MassMutual Global Funding II

USD 12,000,000,000
GLOBAL DEBT ISSUANCE PROGRAM

This base prospectus supplement dated September 1, 2011 (this **"Supplement"**) is in addition to and must be read in conjunction with the base prospectus dated June 9, 2011 (collectively, the **"Base Prospectus"**) prepared by MassMutual Global Funding II (the **"Issuer"**) under the Issuer's Global Debt Issuance Program (the **"Program"**). Capitalized terms used herein and not otherwise defined shall have the meanings of such terms set forth in the Base Prospectus.

This Supplement has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC.

On August 12, 2011, Massachusetts Mutual Life Insurance Company (**"MassMutual"**) published its unconsolidated quarterly unaudited condensed statutory statements (including any notes thereto, the **"Second Quarter 2011 Condensed Statutory Financial Statements"**), the consolidated text of which is set out in Annex 1 to this document.

Except as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus since the publication of the Base Prospectus.

Where there is any inconsistency between this Supplement and the Base Prospectus, the language used in this Supplement shall prevail.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Base Prospectus Supplement dated September 1, 2011

Interim Update for the Six Months Ended June 30, 2011

The unaudited statement of income (loss) data and statement of financial position data of MassMutual for the six months ended June 30, 2011 and June 30, 2010, and as of June 30, 2011, respectively, presented below should be read in conjunction with, and is qualified in its entirety by reference to, the Statutory Financial Statements, Notes to Statutory Financial Statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Analysis of Results of Operations – For the Years Ended December 31, 2010, 2009 and 2008" and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Statement of Financial Position at December 31, 2010 compared to December 31, 2009," and the Second Quarter 2011 Condensed Statutory Financial Statements of MassMutual as of and for the six months ended June 30, 2011, which are attached hereto as Annex 1.

Analysis of Results of Operations – For the Six Months Ended June 30, 2011 Compared to the Six Months Ended June 30, 2010

The following table sets forth the components of MassMutual's statutory net income (loss) for the periods presented:

	Six Months Ended June 30,		
	2011 (unaudited)	**2010** (unaudited)	**% Change**
	(In Millions)		
Revenue:			
Premium income	$ 6,356	$ 5,387	18%
Net investment income	2,264	2,128	6
Reserve adjustments on reinsurance ceded	29	45	(36)
Fees and other income	258	228	13
Total revenue	8,907	7,788	14
Benefits and expenses:			
Policyholders' benefits	4,978	5,031	(1)
Change in policyholders' reserves	2,027	1,150	76
General insurance expenses	613	601	2
Commissions	262	247	6
State taxes, licenses and fees	77	64	20
Total benefits and expenses	7,957	7,093	12
Net gain (loss) from operations before dividends and federal income taxes	950	695	37
Dividends to policyholders	581	584	(1)
Net gain (loss) from operations before federal income taxes	369	111	232
Federal income tax expense (benefit)	(56)	(145)	61
Net gain (loss) from operations	425	256	66
Net realized capital gains (losses), after tax and transfers to interest maintenance reserve	(237)	(62)	(282)
Net income (loss)	**$ 188**	**$ 194**	**(3)%**

The $6 million decrease in net income in 2011 is due to an increase in net realized capital losses of $175 million, partially offset by an increase in net gain from operations of $169 million. The major components of the increase in net gain from operations include increases in premium income of $969 million and net investment income of $136 million, as well as a decrease in policyholders' benefits of $53 million,

partially offset by an increase in the change in policyholders' reserves of $877 million and a decrease in the federal income tax benefit of $89 million. The increase in net realized capital losses was mainly due to an increase in losses related to derivatives. The increase in derivative losses is primarily related to the weakening of the U.S. dollar against foreign currencies and futures contracts which are being used to protect against the equity market decreasing.

Selected premium income information is presented below:

	Six Months Ended June 30,		
	2011	**2010**	**% Change**
	(unaudited)	**(unaudited)**	
	(In Millions)		
Premium income:			
Whole life	$ 1,505	$ 1,446	4 %
Universal, variable and group life	314	284	11
Annuities and supplemental contracts	847	861	(2)
Disability income	223	219	2
Defined benefit and contribution	3,398	2,515	35
Other	69	62	11
Total	**$ 6,356**	**$ 5,387**	**18%**

Premium income increased $969 million, or 18%, in 2011 primarily due to increases in premium for defined benefit and contribution contracts of $883 million and whole life insurance of $59 million. The increase in premium for defined benefit and contribution contracts was mainly due to higher sales in 2010 and 2011 and the resulting increases in cash flows that are accounted for as premium. The increase in whole life premium was primarily due to higher renewal premium.

Net investment income increased $136 million to $2.3 billion from $2.1 billion. The change in net investment income was comprised of a $115 million increase due to higher assets and a $96 million increase due to improved yields, partially offset by a $75 million decrease in dividend payments from MassMutual Holding, LLC (**"MMHLLC"**). MassMutual's overall net annualized portfolio yields were 5.8% for the six months ended June 30, 2011 compared to 5.5% for the six months ended June 30, 2010.

Fees and other income increased $30 million in 2011 primarily due to higher asset-based fees from an increase in average assets under management for retirement plan and annuity products, primarily driven by market appreciation.

Policyholders' benefits, which include supplementary contract payments, matured endowments, death, annuity, disability and surrender benefits, and interest and adjustments on contract or deposit-type contract funds, decreased $53 million in 2011. The decrease was primarily driven by higher retention rates for defined benefit and contribution contracts and lower surrenders of bank-owned life insurance (**"BOLI"**), partially offset by an increase in variable annuity surrenders reflecting higher average separate account values given equity market appreciation.

Change in policyholders' reserves, including transfers to and from separate accounts, increased $877 million in 2011. The increase was primarily due to the higher premium levels and lower policyholders' benefits, partially offset by lower variable annuity reserves for product guarantees of $162 million due to improved equity market performance and an increase in longer-term U.S. treasury security yields.

General insurance expenses increased $12 million in 2011 primarily due to higher long-term incentive compensation and a change in estimate for prepaid agency allowances, partially offset by lower systems consulting and software costs.

Federal income tax benefit decreased $89 million in 2011 primarily due to higher pretax operating income and smaller differences between year-end tax accruals and the actual filed tax return liability, partially offset by reserve releases for uncertain tax positions and higher deductions for policyholders' reserves.

Net realized capital gains (losses) were comprised of the following:

	Six Months Ended June 30,		
	2011	2010	% Change
	(unaudited)	(unaudited)	
	(In Millions)		
Net realized capital gains (losses):			
Bonds	$ 115	$ (160)	172 %
Common stocks - subsidiaries and affiliates	12	2	500
Common stocks - unaffiliated	22	6	267
Mortgage loans	(63)	(19)	(232)
Real estate	(1)	67	(101)
Partnerships and LLCs	(21)	(39)	46
Derivatives and other	(104)	297	(135)
Federal and state tax (expense) benefit	(32)	(105)	70
Net realized capital gains (losses) before deferral to the IMR	(72)	49	(247)
Net (gains) losses deferred to the IMR	(239)	(119)	(101)
Less taxes on net deferred (gains) losses	74	8	825
Net after tax (gains) losses deferred to the IMR	(165)	(111)	(49)
Total net realized capital gains (losses)	**$ (237)**	**$ (62)**	**(282) %**

Net realized capital losses increased $175 million for the six months ended June 30, 2011, primarily due to an increase in derivative losses of $398 million and a decrease in gains on real estate of $68 million, partially offset by a $275 million increase in gains on bonds. The increase in derivative losses is primarily related to the weakening of the U.S. dollar against foreign currencies and futures contracts which are being used to protect against the equity market decreasing. Through June 30, 2011, MassMutual recognized $168 million of other than temporary impairment (**"OTTI"**) losses compared to $175 million through June 30, 2010. OTTI losses decreased $31 million from partnerships and LLCs and $29 million from bonds, partially offset by a $52 million increase from mortgage loans. However, the mortgage loan OTTI was more than offset by $85 million of reserves released through surplus in 2011. The book values of investments are written down when a decline in value is considered to be other than temporary. The method to evaluate declines in value uses quantitative and qualitative processes in order for available evidence concerning the declines to be evaluated in a disciplined manner.

Structured and loan-backed securities are evaluated for OTTI on a periodic basis using scenarios customized by collateral type. Cash flow estimates are based on various assumptions and inputs obtained from external industry sources along with internal analysis and actual experience. Assumptions are based on the specifics of each security including collateral type, loan type, vintage and position in the structure and include such factors as prepayment speeds, default rates and loss severity, weighted average maturity and changes in the collateral values.

If MassMutual has the intent to sell or the inability or lack of intent to retain the investment in a loan-backed or structured security for a period sufficient to recover the amortized cost basis, an OTTI is recognized in earnings as a realized loss equal to the entire difference between the investment's amortized cost basis and its fair value at the balance sheet date. Otherwise, if the present value of cash flows expected to be collected is less than the amortized cost basis of the security, an OTTI is recognized in earnings as a realized loss equal to the difference between the investment's amortized cost basis and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate.

Residential mortgage-backed exposure

Residential mortgage-backed securities (**"RMBS"**) are included in the U.S. government, special revenue and industrial and miscellaneous bond categories. The Alt-A category includes option adjustable rate mortgages and the subprime category includes "scratch and dent" or reperforming pools, high loan-to-value pools, and pools where the borrowers have very impaired credit but the average loan-to-value is low, typically 70% or below. In identifying Alt-A and subprime exposure, management used a combination of qualitative and quantitative factors, including FICO scores and loan-to-value ratios.

For the past few years, market conditions for Alt-A and subprime investments have been unusually weak due to higher delinquencies, reduced home prices and reduced refinancing opportunities. This market turbulence has spread to other credit markets. It is unclear how long it will take for a return to conditions in effect prior to that time.

The actual cost reduced by paydowns, carrying value, fair value and related gross realized losses from OTTI of MassMutual's investments in bonds with significant Alt-A and subprime exposure were as follows:

	June 30, 2011			Six Months Ended June 30, 2011
	Actual Cost	Carrying Value	Fair Value	OTTI
		(In Millions)		
Alt-A:				
Residential mortgage-backed securities	$ 2,295	$ 1,670	$ 1,365	$ (71)
Subprime:				
Residential mortgage-backed securities	1,013	776	718	(7)
Collateralized debt obligations	4	-	-	-
Total subprime.....	**1,017**	**776**	**718**	**(7)**
Total Alt-A and subprime.....	**$ 3,312**	**$ 2,446**	**$ 2,083**	**$ (78)**

	December 31, 2010			Year Ended December 31, 2010
	Actual Cost	Carrying Value	Fair Value	OTTI
		(In Millions)		
Alt-A:				
Residential mortgage-backed securities	$ 2,460	$ 1,851	$ 1,463	$ (113)
Subprime:				
Residential mortgage-backed securities	1,111	857	814	(7)
Collateralized debt obligations	4	-	-	-
Total subprime.....	**1,115**	**857**	**814**	**(7)**
Total Alt-A and subprime.....	**$ 3,575**	**$ 2,708**	**$ 2,277**	**$ (120)**

Exposure summary

MassMutual's judgment regarding OTTI and estimated fair value depends upon evolving conditions that can alter the anticipated cash flows realized by investors and is also affected by the illiquid credit market environment, which makes it difficult to obtain readily determinable prices for RMBS and other investments, including commercial mortgage backed securities (**"CMBS"**) and leveraged loans. Further deterioration in economic fundamentals could affect management judgments regarding OTTI. In addition, deterioration in market conditions may affect carrying values assigned by management. These factors could negatively impact MassMutual's results of operations, surplus and disclosed fair values.

Additionally, MassMutual is required to compare the fair values of impaired RMBS calculated with internal models to the fair values of the same impaired RMBS calculated by external modelers. If the internal values compare favorably to the external values, MassMutual is allowed to reclassify the RMBS to a higher National Association of Insurance Commissioners (**"NAIC"**) rating category. Likewise, if the comparison to the external values is not favorable, MassMutual reclassifies the RMBS to a lower NAIC rating category. The majority of MassMutual's internal values compared favorably to the external values, thereby resulting in lower capital requirements.

Derivative financial instruments

MassMutual uses derivative financial instruments in the normal course of business to manage risks, primarily to reduce currency, interest rate and duration imbalances determined in asset/liability analyses. MassMutual also uses a combination of derivatives and fixed income investments to create synthetic investment positions. These combined investments are created opportunistically when they are economically more attractive than the simulated instrument or when the simulated instruments are unavailable. Synthetic assets can be created to either hedge and reduce MassMutual's exposure or increase its exposure to a particular asset. MassMutual held synthetic assets which increased its exposure by a net notional amount of $2,274 million as of June 30, 2011 and $2,108 million as of December 31, 2010. Of this amount, $240 million as of June 30, 2011 and $314 million as of December 31, 2010, were considered replicated asset transactions as defined under statutory accounting principles as the pairing of a long derivative contract with a cash instrument held. MassMutual's derivative strategy employs a variety of derivative financial instruments, including interest rate swaps, currency swaps, equity and credit default swaps, options, interest rate caps and floors, forward contracts and financial futures. Investment risk is assessed on a portfolio basis and individual derivative financial instruments are not designated in hedging relationships; therefore, as allowed by accounting rules, MassMutual specifically and intentionally made the decision not to apply hedge accounting.

