



Disabled? Me? Never!

INDIVIDUAL DISABILITY INCOME (DI) INSURANCE AND YOU
NOT FOR USE IN CALIFORNIA OR FLORIDA

AGENDA



The Value of Income



Income Protection
Realities



Disability Income (DI)
Insurance



MassMutual



The Value of Income

You protect your home, life, car and even your identity, why not protect your income?



HOME



LIFE



CAR

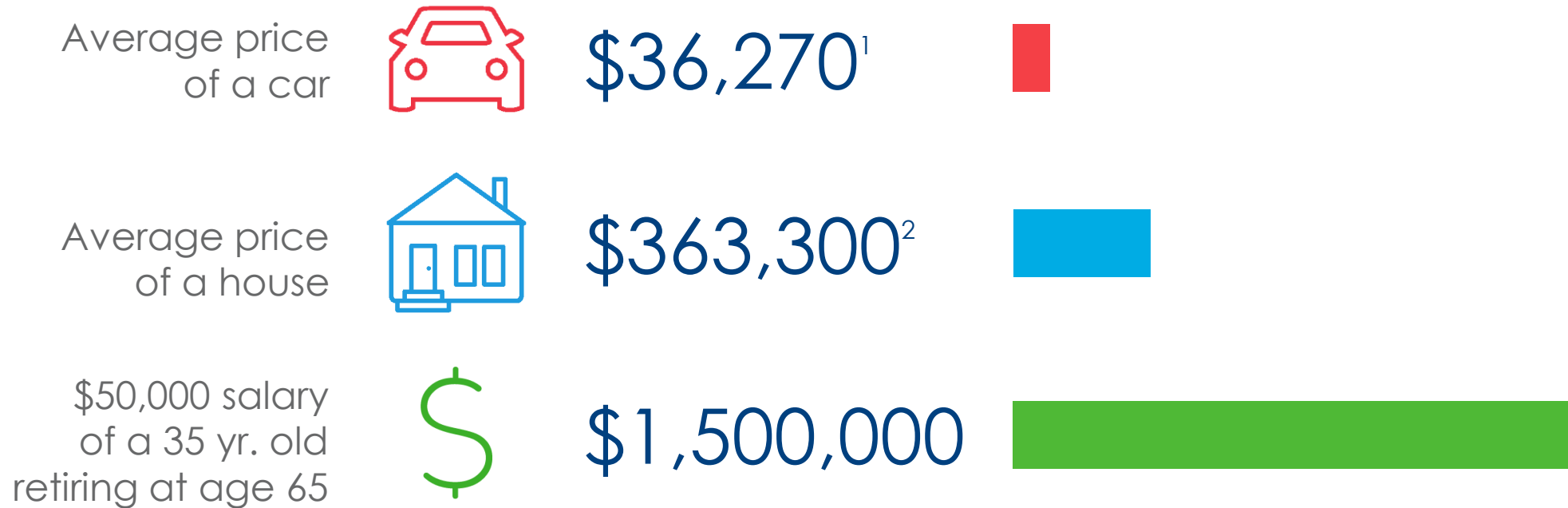


IDENTITY



The Value of Income

Your most valuable asset



¹ Kelley Blue Book, January, 2018

² Census Bureau, June, 2018



The Value of Income

Without income...



How will you pay the mortgage?



How will you save for retirement?



How will you save for college?



Income Protection Realities

Odds of an
IRS audit¹



1 in 119

Odds of being involved
in a serious car crash²



1 in 5

Odds of a 20 year old today
becoming disabled before
age 67³



1 in 4

¹ Kiplinger. What are the odds the IRS will audit your tax return? And what should you do if it does? June 3, 2016.

² AAA Foundation for Traffic Safety. 2016 Traffic Safety Culture Index.

³ Social Security Administration, Fact Sheet January, 2018.





Income Protection Realities

Most common causes of a disability

Illness



90%

NOT

Accident or Injury



10%



Income Protection Realities

Annual cost of DI insurance compared to costs of other products/services.

Large
Coffee



\$763¹

Satellite
Television



\$660²

Smartphone
Service



\$840³

Individual Disability
Income Insurance



\$929⁴

The sample rate shown is for a male. DI insurance costs for a woman using the same parameters is \$1,461.

¹ Source: Fastfoodmenuprices.com 8/2018. Daily large coffee at Dunkin Donuts – \$2.09 per day.

