2021, the Company had the following outstanding commitments:

	2022	2023	2024	2025	2026	Thereafter	Total
	(In Millions)						
Private placements	\$ 3,882	\$ 2,467	\$ 986	\$ 1,025	\$ 698	\$ 1,153	\$ 10,211
Mortgage loans	455	295	358	259	19	103	1,489
Partnerships and LLC	817	791	324	794	649	2,300	5,675
LIHTCs (including equity contributions)	-	-	-	-	1	53	54
Total	<u>\$ 5,154</u>	<u>\$ 3,553</u>	<u>\$ 1,668</u>	<u>\$ 2,078</u>	<u>\$ 1,367</u>	<u>\$ 3,609</u>	<u>\$ 17,429</u>

In the normal course of business the Company enters into commitments related to property lease arrangements, certain indemnities, investments and other business obligations. As of December 31, 2021 and 2020, the Company had no outstanding obligations attributable to these commitments.

f. Guarantees

In the normal course of business the Company enters into guarantees related to employee and retirement benefits, the maintenance of subsidiary regulatory capital, surplus levels and liquidity sufficient to meet certain obligations, and other property lease arrangements. If the Company were to recognize a liability, the financial statement impact would be to recognize either an expense or an investment in a subsidiary, controlled, or affiliated entity. The Company has no expectations for recoveries from third parties should these guarantees be triggered. As of December 31, 2021 and 2020, the Company had no outstanding obligations to any obligor attributable to these guarantees.

The following details contingent guarantees that are made on behalf of the Company's subsidiaries and affiliates as of December 31, 2021.

Type of guarantee	Nature of guarantee (including term) and events and circumstances that would require the guarantor to perform under guarantee	Carrying amount of liability	Maximum potential amount of future payments (undiscounted) required under the guarantee
Employee and Retirement Benefits	The Company guarantees the payment of certain employee and retirement benefits for its wholly-owned subsidiary Barings, if the subsidiary is unable to pay.	-	The liabilities for these plans of \$487 million have been recorded on the subsidiaries' books and represent the Company's maximum obligation.
Capital and Surplus Support of Subsidiaries	Certain guarantees of the Company provide for the maintenance of a subsidiary's regulatory capital, surplus levels and liquidity sufficient to meet certain obligations. These unlimited guarantees are made on behalf of certain wholly-owned subsidiaries. (C.M. Life and MML Bay State Life).	-	These guarantees are not limited and cannot be estimated.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Other Property Lease Arrangements	The Company guarantees the payment of various lease obligations on behalf of its subsidiaries and affiliates.	-	The future maximum potential obligations are immaterial to the Company.
Real Estate Development Guarantee	The Company executed a counter guarantee for the benefit of a French insurance company that provided certain assurances to the seller of developable land in Southern France. The Company will be capitalizing the special purpose entity that owns the property with a maximum €13 million in equity contributions for its 50% share of such costs.	-	€13 million
	The construction lender for an office building in London, UK required a cost overrun guarantee equivalent to 8% of the total budgeted cost (£6 million). The Company will only be responsible for its pro rata share of any cost overruns with a maximum additional commitment of approximately £3 million.	-	£9 million
	The Company has reimbursement agreements with two companies for any incurred losses with respect to the financing of life sciences redevelopment project guaranteed obligations. The Company will reimburse its pro rata share of such losses.	-	These guarantees cannot be estimated.
Secure Capital for Variable Annuity Separate Accounts	The Company guarantees the capital contributions required to be made by a variable annuity separate account contract holder in the event the contract holder fails to payoff a subscription line utilized to deploy capital for the separate account.	-	\$203 million with the right to increase the line to \$250 million.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

17. Related party transactions

MassMutual has management and service contracts and cost-sharing arrangements with various subsidiaries and affiliates where MassMutual, for a fee, will furnish a subsidiary or affiliate, as required, operating facilities, human resources, computer software development and managerial services.

MassMutual has agreements with its subsidiaries and affiliates, including Insurance Road LLC, Copper Hill LLC, MML Investment Advisers LLC, The MassMutual Trust Company, FSB, MassMutual International LLC and Baring International Investment Limited, where MassMutual receives revenue for certain recordkeeping and other services that MassMutual provides to customers who select, as investment options, mutual funds managed by these affiliates.

MassMutual has agreements with its subsidiaries, Barings, MML Investment Advisers LLC and MassMutual Intellectual Property LLC, which provide investment advisory services and licensing agreements to MassMutual.

The following table summarizes the transactions between the Company and the related parties:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Fee income:			
Management and service contracts and cost-sharing arrangements	\$ 364	\$ 335	\$ 427
Investment advisory income	23	22	23
Recordkeeping and other services	20	20	21
Fee expense:			
Investment advisory services	240	268	277
Royalty and licensing fees	58	58	58

The Company reported amounts due from subsidiaries and affiliates of \$128 million as of December 31, 2021 and \$54 million as of December 31, 2020. The Company reported amounts due to subsidiaries and affiliates of \$65 million as of December 31, 2021 and \$8 million as of December 31, 2020. Terms generally require settlement of these amounts within 30 to 90 days.

The Company's wholly owned indirect subsidiary, Barings, invests a portion of their nonqualified compensation plan in GICs with the Company. The Company credited interest on deposits of less than \$1 million to the Barings contract for the year ended December 31, 2021 and \$2 million for the year ended December 31, 2020.

The Company held debt issued by MMHLLC that amounted to \$2,059 million as of December 31, 2021 and \$2,079 million as of December 31, 2020. The Company recorded interest income on MMHLLC debt of \$77 million in 2021 and \$103 million in 2020. Notes maturing as of March 2021 were refinanced at 1.75% for \$500 million. Notes maturing as of March and December 2020 were refinanced at 4.3% annual interest for \$632 million.

