



# Group whole life insurance: The power of the dividend

More people today buy life insurance through work than ever before, according to a 2017 LIMRA study<sup>1</sup>. With more than 108 million employees now depending on coverage they purchase at work, employer-offered life insurance has become more popular than individually-owned policies. Of the choices you can offer employees, there are two reasons why whole life insurance can provide a combination of protection and growth.

<sup>1</sup> Employment-Based Life Insurance Ownership Trends, LIMRA, 2017.





## Guaranteed cash value accumulation

- The cash value in a whole life certificate is guaranteed to increase every year.
- For example, a 50-year-old male non-smoker who bought a \$50,000 whole life certificate in 2015 and paid an annual \$1,380 premium would have accumulated guaranteed cash value of \$12,726 in the certificate by the time he turns 65.
- Certificate owner can borrow a portion of this money to use for any reason such as to supplement retirement income.<sup>2</sup>

### GUARANTEED CASH VALUE GROWTH 2015 – 2030

2030	\$12,726	
2027	\$9,568	
2025	\$7,512	
2020	\$2,699	
2015	\$0	



## Dividends

- The potential for dividends, while not guaranteed, are an added benefit to an employee's whole life certificate on top of the protection it provides.
- Compared to a non-participating certificate, a participating whole life certificate could yield hundreds of dollars in dividends over time.
- For example, the same 50-year-old male non-smoker who purchased a \$50,000 group policy in 2015 for a \$1,380 annual premium\* received a \$194 dividend from MassMutual® in 2021, with the potential for more dividends in years to come.<sup>3</sup>

### 2021 CASH DIVIDENDS PAID

- \$50,000 Face Amount
- 50-year-old male, non-smoker
- Beginning in year 2020, premiums for new certificates are \$1,392
- No additional riders included

Year Purchased	Dividends Paid in 2021
2021	\$0
2020	\$0
2019	\$182
2018	\$185
2017	\$188
2016	\$191
2015	\$194

\*Eligible participating whole life insurance certificates may pay dividends that have the potential to grow in years to come. Non-participating products don't offer this added benefit.

<sup>2</sup> Access to cash values through borrowing or partial surrenders will reduce the certificate's cash value and death benefit, increase the chance the certificate will lapse, and may result in a tax liability if the certificate terminates before the death of the insured.



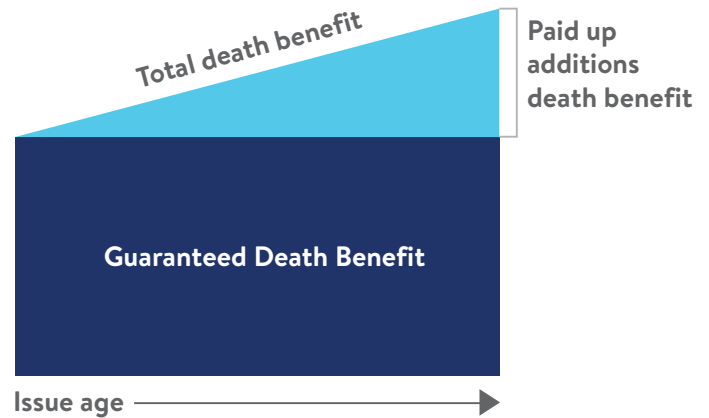
## Dividend options

MassMutual@WORK group whole life certificate owners may receive their dividends in cash or choose an alternate dividend option from the following:

- Leave on deposit to accumulate interest
- Purchase paid-up additional whole life insurance (PUAs)

The PUA dividend option is by far the most common among MassMutual’s certificate owners. Using dividends to purchase paid-up additional whole life insurance will increase the total death benefit and cash value over time. The additional insurance will also be eligible to receive dividends. Additionally, if employees leave the company and take the certificate with them, they can change their dividend option and choose to have their dividend payments reduce their premiums.

### WHOLE LIFE POLICY WITH PAID UP ADDITIONS



## More about dividends

MassMutual’s eligible participating certificates can receive an equitable share of the company’s divisible surplus as a dividend each year. Divisible surplus is primarily the result of the Company’s favorable operating experience with respect to claim payments, investment results and expenses. It’s important to understand that divisible surplus must be achieved in order to pay dividends. This is why the payment of dividends on any particular product is not guaranteed. Generally, dividends are declared and paid annually. However, since we do not know what our experience will be in future years, we cannot guarantee the payment of dividends.

MassMutual@WORK Group Whole Life certificates are eligible to receive dividends beginning on the second anniversary. For example, if the

certificate were purchased in calendar year 2019, the first year the certificate owner would be eligible to receive a dividend would be 2021 on the certificate anniversary. Dividends are determined annually, subject to change and are not guaranteed. Dividends in future years may be lower or higher depending on the company’s actual experience.

Group Whole Life Insurance (GPWL), (policy/certificate forms MM-GPWL-2014 and MM-GCWL-2014, and MM-GPWL-2014 (NC) and MM-GCWL-2014 (NC) in North Carolina), is level-premium, participating permanent life insurance. The GPWL policy and GCWL certificates are issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

<sup>3</sup> The chart reflects the dividend paid in 2021 based on the MassMutual@WORK Group Whole Life certificate purchased in the calendar year noted on the chart’s legend. This information represents an actual dividend paid in 2021. Actual dividend amounts received will vary based on the dividend schedule at the time of receipt, and certain certificate criteria such as gender, underwriting class, face amount, premium amount and length of time the certificate is in force. The premium, cash values and dividends paid reflect the 2017 CSO Mortality Tables.

The power of the dividend could be an important factor in deciding the best benefit option to offer your employees.

For more information and to learn more about MassMutual's Worksite benefits, contact your financial professional or visit **[workplace.MassMutual.com](https://workplace.MassMutual.com)**.

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