MassMutual's principal derivative market risk exposures are interest rate risk, which includes the impact of inflation and credit risk. Interest rate risk pertains to the change in fair value of the derivative instruments as market interest rates move. MassMutual is exposed to credit-related losses in the event of nonperformance by counterparties to derivative financial instruments. In order to minimize credit risk, MassMutual and its derivative counterparties require collateral to be posted in the amount owed under each transaction, subject to threshold and minimum transfer amounts that are functions of the rating on the counterparty's long-term, unsecured, unsubordinated debt. Additionally, in many instances, MassMutual enters into agreements with counterparties that allow for contracts in a positive position, where MassMutual is due amounts, to be offset by contracts in a negative position. This right of offset, combined with collateral obtained from counterparties, reduces MassMutual's exposure. Collateral pledged by the counterparties was $1,906 million as of June 30, 2011 and $2,067 million as of December 31, 2010. In the event of default, the full market value exposure at risk in a net gain position, net of offsets and collateral, was $42 million as of June 30, 2011 and $29 million as of December 31, 2010. The amount at risk using the NAIC prescribed rules was $390 million as of June 30, 2011 and $300 million as of December 31, 2010. MassMutual regularly monitors counterparty credit ratings and exposures, derivative positions and valuations and the value of collateral posted to ensure counterparties are credit-worthy and the concentration of exposure is minimized. MassMutual monitors this exposure as part of its management of overall credit exposures.

If amounts are due from the counterparty, they are reported as an asset. If amounts are due to the counterparty, they are reported as a liability. Negative values in the carrying value of a particular derivative category can result from a counterparty's right to offset carrying value positions in multiple derivative financial instruments.

Credit default swaps involve a transfer of the credit risk of fixed income instruments from one party to another in exchange for periodic premium payments. The buyer of the credit default swap receives credit protection, whereas the seller of the swap guarantees the credit worthiness of the underlying security. This transfers the risk of default from the buyer of the swap to the seller. If a specified credit event occurs, as defined by the agreement, the seller is obligated to pay the counterparty the contractually agreed upon amount and receives in return the underlying security in an amount equal to the notional value of the credit default swap. A credit event is generally defined as default on contractually obligated interest or principal payments or bankruptcy. MassMutual does not write credit default swaps as a participant in the credit insurance market but does sell swaps to generate returns consistent with bond returns when the actual bond is not available or the market price is more expensive.

MassMutual uses credit default swaps to either reduce exposure to particular issuers by buying protection or increase exposure to issuers by selling protection against specified credit events. MassMutual buys protection as an efficient means to reduce credit exposure to particular issuers or sectors in its investment portfolio. MassMutual sells protection to enhance the return on its investment portfolio by providing comparable exposure to fixed income securities that might not be available in the primary market or to enter into synthetic transactions by buying a high quality liquid bond to match against the credit default swap.

MassMutual had credit default swaps with a net fair value of $26 million, which had a corresponding absolute notional value of $1,371 million as of June 30, 2011 and a net fair value of $27 million, which had a corresponding absolute notional value of $1,502 million as of December 31, 2010. A net unrealized loss on the mark-to-market of open contracts of $2 million and a net realized gain on closed contracts of $2 million were recorded for the six months ended June 30, 2011. A net unrealized gain on the mark-to-market of open contracts of $8 million and no gain or loss on closed contracts was recorded for the six months ended June 30, 2010.

Analysis of Financial Condition – at June 30, 2011 Compared to at December 31, 2010

The following table sets forth MassMutual's significant assets, liabilities and surplus for the dates presented:

	June 30, 2011	December 31, 2010	% Change
	(unaudited)		
	(In Millions)		
Assets:			
Bonds	$ 51,307	$ 50,327	2%
Preferred stocks	314	306	3
Common stocks - subsidiaries and affiliates	4,047	3,740	8
Common stocks - unaffiliated	338	238	42
Mortgage loans	11,757	11,218	5
Policy loans	9,173	8,960	2
Real estate	1,133	1,128	-
Partnerships and limited liability companies	5,723	5,371	7
Derivatives and other invested assets	2,376	2,665	(11)
Cash, cash equivalents and short-term investments	1,074	1,139	(6)
Total invested assets	87,242	85,092	3
Investment income due and accrued	527	535	(1)
Deferred income taxes	1,273	1,427	(11)
Other than invested assets	844	920	(8)
Total assets excluding separate accounts	89,886	87,974	2
Separate account assets	43,682	41,316	6
Total assets	**$133,568**	**$ 129,290**	**3%**
Liabilities and surplus:			
Policyholders' reserves	$ 65,487	$ 64,245	2%
Liabilities for deposit-type contracts	4,067	3,577	14
Contract claims and other benefits	279	301	(7)
Policyholders' dividends	1,247	1,230	1
General expenses due or accrued	596	651	(8)
Federal income taxes	108	132	(18)
Asset valuation reserve	1,405	1,428	(2)
Securities sold under agreements to repurchase	3,479	3,883	(10)
Commercial paper	250	250	-
Derivative collateral	1,084	1,288	(16)
Other liabilities	968	650	49
Total liabilities, excluding separate accounts	78,970	77,635	2
Separate account liabilities	43,669	41,303	6
Total liabilities	**122,639**	**118,938**	**3**
Surplus	10,929	10,352	6
Total liabilities and surplus	**$ 133,568**	**$ 129,290**	**3%**

Assets

Total assets increased $4.3 billion, or 3%, in 2011 due to increases in separate account assets of $2.4 billion, bonds of $980 million, mortgage loans of $539 million, common stocks of $407 million, partnerships and LLCs of $352 million and policy loans of $213 million, partially offset by decreases in derivatives and other invested assets of $289 million and deferred income taxes of $154 million.

Bonds increased $980 million to $51.3 billion as of June 30, 2011 from $50.3 billion as of December 31, 2010, primarily due to $751 million of net acquisitions, $231 million of net discount accretion and $86

million of unrealized gains primarily attributable to foreign currency translation adjustments. These increases were partially offset by $88 million of bond OTTI, which includes $81 million from impaired RMBS.

The total net unrealized gain on bonds as of June 30, 2011 was $2.0 billion, including $3.4 billion of unrealized gains and $1.4 billion of unrealized losses. The total net unrealized gain on bonds as of December 31, 2010 was $1.4 billion, including $3.1 billion of unrealized gains and $1.7 billion of unrealized losses. Unrealized gains as of June 30, 2011 are primarily from bonds categorized as industrial and miscellaneous. The net unrealized gain position on bonds increased as a result of credit spreads tightening and treasury yields increasing since December 31, 2010. RMBS spreads have also tightened but remain wider than when the bonds were originally acquired. Unrealized losses in both years were primarily related to RMBS, leveraged loans, corporate bonds and U.S. government bonds. These unrealized losses were the result of wider credit spreads since the acquisition of the bonds, declines in the credit markets, reduced liquidity, lower bank loan values and other uncertainties reflected in current market values. Deterioration of underlying collateral, downgrades of credit ratings or other factors may lead to further declines in value.

The following is an analysis of the fair values and gross unrealized losses aggregated by bond category and length of time that the securities were in a continuous unrealized loss position as of June 30, 2011 and December 31, 2010.

	June 30, 2011					
	Less Than 12 Months			12 Months or Longer		
	Fair Value	Unrealized Losses	Number of Issuers	Fair Value	Unrealized Losses	Number of Issuers
	(In Millions)					
U. S. government and agencies	$ -	$ -	-	$ 1,873	$ 478	4
States, territories and possessions	307	12	15	30	5	1
Special revenue	277	8	27	-	-	-
Industrial and miscellaneous	4,836	174	511	3,630	618	536
Parent, subsidiaries and affiliates	328	21	13	777	154	20
Total	**$ 5,748**	**$ 215**	**566**	**$ 6,310**	**$ 1,255**	**561**

Note: The unrealized losses in this table include $54 million of losses embedded in the carrying value. These unrealized losses include $44 million from NAIC Category 6 bonds and $10 million reclassified from NAIC Category 6 for RMBS and CMBS with ratings obtained from outside modelers.

	December 31, 2010					
	Less Than 12 Months			12 Months or Longer		
	Fair Value	Unrealized Losses	Number of Issuers	Fair Value	Unrealized Losses	Number of Issuers
	(In Millions)					
U. S. government and agencies	$ 53	$ 1	4	$ 1,878	$ 478	1
States, territories and possessions	712	45	24	27	9	1
Special revenue	165	8	23	-	-	-
Industrial and miscellaneous	5,226	242	440	3,659	677	524
Parent, subsidiaries and affiliates	2,093	113	14	473	184	23
Total	**$ 8,249**	**$ 409**	**505**	**$ 6,037**	**$ 1,348**	**549**

Note: The unrealized losses in this table include $60 million of losses embedded in the carrying value. These unrealized losses include $52 million from NAIC Category 6 bonds and $8 million reclassified from NAIC Category 6 for RMBS and CMBS with ratings obtained from outside modelers.

Common stocks increased $407 million, or 10%, primarily due to a $210 million increase in the value of MMHLLC, $127 million of net purchases and a $75 million increase in the value of C.M. Life Insurance Company.

Mortgage loans increased $539 million, or 5%, in 2011, primarily due to $660 million of net acquisitions, a $21 million net decrease in reserves and OTTI and $17 million of foreign exchange gains, partially offset by $160 million of mortgage loans transferred into partnerships and LLCs. MassMutual does not originate any residential mortgages but invests in seasoned residential mortgage loan pools which are predominantly Federal Housing Authority insured or Veterans Administration guaranteed, though the pools may contain mortgages of subprime credit quality. MassMutual had residential mortgage loan pools with a carrying value of $2.2 billion as of June 30, 2011 and December 31, 2010.

Partnerships and LLCs increased $352 million, or 7%, in 2011, primarily due to $401 million of undistributed partnership earnings, $398 million of contributions and the transfer of $160 million of mortgage loans, partially offset by $503 million of distributions, $76 million of net sales and liquidations and a $22 million increase in nonadmitted assets.

Derivatives and other invested assets decreased $289 million, or 11%, primarily due to a $240 million decrease in unsettled security trades and a $49 million decrease related to derivatives. The decrease in derivatives was comprised of mark-to-market decreases on financial options of $60 million, currency forwards of $24 million and derivative swaps of $8 million, partially offset by a $45 million increase in mark-to-market on interest rate swaps.

Cash, cash equivalents and short-term investments decreased $65 million, or 6%, in 2011. The decrease was primarily due to net purchases of investments of $1.4 billion and net cash used for financing and other sources of $139 million, partially offset by net cash from operations of $1.5 billion.

Deferred income taxes decreased $154 million in 2011 primarily due to an increase in the gross deferred tax liability related to increases in unrealized gains.

Separate account assets increased $2.4 billion, or 6%, to $43.7 billion in 2011 primarily due to market appreciation of $1.7 billion and net cash flows of $649 million.

Liabilities

Total liabilities increased $3.7 billion, or 3%, in 2011 primarily due to increases in separate account liabilities of $2.4 billion, policyholders' reserves of $1.2 billion, liabilities for deposit-type contracts of $490 million and other liabilities of $318 million, partially offset by decreases in securities sold under agreements to repurchase of $404 million and derivative collateral of $204 million.

The increase in policyholders' reserves of $1.2 billion, or 2%, primarily reflects net growth in whole life reserves of $502 million, universal, variable and group life reserves of $379 million and annuity and supplemental contract reserves of $363 million, largely driven by net growth of the inforce block.

Certain variable annuity contracts include additional death or other insurance benefit features, such as guaranteed minimum death benefits (**"GMDBs"**), guaranteed minimum income benefits (**"GMIBs"**), guaranteed minimum accumulation benefits (**"GMABs"**) and guaranteed minimum withdrawal benefits (**"GMWBs"**). In general, these benefit guarantees require the contract or policyholder to adhere to a company-approved asset allocation strategy. Election of these benefits on annuity contracts is generally only available at contract issue. The reserves for variable annuity products with guaranteed death and living benefits were $466 million and $488 million as of June 30, 2011 and December 31, 2010, respectively.

The following table summarizes the account values, net amount at risk and weighted average attained age for variable annuity contracts with GMDB, GMIB, GMAB and GMWB classified as policyholders' reserves and separate account liabilities. The net amount at risk is defined as the minimum guarantee less the account value calculated on a policy-by-policy basis, but not less than zero.

	June 30, 2011			December 31, 2010		
	Account Value	Net Amount at Risk	Weighted Average Attained Age	Account Value	Net Amount at Risk	Weighted Average Attained Age
	(In Millions)					
GMDB.....	$ 9,492	$ 102	61	$ 9,179	$ 166	61
GMIB	4,371	471	62	4,293	509	61
GMAB.....	1,547	19	57	1,416	29	57
GMWB.....	203	8	66	161	8	65

Liabilities for deposit–type contracts increased $490 million, or 14%, in 2011. The increase was due to the issuance of $650 million of medium-term notes backed by funding agreements and $50 million of Federal Home Loan Bank issuance, partially offset by $200 million of medium-term note maturities.

General expenses due or accrued decreased $55 million in 2011 primarily due to the payment of year-end incentive compensation accruals, partially offset by current year incentive compensation accruals.