As of December 31, 2021, MMIH and C.M. Life, together, provided financing of \$5,500 million, \$5,253 million and \$247 million respectively, for MMAF that can be used to finance ongoing asset purchases. MMIH provided financing of \$5,253 million as of December 31, 2021 and \$5,253 million as of December 31, 2020. During 2021, MMAF borrowed \$1,570 million and repaid \$1,488 million under the credit facility. During 2020, MMAF borrowed \$2,005 million and repaid \$1,859 million under the credit facility. Outstanding borrowings under the facility were \$3,634 million as of December 31, 2021 and \$3,552 million as of December 31, 2020. Interest for these borrowings was \$60 million for the year ended December 31, 2021 and \$80 million for the year ended December 31, 2020. The floating rate borrowings bear interest at a spread over the 30 day LIBOR. The fixed rate borrowings bear an interest at a spread over average life Treasuries.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Together, MassMutual and C.M. Life, provide a credit facility to Jefferies Finance, LLC whereby Jefferies Finance, LLC (Jefferies) borrows cash through short-term approved financings to fund the purchase of loans for securitization. During 2021, Jefferies borrowed \$900 million and repaid \$900 million under the credit facility. During 2020, Jefferies borrowed \$849 million and repaid \$895 million under the credit facility. As of December 31, 2021, there were no outstanding borrowings under this facility. All outstanding interest due under the facility, as of December 31, 2021, had been paid. The interest of this facility is calculated based on a full pass through of interest accrued on the underlying loans purchased.

In 2021, Insurance Road LLC paid \$389 million in dividends and a \$111 million return of capital to MassMutual.

In 2021, MassMutual contributed capital of \$15 million and \$62 million of fixed assets to ITPS Holding LLC.

In 2021, MassMutual entered into an intercompany loan agreement with its indirectly owned subsidiary Fern Street LLC, whereby MassMutual borrowed \$470 million with a rate of 0.2% and a 6-month maturity, for the partial funding of the GALIC acquisition.

In 2020, MassMutual contributed capital of \$37 million to MassMutual Mortgage Lending LLC.

In 2020, MassMutual contributed capital of \$15 million to MassMutual MCAM Insurance Company, Inc.

In 2020, MassMutual contributed capital of \$14 million to MM Global Capabilities I LLC.

In 2020, MassMutual transferred \$335 million of mortgage loans to Barings Multifamily TEBS 2020 LLC. Subsequently, MassMutual received a \$288 million return of capital distribution.

In 2020, IRLLC issued and paid a return of capital of \$90 million to MassMutual. In 2019, IRLLC declared a distribution to the Company of \$150 million, which was paid in 2020.

In 2020, MassMutual Retirement Services LLC declared and paid \$57 million in dividends to MassMutual.

The Company has reinsurance agreements with its subsidiary, C.M. Life, and its indirect subsidiary, MML Bay State, including stop-loss, Modco and yearly renewable term agreements on life insurance and annuity products. The Company also has coinsurance agreements with C.M. Life where the Company assumes substantially all of the premium on certain universal life policies.

Effective December 31, 2020, MassMutual will provide C.M. Life a stop-loss coverage to transfer a specific interest rate risk. All Odyssey fixed-deferred annuity contracts issued by C.M. Life are covered under this agreement. C.M. Life will pay an annual premium to MassMutual. If the coverage is triggered, there will be a settlement at year end from MassMutual to C.M. Life. The maximum total liability of MassMutual under the agreement is \$100 million over 5 years.

As of December 31, 2021, the net reinsurance amounts due to C.M. Life and MML Bay State were \$108 million and as of December 31, 2020, the net reinsurance amounts due to C.M. Life and MML Bay State were \$66 million. These outstanding balances are due and payable with terms ranging from monthly to annually, depending on the agreement in effect.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following table summarizes the reinsurance transactions for these reinsurance agreements:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Premium assumed	\$ 49	\$ 46	\$ 45
Modco adjustments, included in fees and other income	11	11	9
Expense allowance on reinsurance assumed, included in commissions	(13)	(14)	(14)
Policyholders' benefits	(144)	(89)	(101)
Experience refunds (paid) received	-	-	(1)

The Company currently has three longevity swap reinsurance agreements with Rothesay Life Plc on certain inforce annuity products. Under these agreements, the Company is the reinsurer and Rothesay Life Plc is the cedent.

The following table summarizes the related party transactions between the Company and Rothesay Life Plc:

	Years Ended December 31,		
	2021	2020	2019
	(In Millions)		
Premium assumed	\$ (165)	\$ (91)	\$ -
Policyholders' benefits	157	87	-

For further information on common stocks - subsidiaries and affiliates, refer to *Note 5c. "Common stocks - subsidiaries and affiliates."*

In the normal course of business, the Company provides specified guarantees and funding to MMHLLC and certain of its subsidiaries. Refer to *Note 16e. "Commitments"* for information on the Company's accounting policies regarding these related party commitments and *Note 16f. "Guarantees"* for information on the guarantees.

18. Subsidiaries and affiliated companies

A summary of ownership and relationship of the Company and its subsidiaries and affiliated companies as of December 31, 2021 is illustrated below. Subsidiaries are wholly owned, except as noted.

Subsidiaries of MassMutual

C.M. Life
Berkshire Way LLC
MML Special Situations Investor LLC
Timberland Forest Holding LLC – 37% (remaining 63% owned by MassMutual Trad Private Equity LLC)
MSP – SC, LLC
Insurance Road LLC
MM Copper Hill Road LLC
Jefferies Finance LLC– 50% (remaining 50% owned by Jefferies Group, Inc.)
MML Distributors LLC – 99% (remaining 1% owned by MassMutual Holding LLC)
MML Investment Advisers, LLC
Pioneers Gate LLC
MML Strategic Distributors, LLC
The MassMutual Trust Company, FSB
MassMutual Mortgage Lending LLC

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

MML Private Placement Investment Company I, LLC
MML Private Equity Fund Investor LLC
MM Private Equity Intercontinental LLC
MassMutual Holding LLC
MassMutual Investment Holding, LLC
MassMutual International, LLC
MML Mezzanine Investor II, LLC
MML Mezzanine Investor III, LLC
MassMutual External Benefits Group LLC
EM Opportunities LLC
MassMutual MCAM Insurance Company, Inc.
MassMutual Global Business Services India LLP
CML Global Capabilities
MassMutual Private Equity Funds LLC
MM Global Capabilities I LLC
MM Global Capabilities II LLC
MM Global Capabilities III LLC
MML CM LLC
Glidepath Holdings Inc
ITPS Holding LLC
MM/Barings Mutifamily TEBS 2020 LLC
MM Direct Private Investments Holding LLC

