



SUCCESS STRATEGIES
Advanced Sales

Timing is everything.

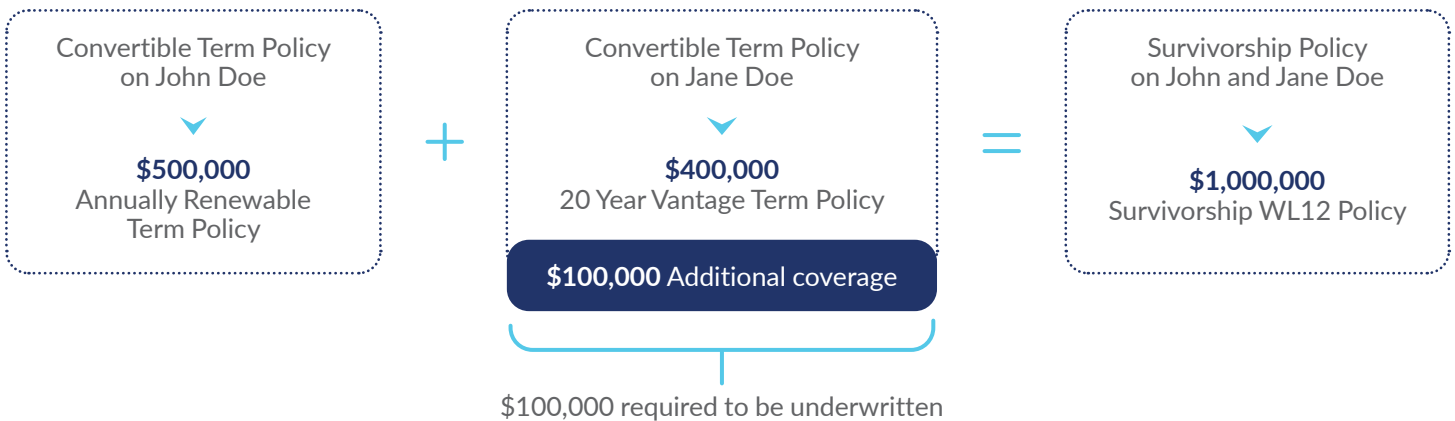
Couples Can Convert 2 Term Policies for 1 Survivorship Policy¹
Before the 2026 Tax Law Change.

- Term life insurance from MassMutual may include a valuable option that allows the policyowner to convert all or a portion of the coverage to permanent life insurance to prepare for potential estate taxes.²
- Beginning in 2026, individuals and married couples can give away less of their wealth tax-free – approximately **\$6.1M/individual and \$12.2M/couple LESS**. This means that they may have more exposure to estate tax³ after 2026 and may need permanent insurance.
- Because some married couples may need to pay estate taxes at the second death if their estate is above a certain threshold³, a survivorship policy that pays proceeds at the second death can offer the liquidity to pay the estate taxes. A survivorship policy offers permanent life insurance coverage while term coverage will last for a specified period of years.
- A couple can fund the premium on the survivorship policy by making a tax-free gift to an insurance trust using their unused estate tax exemption amount, if any is remaining, before 2026. Currently, the cumulative amount a couple can give away during lifetime or at death is \$25,840M.³ In 2026, this amount drops to roughly \$13.6M.

Converting 2 Term Policies to 1 Survivorship Policy: Example 1



Converting 2 Term Policies to 1 Survivorship Policy: Example 2



FOR FINANCIAL PROFESSIONALS. NOT FOR USE WITH THE PUBLIC.

¹ Conversion rules apply. See page 2 for important details.

² Estate tax is only one of many liquidity needs a family may have. An individual term or cash value policy may be needed at the first death for various other needs like survivor income or to pay off debts. Clients should assess their own particular liquidity needs with their estate and tax advisors.