The asset valuation reserve (**"AVR"**) decreased $23 million, or 2%, to $1.4 billion as of June 30, 2011. The decrease was primarily due to a decrease in reserve contributions (including reduction of the maximum reserve) of $205 million and net realized capital losses of $130 million, partially offset by net unrealized capital gains of $312 million. The AVR is a formula driven reserve whose purpose is to reduce the surplus volatility of after-tax credit-related realized and unrealized gains and losses. It is calculated based on statement values by asset type, credit quality and reserve factors. The reserve can range from zero to a maximum allowable reserve. Any amounts calculated in excess of the maximum reserve will not be included. Any losses that exceed their related component of AVR will not be absorbed by AVR reserves. Changes in statement values, credit quality and capitals gains or losses will affect the reserve balance.

Securities sold under agreements to repurchase decreased $404 million to $3.5 billion as of June 30, 2011 from $3.9 billion as of December 31, 2010. This decrease is primarily related to the maturity of some contracts with less attractive repo rates. Securities sold under agreements to repurchase are used as a tool for overall portfolio management to help ensure MassMutual has the assets needed to provide yield, spread and duration to support liabilities and other corporate needs. MassMutual increases and decreases securities sold under agreement to repurchase in response to changing market conditions and changing liability needs.

Derivative collateral liability decreased $204 million, or 16%, to $1.1 billion as of June 30, 2011 from $1.3 billion as of December 31, 2010, representing the cash portion only. In addition, securities which were held as collateral by a trustee, off the balance sheet increased by $167 million, to $1.3 billion as of June 30, 2011 from $1.1 billion as of December 31, 2010. The derivative collateral liability is a function of contractual requirements. When certain threshold exposure levels and transfer amount levels are reached, we require additional collateral or return excess collateral held. The net change in collateral held is consistent with the change in net derivative market values.

Other liabilities increased $318 million, or 49%, in 2011 primarily due to increases in pending security settlements of $97 million due to unsettled bond trades, the interest maintenance reserve of $95 million and derivatives payable of $68 million.

Surplus

Surplus increased $577 million in 2011 to $10.9 billion as of June 30, 2011. The following table shows the change in surplus:

	June 30, 2011
	(In Millions)
Surplus, beginning of year	$ 10,352
Net income	188
Change in net unrealized capital gains, net of tax	411
Change in net unrealized foreign exchange capital gains, net of tax	28
Change in net deferred income taxes	26
Change in special surplus funds from additional admissibility of deferred income taxes	(101)
Change in nonadmitted assets	3
Change in AVR	23
Other	(1)
Net increase (decrease)	577
Surplus, end of period	**$ 10,929**

The increase in net unrealized capital gains was primarily due to an increase in unrealized gains for common stock of $273 million, partnerships and LLCs of $186 million and mortgage loans of $85 million, partially offset by lower market valuations for derivatives of $103 million. The increase in unrealized gains for common stock includes an increase in the value of MMHLLC of $210 million.

MassMutual's total adjusted capital, as defined by the NAIC, increased to $13.0 billion as of June 30, 2011 compared to $12.4 billion as of December 31, 2010.

The following table sets forth the calculation of total adjusted capital:

	June 30, 2011	December 31, 2010
	(In Millions)	
Surplus [1]	$ 10,929	$ 10,352
AVR [2]	1,446	1,459
One-half of the apportioned dividend liability [2]	618	610
Total adjusted capital [3]	**$ 12,993**	**$ 12,421**

[1] Surplus includes $250 million of surplus notes maturing in 2023, $100 million of surplus notes maturing in 2024, $250 million of surplus notes maturing in 2033 and $750 million of surplus notes maturing in 2039.

[2] Consolidated for MassMutual, C.M. Life Insurance Company and MML Bay State Life Insurance Company.

[3] Defined by the NAIC as surplus plus consolidated AVR and one-half of the consolidated apportioned dividend liability.

Recent Developments

On August 5, 2011, Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (**"Standard & Poor's"**) downgraded the long-term sovereign credit rating of the U.S. from AAA to AA+, which had the effect of downgrading the implied rating of United States treasuries having a maturity in excess of one year (treasury bonds and notes). On August 8, 2011, as a consequence of the revision of the long-term sovereign credit rating of the United States of America to "AA+" with a negative outlook, Standard & Poor's revised its outlook on MassMutual to negative from stable, while affirming MassMutual's financial strength rating of "AA+". On that same date, Standard & Poor's also took ratings actions on nine other U.S. life insurers as a result of the sovereign credit rating downgrade. Despite the actions of Standard & Poor's, both Fitch Ratings (**"Fitch"**) and Moody's Investors Service, Inc. (**"Moody's"**) separately reaffirmed their respective ratings on the long-term sovereign credit rating of the U.S., such that presently the ratings on securities issued by the U.S. government and government sponsored entities differ among Standard & Poor's, Moody's and Fitch. As a result, the information set forth in the Base Prospectus with respect to "equivalent rating agency designation" is subject to adjustment depending upon the application of different ratings among Standard & Poor's, Moody's and Fitch.

Since December 2008, MassMutual and MMHLLC have been named as defendants in a number of putative class action and individual lawsuits filed by investors seeking to recover investments they allegedly lost as a result of the "Ponzi" scheme run by Bernard L. Madoff through his company, Bernard L. Madoff Investment Securities, LLC ("**BLMIS**"). The plaintiffs allege a variety of state law and federal securities claims against MassMutual and/or MMHLLC, and certain of its subsidiaries, seeking to recover losses arising from their investments in several funds managed by Tremont Group Holdings, Inc. ("**Tremont**") or Tremont Partners, Inc., including Rye Select Broad Market Prime Fund, L.P., Rye Select Broad Market Fund, L.P., American Masters Broad Market Prime Fund, L.P., American Masters Market Neutral Fund, L.P. and/or Tremont Market Neutral Fund, L.P. Tremont and its subsidiary, Tremont Partners, Inc., are indirect subsidiaries of MMHLLC. Certain of the lawsuits have been consolidated into three groups of suits pending in the U.S. District Court for the Southern District of New York. A number of other lawsuits have been filed in state courts in Florida, New York, California, Washington, Texas and Connecticut by investors in Tremont funds against Tremont, and in certain cases against MassMutual, MMHLLC and other defendants, raising claims similar to those in the consolidated federal litigation. Those cases are in various stages of litigation, and some of them have been stayed pending the outcome of the federal litigation. In February 2011, the parties in the consolidated federal litigation pending in the U.S. District Court for the Southern District of New York submitted to the court a proposed settlement agreement. On August 8, 2011, the judge ruled from the bench approving the settlement, which pending any appeals, will resolve substantially all of the claims. In the opinion of management, the settlement did not have a significant financial impact on MassMutual.

In 2009, the Trustee appointed under the Securities Investor Protection Act to liquidate BLMIS notified Tremont that the bankruptcy estate of BLMIS has purported preference and fraudulent transfer claims against Tremont's Rye Select Broad Market funds and certain other Tremont-managed funds to recover redemption payments received from BLMIS by certain of those Rye Select funds. Certain of these Tremont funds, in turn, have notified the Trustee of substantial claims by them against BLMIS. In December 2010, the Trustee filed suit in the U.S. Bankruptcy Court for the Southern District of New York against Tremont, Oppenheimer Acquisition Corporation, MassMutual and others. Tremont has been negotiating with the Trustee on behalf of those funds in an attempt to reach a mutually acceptable settlement of the Trustee's claims. On July 28, 2011, a proposed settlement with the Trustee was filed with the court for its approval. In the opinion of management, the settlement did not have a significant financial impact on MassMutual.

Annex 1

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

Index to Condensed Statutory Financial Statements

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
CONDENSED STATUTORY STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

	June 30, 2011	December 31, 2010	$ Change	% Change
	($ In Millions)			
Assets:				
Bonds	$ 51,307	$ 50,327	$ 980	2 %
Preferred stocks	314	306	8	3 %
Common stocks - subsidiaries and affiliates	4,047	3,740	307	8 %
Common stocks - unaffiliated	338	238	100	42 %
Mortgage loans	11,757	11,218	539	5 %
Policy loans	9,173	8,960	213	2 %
Real estate	1,133	1,128	5	- %
Partnerships and limited liability companies	5,723	5,371	352	7 %
Derivatives and other invested assets	2,376	2,665	(289)	(11)%
Cash, cash equivalents and short-term investments	1,074	1,139	(65)	(6)%
Total invested assets	87,242	85,092	2,150	3 %
Investment income due and accrued	527	535	(8)	(1)%
Deferred income taxes	1,273	1,427	(154)	(11)%
Other than invested assets	844	920	(76)	(8)%
Total assets excluding separate accounts	89,886	87,974	1,912	2 %
Separate account assets	43,682	41,316	2,366	6 %
Total assets	$ 133,568	$ 129,290	$ 4,278	3 %
Liabilities and Surplus:				
Policyholders' reserves	$ 65,487	$ 64,245	$ 1,242	2 %
Liabilities for deposit-type contracts	4,067	3,577	490	14 %
Contract claims and other benefits	279	301	(22)	(7)%
Policyholders' dividends	1,247	1,230	17	1 %
General expenses due or accrued	596	651	(55)	(8)%
Federal income taxes	108	132	(24)	(18)%
Asset valuation reserve	1,405	1,428	(23)	(2)%
Securities sold under agreements to repurchase	3,479	3,883	(404)	(10)%
Commercial paper	250	250	-	- %
Derivative collateral	1,084	1,288	(204)	(16)%
Other liabilities	968	650	318	49 %
Total liabilities excluding separate accounts	78,970	77,635	1,335	2 %
Separate account liabilities	43,669	41,303	2,366	6 %
Total liabilities	122,639	118,938	3,701	3 %
Surplus	10,929	10,352	577	6 %
Total liabilities and surplus	$ 133,568	$ 129,290	$ 4,278	3 %

See notes to condensed statutory financial statements

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
CONDENSED STATUTORY STATEMENTS OF INCOME (LOSS)
(UNAUDITED)

	Six Months Ended June 30, 2011	2010	$ Change	% Change
	($ In Millions)			
Revenue:				
Premium income	$ 6,356	$ 5,387	$ 969	18 %
Net investment income	2,264	2,128	136	6 %
Reserve adjustments on reinsurance ceded	29	45	(16)	(36)%
Fees and other income	258	228	30	13 %
Total revenue	8,907	7,788	1,119	14 %
Benefits and expenses:				
Policyholders' benefits	4,978	5,031	(53)	(1)%
Change in policyholders' reserves	2,027	1,150	877	76 %
General insurance expenses	613	601	12	2 %
Commissions	262	247	15	6 %
State taxes, licenses and fees	77	64	13	20 %
Total benefits and expenses	7,957	7,093	864	12 %
Net gain (loss) from operations before dividends and federal income taxes	950	695	255	37 %
Dividends to policyholders	581	584	(3)	(1)%
Net gain (loss) from operations before federal income taxes	369	111	258	232 %
Federal income tax expense (benefit)	(56)	(145)	89	61 %
Net gain (loss) from operations	425	256	169	66 %
Net realized capital gains (losses) after tax and transfers to interest maintenance reserve	(237)	(62)	(175)	(282)%
Net income (loss)	$ 188	$ 194	$ (6)	(3)%

See notes to condensed statutory financial statements

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
CONDENSED STATUTORY STATEMENTS OF CHANGES IN SURPLUS
(UNAUDITED)

	Six Months Ended June 30,			
	2011	2010	$ Change	% Change
	($ In Millions)			
Surplus, beginning of year	$ 10,352	$ 9,259	$ 1,093	12 %
Increase (decrease) due to:				
Net income (loss)	188	194	(6)	(3)%
Change in net unrealized capital gains (losses), net of tax	411	604	(193)	(32)%
Change in net unrealized foreign exchange capital gains (losses), net of tax	28	(129)	157	122 %
Change in net deferred income taxes	26	(80)	106	133 %
Change in special surplus funds from additional admissibility of deferred income taxes	(101)	12	(113)	NM
Change in nonadmitted assets	3	306	(303)	(99)%
Change in asset valuation reserve	23	(181)	204	113 %
Prior period adjustments	-	28	(28)	(100)%
Other	(1)	-	(1)	NM
Net increase (decrease)	577	754	(177)	(23)%
Surplus, end of period	$ 10,929	$ 10,013	$ 916	9 %

NM = not meaningful

See notes to condensed statutory financial statements

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
CONDENSED STATUTORY STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30, 2011	Year Ended December 31, 2010
	(In Millions)	
Cash from operations:		
Premium and other income collected	$ 6,696	$ 11,726
Net investment income	2,075	4,288
Benefit payments	(4,944)	(10,105)
Net transfers from (to) separate accounts	(782)	140
Commissions and other expenses	(1,001)	(1,982)
Dividends paid to policyholders	(564)	(1,217)
Federal and foreign income taxes recovered (paid)	-	309
Net cash from operations	1,480	3,159
Cash from investments:		
Proceeds from investments sold, matured or repaid:		
Bonds	8,992	16,753
Common stocks - unaffiliated	44	72
Mortgage loans	1,143	1,898
Real estate	46	135
Partnerships	321	738
Preferred and affiliated common stocks	151	754
Other	150	(193)
Total investment proceeds	10,847	20,157
Cost of investments acquired:		
Bonds	(9,540)	(19,990)
Common stocks - unaffiliated	(138)	(52)
Mortgage loans	(1,644)	(1,991)
Real estate	(99)	(196)
Partnerships	(558)	(1,381)
Preferred and affiliated common stocks	(159)	(488)
Other	99	(14)
Total investments acquired	(12,039)	(24,112)
Net (increase) decrease in policy loans	(214)	(474)
Net cash from investments	(1,406)	(4,429)
Cash from financing and other sources:		
Net deposits (withdrawals) on deposit-type contracts	415	702
Net securities sold (bought) under agreements to repurchase	(404)	443
Change in derivative collateral	(203)	(522)
Other cash provided (applied)	53	(465)
Net cash from financing and other sources	(139)	158
Net change in cash, cash equivalents and short-term investments	(65)	(1,112)
Cash, cash equivalents and short-term investments, beginning of year	1,139	2,251
Cash, cash equivalents and short-term investments, end of period	$ 1,074	$ 1,139

See notes to condensed statutory financial statements

1. Nature of operations

These condensed statutory financial statements include the accounts of Massachusetts Mutual Life Insurance Company (the Company), which is organized as a mutual life insurance company.