Subsidiaries of C.M. Life Insurance Company

MML Bay State Life Insurance Company
CML Mezzanine Investor III, LLC
CML Special Situations Investor LLC

Subsidiaries of MML Bay State Life Insurance Company

(No subsidiaries)

Subsidiaries of Timberland Forest Holding LLC

Lyme Adirondack Forest Company, LLC

Subsidiaries of Insurance Road LLC

MassMutual Trad Private Equity LLC
MassMutual Intellectual Property LLC
Trad Investments LLC

MML Investment Advisers, LLC

(No Subsidiaries)

Pioneers Gate LLC

(No subsidiaries)

Subsidiaries of MassMutual Holding LLC

Fern Street LLC
Haven Life Insurance Agency, LLC
MassMutual Assignment Company
MassMutual Capital Partners LLC
MassMutual Ventures Holding LLC
MM Rothesay Holdco US LLC
MML Investors Services, LLC
LifeScore Labs, LLC
Sleeper Street LLC

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

MM Asset Management Holding LLC
MM Catalyst Fund LLC

Subsidiaries of MassMutual International LLC

MassMutual Solutions LLC
Yunfeng Financial Group Limited
MassMutual Asia Limited (SPV)

Subsidiaries of CML CM LLC

Blueprint Income LLC
Flourish Digital Assets LLC
Flourish Financial LLC
Flourish Technologies LLC

Subsidiaries of Glidepath Holdings Inc

Great American Life Insurance Company
AAG Insurance Agency, LLC
Annuity Investor Life Insurance Company
Great American Advisors, LLC
Manhattan National Holding Corporation

Subsidiaries of MassMutual Ventures Holding LLC

MassMutual Ventures US I LLC
MassMutual Ventures US II LLC
MassMutual Ventures US III LLC
MassMutual Ventures US IV LLC
MassMutual Ventures UK LLC
MassMutual Ventures Southeast Asia I LLC
MassMutual Ventures Southeast Asia II LLC
MassMutual Ventures Management LLC
MassMutual Ventures SEA Management Private Limited (an indirect subsidiary of Subsidiary of MassMutual Ventures Holding LLC)
Athens Fund Management LLC
Open Alternatives LLC

MML Investors Services, LLC

MMLISI Financial Alliances, LLC
MML Insurance agency, LLC

Subsidiaries of Barings LLC (a subsidiary of MM Asset Management Holding LLC)

Barings Finance LLC
Barings Securities LLC
Barings Guernsey Limited
Barings Real Estate Advisers, Inc.
Barings Asset Management (Asia) Holdings Limited
Barings Multifamily Capital Holdings LLC

Subsidiaries of Baring Asset Management Limited (an indirect subsidiary of MassMutual Baring Holding LLC)

Baring International Investment Limited
Baring International Investment Management Holdings Limited
Baring Fund Managers Limited
Baring Investment Services Limited
Barings Global Advisers Limited
Barings European Core Property Fund GP Sàrl
Barings BME GP Sàrl

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

Subsidiaries of Baring International Investment Limited
(No subsidiaries)

Subsidiaries of MassMutual Investment Holding
MML Management Corporation
MassMutual Asset Finance LLC

Subsidiaries of MML Management Corporation
MassMutual Holding MSC, Inc.
MassMutual International Holding MSC, Inc.

Subsidiaries of MassMutual Asset Finance LLC
MMAF Equipment Finance LLC 2013-A
MMAF Equipment Finance LLC 2014-A
MMAF Equipment Finance LLC 2015-A
MMAF Equipment Finance LLC 2016-A
MMAF Equipment Finance LLC 2017-A
MMAF Equipment Finance LLC 2017-B
MMAF Equipment Finance LLC 2018-A
MMAF Equipment Finance LLC 2019-A
MMAF Equipment Finance LLC 2019-B
Rozier LLC
MMAF Equipment Finance LLC

Information regarding filings of Subsidiaries and Controlled Affiliates

The following presents certain information regarding the Company's valuation filings for controlled affiliates of the Company:

	<u>As of December 31, 2021</u>					2020 Approved Valuation	Filing Code	Valuation Method Disallowed?
	CUSIP	Gross Value	Non- admitted	Admitted	Latest Filing			
(\$ in Millions)								
MassMutual Holding LLC	57543#-11-8	\$ 17,229	\$ -	\$ 17,229	09/23/2021	\$ 16,183	Sub-2	No
The MassMutual Trust Co, FSB	57631@-10-5	29	-	29	03/29/2021	26	Sub-2	No
MM Investment Holding		1,789	-	1,789	NA	NA	Sub-1	No
Glidepath Holdings Inc	37930@-10-5	3,588	-	3,588	NA	NA	Sub-1	No
Aggregate Total		<u>\$ 22,635</u>	<u>\$ -</u>	<u>\$ 22,635</u>		<u>\$ 16,209</u>		

19. Subsequent events

Management of the Company has evaluated subsequent events through February 25, 2022, the date the financial statements were available to be issued to state regulators and subsequently on the Company's website. No events have occurred subsequent to the date of the financial statements, except for:

On February 1, 2022, MassMutual issued a \$300 million funding agreement with a 2.11% fixed-rate and a 6.5-year maturity.

On February 1, 2022, MassMutual issued a \$300 million funding agreement with a 2.26% fixed-rate and a 9-year maturity.

