



AN OVERVIEW GUIDE

MassMutual CareChoiceSM One

Prepare for the possibilities

MassMutual CareChoice One (CareChoice One) is a single premium whole life insurance policy with a qualified long term care insurance rider (LTCI Rider).

CareChoice One is issued by Massachusetts Mutual Life Insurance Company (MassMutual[®]).

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People are living longer than ever.¹ This means more years to enjoy retirement. However, living longer comes with a new set of challenges, including the possible need for long term care.

MassMutual CareChoice One is a single premium whole life policy that provides long term care benefits to help you prepare for life's possibilities.

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CareChoice One is a life insurance policy with a rider that provides long term care benefits. It is appropriate for individuals who need long term care coverage and life insurance as a secondary benefit. CareChoice One offers individuals a way to help prepare for their future long term care needs. You may want to consider additional coverage options as a way to meet all of your life insurance and long term care needs.

The information provided is not written or intended as specific tax or legal advice. MassMutual, its subsidiaries, employees and representatives are not authorized to give tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel.

¹ National Vital Statistics Reports - Volume 65, Number 4, Centers for Disease Control and Prevention, June 30, 2016.

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Paying for Long Term Care

Many people will need long term care (LTC) at some point in their lives due to illness, injury or a severe cognitive impairment.

Long term care refers to a variety of services to help meet personal care needs over an extended period of time. This often involves non-skilled assistance performing what are called the Activities of Daily Living.²

LTC may take place in a nursing home or assisted living facility. However, people often choose to receive care at home for as long as possible, enabling them to remain connected to their family and their community.

Long term care is expensive and the costs continue to rise. The rates for services vary from one region of the country to another. If you need long term care at some point in your life, you may incur significant expenses. It's important to plan how you might pay for care.

While you may need to rely on multiple sources of funds, planning ahead may help you receive the quality of care you want, in the setting of your choice.

There are a number of ways to pay for LTC:

- **Government Programs (Medicare/Medicaid)** – Medicare provides limited benefits for long term care if it is part of a rehabilitative plan or skilled care. Medicaid will only pay for care once you meet eligibility requirements, including significant restrictions on income and assets.
- **Personal savings** – Accumulating additional funds may be the simplest way to provide for the cost of long term care. However, you may find it difficult to save enough.
- **Traditional long term care insurance** – Traditional individual long term care insurance may be a cost-effective way to ensure that a reliable source of funds will be available to help pay long term care expenses. However, some people are reluctant to pay for benefits they may never need.

If you need long term care at some point in your life, you may need to rely on multiple sources of funds to help pay for the cost of these services. Planning ahead may help you receive the quality of care you want, in the setting of your choice, without compromising your standard of living in retirement.

²Activities of Daily Living include: bathing, dressing, using the toilet, transferring (to or from bed or a chair), continence and eating.

CareChoice One – An Additional Way to Prepare

CareChoice One is another way you can prepare for your future long term care needs. Regardless of how your future unfolds, CareChoice One gives you the flexibility to address life's possibilities pertaining to your long term care planning.

- **If you need long term care ...**
CareChoice One provides a guaranteed pool of long term care benefits (LTC Benefit Pool) that becomes available to pay monthly long term care benefits once the eligibility requirements and a 90-day Elimination Period are satisfied. These benefits are generally received income tax free.³
- **If you never need long term care ...**
CareChoice One is a whole life insurance policy that will pay a death benefit to your beneficiaries to help secure their financial future. The death benefit is guaranteed and is paid income tax free.
- **If you have a change of plans ...**
CareChoice One provides competitive guaranteed Policy Surrender Values (surrender values) that increase over time. This gives you the option to cancel your policy for the surrender value at any time.⁴

Policy Dividends – A CareChoice One Advantage

The whole life policy is participating and therefore eligible to receive dividends.⁵ You have the option to use your policy dividends to purchase additional paid-up whole life insurance, also called paid-up additions, which will increase your death benefit, surrender value and LTC Benefit Pool.

Underwriting is necessary for both the life insurance policy and the LTCI Rider. A medical exam is generally not required, but may be necessary in certain situations.

Ideally, your long term care planning strategy will have the flexibility to adapt to your changing needs, allowing you to be prepared for life's possibilities.

³ The LTCI Rider is intended to be a federally tax-qualified long term care insurance contract under Section 7702B(b) of the Internal Revenue Code, as amended. Therefore, any long term care benefits paid under the LTCI Rider are generally received income tax free and a portion of the premium paid for the LTCI Rider may be deductible from gross income for federal income tax purposes.

Benefit payments received under the LTCI Rider for Covered Services may be taxable if you receive benefit payments under other long term care insurance coverage for the same services. You should carefully consider other long term care coverage you may have before accessing benefits under the LTCI Rider. Consult your tax advisor.

