

Our Team

The culture at SFG Brokerage is one that puts community, collaboration, and connection first. We work with professionals across the country committed to serving the needs of your clients.



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Spring is the time for plans and projects. Let our team help you with yours!

Partnering with you to help your clients plan with flexibility!

~ Tim, Mark, Gayle, and Rachel

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It’s Now Easier to Qualify for Disability Income (DI) Insurance Coverage

MassMutual business owner and executive disability income (DI) insurance underwriting program upgrades and 1099 contractor enhancements make it easier to qualify for coverage.

Business owners (except medical/dental professionals, those in a new business or profession, et al.) may qualify for enhanced occupational classification and coverage at a lower cost:

- 3A for two years of \$50,000 or more income and five or more employees.
- 4A for two years of \$100,000 or more income and five or more employees.
- 5A for two years of \$150,000 or more income and 10 or more employees.
- 5A/3 for two years of \$250,000 or more income and 10 or more employees.

Criteria:

- Work full-time, year-round.
- Own business five or more years.
- Less than 10% manual duties or onsite.
- Have less than 20% of sales and a minimum of 20% ownership.

Business executives (except practicing medical/dental professionals, those in a new business or profession, et al.) may qualify for enhanced occupational classification and coverage at a lower cost:

- 4A for two years of \$150,000 or more income.**
- 5A for two years of \$175,000 or more income.
- 5A/3 for two years of \$250,000 or more income.

Criteria:

- Work five or more years (as executive).
- Less than 10% manual duties or onsite.
- Have less than 20% of sales.

New self-employed 1099 contractors experienced in the same occupation may qualify for individual DI insurance according to their historical W-2 earnings. To determine the eligible monthly benefit amount for new 1099 contractors, MassMutual will use a percentage of the most recent W-2 earnings:

- 80% of the prior W-2 earnings for physicians and dentists.
- 75% of the prior W-2 earnings for all other occupations.

Criteria:

- Must be self-employed within the past 12 months in similar occupation.
- Work at least 30 hours weekly.
- Submit the most recent W-2 or pay stub with a year-to-date figure.

SFG BROKERAGE

Broker News

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*MassMutual reserves the right to discontinue the underwriting programs/change the guidelines at any time.

**Refer to specific industry for incomes below \$150,000.

The MassMutual Whole Life Portfolio Meeting Different Financial Goals

Whole Life (WL) and Survivorship Whole Life (SWL) Insurance

The MassMutual Whole Life insurance portfolio can help meet different client needs, from life insurance protection to cash value accumulation. The spectrum shown below can help you identify which products may best meet your client’s long-term insurance protection and accumulation goals.

Products	ACCUMULATION				BALANCED PERFORMANCE			PROTECTION		
	WHOLE LIFE 8 PAY	WHOLE LIFE 10 PAY	WHOLE LIFE 12 PAY	WHOLE LIFE 15 PAY	SWL 12 PAY	WHOLE LIFE 20 PAY	WHOLE LIFE 65	HECV WHOLE LIFE 85	WHOLE LIFE 100	SWL 100
Guaranteed Interest Rate	2.75%	2%	3%	2.5%	3%	3%	3%	3%	3.75%	3.75%
Adjustable Loan Interest Rate Floor¹	3.75%	3%	4%	3.5%	4%	4%	4%	4%	4.75%	4.75%
Product attributes (based on premium, per \$1,000 of face amount)	<ul style="list-style-type: none">• Whole Life product is a MEC²• Combine with LISR or RTR to meet premium budget, and may also prevent MEC status, while providing competitive Death Benefit (DB) and Cash Value (CV) accumulation• Higher Non-Guaranteed Death Benefit than 10 Pay in early years	<ul style="list-style-type: none">• Highest Guaranteed Cash Value (CV)• Illustrates highest Internal Rate of Return (IRR)³ on Total Cash Value (TCV) accumulation⁴• Illustrates highest income solves	<ul style="list-style-type: none">• Lower premium alternative to 10 pay to provide higher initial DB in premium-based scenarios	<ul style="list-style-type: none">• Lower premium than Whole Life 12 Pay• Illustrates strong IRRs³ on TCV and income solves⁴	<ul style="list-style-type: none">• Short premium duration• Survivorship policy that illustrates balanced TCV/DB and income solves⁴	<ul style="list-style-type: none">• Illustrates balanced Total TCV/DB and income solves⁴	<ul style="list-style-type: none">• Illustrates balanced TCV/DB and income solves⁴• Face amount increases	<ul style="list-style-type: none">• Highest early Guaranteed CV accumulation• Face amount increases	<ul style="list-style-type: none">• Highest guaranteed DB• Higher illustrated IRR³ on Total DB• Face amount increases• Combine with Life Insurance Supplement Rider (LISR) to meet premium budget	<ul style="list-style-type: none">• Highest Guaranteed Survivorship DB• Higher illustrated IRR³ on Total DB⁴• Face amount increases• Combine with Survivorship Life Insurance Supplement Rider (LISRS) to meet premium budget

1 The maximum Adjustable Loan Rate (ALR) is based on the monthly average of the composite yield on seasoned corporate bonds as published by Moody’s Investor Service or, if higher, the policy’s guaranteed interest rate plus 1%.