Effective February 1, 2022, approximately \$14.2 billion of in force statutory reserves of certain GALIC's fixed and fixed indexed annuities had been reinsured, on a coinsurance with funds withheld basis to Martello Re, a Bermuda reinsurer focusing on annuities and other investment returns driven products. MassMutual has a noncontrolling interest in Martello Re.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

20. Impairment listing for loan-backed and structured securities

The following are the total cumulative adjustments and impairments for loan-backed and structured securities since July 1, 2009:

Period Ended	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
December 31, 2021	\$ 6,658,614	\$ -	\$ 6,658,615	\$ 6,490,508	\$ (168,107)	\$ 6,490,508	\$ 6,369,198
September 30, 2021	4,061,382	-	4,061,382	3,955,723	(105,659)	3,955,723	3,595,213
June 30, 2021	11,352,643	-	11,352,642	10,386,581	(966,063)	10,386,581	11,323,900
March 31, 2021	11,247,256	-	11,247,257	5,074,493	(6,172,764)	5,074,493	5,237,174
December 31, 2020	16,071,907	-	16,071,907	14,674,300	(1,397,607)	14,674,300	15,473,517
September 30, 2020	21,375,383	-	21,375,383	19,160,250	(2,215,134)	19,160,250	18,862,027
June 30, 2020	10,180,123	-	10,180,123	8,992,610	(1,187,513)	8,992,610	9,249,851
March 31, 2020	24,799,788	-	24,799,788	20,197,344	(4,602,443)	20,197,344	24,683,947
December 31, 2019	3,992,400	-	3,992,400	3,539,281	(453,119)	3,539,281	3,439,138
September 30, 2019	16,909,029	-	16,909,029	15,191,932	(1,717,097)	15,191,932	14,639,756
June 30, 2019	6,980,030	-	6,980,030	6,187,029	(793,001)	6,187,029	7,133,620
March 31, 2019	7,791,000	-	7,791,000	7,634,637	(156,363)	7,634,637	7,683,021
December 31, 2018	4,550,173	-	4,550,173	3,815,559	(734,614)	3,815,559	4,014,514
September 30, 2018	4,320,826	-	4,320,826	3,663,181	(657,645)	3,663,181	3,687,297
June 30, 2018	634,235	-	634,235	279,221	(355,014)	279,221	386,752
March 31, 2018	645,690	-	645,690	488,181	(157,509)	488,181	448,494
December 31, 2017	3,949,513	-	3,949,513	1,958,759	(1,990,754)	1,958,759	2,023,952
September 30, 2017	4,436,542	-	4,436,542	876,942	(3,559,600)	876,942	4,647,683
June 30, 2017	40,538,551	-	40,538,551	39,808,956	(729,595)	39,808,956	60,990,732
March 31, 2017	41,788,380	-	41,788,380	41,391,889	(396,491)	41,391,889	56,156,936
December 31, 2016	42,175,938	-	42,175,938	42,045,721	(130,217)	42,045,721	54,619,477
September 30, 2016	44,266,478	-	44,266,478	41,890,535	(2,375,942)	41,890,535	61,300,066
June 30, 2016	49,097,217	-	49,097,217	48,202,703	(894,514)	48,202,703	63,207,410
March 31, 2016	57,985,071	-	57,985,071	55,783,979	(2,201,092)	55,783,979	70,578,397
December 31, 2015	4,881,394	-	4,881,394	4,783,194	(98,200)	4,783,194	4,728,736
September 30, 2015	50,531,382	-	50,531,382	45,665,859	(4,865,524)	45,665,859	58,523,652
June 30, 2015	66,924,927	-	66,924,927	65,240,585	(1,684,341)	65,240,585	72,953,475
March 31, 2015	17,856,447	-	17,856,447	17,681,510	(174,937)	17,681,510	17,553,999
December 31, 2014	69,225,743	-	69,225,743	68,301,291	(924,452)	68,301,291	79,410,553
September 30, 2014	645,721	-	645,721	604,437	(41,284)	604,437	627,381
June 30, 2014	57,012,606	-	57,012,606	55,422,168	(1,590,438)	55,422,168	75,253,388
March 31, 2014	91,702,041	-	91,702,041	80,744,074	(10,957,967)	80,744,074	97,672,071
December 31, 2013	113,707,951	-	113,707,951	108,815,640	(4,892,311)	108,815,640	111,783,052
September 30, 2013	81,945,730	-	81,945,730	80,589,482	(1,356,248)	80,589,482	77,049,314
June 30, 2013	147,215,936	-	147,215,936	142,140,572	(5,075,365)	142,140,572	130,973,023
March 31, 2013	194,772,025	-	194,772,025	188,372,089	(6,399,936)	188,372,089	176,678,910
December 31, 2012	378,096,660	-	378,096,660	366,323,110	(11,773,550)	366,323,110	333,086,073
September 30, 2012	816,573,456	-	816,573,456	788,350,823	(28,222,633)	788,350,823	697,683,289
June 30, 2012	912,025,937	-	912,025,937	890,494,221	(21,531,716)	890,494,221	708,872,106
March 31, 2012	1,095,018,529	-	1,095,018,529	1,058,132,041	(36,886,488)	1,058,132,041	841,095,013
December 31, 2011	1,090,904,993	-	1,090,904,993	1,056,761,288	(34,143,705)	1,056,761,288	754,310,838
September 30, 2011	762,320,632	-	762,320,632	738,510,048	(23,810,584)	738,510,048	546,494,232
June 30, 2011	1,130,732,656	-	1,130,732,656	1,078,535,670	(52,196,986)	1,078,535,670	839,143,290
March 31, 2011	1,097,705,351	-	1,097,705,351	1,068,852,204	(28,853,147)	1,068,852,204	816,688,348
December 31, 2010	968,742,508	-	968,742,508	950,111,417	(18,631,091)	950,111,417	708,895,637
September 30, 2010	915,728,030	-	915,728,030	889,896,058	(25,831,972)	889,896,058	673,462,493
June 30, 2010	1,362,887,892	-	1,362,887,892	1,335,628,212	(27,259,681)	1,335,628,212	975,241,506
March 31, 2010	1,471,905,696	-	1,471,905,696	1,391,337,543	(80,568,153)	1,391,337,543	1,015,645,802
December 31, 2009	1,349,124,214	-	1,349,124,214	1,290,817,168	(58,307,047)	1,290,817,168	852,088,739
September 30, 2009	2,953,442,689	(106,853,708)	2,846,588,981	2,700,948,264	(145,640,717)	2,700,948,264	1,692,409,640
Totals		\$ (106,853,708)			\$ (665,836,328)		

