

An **Educational Guide**
for Consumers

Why Rent When You Can Own?

A comparison of term and permanent life insurance



Insurance Strategies



We'll help you get there.™



3 | Your coverage options

4 | The Owning vs. Renting
Comparison

6 | Options to meet your needs
today and tomorrow

7 | MassMutual.
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Protecting your loved ones with the right amount and type of life insurance is an important financial decision. This guide is designed to help you understand your coverage options in a way that is familiar to all of us.

Life insurance is often the foundation upon which many comprehensive financial strategies are built. That's because, at its core, life insurance helps you fulfill your promises to the people you care about by delivering a financial resource when it's needed most.

A thorough understanding of your family's current and future financial needs is key when determining how much and what type of life insurance is appropriate. A sufficient amount of coverage is essential to ensure your family's financial future is not left to chance. Once you've determined the appropriate amount, you next need to decide what type of insurance is right for you.

Your coverage options

There are two basic types of life insurance to choose from: permanent and term. In many instances, people find that their objectives are best met with a combination of both.

- **Permanent insurance** offers *lifetime* protection, which means that your beneficiaries will receive a benefit no matter when you die. Some forms of permanent insurance also accumulate a cash value, which can be used for a variety of life's opportunities and challenges. These features can provide flexibility in your long-term financial strategy.
- **Term insurance** provides protection for a set period of time and offers death benefit protection only; there is no cash value component. Consequently, the premiums may be less costly initially than permanent insurance. Term insurance is an excellent way to get an amount of coverage that is comparable to permanent insurance at a more affordable cost.

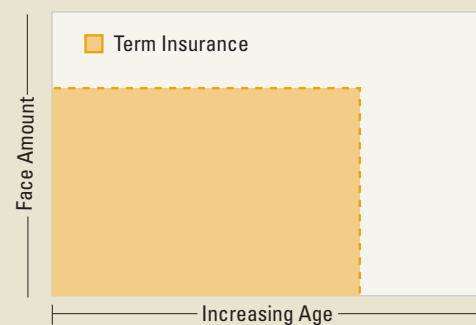
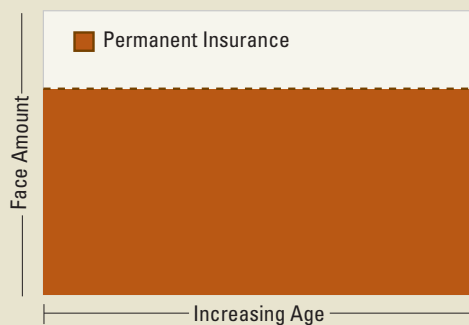
One way to understand the difference between the two types is by using a common analogy: owning a home versus renting an apartment.

The Owning vs. Renting Comparison

Permanent life insurance is like owning a home, while term life insurance is like renting an apartment for three basic reasons.

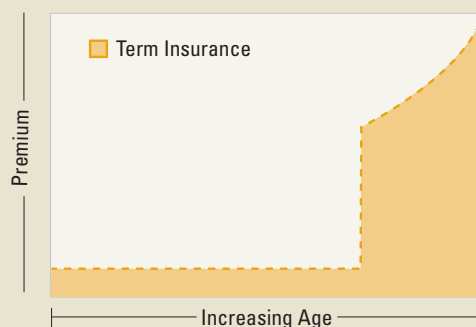
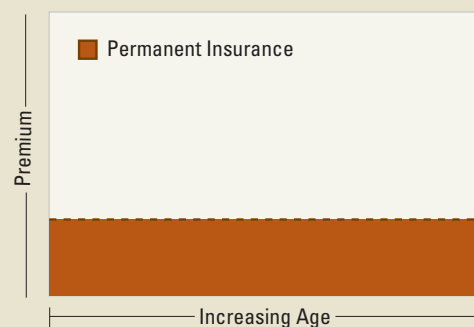
Duration

Permanent life insurance, like owning a home, can be yours for a lifetime. Term insurance, on the other hand, is appropriate for a temporary, short-term situation, much like renting an apartment.