Legacy Planning

MassMutual Conversion Rules Apply

Couples can convert two existing MassMutual term policies to a survivorship policy to secure the joint lifetimes of the two insureds. Term conversions can be to second-to-die Survivorship Whole Life 100, Survivorship Whole Life 12, and SUL Guard. Couples who own two MassMutual convertible term policies can convert the two policies to a MassMutual Survivorship policy to secure coverage for the joint lifetimes of the two insureds. An insured can convert existing term coverage in order to meet the medical underwriting requirements for their portion of the new policy. Term coverages that contain a contractual provision to transfer a Waiver of Premium (WP) rider while totally disabled may be converted to a Survivorship Whole Life 100 policy while term premiums are being waived under a WP provision. Without providing additional evidence of insurability for disability, the Face Amount of the Survivorship Whole Life 100 policy cannot exceed twice the Face Amount of the term coverages for which premiums are being waived. Upon such conversion, we will place WP on the disabled insured and waive the premium for the Survivorship Whole Life 100 policy. The second insured on the policy must meet conversion/underwriting rules.

All or a portion of Term coverage can be converted to any available MassMutual permanent policy (excluding the CareChoice products) at any time during the conversion period. The conversion period begins on the policy date and ends on the earlier of the 10th policy anniversary or the policy anniversary nearest the insured's age 65. Annually Renewable Term (ART) has a minimum conversion period of 5 years. Term 10, 15 and 20 policies have a minimum conversion period of two years. Extended Conversion Period (ECP) versions of Term 15, 20, 25 and 30 are also available. Term 15 ECP is convertible to the earlier of the 15th policy anniversary, or policy anniversary nearest the insured's age 65. Term 20, 25 and 30 ECP are convertible to the earlier of the 20th policy anniversary, or the anniversary nearest the insured's age 65, whichever is earlier.

Benefits of a Permanent Policy

MassMutual's participating survivorship whole life insurance policies offer a combination of features and benefits that are not available with most other types of policies.

- Survivorship whole life provides permanent second-to-die life insurance protection with guaranteed level premiums, guaranteed death benefit and guaranteed cash values. Your clients can choose between a Survivorship Whole Life 100 or a Survivorship Whole Life 12 Pay policy with premiums that are payable for 12 years.
- Policies accumulate guaranteed cash value that increases each year and will never decline in value due to market conditions.
- Policyowners are eligible to receive annual dividends which can be used to reduce their out-of-pocket premiums or increase their coverage over time. While dividends are not guaranteed, MassMutual has paid them to eligible participating policyowners every year since 1869.
- Life insurance offers some valuable income tax advantages that include an income tax-free death benefit and tax-deferred cash value accumulation.

³ The 2017 Tax Act temporarily increased the total amount that individuals and couples can transfer to heirs, during lifetime and/or at death. The combined estate and gift tax-free amount in 2023 is \$12,920,000 per individual, or \$25,840,000 per married couple. The exemption amounts are indexed annually for inflation. However, the increased exemptions are due to expire in 2026, when they revert to their 2017 level, roughly \$6.8M+ per individual, or \$13.6M+ per couple, subject to retroactive adjustments for inflation.



Please call the sales desk at **1-855-464-3436**
or contact your wholesaler for more information.

FOR FINANCIAL PROFESSIONALS. NOT FOR USE WITH THE PUBLIC.

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. Individuals involved in the estate planning process should work with an estate planning team, including their own personal legal or tax counsel.

The products and/or certain features may not be available in all states. State variations will apply.

Vantage Term life series policies (Policy Forms: TL-2018 and ICC18TL in certain states, including North Carolina) and MassMutual Convertible Term life series policies on the digital platform (Policy Forms: SCT, TFC and ICC18TFC in certain states, including North Carolina), are non-participating, annually renewable term life insurance policies issued by Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111-0001.

Survivorship Whole Life Legacy Insurance (Policy Forms: SWL-2015, ICC15SWL and ICC15SWL in North Carolina, SWL-NY-2019 and SWL-FL-2015 (Rev 2021), is issued by Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111-0001.

