

An Overview Guide
for Consumers



Design your
Whole Life policy
A guide to Whole Life
Insurance Riders

Insurance Strategies



We'll help you get there.™



- 2 | Disability protection with Waiver of Premium
- 4 | Increase coverage no questions asked with the Guaranteed Insurability Rider
- 6 | Enhance your policy values with the Additional Life Insurance Rider
- 8 | Balance coverage and cost with the Life Insurance Supplement Rider
- 10 | Grow into Whole Life with the Renewable Term Rider
- 12 | Other available riders

When you buy whole life insurance, you're helping to protect the financial security of your family or your business. In addition to the base coverage, there are additional benefits provided by riders that can enhance your policy to provide even more features and flexibility.

Many riders can be added at the time of purchase to enhance your coverage today or in the future so that your coverage can adapt to your changing protection needs throughout the course of your lifetime.

Disability protection with Waiver of Premium

What is it?

Waiver of Premium provides a layer of protection on your whole life policy that ensures your death benefit coverage will stay in place and your cash value will continue to grow during a time when you are disabled and may not be able to pay the premiums.

Why is it important?

You may not be aware, but we are three times more likely to suffer a long-term disability than die during our working years.¹ Furthermore, some studies indicate that half of all bankruptcies in the United States are attributable to illness or medical bills.²

¹ The Council of Disability Insurers, The Long Term Disability Claims Review: 2005.

² "Illness and Injury as Contributors to Bankruptcy," *Health Affairs*, February 2, 2005.

The Waiver of Premium rider is a feature that can be of tremendous value during a period of time when your income may be reduced and other expenses begin to take a toll on your savings.

How does it work?

If the insured becomes totally disabled, the Waiver of Premium Rider will pay the premiums on your whole life policy, along with the premiums due on the Life Insurance Supplement, Guaranteed Insurability and Renewable Term Riders.

The annual cost for Waiver of Premium will depend on the insured's health and age at policy issue, but will never increase. Waiver of Premium can stay in effect on your policy until age 65, or ten years, if later.

Increase coverage no questions asked with the Guaranteed Insurability Rider

What is it?

The Guaranteed Insurability Rider (GIR) guarantees you the right to purchase additional insurance, without proof of good health, at specified dates in the future. The additional insurance can be an increase to the face amount on your existing whole life policy, or the purchase of a new whole life, universal life or variable universal life policy that is available for sale when you exercise an option.

Why is it important?

GIR is an excellent way to lock in insurability if you anticipate needing more coverage in the future. This can be beneficial on policies for juveniles or young adults who may want their policy to grow with them throughout their lifetime.

It can also be an advantage on business-owned policies. Adding the GIR option allows business owners to increase their life insurance coverage as the value of their business increases, particularly for business succession plans.

How does it work?

On the Option Dates, you may purchase specific additional amounts of insurance. The Option Dates occur every three years between the insured's ages 25 and 46. You can also accelerate an available option date after marriage or the birth or legal adoption of a child.

Enhance your policy values with the Additional Life Insurance Rider

What is it?

The Additional Life Insurance Rider (ALIR) allows you to make payments in addition to your base premiums to increase your policy's death benefit and accelerate its cash value growth.

Why is it important?

ALIR allows you to purchase more coverage and achieve greater policy growth based on your need for more coverage over time. You can use non-regular sources of income, such as annual bonuses or tax refunds, to boost your cash values and death benefit coverage. The payments made with ALIR can be scheduled or unscheduled and in many instances can be made without showing evidence of good health. The additional cash values can be used for any purpose you choose, including to pay policy premiums.³

How does it work?

ALIR allows you to purchase what is called paid-up additional insurance. "Paid up"

means that no further premiums are required on the additional life insurance coverage purchased. ALIR payments may be increased, decreased or skipped and caught up within limits (may be subject to underwriting). This gives you the flexibility to fund the rider on your terms.

ALIR's cash value can be surrendered at any time for any purpose. ALIR also earns its own dividend, which can make even more cash value available as a living benefit.³

A 7.5 percent service charge will be deducted from each ALIR payment made.

³ Distributions under your policy (including cash dividends, withdrawals and partial/full surrenders) are not subject to taxation up to the amount paid into the policy (your cost basis). If the policy is a Modified Endowment Contract, policy loans and/or distributions are taxable to the extent of gain and are subject to a 10% tax penalty. Access to cash values through borrowing, withdrawals or partial surrenders can reduce the policy's cash value and death benefit, increase the chance the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured.

Balance coverage and cost with the Life Insurance Supplement Rider

What is it?

The Life Insurance Supplement Rider (LISR) is ideal for those looking to maximize the death benefit purchased with their premium dollars and who don't require the supplemental death benefit to be guaranteed.

Why is it important?

With LISR, you can select your coverage to pay the premium you choose, in effect swapping guarantees for greater premium flexibility and lower cost. LISR accomplishes this by blending lower cost term insurance with whole life insurance.

How does it work?

You pick a target death benefit amount, which is paid with out-of-pocket premiums and non-guaranteed dividends. Initially, your policy is a combination of permanent and term insurance. Each year, as the base policy earns dividends and you make LISR premium payments, the permanent insurance within LISR builds and its term insurance portion reduces until, at a future point, the LISR becomes all permanent insurance.

The timing of when the policy becomes all permanent insurance is a function of the amount of non-guaranteed dividends paid each year.

An 8 percent service charge will be deducted from each LISR purchase payment made.

Grow into Whole Life with the Renewable Term Rider

What is it?

The Renewable Term Rider (RTR) is designed to help provide the amount of death benefit protection you're looking for at a more affordable cost. RTR allows you to own a policy with a significantly higher death benefit than a single whole life policy with a comparable premium.

Why is it important?

RTR allows you to grow into your whole life coverage as your budget permits. RTR is pure term insurance. Unlike LISR, which builds permanent coverage automatically, RTR is converted to whole life based on your needs over time.

How does it work?

RTR can be converted after the first policy year until the insured is age 65 or within the first 10 policy years, whichever is later. If you decide at any time that you no longer need the additional coverage that RTR provides, it can be dropped from your policy.



Other available riders

- **Accelerated Death Benefit Rider (ABR):** Allows you to receive an advance of the policy death benefit if the insured has a terminal illness that is expected to result in death within 12 months. The proceeds may be used for any purpose, but often can be used to pay medical and living expenses.
- **Transfer of Insured Rider (TIR):** Allows you to transfer or exchange the original policy for a new policy on the life of another person. This rider is especially useful for business owners who insure the lives of their key employees. If that employee leaves your company, you can have the policy now insure a new key employee (subject to underwriting).

Some of the riders in this guide have premium charges, and others have administrative fees that are assessed only if those riders are exercised. There are certain restrictions and limitations associated with these riders. Contact your financial professional for complete information about these valuable supplemental benefits.



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