September 2008

MassMutual – Standing Strong

This report provides information regarding MassMutual's financial stature in light of recent market events affecting a variety of financial firms.

1. How do the recent events and challenges associated with other financial services firms, e.g. Lehman Brothers, AIG, Freddie Mac, Fannie Mae, and Merrill Lynch, impact my account?

- Simply put, if any of the equity or fixed income investment options you selected for your retirement plan account hold or did hold the securities of any companies that have struggled in this environment, those investment options likely declined.
- Large companies like these make up a notable percentage of their "sector" or industry category, so many mutual funds and other similar investment options that invest in this sector own or did own these companies. As a result, many mutual funds and other similar investment options declined.
- Most investment options offered through your retirement plan are diversified and invest in a large number of companies, which can limit the negative impact of a few bad performers.
- Additionally, mutual funds and other similar investments are managed by experts in their field and operate in the best interest of their investors.

2. Is MassMutual at risk of financial failure in this turbulent economic and market environment?

MassMutual should not be compared to the financial firms that have recently been in news headlines because of bankruptcy or governmental intervention. Following are some reasons why:

- For many years, MassMutual has managed its corporate investments as a broadly diversified investment portfolio with high quality assets and with strict limits on holdings of banks and finance and leasing companies. Our exposure to these industries makes up less than 2% of the $82 billion in our general investment account.
- We do not depend on short-term financing to operate our business. In this way we are very different than banks and investment banks, which have greater vulnerability to changes in the availability of credit.
- MassMutual maintains a strong cash position in keeping with its commitment to clients and, consequently, we are not dependent on short-term financing. Cash flow and liquidity needs are routinely monitored as part of the investment management process.

3. Is the Diversified Bond SAGIC Account insured? Can I ever lose my money invested in these products? What are the holdings in these investments?

The Diversified Bond SAGIC Account is not "insured," but MassMutual does provide fixed-rate guarantees, similar in some respects to a bank's certificate of deposit, or CD. Losing money invested in these investments while the contract is in effect is unlikely since MassMutual provides for the principal guarantees and due to the product features explained in the chart below:

Product Feature	**SAGIC Diversified Bond**
Minimum Guaranteed Rate of Return	0% minimum
Credit Quality of Portfolio	AA (Quality Investment Grade)
Holdings	Fixed income securities including corporate, mortgage backed, and government and agency bonds. Diversified Bond may have a higher allocation to below investment-grade bonds.

Additionally, please keep in mind that:

- While the underlying fixed income portfolios of these products have had some exposure to troubled financial companies such as Lehman and AIG (through American General Finance), such exposure is modest within the well-diversified portfolio and has helped to minimize the negative effect;
- MassMutual provides the book value obligations to participants associated with making up any differences of underlying market value to a participant's book value;
- Market losses on the underlying bond portfolio impact the crediting rate on an amortized basis, thus the crediting rate is only partly impacted as these losses occur and will trend over time in line with the stable characteristics of the product's return feature;
- If a SAGIC is fully or partially terminated, the market value of the separate account securities is paid, which may result in a gain or loss of value in the SAGIC.

4. Are the assets in my company's defined contribution retirement plan insured by the FDIC (Federal Deposit Insurance Corporation)?

No. The FDIC does not insure the money you invest in stocks, bonds, mutual funds (or separate investment accounts and collective trusts that may invest in stocks, bonds and/or mutual funds) life insurance policies, annuities, or municipal securities, even when you buy these products from an insured bank.

5. **Are there any other mechanisms in place that protect my company's retirement plan assets invested in separate investment accounts ("SIAs") or mutual funds?**

   Yes. Customer/shareholder assets invested in an insurance company separate investment account ("SIA") receive special treatment under state insurance laws, which provide that they will be insulated from the general creditors of MassMutual in the event of its insolvency. With respect to assets invested in a mutual fund, they are not considered assets of the mutual fund's investment advisor and are not subject to the claims of the advisor's creditors. In other words, even in the extremely unlikely event that MassMutual became insolvent, plan assets invested in MassMutual's SIAs or in the MassMutual Select Funds or MassMutual Premier Funds could not be reached by MassMutual's creditors. MassMutual also maintains fidelity bonding and other insured and self-insured programs that would cover a customer for losses as a result of fraud or theft.

6. **Where can I obtain more information?**

   For more information, please log onto The Journey, call FLASH℠ at 1-800-743-5274 (8 am to 8 pm EST) to speak with a MassMutual customer service professional or feel free to submit your questions via our website at www.massmutual.com.

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