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following is the impairment listing for loan-backed and structured securities for the three months ended December 31, 2021:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
040104TF8	\$ 59,686	\$ -	\$ 59,686	\$ 59,300	\$ -386	\$ 59,300	\$ 49,870
04012XAC9	130,314	-	130,314	122,160	-8,154	122,160	107,581
1248MGJ3	35,096	-	35,096	34,855	-241	34,855	31,996
35729RAE6	4,028,108	-	4,028,108	3,999,290	-28,818	3,999,290	3,995,059
617463AA2	6,685	-	6,685	5,767	-918	5,767	5,247
61749BAB9	61,698	-	61,698	51,363	-10,335	51,363	60,638
61750FAE0	342,930	-	342,930	319,304	-23,626	319,304	307,808
61750MAB1	3,456	-	3,456	3,113	-343	3,113	3,182
86359DXD4	335,476	-	335,476	308,315	-27,161	308,315	309,361
92926SAB2	558	-	558	494	-64	494	521
45660LYW3	677,413	-	677,413	675,162	-2,251	675,162	630,760
79548KXQ6	51,835	-	51,835	37,121	-14,714	37,121	65,254
92978EAA2	75,569	-	75,569	72,635	-2,934	72,635	72,325
41161PWB5	822,378	-	822,378	776,768	-45,610	776,768	706,114
55274SAM3	27,413	-	27,413	24,861	-2,552	24,861	23,482
Totals	\$ 6,658,614	\$ -	\$ 6,658,615	\$ 6,490,508	\$ (168,107)	\$ 6,490,508	\$ 6,369,198

The following is the impairment listing for loan-backed and structured securities for the three months ended September 30, 2021:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
00442FAB8	\$ 95,903	\$ -	\$ 95,903	\$ 70,276	\$ (25,627)	\$ 70,276	\$ 60,821
86359DXD4	359,657	-	359,657	339,761	(19,896)	339,761	337,895
05535DAN4	1,260,315	-	1,260,315	1,255,426	(4,889)	1,255,426	1,020,099
073879QF8	247,750	-	247,750	226,078	(21,672)	226,078	256,430
45660LYW3	907,047	-	907,047	906,647	(400)	906,647	879,977
92978EAA2	110,354	-	110,354	108,384	(1,970)	108,384	106,564
41161PWB5	1,049,397	-	1,049,397	1,023,087	(26,310)	1,023,087	908,082
55274SAM3	30,959	-	30,959	26,064	(4,895)	26,064	25,345
Totals	\$ 4,061,382	\$ -	\$ 4,061,382	\$ 3,955,723	\$ (105,659)	\$ 3,955,723	\$ 3,595,213

The following is the impairment listing for loan-backed and structured securities for the three months ended June 30, 2021:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
040104TG6	\$ 751,483	\$ -	\$ 751,483	\$ 596,747	\$ (154,736)	\$ 596,747	\$ 700,223
05535DCF9	2,412,525	-	2,412,525	2,168,139	(244,386)	2,168,139	2,608,461
40431KAE0	2,389,667	-	2,389,667	2,348,253	(41,414)	2,348,253	2,745,165
61750FAE0	555,370	-	555,370	534,914	(20,456)	534,914	493,887
86359DXD4	394,726	-	394,726	364,962	(29,764)	364,962	369,964
05535DAN4	1,386,766	-	1,386,766	1,038,889	(347,877)	1,038,889	1,141,961
45660LYW3	959,375	-	959,375	942,757	(16,618)	942,757	927,049
79548KXQ6	121,590	-	121,590	96,976	(24,616)	96,976	97,070
92978EAA2	115,502	-	115,502	112,103	(3,399)	112,103	110,484
41161PWB5	1,112,829	-	1,112,829	1,079,359	(33,470)	1,079,359	969,681
576433H33	1,119,491	-	1,119,491	1,071,784	(47,707)	1,071,784	1,074,403
55274SAM3	33,318	-	33,318	31,698	(1,620)	31,698	85,553
Totals	\$ 11,352,643	\$ -	\$ 11,352,642	\$ 10,386,581	\$ (966,063)	\$ 10,386,581	\$ 11,323,900

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following is the impairment listing for loan-backed and structured securities for the three months ended March 31, 2021:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
36828QQJ8	\$ 5,796,000	\$ -	\$ 5,796,000	\$ -	\$ (5,796,000)	\$ -	\$ -
05535DCF9	2,560,946	-	2,560,946	2,505,561	(55,385)	2,505,561	2,647,762
61750FAE0	582,728	-	582,728	558,079	(24,649)	558,079	500,569
18974BAA7	203,962	-	203,962	193,231	(10,731)	193,231	197,038
22540V3F7	124,724	-	124,724	11,082	(113,642)	11,082	3,496
92978EAA2	123,118	-	123,118	119,363	(3,755)	119,363	115,107
41161PWB5	1,183,481	-	1,183,481	1,153,338	(30,143)	1,153,338	1,017,022
12669GXW6	153,925	-	153,925	20,286	(133,639)	20,286	173,435
55274SAM3	38,192	-	38,192	33,418	(4,774)	33,418	84,650
86359DME4	480,180	-	480,180	480,135	(45)	480,135	498,095
Totals	\$ 11,247,256	\$ -	\$ 11,247,257	\$ 5,074,493	\$ (6,172,764)	\$ 5,074,493	\$ 5,237,174

The following is the impairment listing for loan-backed and structured securities for the three months ended December 31, 2020:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
01853GAB6	\$ 166,318	\$ -	\$ 166,318	\$ 58,609	\$ (107,709)	\$ 58,609	\$ 136,619
05535DCF9	2,639,139	-	2,639,139	2,595,116	(44,023)	2,595,116	2,812,127
61750FAE0	594,740	-	594,740	584,887	(9,853)	584,887	530,736
61750MAB1	4,675	-	4,675	4,502	(173)	4,502	4,545
92926SAB2	585	-	585	567	(18)	567	562
124860CB1	21,523	-	21,523	14,872	(6,651)	14,872	17,887
18974BAA7	205,451	-	205,451	204,843	(608)	204,843	186,946
18974BAN9	101,669	-	101,669	101,513	(156)	101,513	98,300
2254W0NK7	89,902	-	89,902	23,726	(66,176)	23,726	94,611
45660LYW3	1,074,456	-	1,074,456	1,035,449	(39,007)	1,035,449	1,020,046
65535VRK6	681,735	-	681,735	601,631	(80,104)	601,631	653,481
79548KXQ6	99,323	-	99,323	98,725	(598)	98,725	92,899
92978EAA2	130,042	-	130,042	125,448	(4,594)	125,448	119,223
23332UBW3	26,310	-	26,310	21,116	(5,193)	21,116	30,347
576433H33	1,207,614	-	1,207,614	1,145,808	(61,806)	1,145,808	1,116,853
125435AA5	1,635,577	-	1,635,577	1,543,519	(92,058)	1,543,519	1,596,490
36298XAA0	6,639,520	-	6,639,520	5,802,921	(836,599)	5,802,921	6,153,831
55274SAM3	61,225	-	61,225	42,760	(18,465)	42,760	93,792
86359DME4	673,784	-	673,784	662,791	(10,993)	662,791	698,159
929227ZF6	18,319	-	18,319	5,496	(12,823)	5,496	16,063
Totals	\$ 16,071,907	\$ -	\$ 16,071,907	\$ 14,674,300	\$ (1,397,607)	\$ 14,674,300	\$ 15,473,517