MassMutual Financial Group (MMFG) is comprised of the Company and its subsidiaries. MMFG is a global, diversified financial services organization providing life insurance, disability income insurance, long-term care insurance, annuities, retirement and income products, investment management, mutual funds and trust services to individual and institutional customers.

2. Summary of significant accounting policies

a. Basis of presentation

The condensed statutory financial statements and notes as of June 30, 2011, and for the six months ended June 30, 2011 and 2010 are unaudited. These condensed statutory financial statements reflect adjustments, consisting only of normal accruals, which are, in the opinion of management, necessary for the fair presentation of the financial position, results of operations and cash flows for the interim periods. These condensed statutory financial statements and notes should be read in conjunction with the statutory financial statements and notes thereto included in the Company's 2010 audited year end financial statements as these condensed statutory financial statements disclose only significant changes from year end 2010. The results of operations for the interim periods should not be considered indicative of results to be expected for the full year. The Condensed Statutory Statements of Financial Position as of December 31, 2010 and the Condensed Statutory Statements of Cash Flows for the year ended December 31, 2010 have been derived from the audited financial statements at that date, but do not include all of the information and footnotes required by statutory accounting practices for complete financial statements.

The condensed statutory financial statements have been prepared in conformity with the statutory accounting practices of the National Association of Insurance Commissioners (NAIC) and the accounting practices prescribed or permitted by the Commonwealth of Massachusetts Division of Insurance (the Division).

Statutory accounting practices are different in some respects from financial statements prepared in accordance with the United States of America (U.S.) generally accepted accounting principles (GAAP). The more significant differences between statutory accounting principles and U.S. GAAP are as follows: (a) bonds are generally carried at amortized cost, whereas U.S. GAAP generally reports bonds at fair value; (b) changes in the fair value of derivative financial instruments are recorded as changes in surplus, whereas U.S. GAAP generally reports these changes as revenue unless deemed an effective hedge; (c) embedded derivatives are recorded as part of the underlying contract, whereas U.S. GAAP would identify and bifurcate certain embedded derivatives from the underlying contract or security and account for them separately at fair value; (d) majority-owned noninsurance subsidiaries and variable interest entities where the Company is the primary beneficiary and certain other controlled entities are accounted for using the equity method, whereas U.S. GAAP would consolidate these entities; (e) changes in the balances of deferred income taxes, which provide for book versus tax temporary differences, are subject to limitation and are charged to surplus, whereas U.S. GAAP would generally include the change in deferred taxes in net income; (f) assets are reported at admitted asset value and assets designated as nonadmitted are excluded through a charge against surplus, whereas U.S. GAAP recognizes all assets, subject to valuation allowances; (g) certain group annuity and variable universal life contracts, which do not pass-through all investment gains to contract holders, are maintained in the separate accounts and are presented on a single line in the statutory financial statements, whereas U.S. GAAP reports these contracts in the general investments of the company; (h) statutory policy reserves are based upon prescribed methodologies, such as the Commissioners' Reserve Valuation Method, Commissioners' Annuity Reserve Valuation Method or net level premium method, and prescribed statutory

mortality, morbidity and interest assumptions, whereas U.S. GAAP reserves would generally be based upon the net level premium method or the estimated gross margin method, with estimates of future mortality, morbidity, persistency and interest assumptions; (i) reinsurance reserve credits, unearned ceded premium and unpaid ceded claims are reported as a reduction of policyholders' reserves or liabilities for deposit-type contracts whereas U.S. GAAP would report these balances as an asset; (j) an asset valuation reserve (AVR) is reported as a contingency reserve to stabilize surplus against fluctuations in the statement value of common stocks, real estate investments, partnerships and limited liability company(ies) (LLC) as well as credit-related declines in the value of bonds, mortgage loans and certain derivatives to the extent AVR is greater than zero for the appropriate asset category, whereas U.S. GAAP does not record this reserve; (k) after-tax realized capital gains and losses which result from changes in the overall level of interest rates for all types of fixed-income investments and interest-related hedging activities are deferred into the interest maintenance reserve(s) (IMR) and amortized into revenue, whereas U.S. GAAP reports these gains and losses as revenue; (l) changes to the mortgage loan valuation allowance are recognized in net unrealized capital gains (losses) in surplus, whereas U.S. GAAP reports these changes in net realized capital gains (losses); (m) a prepaid asset and/or a liability is recorded for the difference between the fair value of the pension and other postretirement plan assets and the accumulated benefit obligation (which excludes nonvested employees) with the change recorded in surplus, whereas for U.S. GAAP purposes, the over/underfunded status of a plan, which is the difference between the fair value of the plan assets and the projected benefit obligation, is recorded as an asset or liability on the Condensed Statutory Statements of Financial Position with the change recorded through accumulated other comprehensive income; (n) surplus notes are reported in surplus, whereas U.S. GAAP would report these notes as liabilities; (o) payments received for universal and variable life insurance products, certain variable and fixed deferred annuities and group annuity contracts are reported as premium income and change in reserves, whereas U.S. GAAP would treat these payments as deposits to policyholders' account balances; (p) comprehensive income is not presented, whereas U.S. GAAP presents changes in unrealized capital gains and losses and foreign currency translations as other comprehensive income; and (q) certain acquisition costs, such as commissions and other variable costs, that are directly related to acquiring new business are charged to current operations as incurred, whereas U.S. GAAP generally capitalizes these expenses and amortizes them based on profit emergence over the expected life of the policies or over the premium payment period.

The preparation of financial statements requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities, the disclosure of assets and liabilities as of the date of the condensed statutory financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant estimates include those used in determining the carrying values of investments including the amount of mortgage loan investment valuation reserves, other-than-temporary impairment(s) (OTTI), the value of the investment in MassMutual Holding LLC (MMHLLC), the liabilities for future policyholders' reserves, the determination of deferred tax asset(s) (DTA), the liability for taxes and litigation contingencies. Future events including, but not limited to, changes in the level of mortality, morbidity, interest rates, persistency, asset valuations and defaults could cause actual results to differ from the estimates used in the condensed statutory financial statements. Although some variability is inherent in these estimates, management believes the amounts presented are appropriate.

For the full description of accounting policies, see *Note 2* "*Summary of significant accounting policies*" of Notes to Statutory Financial Statements included in the Company's 2010 audited year end financial statements.

b. Corrections of errors and reclassifications

Under statutory accounting principles, corrections of prior year errors are recorded in current year surplus on a pretax basis with the associated tax impact reported separately through earnings. For the six months ended June 30, 2011, the Company recorded a net decrease to prior period adjustments of less than $1 million and an associated tax benefit of less than $1 million reported in the Condensed Statutory Statements of Income (Loss). The net decrease to prior period adjustments was due primarily to corrections of policyholders' reserves and a correction to partnerships and LLCs.

The following summarizes corrections of prior year errors for the six months ended June 30, 2010:

	Increase (Decrease) to Prior Years' Income	Increase (Decrease) to Current Years' Surplus	Correction of Asset or Liability Balances
	(In Millions)		
Policyholders' reserves	$ 21	$ 21	$ (21)
Commissions	7	7	(7)
Other	3	3	(3)
Reinsurance	(3)	(3)	3
Total	$ 28	$ 28	$ (28)

As a result of the net activity above, the Company recorded, in the Condensed Statutory Statements of Changes in Surplus for the six months ended June 30, 2010, a net increase of $28 million through prior period adjustments and an associated tax expense of $10 million reported in the Condensed Statutory Statements of Income (Loss).

Certain 2010 balances within these financial statements have been reclassified to conform to the current year presentation.

3. New accounting standards

a. Adoption of new accounting standards

In June 2010, the NAIC clarified its intent on the bifurcation of all realized gains and losses on sales of loan-backed and structured securities. This guidance requires a cash flow analysis at the date of sale to bifurcate the realized gain or loss between credit and noncredit. The credit portion is recognized in the AVR and the noncredit portion is deferred to the IMR. This guidance was issued as a revision to Statement of Statutory Accounting Principles (SSAP) No. 43R, “Loan-backed and Structured Securities,” and was effective January 1, 2011. The adoption of this guidance did not have a significant impact on the Company’s financial statements.

In October 2010, the NAIC modified the definitions of loan-backed and structured securities included in SSAP No. 43R. The revised definition expands the requirement to include any securitized asset where the underlying cash flows are from all types of asset pools and not just those emanating from either mortgages or securities. Regardless of the underlying collateral, each security structured through a special purpose entity, trust or LLC is expected to be reported as a SSAP No. 43R security, not as an issuer obligation under SSAP No. 26, “Bonds, excluding Loan-backed and Structured Securities.” This guidance was effective January 1, 2011. The adoption of this guidance did not have a significant impact on the Company’s financial statements.

In October 2010, the NAIC revised guidance pertaining to disclosure of withdrawal characteristics. These revisions expand the disclosure requirements for annuity actuarial reserves and deposit liabilities by withdrawal characteristics in accordance with the following categories: general account, separate account with guarantees, separate account nonguaranteed and the total. This guidance was issued as SSAP No. 51, “Life Contracts,” SSAP No. 52, “Deposit-Type Contracts” and SSAP No. 61, “Life, Deposit-Type and Accident and Health Reinsurance” and was effective January 1, 2011. The impact of this new guidance expands year end annuity disclosures and the Company plans to implement these additional disclosures as of December 31, 2011.

In October 2010, the NAIC revised existing guidance to require reporting entities to recognize, at the inception of a guarantee, a liability for the obligations it has undertaken in issuing the guarantee, even if the likelihood of having to make payments under the guarantee is remote. This guidance includes related party guarantees, except when the transaction is considered an "unlimited guarantee," such as a rating agency requirement to provide a commitment to support a subsidiary, or a guarantee made on behalf of a wholly owned subsidiary. New disclosures require a listing of all guarantees, the carrying amount of the liability, the maximum exposure and any recourse provisions. This guidance was issued as SSAP No. 5R, "Liabilities, Contingencies and Impairments of Assets," and applies to all guarantees issued and outstanding as of December 31, 2011. The Company is in the process of assessing the impact of this new guidance.

b. Future adoption of new accounting standards

In March 2011, the NAIC adopted revisions to SSAP No. 100, "Fair Value Measurements," which requires additional fair value disclosures. These additional disclosures include a disclosure of the fair value hierarchy of items that are disclosed with a fair value measurement, but are not valued at fair value in the balance sheet. Also, companies will be required to disclose purchases, sales, issuances and settlements on a gross basis in the Level 3 rollforward disclosure. These new requirements are effective January 1, 2012. The Company currently discloses a gross presentation within the Level 3 rollforward disclosure. The adoption of the other requirements of this guidance is not expected to have a significant impact on the Company.

4. Investments

The Company maintains a diversified investment portfolio. Investment policies limit concentration in any asset class, geographic region, industry group, economic characteristic, investment quality or individual investment.

a. Bonds

The carrying value and fair value of bonds were as follows:

	June 30, 2011			
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Millions)			
U. S. government and agencies	$ 9,143	$ 534	$ 478	$ 9,199
All other governments	117	26	-	143
States, territories and possessions	1,080	51	17	1,114
Special revenue	2,284	210	8	2,486
Industrial and miscellaneous	33,264	2,164	774	34,654
Credit tenant loans	89	13	-	102
Parent, subsidiaries and affiliates	5,330	365	139	5,556
Total	$ 51,307	$ 3,363	$ 1,416	$ 53,254

Note: The unrealized losses in this table do not include $54 million of losses embedded in the carrying value. These unrealized losses include $44 million from NAIC Category 6 bonds and $10 million reclassified from NAIC Category 6 for RMBS and CMBS with ratings obtained from outside modelers.

	December 31, 2010			
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Millions)			
U. S. government and agencies	$ 8,762	$ 575	$ 479	$ 8,858
All other governments	116	27	-	143
States, territories and possessions	1,395	41	54	1,382
Special revenue	1,958	166	8	2,116
Industrial and miscellaneous	33,005	2,042	900	34,147
Credit tenant loans	94	13	-	107
Parent, subsidiaries and affiliates	4,997	225	256	4,966
Total	$ 50,327	$ 3,089	$ 1,697	$ 51,719

Note: The unrealized losses in this table do not include $60 million of losses embedded in the carrying value. These unrealized losses include $52 million from NAIC Category 6 bonds and $8 million reclassified from NAIC Category 6 for RMBS and CMBS with ratings obtained from outside modelers.