⁴ Most CareChoice One policies will be Modified Endowment Contracts (MECs). If the policy is a MEC, policy loans and/or distributions from the policy (including dividends paid in cash and full/partial surrenders) are taxable to the extent of gain and are subject to a 10% tax penalty if the policyowner is under age 59½. In general, the only non-MEC CareChoice One policies are those primarily funded with a tax-free exchange of another non-MEC life insurance policy under Internal Revenue Code Section 1035.

⁵ Dividends are not guaranteed.

How CareChoice One Works – An Example

Meet Dan

Dan is 60 years old and planning to retire within the next five years. He has saved a substantial amount in his retirement accounts and he has additional cash reserves of \$300,000 in CDs and money market funds.

Although Dan feels confident about his retirement strategy, he is concerned that if he ever needs long term care, the expenses could quickly deplete his savings. He considered buying individual LTC insurance, but decided not to because he was reluctant to pay for benefits he may never receive.

The CareChoice One Alternative

Dan could use a portion of his cash reserves to purchase a MassMutual CareChoice One policy. Let's take a look at the guaranteed benefits his policy provides:

THE CARECHOICE ONE ALTERNATIVE

CareChoice One Single Premium: \$98,024

| DAN NEEDS LTC \$300,000 Guaranteed LTC Benefit Pool | DAN NEVER NEEDS LTC \$150,000 Guaranteed Death Benefit | DAN'S PLANS CHANGE \$98,292 Guaranteed Policy Surrender Value (End of year 9) |
|--|--|--|
| <ul style="list-style-type: none"> • Dan's premium buys \$150,000 of death benefit and \$150,000 of Extended LTC coverage. • If Dan needs long term care, he can receive up to \$6,250 per month for a minimum of 48 months. • Dan's LTC benefits would reduce his death benefit first and then his Extended LTC coverage. • Any dividends paid could increase LTC benefits. | <ul style="list-style-type: none"> • If Dan doesn't need long term care, his beneficiaries will receive a death benefit of \$150,000. • If Dan accelerates only a portion of his CareChoice One death benefit to pay long term care expenses, the remaining death benefit would go to his beneficiaries. • Dan could choose to use dividends to increase the death benefit payable. | <ul style="list-style-type: none"> • Dan can cash in his policy for the surrender value if his plans change. • The surrender value at the end of the first year is \$76,562. After nine years, the guaranteed surrender value will grow to \$98,292. • The surrender value will be adjusted for benefits paid, loans and/or withdrawals. • Dividends paid could also increase the surrender value of the policy. |

Example based on a CareChoice One policy, male, issue age 60, Non-tobacco, \$150,000 policy face amount. MassMutual CareChoice One offers an inflation protection option that increases the LTC Benefit Pool and Maximum Monthly Benefit by a 5% annual compound rate each year. This example assumes that the inflation protection option was not elected.



How CareChoice One May Help Dan

Dan's CareChoice One policy gives him the flexibility he needs in retirement and reduces some of the uncertainty of how he will pay for long term care if he needs it. His policy provides the following advantages:

- He is able to leverage a portion of his savings to create a substantially larger LTC Benefit Pool.
- It may allow him to use his remaining \$201,976 of cash reserves for other purposes.
- The long term care benefits may help protect his other retirement assets and income from being depleted by long term care expenses.
- If Dan never needs long term care, the policy provides a guaranteed death benefit and surrender value.
- Any dividends Dan receives could be used to purchase additional paid-up whole life insurance, increasing his policy death benefit, surrender value and LTC Benefit Pool over time. Dividends are not guaranteed.

Dividends could significantly increase the benefits of Dan's CareChoice One policy over time.

Prepare for Your Possibilities

CareChoice One offers attractive guaranteed benefits and the potential to earn dividends.

It can help you address your long term care protection needs and become an important part of your overall retirement strategy.

Your financial professional can provide a policy illustration based on your specific needs to help you determine if a CareChoice One policy makes sense for you.

Ask your financial professional about using a CareChoice One policy to begin preparing for your possibilities today.



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Since 1851, our business decisions have been guided by our customers' needs. Today, we offer a wide range of financial products and services to help people secure their future and protect the ones they love.

Learn more at www.MassMutual.com

The purpose of this material is the solicitation of insurance and an agent may contact you.

Single Premium Whole Life Insurance (SPWL-2013, SPWL-NY-2019, ICC13SPWL and ICC13SPWL in North Carolina) is a participating, permanent single premium life insurance policy issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

For costs and further details of LTCI Rider coverage, including exclusions and reductions or limitations, contact your agent/producer or MassMutual at 800-272-2216 for a referral to an insurance agent/producer.