² Source: DirecTV.com 8/2018. XTRA package with DirecTV – \$55.00 per month.

³ Source: Spring 8/2018. Unlimited Plus Package – \$70.00 per month.

⁴ Male age 30, Radius or Radius Choice 4A occ class, 90 day waiting period, benefit period to age 65, \$4,050 monthly total disability benefit. Annual premium for Female client with same assumptions: \$1,461.



Income Protection Realities

Use personal savings

1 YEAR = \$48,000
of expenses (\$4,000 x 12)




1 YEAR = 13 YEARS
of expenses due to disability (\$48,000)
wipes out nearly
of savings (\$3,750 x 13 = \$48,750)

Assumptions: Male, age 30, salary: \$75,000, **saving:** 5% per year (\$3,750), \$4,000 monthly expenses



Income Protection Realities

Use personal savings

 Years Disabled	 Total Expenses	 Approximate Years of Savings Needed
1	\$48,000	13 years
2	\$96,000	26 years
3	\$144,000	38 years
4	\$192,000	51 years

Assumptions: Male, age 30, salary: \$75,000, **saving:** 5% per year (\$3,750), \$4,000 monthly expenses



Income Protection Realities

Purchase disability income insurance

$$\begin{array}{ccc} \mathbf{1 \text{ YEAR}} & = & \mathbf{52 \text{ YEARS}} \\ \text{of benefits} & & \text{of premiums} \\ \$48,600 & & \$929 \times 52 \end{array}$$

Assumptions: Male, age 30, salary \$75,000, Radius or Radius Choice, 4A occ class, 90-day waiting period, benefit period to age 65, **\$4,050 monthly benefit**




The sample rate shown is for a male. DI insurance costs for a woman using the same parameters is \$1,461. For a female, 1 year of benefits would equal 33 years of premiums.





Income Protection Realities

Purchase disability income insurance

 Years of Premiums	 Total Premiums Paid	 Duration of Benefits Received to Break Even
1	\$929	7 days
5	\$4,645	1 month, 4 days
10	\$9,290	2 months, 9 days
15	\$13,935	3 months, 14 days
20	\$18,580	4 months, 18 days

Assumptions: Male, age 30, salary \$75,000, Radius or Radius Choice, 4A occ class, 90-day waiting period, benefit period to age 65, **\$4,050 monthly benefit**

Hypothetical example. Actual numbers may be higher or lower depending on several factors including gender and occupational class. The sample shown is for a male. For a female using the same parameters would be as follows: 1 year of premium equals \$1,461 with a break-even point of 11 days. 5 years of premiums equals \$7,305 with a break-even point of 1 month, 25 days. 10 years of premiums equals \$14,610 with a break-even point of 3 months, 19 days. 15 years of premiums equals \$21,915 with a break-even point of 5 months, 14 days. 20 years of premiums equals \$29,220 with a break-even point of 7 months, 9 days.





Disability Income Insurance

Individual Disability Income Insurance from MassMutual



Individually
owned



Is fully
portable



Is non-cancelable
to Age 65 ²



Can supplement Group Long Term
Disability coverage already in place¹



Bonuses and incentive income
included for benefits

¹ This individual disability income insurance does not coordinate with your group long term disability coverage. Claim decisions are rendered independent of each other.

² Provided premiums are paid on time.



Disability Income Insurance

Some of the riders available:



Own Occupation Rider

- Cannot perform main duties in your own occupation but working in another occupation



Extended Partial Disability Benefits Rider

- Benefits payable during a partial disability
- Required in CA



RetireGuard® Rider

- Helps the insured continue to save for retirement during a disability



Future Insurability Option Rider

- Increase coverage without medical underwriting
- Insured cannot be disabled
- Financial underwriting required

Riders are available for an additional cost.



Disability Income Insurance

Here when you need us most

Protecting 269,000 DI policyholders as of year end 2017

MassMutual's average monthly DI payments in 2017: \$3,425

\$4,043,161,000 total DI benefits¹ paid to MassMutual policyholders 2005-2017

Average duration for all
MassMutual DI claims based on
claims incurred from 1986 – 2017:



4 Years

¹ Benefits paid for all disability income insurance policies



MassMutual

In the world of financial services, it's working with...