The following is an analysis of the fair values and gross unrealized losses aggregated by bond category and length of time that the securities were in a continuous unrealized loss position as of June 30, 2011 and December 31, 2010:

	June 30, 2011					
	Less Than 12 Months			12 Months or Longer		
	Fair Value	Unrealized Losses	Number of Issuers	Fair Value	Unrealized Losses	Number of Issuers
	($ In Millions)					
U. S. government and agencies	$ -	$ -	-	$ 1,873	$ 478	4
States, territories and possessions	307	12	15	30	5	1
Special revenue	277	8	27	-	-	-
Industrial and miscellaneous	4,836	174	511	3,630	618	536
Parent, subsidiaries and affiliates	328	21	13	777	154	20
Total	$ 5,748	$ 215	566	$ 6,310	$ 1,255	561

Note: The unrealized losses in this table include $54 million of losses embedded in the carrying value. These unrealized losses include $44 million from NAIC Category 6 bonds and $10 million reclassified from NAIC Category 6 for RMBS and CMBS with ratings obtained from outside modelers.

	December 31, 2010					
	Less Than 12 Months			12 Months or Longer		
	Fair Value	Unrealized Losses	Number of Issuers	Fair Value	Unrealized Losses	Number of Issuers
	($ In Millions)					
U. S. government and agencies	$ 53	$ 1	4	$ 1,878	$ 478	1
States, territories and possessions	712	45	24	27	9	1
Special revenue	165	8	23	-	-	-
Industrial and miscellaneous	5,226	242	440	3,659	677	524
Parent, subsidiaries and affiliates	2,093	113	14	473	184	23
Total	$ 8,249	$ 409	505	$ 6,037	$ 1,348	549

Note: The unrealized losses in this table include $60 million of losses embedded in the carrying value. These unrealized losses include $52 million from NAIC Category 6 bonds and $8 million reclassified from NAIC Category 6 for RMBS and CMBS with ratings obtained from outside modelers.

For industrial and miscellaneous, the decrease in unrealized losses for the 12 months or longer category is due to market recovery and reduction due to OTTI and sales. The majority of the unrealized losses occurred prior to 2010 due to the decline in the credit markets, liquidity and other uncertainties that are reflected in current market values. These factors continue to impact the value of residential mortgage-backed securities (RMBS), leveraged loans and commercial mortgage-backed securities (CMBS). Deterioration of underlying collateral, downgrades of credit ratings or other factors may lead to further declines in value.

As of June 30, 2011, investments in structured and loan-backed securities for which OTTI had not been recognized in earnings and which were in an unrealized loss position had a fair value of $3,375 million. Structured and loan-backed securities in an unrealized loss position for less than 12 months had a fair value of $1,161 million and unrealized losses of $64 million. Structured and loan-backed securities in an unrealized loss position greater than 12 months had a fair value of $2,214 million and unrealized losses of $346 million. These structured and loan-backed securities were primarily categorized as industrial and miscellaneous and U.S. government and agency securities.

Based on the Company's policies, as of June 30, 2011 and December 31, 2010, the Company has not deemed these investments to be other-than-temporarily impaired because the carrying value of the investments is expected to be realized based on our analysis of fair value or, for loan-backed and structured securities, based on present value of cash flows, and the Company has the ability and intent not to sell these investments until recovery, which may be maturity.

In the course of the Company's asset management, securities may be sold at a loss and repurchased within 30 days of the sale date to enhance the Company's yield on its investment portfolio. The Company did not sell any securities at a loss or in a loss position with the NAIC's Designation 3 or below for the six months ended June 30, 2011 or the year ended December 31, 2010 that were reacquired within 30 days of the sale date.

Residential mortgage-backed exposure

RMBS are included in the U.S. government, special revenue and industrial and miscellaneous bond categories. The Alt-A category includes option adjustable rate mortgages and the subprime category includes "scratch and dent" or reperforming pools, high loan-to-value pools, and pools where the borrowers have very impaired credit but the average loan-to-value is low, typically 70% or below. In identifying Alt-A and subprime exposure, management used a combination of qualitative and quantitative factors, including FICO scores and loan-to-value ratios.

For the past few years, market conditions for Alt-A and subprime investments have been unusually weak due to higher delinquencies, reduced home prices and reduced refinancing opportunities. This market turbulence has spread to other credit markets. It is unclear how long it will take for a return to conditions in effect prior to that time.

The actual cost reduced by paydowns, carrying value and fair value of the Company's bond investments with significant prime, Alt-A or subprime exposures were as follows:

	June 30, 2011		
	Actual Cost	Carrying Value	Fair Value
	(In Millions)		
Prime:			
Agency	$ 1,316	$ 1,366	$ 1,523
Non agency	368	298	313
Total prime	1,684	1,664	1,836
Alt-A:			
Residential mortgage-backed securities	2,295	1,670	1,365
Subprime:			
Residential mortgage-backed securities	1,013	776	718
Collateralized debt obligations	4	-	-
Total subprime	1,017	776	718
Total residential mortgage-backed securities	$ 4,996	$ 4,110	$ 3,919

	December 31, 2010		
	Actual Cost	Carrying Value	Fair Value
	(In Millions)		
Prime:			
Agency	$ 1,416	$ 1,485	$ 1,626
Non agency	456	372	382
Total prime	1,872	1,857	2,008
Alt-A:			
Residential mortgage-backed securities	2,460	1,851	1,463
Subprime:			
Residential mortgage-backed securities	1,111	857	814
Collateralized debt obligations	4	-	-
Total subprime	1,115	857	814
Total residential mortgage-backed securities	$ 5,447	$ 4,565	$ 4,285

b. Common stocks - subsidiaries and affiliates

Common stocks of unconsolidated subsidiaries, primarily MMHLLC, are accounted for using the statutory equity method. The Company accounts for the value of its investment in MMHLLC at its underlying U.S. GAAP net equity adjusted to remove nonadmitted and intangible assets as well as a portion of its noncontrolling interests and appropriated retained earnings (NCI) after consideration of MMHLLC fair value and the Company's capital levels. As of June 30, 2011 and December 31, 2010, the statutory value of MMHLLC was $2,712 million and $2,502 million of which $1,912 million and $1,851 million was related to NCI, respectively. The Division has affirmed the statutory recognition of the Company's application of the NCI guidelines in regards to MMHLLC's equity value. The current statutory carrying amount of MMHLLC remains significantly below its fair value.

On March 25, 2010, the Company and MMHLLC completed an equity for debt swap. MMHLLC swapped $500 million of the Company's contributed capital for $500 million of additional notes payable to Massachusetts Mutual Life Insurance Company (MassMutual). No cash was distributed by MMHLLC.

The Company received $25 million and $100 million of cash dividends from MMHLLC through the six months ended June 30, 2011 and 2010, respectively.

Legal matters at the Company's subsidiaries, to the extent they develop adversely, may have a negative impact on the Company's investment in MMHLLC.

In 2009, several lawsuits were filed against OppenheimerFunds, Inc. (OFI), and other parties in various federal courts, as putative class actions and derivative claims in connection with the investment performance of Oppenheimer Core Bond Fund (Core Bond Fund) and Oppenheimer Champion Income Fund (Champion Income Fund) distributed and advised by Oppenheimer Acquisition Corp. (OAC) subsidiaries, indirect subsidiaries of MMHLLC. The lawsuits raise claims under federal securities laws alleging that, among other things, the disclosure documents of these funds contained misrepresentations and omissions, that the investment policies of these funds were not followed and that these funds and other defendants violated federal securities laws and regulations and certain state laws. The Core Bond Fund and Champion Income Fund putative class action claims have been consolidated into two groups, one for each of the funds, and are currently pending in federal district court in Colorado. Accruals, representing the amount that management believes are sufficient to cover these matters and an offsetting insurance recovery, were established in the 2010 financial statements of the Company's subsidiary. The parties have entered into a settlement agreement, which has been preliminarily approved by the court. Final approval of the agreement will require sufficient number of class members to participate in the settlement.

In April 2010, a lawsuit was filed in New York state court against OFI, its subsidiary HarbourView Asset Management Corporation (HVAMC) and AAArdvark IV Funding Limited (AAArdvark IV) in connection with the investment made by TSL (USA) Inc., an affiliate of National Australia Bank Limited in AAArdvark IV. The complaint alleges breach of contract, breach of the covenant of good faith and fair dealing, gross negligence, unjust enrichment and conversion. The complaint seeks compensatory and punitive damages, along with attorney fees. The Court has dismissed certain equitable claims against OFI and HVAMC, leaving only the claims for breach of contract. Plaintiffs have filed an amended complaint with additional contractual claims. No reasonable estimate can be made at this time regarding the potential liability, if any, or the amount or range of any loss that may result from this claim.

On July 15, 2011, a lawsuit was filed in New York State Supreme Court against OFI, HVAMC and AAArdvark I Funding Limited (AAArdvark I), in connection with investments made by TSL (USA) Inc. and other investors in AAArdvark I. The complaint alleges breach of contract against each of the defendants and seeks compensatory damages and costs and disbursements, including attorneys' fees. OAC believes that OFI and HVAMC have meritorious defenses to the claims, that it is premature to render any opinion as to the likelihood of an outcome unfavorable to OFI and HVAMC, and that no reasonable estimate can yet be made as to the amount or range of any potential loss.

OFI, an indirect subsidiary of MMHLLC, has concluded settlements with six states - Illinois, Oregon, Texas, Nebraska, Maine and New Mexico, regarding investigations of the management of those states' Section 529 college savings plans. However, with respect to New Mexico, two lawsuits have been filed in the Circuit Court for Santa Fe County, New Mexico seeking to challenge the settlement. No reasonable estimate can be made at this time regarding the potential liability, if any, or the amount or range of any loss that may result from this claim.

Beyond these matters, MMHLLC's subsidiaries are involved in litigation and investigations arising in the ordinary course of the subsidiaries' businesses. While the Company is not aware of any actions or allegations that should reasonably give rise to a material adverse impact to the Company's financial position or liquidity, because of the uncertainties involved with some of these matters, future revisions to the estimates of the potential liability could materially affect the Company's financial position.

c. Mortgage loans

Mortgage loans are comprised of commercial mortgage loans and residential mortgage loan pools. The carrying value of mortgage loans was $11,757 million, net of valuation allowances of $45 million as of June 30, 2011. The carrying value of mortgage loans was $11,218 million, net of valuation allowances of $130 million as of December 31, 2010.

Residential mortgage loan pools are pools of homogeneous residential mortgage loans substantially backed by Federal Housing Administration (FHA) and Veterans Administration (VA) guarantees. The Company purchases seasoned loan pools, most of which are FHA insured or VA guaranteed.

The amortized cost, carrying value and fair value of the Company's mortgage loans were as follows:

	June 30, 2011		
	Amortized Cost	Carrying Value	Fair Value
	(In Millions)		
Commercial mortgage loans			
Primary lender	$ 9,422	$ 9,513	$ 9,762
Mezzanine loans	87	63	62
Total commercial mortgage loans	9,509	9,576	9,824
Residential mortgage loans			
FHA and VA guaranteed	2,160	2,160	2,082
Other residential loans	21	21	21
Total residential mortgage loans	2,181	2,181	2,103
Total mortgage loans	$ 11,690	$ 11,757	$ 11,927

	December 31, 2010		
	Amortized Cost	Carrying Value	Fair Value
	(In Millions)		
Commercial mortgage loans			
Primary lender	$ 8,884	$ 8,908	$ 9,042
Mezzanine loans	121	63	62
Total commercial mortgage loans	9,005	8,971	9,104
Residential mortgage loans			
FHA and VA guaranteed	2,224	2,224	2,141
Other residential loans	23	23	23
Total residential mortgage loans	2,247	2,247	2,164
Total mortgage loans	$ 11,252	$ 11,218	$ 11,268

The following table presents an analysis of the Company's commercial mortgage loans on which a valuation allowance was recorded:

	June 30, 2011				
	Carrying Value	Average Carrying Value	Unpaid Principal Balance	Valuation Allowance	Interest Income
	(In Millions)				
Commercial mortgage loans					
Primary lender	$ 279	$ 270	$ 300	$ (21)	$ 8
Mezzanine loans	2	3	27	(24)	-
Total	$ 281	$ 273	$ 327	$ (45)	$ 8

Note: As of June 30, 2011, the Company did not hold any residential mortgage loan pools with a valuation allowance recorded. All mortgage loans included in the table above were individually valued for impairment.

	December 31, 2010				
	Carrying Value	Average Carrying Value	Unpaid Principal Balance	Valuation Allowance	Interest Income
	(In Millions)				
Commercial mortgage loans					
Primary lender	$ 533	$ 539	$ 606	$ (71)	$ 34
Mezzanine loans	25	27	85	(59)	2
Total	$ 558	$ 566	$ 691	$ (130)	$ 36

Note: As of December 31, 2010, the Company did not hold any residential mortgage loan pools with a valuation allowance recorded. All mortgage loans included in the table above were individually valued for impairment.

The Company had $47 million and $18 million of unpaid principal balance in impaired commercial mortgage loans with no related valuation allowance recorded as of June 30, 2011 and December 31, 2010, respectively.