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following is the impairment listing for loan-backed and structured securities for the three months ended September 30, 2020:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
US05618HAE53	\$ 555,162	\$ -	\$ 555,162	\$ 387,040	\$ (168,122)	\$ 387,040	\$ 162,575
00442FAB8	144,957	-	144,957	79,275	(65,682)	79,275	112,060
05535DCF9	2,755,413	-	2,755,413	2,649,186	(106,228)	2,649,186	2,553,142
46630KAA4	191,718	-	191,718	184,342	(7,376)	184,342	179,699
61749BAB9	105,432	-	105,432	91,620	(13,812)	91,620	88,204
61750MAB1	4,837	-	4,837	4,672	(165)	4,672	3,421
92926SAB2	604	-	604	588	(16)	588	438
07384YPP5	12,990	-	12,990	9,466	(3,524)	9,466	35,174
073879QF8	45,111	-	45,111	43,889	(1,222)	43,889	39,772
17307GRU4	104,250	-	104,250	55,590	(48,659)	55,590	91,680
18974BAA7	215,833	-	215,833	212,231	(3,602)	212,231	183,053
18974BAN9	106,359	-	106,359	104,851	(1,507)	104,851	97,631
9393365V1	399,194	-	399,194	394,263	(4,932)	394,263	364,935
23332UBW3	31,650	-	31,650	29,218	(2,432)	29,218	22,244
12669GWN7	849,557	-	849,557	799,224	(50,333)	799,224	782,638
12669GXW6	244,251	-	244,251	233,647	(10,604)	233,647	223,233
32051DCK6	79,208	-	79,208	61,819	(17,389)	61,819	82,998
36298XAA0	7,738,893	-	7,738,893	7,511,130	(227,763)	7,511,130	7,120,125
36298XAB8	7,666,120	-	7,666,120	6,250,751	(1,415,369)	6,250,751	6,539,292
45660LY94	13,115	-	13,115	6,394	(6,721)	6,394	26,528
74951PBT4	110,729	-	110,729	51,052	(59,676)	51,052	153,185
Totals	\$ 21,375,383	\$ -	\$ 21,375,383	\$ 19,160,250	\$ (2,215,134)	\$ 19,160,250	\$ 18,862,027

The following is the impairment listing for loan-backed and structured securities for the three months ended June 30, 2020:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
17307GRU4	\$ 107,326	\$ -	\$ 107,326	\$ 77,392	\$ (29,934)	\$ 77,392	\$ 160,449
18974BAA7	245,427	-	245,427	235,230	(10,197)	235,230	201,416
18974BAN9	119,509	-	119,509	114,571	(4,938)	114,571	107,924
362290AC2	220,776	-	220,776	219,541	(1,235)	219,541	307,360
79548KXQ6	172,175	-	172,175	170,007	(2,168)	170,007	130,248
855541AC2	508,940	-	508,940	384,558	(124,383)	384,558	460,800
9393365V1	433,313	-	433,313	415,261	(18,053)	415,261	356,247
45660LY94	28,987	-	28,987	13,258	(15,729)	13,258	21,174
57643QAE5	2,203,118	-	2,203,118	1,819,560	(383,558)	1,819,560	2,367,000
74951PBT4	260,811	-	260,811	143,231	(117,579)	143,231	157,616
86359DMC8	5,799,490	-	5,799,490	5,333,524	(465,966)	5,333,524	4,907,737
92990GAE3	80,251	-	80,251	66,477	(13,773)	66,477	71,880
Totals	\$ 10,180,123	\$ -	\$ 10,180,123	\$ 8,992,610	\$ (1,187,513)	\$ 8,992,610	\$ 9,249,851

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following is the impairment listing for loan-backed and structured securities for the three months ended March 31, 2020:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
05535DCF9	\$ 3,012,907	\$ -	\$ 3,012,907	\$ 2,862,429	\$ (150,478)	\$ 2,862,429	\$ 2,528,432
24763LFY1	147,758	-	147,758	146,827	(931)	146,827	180,454
45071KDD3	575,329	-	575,329	510,787	(64,542)	510,787	491,576
07384YPP5	33,493	-	33,493	28,061	(5,431)	28,061	46,723
12667GKG7	93,290	-	93,290	83,622	(9,668)	83,622	98,905
17307GRU4	114,325	-	114,325	112,699	(1,625)	112,699	157,144
362290AC2	316,883	-	316,883	225,907	(90,976)	225,907	322,987
59020UW43	214,183	-	214,183	182,719	(31,463)	182,719	200,181
65535VRK6	716,497	-	716,497	699,498	(16,998)	699,498	646,333
75115DAH8	6,842	-	6,842	6,564	(279)	6,564	6,397
76112BUE8	181,578	-	181,578	148,845	(32,733)	148,845	129,998
79548KXQ6	187,063	-	187,063	182,973	(4,090)	182,973	137,728
92926UAC5	136,220	-	136,220	130,734	(5,486)	130,734	130,957
23332UBW3	46,195	-	46,195	32,143	(14,052)	32,143	24,852
12669GWN7	889,281	-	889,281	871,126	(18,155)	871,126	863,235
32051DCK6	88,205	-	88,205	86,848	(1,358)	86,848	89,678
362334CN2	14,634	-	14,634	11,177	(3,457)	11,177	13,996
466247K93	7,584	-	7,584	6,335	(1,249)	6,335	7,318
57645LAA2	18,017,521	-	18,017,521	13,868,050	(4,149,471)	13,868,050	18,607,055
Totals	\$ 24,799,788	\$ -	\$ 24,799,788	\$ 20,197,344	\$ (4,602,443)	\$ 20,197,344	\$ 24,683,947

