

Life Insurer Financial Analysis

Company MassMutual

Ratings

A.M. Best Company (Best's Rating, 15 ratings)	A++
Standard & Poor's (Financial Strength, 20 ratings)	AA+
Moody's (Financial Strength, 21 ratings)	Aa2
Fitch Ratings (Financial Strength, 21 ratings)	AA+

Asset Analysis

Total Admitted Assets	121,329,281
Total Liabilities	112,070,437
Separate Accounts	37,765,695
Total Surplus & AVR	10,401,344
As % of General Account Assets	12.4%
Invested Assets	80,947,016
Bonds (%)	57.7%
Stocks (%)	4.9%
Mortgages (%)	13.7%
Real Estate (%)	1.4%
Policy Loans (%)	10.5%
Cash & Short-Term (%)	2.8%
Other Invested Assets (%)	<u>9.0%</u>
	100.0%
Net Yield on Mean Invested Assets	
2009 (Industry Average 4.63%)	5.09%
2008 (Industry Average 5.40%)	6.47%
2007 (Industry Average 5.63%)	6.61%
2006 (Industry Average 5.54%)	6.31%
2005 (Industry Average 5.52%)	6.28%
5 Year Average (Industry Average 5.34%)	6.15%
Total Investment Return	
2009 (Industry Average 4.72%)	4.98%
2008 (Industry Average 3.36%)	4.84%
2007 (Industry Average 5.74%)	6.62%
2006 (Industry Average 6.06%)	6.72%
2005 (Industry Average 5.80%)	6.89%
5 Year Average (Industry Average 5.14%)	6.01%
Asset Growth	
2009 Total Admitted Assets	121,329,281
1-Year Growth	6.2%
3-Year Compound Growth	3.6%
2009 Total Surplus & AVR	10,401,344
1-Year Growth	17.4%
3-Year Compound Growth	6.0%

Data for Year-End 2009 from the life insurance companies' statutory annual statements. All dollar amounts are in thousands. All ratings shown are current as of June 15, 2010.

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Asset Quality Analysis

Non-Investment Grade Bonds (Class 3 - 6)	
Non-Investment Grade Bonds/Total Bonds	8.0%
Non-Investment Grade Bonds/Surplus & AVR	37.8%
Non-Performing Bonds (Class 6)	
Non-Performing Bonds/Total Bonds	0.5%
Non-Performing Bonds/Surplus & AVR	2.1%
Non-Performing Mortgages & Real Estate	
Non-Performing Mort & R.E./ Total Mort & R.E.	0.0%
Non-Performing Mort & R.E./Surplus & AVR	0.0%
Non-Performing Assets/Surplus & AVR	
Bonds In or Near Default	2.1%
Problem Mortgages	0.0%
Real Estate Acquired by Foreclosure	<u>0.0%</u>
Total Non-Performing Assets/Surplus & AVR	2.1%
As a Percent of Invested Assets	0.3%

Bond Portfolio Analysis

Total Bonds Book Value	46,722,098
Total Bonds Market Value	45,373,646
Bonds Market Value/BookValue	97.1%
Quality	
Class 1: Highest Quality	66.4%
Class 2: Higher Quality	25.6%
Class 3: Medium Quality	3.3%
Class 4: Low Quality	3.1%
Class 5: Lower Quality	1.2%
Class 6: In or Near Default	0.5%
Weighted Bond Class	1.5
Maturity	
1 Year or Less	12.7%
1 to 5 Years	30.3%
5 to 10 Years	25.9%
10 to 20 Years	14.5%
Over 20 Years	16.7%
Weighted Bond Maturity (Years)	9.3

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Operating Income Analysis

Total Income	17,034,010
Total General Expenses	1,474,010
Total General Expenses/Total Income	8.7%
Earnings Before Policy Dividends & Taxes	1,726,350
Policy Dividends	1,211,616
Policy Dividends/Earnings	<u>70.2%</u>
Pretax Earnings from Operations	514,735
Federal Income Taxes	-57,248
Income Taxes/Pretax Earnings	<u>-11.1%</u>
Net Earnings from Operations	571,982
Net Realized Capital Gains	<u>-861,348</u>
Net Income	-289,365
As % of Admitted Assets	-0.2%
Unrealized Capital Gains	737,033

Premium Growth

2009 Total Premium Income	12,390,092
1-Year Growth	-6.4%
3-Year Compound Growth	-0.2%
2009 Ordinary Life Premium	3,799,309
1-Year Growth	0.5%
3-Year Compound Growth	2.3%

Profitability

Return on Assets	0.5%
Return on Equity	6.8%
2009 Lapse Ratio	5.8%
3-Year Average Lapse Ratio	5.0%
Net Investment Income	4,043,752
Required Interest	2,655,819
Interest Margin	52.3%
Ordinary Life Expenses/Premiums	15.4%
General Expenses/Total Income	8.7%
Commissions & General Expenses/Total Income	11.1%

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Analysis of Face Amount of Insurance

Total Insurance In Force	387,772,249
Ordinary Life	86.6%
Group Life	13.4%
Other	0.0%
 Total Reinsurance Ceded	 224,455,167
% of In Force Ceded	
Ordinary Life	60.1%
Group Life	43.8%
Other	0.0%
 Ordinary Life Policies In Force	 1,574,584
Average Policy Size (in dollars)	213,347
Ordinary Life Policies Issued in 2009	71,956
Average Policy Size (in dollars)	520,803

Analysis by Line of Business

Net Premiums Written	12,389,488
Individual	
Life	30.7%
Annuities	18.6%
Health	3.7%
Group	
Life	0.8%
Annuities	46.2%
Health	0.0%
Credit Life & Health	0.0%
Other Lines	0.0%
 Net Earnings from Operations	 571,982
Individual	
Life	-2.7%
Annuities	40.7%
Health	6.2%
Group	
Life	13.4%
Annuities	42.3%
Health	0.1%
Credit Life & Health	0.0%
Other Lines	0.0%

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