The following table represents the valuation allowance recorded for the Company's mortgage loans:

	June 30, 2011			December 31, 2010		
	Commercial					
	Primary Lender	Mezzanine	Total	Primary Lender	Mezzanine	Total
	(In Millions)					
Beginning balance	$ (71)	$ (59)	$ (130)	$ (117)	$ (56)	$ (173)
Additions	(3)	(7)	(10)	(28)	(9)	(37)
Decreases	32	17	49	30	6	36
Write-downs	21	25	46	44	-	44
Ending balance	$ (21)	$ (24)	$ (45)	$ (71)	$ (59)	$ (130)

The change in the valuation allowance is recorded in change in net unrealized capital gains (losses) in the Condensed Statutory Statements of Changes in Surplus.

d. Net investment income

Net investment income was derived from the following sources:

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
	(In Millions)	
Bonds	$ 1,357	$ 1,257
Preferred stocks	5	2
Common stocks - subsidiaries and affiliates	27	103
Common stocks - unaffiliated	2	1
Mortgage loans	319	316
Policy loans	320	331
Real estate	85	84
Partnerships and LLCs	237	143
Derivatives	60	75
Cash, cash equivalents and short-term investments	3	3
Other	2	1
Subtotal investment income	2,417	2,316
Amortization of the IMR	60	25
Investment expenses	(213)	(213)
Net investment income	$ 2,264	$ 2,128

e. Net realized capital gains and losses

Net realized capital gains (losses) including OTTI were comprised of the following:

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
	(In Millions)	
Bonds	$ 115	$ (160)
Common stocks - subsidiaries and affiliates	12	2
Common stocks - unaffiliated	22	6
Mortgage loans	(63)	(19)
Real estate	(1)	67
Partnerships and LLCs	(21)	(39)
Derivatives and other	(104)	297
Federal and state taxes	(32)	(105)
Net realized capital gains (losses) before deferral to the IMR	(72)	49
Net (gains) losses deferred to the IMR	(239)	(119)
Taxes	74	8
Net after tax (gains) losses deferred to the IMR	(165)	(111)
Net realized capital gains (losses)	$ (237)	$ (62)

Portions of realized capital gains and losses, which were determined to be interest related, were deferred into the IMR. The IMR balance was a liability of $171 million as of June 30, 2011 and a liability of $76 million as of December 31, 2010.

OTTI which are included in the net realized capital gains (losses) above consisted of the following:

	Six Months Ended June 30,	
	2011	2010
	(In Millions)	
Bonds	$ (88)	$ (117)
Common stock	(3)	(2)
Mortgage loans	(64)	(12)
Partnerships and LLCs	(13)	(44)
Total OTTI	$ (168)	$ (175)

Bond OTTI were comprised of the following:

	Six Months Ended June 30,	
	2011	2010
	(In Millions)	
Structured and loan-backed securities		
Alt-A RMBS	$ (71)	$ (74)
Subprime RMBS	(7)	(6)
Prime RMBS	(3)	(28)
Total structured and loan-backed securities	(81)	(108)
Leveraged loans		
Domestic leveraged loans	(4)	(3)
European leveraged loans	(3)	(4)
Total leveraged loans	(7)	(7)
Corporate bonds	-	(2)
Total bond OTTI	$ (88)	$(117)

Of the $88 million of OTTI on bonds for the six months ended June 30, 2011, 92% of the impairments were determined using internally developed models. Of the $117 million of OTTI on bonds for the six months ended June 30, 2010, 92% of the impairments were determined using internally developed models.

The following table contains loan-backed and structured securities that recognized OTTI through the six months ended June 30, 2011 and 2010 classified on the following bases for recognizing OTTI:

	Six Months Ended June 30,	
	2011	2010
	(In Millions)	
Intent to sell	$ -	$ (2)
Inability or lack of intent to retain for a period of time sufficient to recover amortized cost basis	-	-
Present value of cash flows expected to be collected is less than amortized cost basis	(81)	(106)
Total	$ (81)	$(108)

Refer to *Note 21 "Impairment listing for loan-backed and structured securities*" for CUSIP level detail of impaired structured securities (present value of cash flows is less than cost or amortized cost) for the six months ended June 30, 2011, including securities with recognized OTTI for noninterest related declines for which an interest related impairment has not yet been recognized.

f. Derivative financial instruments

The Company uses derivative financial instruments in the normal course of business to manage risks, primarily to reduce currency, interest rate and duration imbalances determined in asset/liability analyses. The Company also uses a combination of derivatives and fixed income investments to create synthetic investment positions. These combined investments are created opportunistically when they are economically more attractive than the simulated instrument or when the simulated instruments are unavailable. Synthetic assets can be created to either hedge and reduce the Company's exposure or increase the Company's exposure to a particular asset. The Company held synthetic assets which increased the Company's exposure by a net notional amount of $2,274 million as of June 30, 2011 and $2,108 million as of December 31, 2010. Of this amount, $240 million as of June 30, 2011 and $314 million as of December 31, 2010, were considered replicated asset transactions as defined under statutory accounting principles as the pairing of a long derivative contract with a cash instrument held. The Company's derivative strategy employs a variety of derivative financial instruments, including interest rate swaps, currency swaps, equity and credit default swaps, options, interest rate caps and floors, forward contracts, and financial futures. Investment risk is assessed on a portfolio basis and individual derivative financial instruments are not designated in hedging relationships; therefore, as allowed by accounting rules, the Company specifically and intentionally made the decision not to apply hedge accounting.

The Company's principal derivative market risk exposures are interest rate risk, which includes the impact of inflation, and credit risk. Interest rate risk pertains to the change in fair value of the derivative instruments as market interest rates move. The Company is exposed to credit-related losses in the event of nonperformance by counterparties to derivative financial instruments. In order to minimize credit risk, the Company and its derivative counterparties require collateral to be posted in the amount owed under each transaction, subject to threshold and minimum transfer amounts that are functions of the rating on the counterparty's long term, unsecured, unsubordinated debt. Additionally, in many instances, the Company enters into agreements with counterparties that allow for contracts in a positive position, where the Company is due amounts, to be offset by contracts in a negative position. This right of offset, combined with collateral obtained from counterparties, reduces the Company's exposure. Collateral pledged by the counterparties was $1,906 million as of June 30, 2011 and $2,067 million as of December 31, 2010. In the event of default the full market value exposure at risk in a net gain position, net of offsets and collateral was $42 million as of June 30, 2011 and $29 million as of December 31, 2010. The amount at risk using NAIC prescribed rules was $390 million as of June 30, 2011 and $300 million as of December 31, 2010. The Company regularly monitors counterparty credit ratings and exposures, derivative positions and valuations and the value of collateral posted to ensure counterparties are credit-worthy and the concentration of exposure is minimized. The Company monitors this exposure as part of its management of the Company's overall credit exposures.

If amounts are due from the counterparty, they are reported as an asset. If amounts are due to the counterparty, they are reported as a liability. Negative values in the carrying value of a particular derivative category can result from a counterparty's right to offset carrying value positions in multiple derivative financial instruments.

Credit default swaps involve a transfer of the credit risk of fixed income instruments from one party to another in exchange for periodic premium payments. The buyer of the credit default swap receives credit protection, whereas the seller of the swap guarantees the credit worthiness of the underlying security. This transfers the risk of default from the buyer of the swap to the seller. If a specified credit event occurs, as defined by the agreement, the seller is obligated to pay the counterparty the contractually agreed upon amount and receives in return the underlying security in an amount equal to the notional value of the credit default swap. A credit event is generally defined as default on contractually obligated interest or principal payments or bankruptcy. The Company does not write credit default swaps as a participant in the credit insurance market but does sell swaps to generate returns consistent with bond returns when the actual bond is not available or the market price is more expensive.

The Company uses credit default swaps to either reduce exposure to particular issuers by buying protection or increase exposure to issuers by selling protection against specified credit events. The Company buys protection as an efficient means to reduce credit exposure to particular issuers or sectors in the Company's investment portfolio. The Company sells protection to enhance the return on its investment portfolio by providing comparable exposure to fixed income securities that might not be available in the primary market or to enter into synthetic transactions by buying a high quality liquid bond to match against the credit default swap.

The following tables summarize the carrying values and notional amounts of the Company's derivative financial instruments:

	June 30, 2011			
	Assets		Liabilities	
	Carrying Value	Notional Amount	Carrying Value	Notional Amount
	(In Millions)			
Interest rate swaps	$ 2,090	$ 62,702	$ 155	$ 5,746
Options	153	4,959	(57)	732
Currency swaps	84	1,125	101	556
Asset and credit default swaps	26	1,406	-	35
Forward contracts	(14)	1,685	12	2,411
Financial futures - short positions	-	958	-	-
Financial futures - long positions	-	2,152	-	-
Total	$ 2,339	$ 74,987	$ 211	$ 9,480

	December 31, 2010			
	Assets		Liabilities	
	Carrying Value	Notional Amount	Carrying Value	Notional Amount
	(In Millions)			
Interest rate swaps	$ 2,045	$ 53,765	$ 134	$ 5,257
Options	213	4,902	(50)	732
Currency swaps	92	971	69	559
Asset and credit default swaps	27	1,537	-	35
Forward contracts	10	1,533	(10)	1,683
Financial futures - short positions	-	413	-	-
Financial futures - long positions	-	2,439	-	-
Total	$ 2,387	$ 65,560	$ 143	$ 8,266

In most cases, the notionals are not a measure of the Company's credit exposure. The exceptions to this rule are mortgage-backed forwards and credit default swaps that sell protection. In the event of default, the Company is fully exposed to the notionals of both of these types of derivatives. Collateral is exchanged for all derivative types except mortgage-backed forwards. For all other contracts, the amounts exchanged are calculated on the basis of the notional amounts and the other terms of the instruments, which relate to interest rates, exchange rates, security prices or financial or other indices.

The following table summarizes the Company's net realized gains (losses) on closed contracts and change in net unrealized gains (losses) on the mark to market of open contracts by derivative type:

	June 30, 2011		June 30, 2010	
	Net Realized Gains (Losses) Closed Contracts	Change In Net Unrealized Gains (Losses) Mark-to-Market Open Contracts	Net Realized Gains (Losses) Closed Contracts	Change In Net Unrealized Gains (Losses) Mark-to-Market Open Contracts
	(In Millions)			
Interest rate swaps	$ (19)	$ 24	$ 14	$ (38)
Options	(63)	(38)	18	(6)
Currency swaps	(3)	(40)	4	68
Asset, equity and credit default swaps	2	(2)	-	8
Forward contracts	(21)	(47)	142	94
Financial futures - short positions	(71)	-	90	-
Financial futures - long positions	71	-	25	-
Total	$ (104)	$ (103)	$ 293	$ 126

5. *Fair value of financial instruments*

The following fair value disclosure summarizes the Company's financial instruments:

	June 30, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In Millions)			
Financial assets:				
Bonds				
U. S. government and agencies	$ 9,143	$ 9,199	$ 8,762	$ 8,858
All other governments	117	143	116	143
States, territories and possessions	1,080	1,114	1,395	1,382
Special revenue	2,284	2,486	1,958	2,116
Industrial and miscellaneous	33,264	34,654	33,005	34,147
Credit tenant loans	89	102	94	107
Parent, subsidiaries and affiliates	5,330	5,556	4,997	4,966
Preferred stocks	314	336	306	321
Common stock - unaffiliated	338	338	238	238
Common stock - affiliated [(1)]	422	422	401	401
Mortgage loans - commerical	9,576	9,824	8,971	9,104
Mortgage loans - residential	2,181	2,103	2,247	2,164
Cash, cash equivalents and short-term investments	1,074	1,074	1,139	1,139
Derivatives				
Forward contracts	(14)	(14)	10	10
Interest rate swaps	2,090	2,090	2,045	2,045
Currency swaps	84	84	92	92
Asset and credit default swaps	26	26	27	27
Options	153	153	213	213
Financial liabilities:				
Commercial paper	250	250	250	250
Securities sold under agreements to repurchase	3,479	3,479	3,883	3,883
Funding agreements	2,804	2,897	2,299	2,373
Investment-type insurance contracts				
Group annuity investment contracts	6,818	7,336	6,787	7,275
Individual annuity investment contracts	4,063	4,246	3,861	3,995
Guaranteed investment contracts	5	5	18	18
Supplementary investment contracts	1,008	1,009	1,021	1,022

[(1)] *Common stocks - affiliated does not include MMHLLC which had a statutory carrying value of $2,712 million as of June 30, 2011 and $2,502 million as of December 31, 2010. Also excluded is C.M. Life which had a statutory carrying value of $912 million as of June 30, 2011 and $837 million as of December 31, 2010.*

	June 30, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In Millions)			
Financial liabilities (continued):				
Derivatives				
Forward contracts	$ 12	$ 12	$ (10)	$ (10)
Interest rate swaps	155	155	134	134
Currency swaps	101	101	69	69
Options	(57)	(57)	(50)	(50)

The use of different assumptions or valuation methodologies may have a material impact on the estimated fair value amounts.

Level 3 bonds were 29.0% of those bonds carried at fair value as of June 30, 2011 and 27.4% as of December 31, 2010.

The average fair value of outstanding derivative financial instrument assets over the course of the year was $2,363 million as of June 30, 2011 and $2,390 million as of December 31, 2010. The average fair value of outstanding derivative financial instrument liabilities over the course of the year was $177 million as of June 30, 2011 and $130 million as of December 31, 2010.

Fair value hierarchy

For the six months ended June 30, 2011, there were no significant changes to the Company's valuation techniques.