The following is the impairment listing for loan-backed and structured securities for the three months ended December 31, 2019:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
24763LFY1	\$ 182,113	\$ -	\$ 182,113	\$ 160,832	\$ (21,281)	\$ 160,832	\$ 200,613
05535DAN4	1,930,918	-	1,930,918	1,855,207	(75,711)	1,855,207	1,598,238
07384YPP5	187,700	-	187,700	39,691	(148,009)	39,691	71,760
17307GRU4	164,558	-	164,558	133,524	(31,034)	133,524	229,670
18974BAN9	134,619	-	134,619	125,398	(9,221)	125,398	126,170
65535VRK6	797,949	-	797,949	712,007	(85,942)	712,007	774,700
79548KXQ6	207,254	-	207,254	192,282	(14,972)	192,282	113,588
85554NAG5	194,730	-	194,730	158,214	(36,515)	158,214	187,575
12669FXR9	117,999	-	117,999	114,307	(3,692)	114,307	101,165
23332UBW3	74,561	-	74,561	47,819	(26,742)	47,819	35,659
Totals	\$ 3,992,400	\$ -	\$ 3,992,400	\$ 3,539,281	\$ (453,119)	\$ 3,539,281	\$ 3,439,138

The following is the impairment listing for loan-backed and structured securities for the three months ended September 30, 2019:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
12667F2A2	\$ 642,800	\$ -	\$ 642,800	\$ 484,346	\$ (158,455)	\$ 484,346	\$ 68,241
32053LAA0	47,447	-	47,447	40,280	(7,167)	40,280	47,846
761118FM5	2,843,393	-	2,843,393	2,789,133	(54,260)	2,789,133	2,918,992
79548KXQ6	297,379	-	297,379	277,239	(20,140)	277,239	60,979
23332UBW3	78,084	-	78,084	76,934	(1,151)	76,934	43,636
576433H33	1,579,401	-	1,579,401	1,448,247	(131,155)	1,448,247	1,448,863
12669GWN7	1,037,688	-	1,037,688	957,205	(80,484)	957,205	936,853
17309FAE8	161,243	-	161,243	129,536	(31,707)	129,536	159,357
36298XAA0	10,097,887	-	10,097,887	8,887,246	(1,210,641)	8,887,246	8,841,272
92990GAE3	86,314	-	86,314	85,680	(634)	85,680	87,117
US74951PBV94	37,392	-	37,392	16,087	(21,305)	16,087	26,602
Totals	\$ 16,909,029	\$ -	\$ 16,909,029	\$ 15,191,932	\$ (1,717,097)	\$ 15,191,932	\$ 14,639,756

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following is the impairment listing for loan-backed and structured securities for the three months ended June 30, 2019:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
61750MAB1	\$ 4,942	\$ -	\$ 4,942	\$ 4,899	\$ (42)	\$ 4,899	\$ 4,344
18974BAN9	143,913	-	143,913	143,911	(2)	143,911	141,999
761118FM5	3,338,972	-	3,338,972	3,276,460	(62,512)	3,276,460	3,468,889
79548KXQ6	335,309	-	335,309	321,864	(13,445)	321,864	218,663
55274SAM3	114,173	-	114,173	79,608	(34,565)	79,608	119,029
57643QAE5	3,042,722	-	3,042,722	2,360,287	(682,436)	2,360,287	3,180,695
Totals	\$ 6,980,030	\$ -	\$ 6,980,030	\$ 6,187,029	\$ (793,001)	\$ 6,187,029	\$ 7,133,620

The following is the impairment listing for loan-backed and structured securities for the three months ended March 31, 2019:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
61750MAB1	\$ 5,275	\$ -	\$ 5,275	\$ 4,933	\$ (341)	\$ 4,933	\$ 4,989
65106FAG7	232,843	-	232,843	215,726	(17,118)	215,726	6,316
18974BAA7	285,889	-	285,889	270,801	(15,088)	270,801	278,616
18974BAN9	149,774	-	149,774	139,333	(10,441)	139,333	148,234
22541QQR6	1,569	-	1,569	-	(1,569)	-	1
32051GCF0	22,786	-	22,786	(6,720)	(29,507)	(6,720)	17,553
761118FM5	3,259,303	-	3,259,303	3,218,368	(40,935)	3,218,368	3,244,154
17309FAE8	200,512	-	200,512	200,501	(11)	200,501	208,828
466247UG6	467,713	-	467,713	452,359	(15,354)	452,359	459,812
57643QAE5	3,114,325	-	3,114,325	3,109,376	(4,949)	3,109,376	3,256,107
US74951PBV94	51,011	-	51,011	29,960	(21,051)	29,960	58,411
Totals	\$ 7,791,000	\$ -	\$ 7,791,000	\$ 7,634,637	\$ (156,362)	\$ 7,634,637	\$ 7,683,021

The following is the impairment listing for loan-backed and structured securities for the three months ended December 31, 2018:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
65106FAG7	\$ 205,885	\$ -	\$ 205,885	\$ 17,668	\$ (188,218)	\$ 17,668	\$ 21,031
18974BAA7	306,428	-	306,428	295,291	(11,137)	295,291	294,986
22541QQR6	28,742	-	28,742	(9,704)	(38,446)	(9,704)	1
32051GCF0	32,493	-	32,493	20,481	(12,012)	20,481	20,063
17309FAE8	203,743	-	203,743	202,326	(1,417)	202,326	201,875
57643QAE5	3,657,695	-	3,657,695	3,177,611	(480,084)	3,177,611	3,365,017
92990GAE3	115,186	-	115,186	111,886	(3,300)	111,886	111,541
Totals	\$ 4,550,173	\$ -	\$ 4,550,173	\$ 3,815,559	\$ (734,614)	\$ 3,815,559	\$ 4,014,514