2 The MassMutual Whole Life 8-Pay (WL 8-Pay) policy, under most circumstances, will be a Modified Endowment Contract (MEC). However, issuing a WL 8-Pay policy with the Life Insurance Supplement Rider or the Renewable Term Rider may prevent the policy from becoming a MEC, depending on the coverage mix. Including a term rider will provide additional death benefit and will result in a combination of guaranteed and non-guaranteed coverage, and may also help lower the premium cost. For those policies, decreases in the base face amount or the term coverage in the first seven policy years could result in the policy becoming a MEC.

3 The Internal Rate of Return is a measure that can be used to evaluate performance and is based on the current dividend schedule. It is the amount at which outlays (out-of-pocket costs) up to that year must be compounded each year to generate either the Net Cash Value or the Net Death Benefit.

4 These values are based on the illustrated dividend schedule and are not guaranteed.

Any guarantees explicitly referenced herein are based on the claims-paying abilities of the issuing insurance company. The products and/or certain features may not be available in all states. State variations will apply. Whole Life Legacy series policies ((Policy Forms: MMWL-2018 and ICC18-MMWL in certain states, including North Carolina)/ (MMWLA-2018 and ICC18-MMWLA in certain states, including North Carolina)) and MassMutual Whole Life series policies on the digital platform (Policy Forms: WL-2018 and ICC18WL in certain states, including North Carolina) are level-premium, participating, permanent life insurance policies issued by Massachusetts Mutual Life Insurance Company (MassMutual®), Springfield, MA 01111-0001.

A Simplified Look at How the Dividend Interest Rate is Applied

Whole Life Insurance and the Dividend Interest Rate

Each year, Massachusetts Mutual Life Insurance Company (MassMutual®) declares a dividend interest rate that is a key component used to calculate dividends paid in the next calendar year. The following explains the basics of dividends and provides a simplified version of how that dividend interest rate is applied to the cash value each year.

MassMutual’s participating whole life policies have a guaranteed cash value that increases each year. In addition, these policyowners are eligible to receive policy dividends. Dividends and the dividend interest rate are determined annually, are subject to change and are not guaranteed.

Three Components of Dividends

Guaranteed premiums and cash values for MassMutual’s whole life insurance policies are primarily based on assumptions regarding future investment results, mortality (death claims) and expenses. These assumptions are deliberately conservative in nature. As a result, dividends may be paid when MassMutual’s actual experience is better than what was assumed when establishing the guaranteed elements of a policy.

Although Dividends are not guaranteed, MassMutual has paid them every year since 1869.

The Dividend Interest Rate

The dividend interest rate includes both the guaranteed interest rate for the policy and the rate applied to determine the investment component of the dividend. The 2024 dividend interest rate is 6.10%. The guaranteed interest rate for MassMutual Whole Life Series policies ranges from 2.00% - 3.75%. This means the investment component of the dividend is based on the current dividend interest rate minus the guaranteed interest rate (for example, 6.10% - 3.75%).

The example on the following page shows how the total cash value increases for a specific policy from 2023 to 2024. This simplified explanation should give you a better idea of how the 6.10% dividend interest rate is applied.

The results shown are based on the actual experience of the company over the period of time, mainly with respect to investment returns, mortality and expenses. Dividends paid in future years will be lower or higher than illustrated, depending on MassMutual’s actual experience.

How is the Dividend Interest Rate Applied?

The Example

Let’s look at a historical example of a participating whole life insurance policy. In this case, we’ll use a MassMutual Whole Life 100 policy purchased in 2014 by a 35-year-old man who qualified for our best rates. The initial death benefit was \$250,000, and the premium was \$2,995 a year. The owner elected to use any dividends received to purchase additional paid-up whole life insurance each year. He did not take any loans or surrenders from his policy.

His total cash value increased \$3,963 from his 2023 policy anniversary to his 2024 anniversary. This increase includes both the guaranteed cash value increase as well as the annual dividend.

The Calculation

- To calculate the total cash value increase we’ll use:
- 2023 Ending Policy Cash Value: \$23,543
 - Annual premium: \$2,995
 - 2024 Dividend interest rate: 6.10%
 - Mortality/Expenses/Other Charges: \$613

Using these values the simplified version of the cash value increase looks like the equation to the right:

2023 Ending Policy Cash Value	\$ 23,543
Annual Premium	+\$ 2,995
Mortality/Expenses/Other Charges	-\$ 613
	\$ 25,925
2024 Dividend Interest Rate	x 6.10%
	\$ 1,581
	+\$ 25,925
2024 Ending Policy Cash Value	\$ 27,506

The Summary

For the purposes of this discussion, we have simplified some steps to give you a basic idea of how the dividend interest rate is applied to calculate the annual cash value increase for MassMutual participating whole life policies. Policy annual statements will not show the cash value increase calculations, and the values may be presented differently.

Other life insurance companies may quote and apply dividend interest rates differently. The dividend interest rate is not the rate of return on the policy. Dividends consist primarily of an investment component, a mortality component and an expense component. Therefore, dividend interest rates should not be the sole basis for comparing insurers or policy performance. Additionally, dividends for a given policy are influenced by such factors as policy series, issue age, gender, underwriting class, policy year and policy loan rate, as well as changes in a company’s experience.