The following tables present the Company's fair value hierarchy for financial instruments which are carried at fair value:

	June 30, 2011				
	Level 1	Level 2	Level 3	Netting [1]	Total
	(In Millions)				
Financial assets:					
Bonds					
Industrial and miscellaneous	$ -	$ 27	$ 27	$ -	$ 54
Parent, subsidiaries and affiliates	-	6	35	-	41
Common stock - unaffiliated	134	35	169	-	338
Common stock - affiliated [2]	-	368	54	-	422
Cash equivalents and short-term investments [3]	-	740	-	-	740
Separate account assets [4]	34,302	8,294	296	-	42,892
Derivatives					
Forward contracts	-	4	-	(18)	(14)
Interest rate swaps	-	3,824	-	(1,734)	2,090
Currency swaps	-	159	-	(75)	84
Asset and credit default swaps	-	36	-	(10)	26
Options	-	225	-	(72)	153
Total financial assets carried at fair value	$ 34,436	$ 13,718	$ 581	$ (1,909)	$ 46,826
Financial liabilities:					
Derivatives					
Forward contracts	$ -	$ 30	$ -	$ (18)	$ 12
Interest rate swaps	-	1,889	-	(1,734)	155
Currency swaps	-	176	-	(75)	101
Asset and credit default swaps	-	10	-	(10)	-
Options	-	15	-	(72)	(57)
Total financial liabilities carried at fair value	$ -	$ 2,120	$ -	$ (1,909)	$ 211

[1] *Netting adjustments represent offsetting positions that may exist under a master-netting agreement with a counterparty where amounts due from the counterparty are offset against amounts due to the counterparty.*

[2] *Common stocks – affiliated does not include MMHLLC which had a statutory carrying value of $2,712 million and C.M. Life which had a statutory carrying value of $912 million.*

[3] *Does not include cash of $334 million.*

[4] *$175 million of book value separate account assets and $615 million of market value separate account assets are not carried at fair value and therefore, not included in this table.*

	December 31, 2010				
	Level 1	Level 2	Level 3	Netting [1]	Total
	(In Millions)				
Financial assets:					
Bonds					
Industrial and miscellaneous	$ -	$ 69	$ 36	$ -	$ 105
Parent, subsidiaries and affiliates	-	9	20	-	29
Preferred stocks NAIC 4-6	-	-	-	-	-
Common stock - unaffiliated	74	9	155	-	238
Common stock - affiliated [2]	-	332	69	-	401
Cash equivalents and short-term investments [3]	-	800	-	-	800
Separate account assets [4]	32,944	7,172	272	-	40,388
Derivatives					
Forward contracts	-	35	-	(25)	10
Interest rate swaps	-	3,607	-	(1,562)	2,045
Currency swaps	-	155	-	(63)	92
Asset and credit default swaps	-	38	-	(11)	27
Options	-	277	-	(64)	213
Total financial assets carried at fair value	$ 33,018	$ 12,503	$ 552	$ (1,725)	$ 44,348
Financial liabilities:					
Derivatives					
Forward contracts	$ -	$ 15	$ -	$ (25)	$ (10)
Interest rate swaps	-	1,696	-	(1,562)	134
Currency swaps	-	132	-	(63)	69
Asset and credit default swaps	-	11	-	(11)	-
Options	-	14	-	(64)	(50)
Total financial liabilities carried at fair value	$ -	$ 1,868	$ -	$ (1,725)	$ 143

[1] *Netting adjustments represent offsetting positions that may exist under a master-netting agreement with a counterparty where amounts due from the counterparty are offset against amounts due to the counterparty.*

[2] *Common stocks – affiliated does not include MMHLLC which had a statutory carrying value of $2,502 million and C.M. Life which had a statutory carrying value of $837 million.*

[3] *Does not include cash of $339 million.*

[4] *$301 million of book value separate account assets and $627 million of market value separate account assets are not carried at fair value and therefore, not included in this table. In addition, $345 million was reclassed from Level 3 to Level 2 to conform with management's classifications.*

For the six months ended June 30, 2011 there were no significant transfers between Level 1 and Level 2.

The following tables present changes in the Company's Level 3 financial instruments which are carried at fair value:

	Balance as of 12/31/2010	Gains (Losses) in Net Income	Gains (Losses) in Surplus	Purchases	Issuances	Sales	Settlements	Transfers into Level 3 [1]	Transfers out of Level 3 [1]	Other Transfers [2]	Balance as of 6/30/2011
	(In Millions)										
Financial assets:											
Bonds											
Industrial and miscellaneous	$ 36	$ (1)	$ (1)	$ 1	$ 48	$ (13)	$ (55)	$ -	$ -	$ 12	$ 27
Parent, subsidiaries and affiliates	20	-	3	-	-	-	-	-	-	12	35
Common stock - unaffiliated	155	8	(10)	52	-	(6)	(5)	-	(25)	-	169
Common stock - affiliated	69	6	(3)	-	-	(13)	-	-	(5)	-	54
Separate account assets	272	23	-	15	-	(14)	-	-	-	-	296
Total Level 3 financial assets carried at fair value	$ 552	$ 36	$ (11)	$ 68	$ 48	$ (46)	$ (60)	$ -	$ (30)	$ 24	$ 581

(1) *These columns identify assets and liabilities that are consistently carried at fair value but have had a level change. Generally transfers out of Level 3 occur when quoted prices are received in markets that have not been active, and therefore the assets or liabilities are moved to Level 2.*

(2) *This column identifies assets and liabilities that are either no longer carried at fair value, or have just begun to be carried at fair value, such as assets or liabilities with no level changes but change in lower of cost or market carrying basis.*

	Balance as of 12/31/2009	Gains (Losses) in Net Income	Gains (Losses) in Surplus	Purchases	Issuances	Sales	Settlements	Transfers into Level 3 [1]	Transfers out of Level 3 [1]	Balance as of 12/31/2010
	(In Millions)									
Financial assets:										
Bonds										
Industrial and miscellaneous	$ -	$ 2	$ -	$ 10	$ 27	$ (18)	$ (30)	$ 152	$ (107)	$ 36
Parent, subsidiaries and affiliates	-	-	8	-	68	-	(68)	12	-	20
Preferred stocks NAIC 4-6	12	-	-	1	-	(8)	-	-	(5)	-
Common stock - unaffiliated	156	6	(1)	6	1	(13)	-	-	-	155
Common stock - affiliated	64	4	4	136	6	(136)	(9)	-	-	69
Separate account assets [2]	300	18	24	71	-	(124)	(19)	2	-	272
Derivatives										
Interest rate swaps	1	(1)	-	-	-	-	-	-	-	-
Total Level 3 financial assets carried at fair value	$ 533	$ 29	$ 35	$ 224	$ 102	$ (299)	$ (126)	$ 166	$ (112)	$ 552
Financial liabilities:										
Derivatives										
Interest rate swaps	$ 2	$ (2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

[1] *The majority of transfers into/out of Level 3 for bonds are related to NAIC Category 6 bonds. These bonds had previously been separately stated as being held at fair value on a non-recurring basis. The NAIC recently stated that all assets carried at fair value should be reported together.*

[2] *Reclassed $345 million from Level 3 to Level 2 to conform with management's classifications.*

6. Fixed assets

No significant changes.

7. Deferred and uncollected life insurance premium

No significant changes.

8. Surplus notes

No significant changes.

9. Related party transactions

No significant changes.

10. Reinsurance

No significant changes.

11. Policyholders' liabilities

Certain variable annuity contracts include additional death or other insurance benefit features, such as guaranteed minimum death benefits (GMDBs), guaranteed minimum income benefits (GMIBs), guaranteed minimum accumulation benefits (GMABs) and guaranteed minimum withdrawal benefits (GMWBs). In general, these benefit guarantees require the contract or policyholder to adhere to a company-approved asset allocation strategy. Election of these benefits on annuity contracts is generally only available at contract issue. The reserves for variable annuity products with guaranteed death and living benefits were $466 million and $488 million as of June 30, 2011 and December 31, 2010, respectively.

The following table summarizes the account values, net amount at risk and weighted average attained age for variable annuity contracts with guaranteed minimum death, income, accumulation and withdrawal benefits classified as policyholders' reserves and separate account liabilities. The net amount at risk is defined as the minimum guarantee less the account value calculated on a policy-by-policy basis, but not less than zero.

	June 30, 2011			December 31, 2010		
	Account Value	Net Amount at Risk	Weighted Average Attained Age	Account Value	Net Amount at Risk	Weighted Average Attained Age
	($ In Millions)					
GMDB	$ 9,492	$ 102	61	$ 9,179	$ 166	61
GMIB	4,371	471	62	4,293	509	61
GMAB	1,547	19	57	1,416	29	57
GMWB	203	8	66	161	8	65

12. Debt

No significant changes.

13. Employee benefit plans

Through June 30, 2011, $20 million was contributed to the Company's qualified pension plan. Subsequent to June 30, 2011, an additional $11 million was contributed to this plan.

14. Employee compensation plans

No significant changes.

15. Federal income taxes

As of the six months ended June 30, 2011, the Company's net admitted DTA decreased by approximately $154 million from December 31, 2010. This decrease was due primarily to an increase in gross deferred tax liabilities related to increases in unrealized gains.

16. Transferable state tax credits

No significant changes.

17. Business risks, commitments and contingencies

a. Risks and uncertainties

The Company operates in a business environment subject to various risks and uncertainties. Such risks and uncertainties include, but are not limited to, currency exchange risk, interest rate risk and credit risk. Interest rate risk is the potential for interest rates to change, which can cause fluctuations in the value of investments and amounts due to policyholders. To the extent that fluctuations in interest rates cause the duration of assets and liabilities to differ, the Company controls its exposure to this risk by, among other things, asset/liability management techniques that account for the cash flow characteristics of the assets and liabilities.

Currency exchange risk

The Company has currency risk due to its non-U.S. dollar investments and medium-term notes along with its international operations. The Company mitigates currency risk through the use of cross-currency swaps and forward contracts. Cross-currency swaps are used to minimize currency risk for certain non-U.S. dollar assets and liabilities through a pre-specified exchange of interest and principal. Forward contracts are used to hedge movements in exchange rates.

Investment and interest rate risks

Investment earnings can be influenced by a number of factors including changes in interest rates, credit spreads, equity markets, general economic conditions and asset allocation. The Company employs a rigorous asset/liability management process to help manage the economics related to investment risks, in particular interest rate risk.

As interest rates decline, certain securities are more susceptible to paydowns and prepayments. During such periods, the Company generally will not be able to reinvest the proceeds at comparable yields. Lower interest rates will likely result in lower net investment income and, if declines are sustained for a long period of time, the Company may be subject to reinvestment risks. Declining interest rates also result in increases in the fair value of the investment portfolio.

Interest rates also have an impact on the Company's products with guaranteed minimum payouts and interest credited to account holders. As interest rates decrease, investment spreads may shrink as interest rates approach minimum guarantees, leading to an increased liability to the Company. Due to the continued low interest rate environment, management is expecting the lower yields on purchases of fixed maturity investments to persist.

Asset based fees calculated as a percentage of the separate account assets are a source of revenue to the Company. Gains and losses in the equity markets may result in corresponding increases and decreases in the Company's separate account assets and related revenue.

Credit and other market risks

Credit risk is the risk that issuers of investments owned by the Company may default or that other parties may not be able to pay amounts due to the Company. The Company attempts to manage its investments to limit credit risk by diversifying its portfolio among various security types and industry sectors, as well as purchasing credit default swaps to transfer some of the risk.

During the past few years, declining U.S. housing prices led to higher delinquency and loss rates, reduced credit availability, and reduced liquidity in the residential loan and securities markets. The decline in housing prices was precipitated by several years of rising residential mortgage rates, relaxed underwriting standards by residential mortgage loan originators and substantial growth in affordability mortgage products including pay option adjustable rate mortgages and interest only loans.

The downturn in housing prices caused a decline in the credit performance of RMBS securities with unprecedented borrower defaults. Market pricing was affected both by the deterioration in fundamentals as well as by the reduced liquidity and higher risk premium demanded by investors. While housing fundamentals stabilized in late 2009 and in 2010, more recent performance has been negative, raising the risk of a possible 'double-dip' in house prices. As of now, prices are hovering around their April 2009 lows. The housing market also continues to be under pressure due to delayed foreclosure timelines and significant over-supply. These concerns continue to affect security valuations and liquidity conditions in the securitized mortgage market where prices have come off their post-crisis highs in recent months.

The Company has implemented a review process for determining the nature and timing of OTTI on securities containing these risk characteristics. Cash flows are modeled for all bonds deemed to be at risk for impairment using prepayment, default, and loan loss severity assumptions that vary according to collateral attributes and house price trends since origination. These assumptions are reviewed quarterly and changes are made as market conditions warrant.

Internal models utilized in testing for impairment calculate the present value of cash flows expected to be received over the average life of the security, discounted at the purchase yield or discount margin. RMBS are highly sensitive to evolving conditions that can impair the cash flows realized by investors and the ultimate emergence of losses is subject to uncertainty. If defaults were to increase above the stresses imposed in the Company's analysis or default severities were to be worse than expected, management would need to reassess whether such credit events have changed the Company's assessment of OTTI in light of changes in the expected performance of these assets. Weak new issue market conditions, coupled with uncertain rating agency requirements, continue to adversely affect lenders' underwriting appetite for new financing arrangements and hence could lead to a diminished ability to refinance the underlying mortgages. Also, a further downturn of the economy and the real estate market and high levels of unemployment could result in continued defaults and ultimately, additional recognition of OTTI.