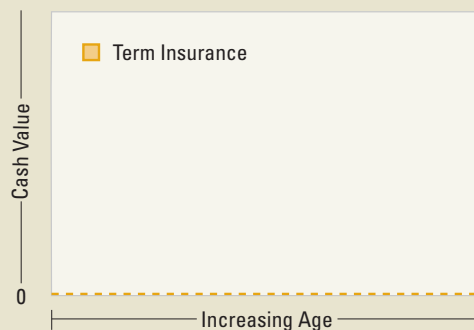
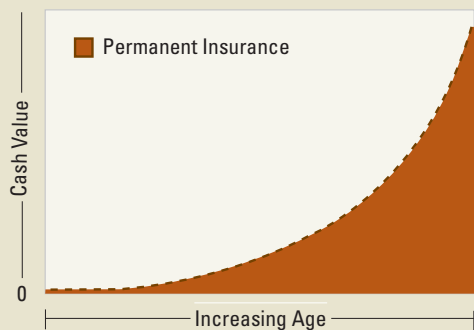
Payment

The premiums for permanent life insurance can remain level and not increase over time, much like a fixed mortgage on a home. While term insurance premiums are often more affordable initially, they can increase if you choose to renew your coverage, much like rent can increase each time a lease is renewed.



Equity

Some forms of permanent insurance build equity in the form of cash value. Much like the equity in your home, you can borrow against the cash value in your policy to meet a variety of life's opportunities and challenges. In contrast, term insurance, like a rental property, does not build equity because there is no cash value component.



Often times, a combination of both term and permanent insurance is the strategy that best meets all of your protection needs.

A Closer Look

Owning A Home	Permanent Life Insurance
You can own it for life	Coverage can last a lifetime
Payments can be predictable with a fixed mortgage	Premiums can be guaranteed to never increase
Can appreciate in value	Death benefit can be structured to increase over time
Builds equity tax-deferred over time	Builds equity in the form of cash value, which grows tax-deferred
Owned as a permanent residence	Owned to meet permanent, long-term needs

Renting An Apartment	Term Life Insurance
A lease typically lasts for a predetermined period of time	Coverage lasts for a predetermined period of time
Rent may increase each time your lease is renewed	Premiums typically increase if you choose to renew your coverage
Rent is typically more affordable than a mortgage	Term insurance premiums are initially more affordable than permanent insurance premiums
Offers no opportunity to build equity	Offers no cash value growth
Rented to meet a temporary living situation	Purchased to meet temporary, short-term goals

Options to meet your needs today and tomorrow

Protecting your family with the right amount and type of life insurance can be one of the most important financial decisions you'll make. Term life insurance can be an affordable option to get the coverage you want at a cost you can handle.

If it's lifelong coverage that you desire, permanent life insurance offers an array of benefits that apply to a range of life stages, ensuring that whenever you or your family needs financial protection, your coverage is there.

Often times, a combination of both term and permanent insurance is the strategy that best meets all of your protection needs.

MassMutual. We'll help you get there.SM

For over 150 years, MassMutual and its affiliated financial professionals have helped guide our policyholders toward greater security and financial freedom.

One measure of a company's value to its customers is its financial strength. MassMutual's exceptional financial strength is underscored by ratings that are among the best in any industry:

- A.M. Best Company: A++ (Superior)
- Moody's Investors Service Inc.: Aa1 (Excellent)
- Standard & Poor's Corp.: AAA (Extremely Strong)
- Fitch Ratings: AAA (Exceptionally Strong)

Our commitment is to help you focus on what you value most, clarify what you want to achieve in life, and understand how life's uncertainties could impact your plans and aspirations. We then help you implement flexible, robust insurance strategies that can help provide peace of mind for today and tomorrow.

After all, it's not about where life takes you...*it's about where you take life.* Built on a foundation of integrity, strength, and reliability, MassMutual can help you get there.

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