- One of America's largest companies
- One of America's most highly rated companies
- A strong, stable company with solid growth
- A mutual life insurance company providing long-term value
- A company with a sound long-term investment philosophy
- A responsible company committed to its clients and communities
- A company with a growing network of local financial professionals



MassMutual



Strength

MassMutual has some of the highest financial strength ratings¹ of any company, in any industry.



MassMutual

As a mutual insurance company, MassMutual is operated for the benefit of our members and participating policy owners.



Experience

We have over 50 years of experience in providing disability benefits and have helped many people in their unexpected time of need.

1. Financial strength ratings are as of 11/1/2018: A.M. Best A++; Fitch AA+; Moody's Aa2; Standard & Poor's AA+. Ratings are for MassMutual (Springfield, MA 01111) and its subsidiaries, C.M. Life Insurance Co. and MML Bay State Life Insurance Co. (Enfield, CT 06082). Ratings are subject to change.

Thank you!

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Questions
&
Answers

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Disclosure — Radius

Renewability, Cancellability, and Termination: We will not cancel the Policy, change its terms or increase the premiums. As long as the premiums are paid on time, we will continue coverage until the Expiration Date.

The Policy also sets forth certain limits.

Waiting Period: The Policy does contain a Waiting Period. This is the period immediately following the start of Disability during which benefits do not accrue.

Medical Examination: A medical examination is required to apply for the Policy.

Exceptions, Reductions and Limits of the Policy: Regardless of the Maximum Benefit Period for all Policy and Rider Coverage, the Maximum Benefit Period is 24 months for each period of Disability caused or contributed to by a Mental Disorder.

Coverage is not provided for a Disability caused or contributed to by normal pregnancy or childbirth.

The Policy does not cover hospital, medical or surgical expenses.

We do not cover Disabilities caused or contributed to by war (declared or not declared).

We may suspend the Policy if the Insured enters active military service for 90 days or more. If the Insured is released from active duty within 5 years, you may restore coverage within 90 days of the Insured's release. We will not require Proof of Insurability.

The Policy does contain a provision which may not cover a Disability which is traceable to a condition existing prior to the effective date of the Policy.

There may be other exclusions or limitations associated with riders or endorsements if any are attached to your policy.

Disclosure — Radius Choice

Renewability, Cancellability, and Termination: This policy is Non-Cancellable until the Policy Anniversary on or next following the Insured's 65th birthday. During that time, we cannot change the premiums or cancel the Policy unless requested by you, and, as long as premiums are paid on time, we will continue coverage. Thereafter, the policy is Conditionally Renewable until the policy anniversary on or next following the Insured's 75th birthday as long as the Insured is Actively at Work and is not Disabled. We can change the premiums while this policy is Conditionally Renewable.

The Policy also sets forth certain limits.

Waiting Period: The Policy does contain a Waiting Period. This is the period immediately following the start of Disability during which benefits do not accrue.

Medical Examination: A medical examination is required to apply for the Policy.

Exceptions, Reductions and Limits of the Policy: Regardless of the Maximum Benefit Period for all Policy and Rider Coverage, the Maximum Benefit Period is 24 months for each period of Disability caused or contributed to by a Mental Disorder.

This Policy does not provide any benefit for any Disability:

- during a period of legal incarceration in a penal or correctional institution of more than 7 days or during a period of legal detainment of more than 7 days. Also, this time does not apply for completion of the Waiting Period.
- sustained during declared war or undeclared war or act of war.
- caused or contributed to by normal pregnancy or childbirth.
- sustained during participation in a riot or insurrection.
- caused by any intentionally, self-inflicted injury.
- sustained during the Insured's commission of, or attempt to commit, a felony under local, state or federal law, or while engaged in an illegal occupation.
- that results from, or is contributed to, by a disease, disorder or physical condition that was excluded as a result of the underwriting process by name or specific description.

The Policy does contain a provision which may not cover a Disability which is traceable to a condition existing prior to the effective date of the Policy.

There may be other exclusions or limitations associated with riders or endorsements if any are attached to your policy.

Disability income insurance replaces a portion of your income with a monthly benefit should you become too sick or hurt to work.



Radius Choice (policy form #XLIS-RC-15 et al and ICC15-XLIS-RC in certain states including North Carolina) and Radius (Policy Form XL-IS-92) are issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001. For cost and complete details of coverage, please call your MassMutual representative or MassMutual at 1-800-272-2216 (press 3) to be referred to a representative in your area.