The following is the impairment listing for loan-backed and structured securities for the three months ended September 30, 2018:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
05535DCF9	\$ 3,454,425	\$ -	\$ 3,454,425	\$ 3,141,048	\$ (313,377)	\$ 3,141,048	\$ 3,134,409
07384YPP5	321,829	-	321,829	148,884	(172,945)	148,884	132,968
07386HCP4	2,164	-	2,164	(6,255)	(8,418)	(6,255)	320
76110H4M8	1,715	-	1,715	(3,719)	(5,434)	(3,719)	641
79548KXQ6	423,086	-	423,086	383,222	(39,864)	383,222	292,015
939336Z48	117,607	-	117,607	-	(117,607)	-	126,945
Totals	\$ 4,320,826	\$ -	\$ 4,320,826	\$ 3,663,181	\$ (657,645)	\$ 3,663,181	\$ 3,687,297

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following is the impairment listing for loan-backed and structured securities for the three months ended June 30, 2018:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
59020UW43	\$ 337,732	\$ -	\$ 337,732	\$ 271,686	\$ (66,046)	\$ 271,686	\$ 354,508
76110H4M8	6,848	-	6,848	1,969	(4,879)	1,969	1,713
863579DV7	289,655	-	289,655	5,567	(284,089)	5,567	30,531
Totals	\$ 634,235	\$ -	\$ 634,235	\$ 279,221	\$ (355,014)	\$ 279,221	\$ 386,752

The following is the impairment listing for loan-backed and structured securities for the three months ended March 31, 2018:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
07386HEN7	\$ 43,711	\$ -	\$ 43,711	\$ 2,334	\$ (41,377)	\$ 2,334	\$ 1,609
79548KXQ6	520,764	-	520,764	476,293	(44,471)	476,293	365,994
45660NZY4	81,215	-	81,215	9,554	(71,661)	9,554	80,891
Totals	\$ 645,690	\$ -	\$ 645,690	\$ 488,181	\$ (157,509)	\$ 488,181	\$ 448,494

The following is the impairment listing for loan-backed and structured securities for the three months ended December 31, 2017:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
03927RAA2	\$ 2,886,563	\$ -	\$ 2,886,563	\$ 1,464,907	\$ (1,421,656)	\$ 1,464,907	\$ 1,481,241
03927RAB0	910,639	-	910,639	363,543	(547,096)	363,543	362,176
07386HCP4	7,995	-	7,995	1,386	(6,609)	1,386	2,673
12669GMS7	25,101	-	25,101	21,923	(3,177)	21,923	21,921
22541QQR6	21,202	-	21,202	12,504	(8,698)	12,504	16,106
2254W0NK7	97,695	-	97,695	94,495	(3,200)	94,495	139,833
86359ACG6	318	-	318	-	(318)	-	2
Totals	\$ 3,949,513	\$ -	\$ 3,949,513	\$ 1,958,759	\$ (1,990,754)	\$ 1,958,759	\$ 2,023,952

The following is the impairment listing for loan-backed and structured securities for the three months ended September 30, 2017:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
22541NMA4	\$ 42,273	\$ -	\$ 42,273	\$ 41,434	\$ (839)	\$ 41,434	\$ 41,095
22541NMB2	11,869	-	11,869	11,634	(234)	11,634	11,535
22541SSD1	12,232	-	12,232	20	(12,213)	20	5,978
52108MDP5	3,497,947	-	3,497,947	-	(3,497,947)	-	1,925,413
55274SAM3	167,196	-	167,196	153,991	(13,206)	153,991	179,429
76110W4J2	1,131	-	1,131	229	(902)	229	556
88157QAL2	686,945	-	686,945	660,921	(26,024)	660,921	2,125,943
89789KAC9	16,949	-	16,949	8,714	(8,235)	8,714	357,735
Totals	\$ 4,436,542	\$ -	\$ 4,436,542	\$ 876,942	\$ (3,559,600)	\$ 876,942	\$ 4,647,683

The following is the impairment listing for loan-backed and structured securities for the three months ended June 30, 2017:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
76110H4M8	\$ 4,413	\$ -	\$ 4,413	\$ 2,326	\$ (2,087)	\$ 2,326	\$ 4,073
86358RLG0	3,485	-	3,485	2,670	(815)	2,670	30,171
86359ACG6	16,324	-	16,324	2	(16,322)	2	2
88157QAL2	774,182	-	774,182	675,599	(98,583)	675,599	1,947,675
89789KAC9	17,294	-	17,294	8,920	(8,374)	8,920	356,047
77277LAF4	22,514,590	-	22,514,590	22,167,493	(347,097)	22,167,493	34,318,674
77277LAH0	1,135,088	-	1,135,088	1,118,159	(16,929)	1,118,159	2,738,435
77277LAJ6	16,073,175	-	16,073,175	15,833,787	(239,388)	15,833,787	21,595,653
Totals	\$ 40,538,551	\$ -	\$ 40,538,551	\$ 39,808,956	\$ (729,595)	\$ 39,808,956	\$ 60,990,732

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS, continued

The following is the impairment listing for loan-backed and structured securities for the three months ended March 31, 2017:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
17307GH76	\$ 274,894	\$ -	\$ 274,894	\$ 44,730	\$ (230,163)	\$ 44,730	\$ 152,777
22541QJR4	11,175	-	11,175	54	(11,122)	54	6,866
32051DCK6	182,177	-	182,177	160,728	(21,449)	160,728	179,180
55274SAM3	225,790	-	225,790	209,839	(15,951)	209,839	218,832
86358RA23	1,326,199	-	1,326,199	1,253,636	(72,563)	1,253,636	1,289,099
86359ACG6	6,287	-	6,287	49	(6,239)	49	2
US77277LAF40	22,537,014	-	22,537,014	22,514,590	(22,424)	22,514,590	31,699,907
US77277LAH06	1,136,182	-	1,136,182	1,135,088	(1,094)	1,135,088	2,662,526
US77277LAJ61	16,088,661	-	16,088,661	16,073,175	(15,486)	16,073,175	19,947,746
Totals	\$ 41,788,380	\$ -	\$ 41,788,380	\$ 41,391,889	\$ (396,491)	\$ 41,391,889	\$ 56,156,936