Management's judgment regarding OTTI and estimated fair value depends upon evolving conditions that can alter the anticipated cash flows realized by investors and is also affected by the illiquid credit market environment, which makes it difficult to obtain readily determinable prices for RMBS and other investments, including CMBS and leveraged loans. Further deterioration in economic fundamentals could affect management judgments regarding OTTI. In addition, deterioration in market conditions may affect carrying values assigned by management. These factors could negatively impact the Company's results of operations, surplus and disclosed fair values.

The Company has investments in structured products that are exposed primarily to the credit risk of corporate bank loans, corporate bonds or credit default swap contracts referencing corporate credit risk. Most of these structured investments are backed by corporate loans and are commonly known as Collateral Loan Obligations which are classified as Collateralized Debt Obligations (CDOs). The portfolios backing these investments are actively managed and diversified by industry and individual issuer concentrations. Due to the complex nature of CDOs and the reduced level of transparency to the underlying collateral pools for many market participants, the recovery in CDO valuations has generally lagged the overall recovery in the underlying assets. Management believes its scenario analysis approach, based on actual collateral data and forward looking assumptions, does capture the credit and most other risks in each pool. However, in a rapidly changing economic environment the credit and other risks in each collateral pool will be more volatile and actual credit performance of each CDO investment may differ from our assumptions.

In spite of ongoing concerns over sovereign issuers in certain parts of Europe, there has been relatively little impact on the risks related to the Company's investments in European leveraged loans, as the recovery in European corporate earnings has continued in most countries and secondary loan market liquidity and pricing has improved over the year. Prepayment rates have picked up significantly since 2010, primarily driven by the issuance of bonds to take out loans. Default rates have continued to fall from a peak during the third quarter of 2009, and are now running at levels below long-term historical averages.

Current market conditions continue to be a factor in the Company’s mortgage loan portfolio. However, economic indicators that showed improvement in the first quarter have stumbled as of late and are starting to provide signals for a slower recovery.

Commercial real estate fundamentals continue to improve. Apartment and hotel occupancies have bottomed and are both approaching their long-run averages. Office and industrial vacancies are near their peak nationally, but rent recovery will lag and regional patterns of recovery are more pronounced. Transaction activity is increasing across all property sectors, subsectors and most markets including CMBS and we expect additional increases in sales volume in the second half of the year particularly in secondary markets as capital broadens out beyond stabilized core assets in “gateway” markets.

Market risk arises within the Company’s employee benefit plans to the extent that the obligations of the plans are not fully matched by assets with determinable cash flows. Pension and postretirement obligations are subject to change due to fluctuations in the discount rates used to measure the liabilities as well as factors such as changes in inflation, salary increases and participants living longer. The risks are that market fluctuations could result in assets which are insufficient over time to cover the level of projected benefit obligations. In addition, increases in inflation and members living longer could increase the pension and postretirement obligations. Management determines the level of this risk using reports prepared by independent actuaries and takes action, where appropriate, in terms of setting investment strategy and determining contribution levels. In the event that the pension obligations arising under the Company’s employee benefit plans exceed the assets set aside to meet the obligations, the Company may be required to make additional contributions or increase its level of contributions to these plans.

b. Litigation

MassMutual is involved in litigation arising in and out of the normal course of business, which seeks both compensatory and punitive damages. While MassMutual is not aware of any actions or allegations that should reasonably give rise to a material adverse impact to MassMutual’s financial position or liquidity, the outcome of litigation cannot be foreseen with certainty. It is the opinion of management that the ultimate resolution of these matters will not materially impact MassMutual’s financial position or liquidity. However, the outcome of a particular proceeding may be material to the MassMutual’s operating results for a particular period depending upon, among other factors, the size of the loss or liability and the level of MassMutual’s income for the period.

Since December 2008, MassMutual and MMHLLC have been named as defendants in a number of putative class action and individual lawsuits filed by investors seeking to recover investments they allegedly lost as a result of the "Ponzi" scheme run by Bernard L. Madoff through his company, Bernard L. Madoff Investment Securities, LLC (BLMIS). The plaintiffs allege a variety of state law and federal securities claims against MassMutual and/or MMHLLC, and certain of its subsidiaries, seeking to recover losses arising from their investments in several funds managed by Tremont Group Holdings, Inc. (Tremont) or Tremont Partners, Inc., including Rye Select Broad Market Prime Fund, L.P., Rye Select Broad Market Fund, L.P., American Masters Broad Market Prime Fund, L.P., American Masters Market Neutral Fund, L.P. and/or Tremont Market Neutral Fund, L.P. Tremont and its subsidiary, Tremont Partners, Inc., are indirect subsidiaries of MMHLLC. Certain of the lawsuits have been consolidated into three groups of suits pending in the U.S. District Court for the Southern District of New York. A number of other lawsuits have been filed in state courts in Florida, New York, California, Washington, Texas and Connecticut by investors in Tremont funds against Tremont, and in certain cases against MassMutual, MMHLLC and other defendants, raising claims similar to those in the consolidated federal litigation. Those cases are in various stages of litigation, and some of them have been stayed pending the outcome of the federal litigation. In February 2011, the parties in the consolidated federal litigation pending in the U.S. District Court for the Southern District of New York submitted to the court a proposed settlement agreement. On August 8, 2011, the judge ruled from the bench approving the settlement, which pending any appeals, will resolve substantially all of the claims. In the opinion of management, the settlement did not have a significant financial impact on MassMutual.

In 2009, the Trustee appointed under the Securities Investor Protection Act to liquidate BLMIS notified Tremont that the bankruptcy estate of BLMIS has purported preference and fraudulent transfer claims against Tremont's Rye Select Broad Market funds and certain other Tremont-managed funds to recover redemption payments received from BLMIS by certain of those Rye Select funds. Certain of these Tremont funds, in turn, have notified the Trustee of substantial claims by them against BLMIS. In December 2010, the Trustee filed suit in the U.S. Bankruptcy Court for the Southern District of New York against Tremont, OAC, MassMutual and others. Tremont has been negotiating with the Trustee on behalf of those funds in an attempt to reach a mutually acceptable settlement of the Trustee's claims. On July 28, 2011, a proposed settlement with the Trustee was filed with the court for its approval. In the opinion of management, the settlement did not have a significant financial impact on MassMutual.

Christina Chavez (Chavez) filed a putative class action complaint against MassMutual in April 2010. Chavez alleges that MassMutual breached its obligations to its term life policyholders in California by failing to pay dividends on those policies. Formal written discovery requests have been exchanged by all parties. No reasonable estimate can be made at this time regarding the potential liability, if any, or the amount or range of any loss that may result from this claim.

In 2009, numerous lawsuits (the Rochester Suits) were filed as putative class actions in connection with the investment performance of certain municipal bond funds advised by OFI and distributed by its subsidiary, OppenheimerFunds Distributor, Inc. The Rochester Suits raise claims under federal securities laws alleging that, among other things, the disclosure documents of these funds contained misrepresentations and omissions, that the investment policies of these funds were not followed and that these funds and other defendants violated federal securities laws and regulations and certain state laws. The Rochester Suits have been consolidated into seven groups, one for each of the funds, and are currently pending in federal district court in Colorado. Amended complaints and motions to dismiss have been filed in the Rochester Suits. No reasonable estimate can be made at this time regarding the potential liability, if any, or the amount or range of any loss that may result from this claim.

In May 2009, MassMutual was named as a defendant in a private action related to certain losses in a Bank Owned Life Insurance (BOLI) contract issued by MassMutual. The plaintiff alleges, among other things, fraud, breach of contract and breach of fiduciary duty claims against MassMutual and seeks to recover losses arising from investments under the BOLI contract. MassMutual believes it has substantial defenses in this action. No reasonable estimate can be made at this time regarding the potential liability, if any, or the amount or range of any loss that may result from this claim.

18. Withdrawal characteristics

Separate accounts

At year end 2010, the Company's classification of separate account premium as reported in the annual statement included $1,253 million classified as guaranteed, which should have been classified as nonguaranteed. The total premium amount presented for separate accounts was correct.

19. Presentation of the Condensed Statutory Statements of Cash Flows

As required by SSAP No. 69 "Statement of Cash Flows," the Company has included in the Condensed Statutory Statements of Cash Flows, non-cash transactions primarily related to the following:

	Six Months Ended June 30, 2011	Year Ended December 31, 2010
	(In Millions)	
Bank loan transfer	$ 890	$ 1,187
Bond conversion	425	667
Mortgages converted to other invested assets	160	175
Stock conversion	103	529
Other invested assets stock distribution	2	9
Dividend reinvestment	2	8
Interest capitalization for long-term debt	2	8
Net investment income payment-in-kind bonds	1	4
Other invested assets converted to real estate	-	44
Other invested assets converted to mortgages	-	4

The bank loan transfer amount represents rollover transactions processed as the result of rate resets on existing bank loans and is included in the proceeds from investments sold, matured or repaid on bonds and cost of investments acquired for bonds on the Condensed Statutory Statements of Cash Flows.

20. Subsequent events

The Company has evaluated subsequent events through August 11, 2011, the date the financial statements were available to be issued, and no events have occurred subsequent to the balance sheet date and before the date of evaluation that would require disclosure.

21. Impairment listing for loan-backed and structured securities

The following are the total cumulative adjustments and impairments for loan-backed and structured securities since July 1, 2009:

Period Ended	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
June 30, 2011	$ 1,130,732,656.14	$ -	$ 1,130,732,656.14	$ 1,078,535,670.23	$ (52,196,985.91)	$ 1,078,535,670.23	$ 839,143,290.12
March 31, 2011	1,097,705,351.09	-	1,097,705,351.09	1,068,852,203.67	(28,853,147.42)	1,068,852,203.67	816,688,348.33
December 31, 2010	968,742,508.30	-	968,742,508.30	950,111,416.81	(18,631,091.49)	950,111,416.81	708,895,636.97
September 30, 2010	915,728,029.86	-	915,728,029.86	889,896,058.18	(25,831,971.68)	889,896,058.18	673,462,492.71
June 30, 2010	1,362,887,892.31	-	1,362,887,892.31	1,335,628,211.52	(27,259,680.79)	1,335,628,211.52	975,241,505.93
March 31, 2010	1,471,905,695.71	-	1,471,905,695.71	1,391,337,542.96	(80,568,152.75)	1,391,337,542.96	1,015,645,802.04
December 31, 2009	1,349,124,213.70	-	1,349,124,213.70	1,290,817,167.68	(58,307,046.02)	1,290,817,167.68	852,088,739.42
September 30, 2009	2,953,442,689.02	(106,853,708.32)	2,846,588,980.70	2,700,948,264.43	(145,640,716.27)	2,700,948,264.43	1,692,409,639.54
Totals	$ 11,250,269,036.13	$ (106,853,708.32)	$ 11,143,415,327.81	$10,706,126,535.48	$ (437,288,792.33)	$ 10,706,126,535.48	$ 7,573,575,455.06

The following table lists impairments for loan-backed and structured securities for the three months ended June 30, 2011:

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
00104BAF7	$ 370,000.00	$ -	$ 370,000.00	$ 355,000.00	$ (15,000.00)	$ 355,000.00	$ 355,000.00
004375CT6	7,403,325.91	-	7,403,325.91	7,147,252.56	(256,073.35)	7,147,252.56	5,694,371.62
00442GAD2	159,625.51	-	159,625.51	154,480.10	(5,145.41)	154,480.10	160,913.36
00442JAE4	5,413,645.90	-	5,413,645.90	4,927,546.20	(486,099.70)	4,927,546.20	3,887,634.80
007034AQ4	5,320,602.41	-	5,320,602.41	5,232,343.88	(88,258.53)	5,232,343.88	4,278,416.99
007037BK9	238,074.57	-	238,074.57	232,349.28	(5,725.29)	232,349.28	156,567.31
02146QAB9	13,263,679.03	-	13,263,679.03	12,405,812.00	(857,867.03)	12,405,812.00	9,354,207.06
02146YAD8	17,604,278.99	-	17,604,278.99	16,869,197.39	(735,081.60)	16,869,197.39	12,873,145.97
02147CAA1	8,897,979.14	-	8,897,979.14	8,460,893.11	(437,086.03)	8,460,893.11	6,712,922.27
02147DAB7	11,004,615.15	-	11,004,615.15	10,535,593.48	(469,021.67)	10,535,593.48	7,666,098.70
02660TGN7	8,220,080.69	-	8,220,080.69	8,000,792.06	(219,288.63)	8,000,792.06	5,341,882.20
02660TGS6	7,553,437.85	-	7,553,437.85	6,528,085.41	(1,025,352.44)	6,528,085.41	4,919,615.29
02660TJB0	21,940,746.02	-	21,940,746.02	20,981,937.25	(958,808.77)	20,981,937.25	14,187,594.02
02660WAC0	16,364,974.60	-	16,364,974.60	16,003,512.77	(361,461.83)	16,003,512.77	11,231,013.93
02660XAD6	10,753,042.52	-	10,753,042.52	10,499,231.10	(253,811.42)	10,499,231.10	8,340,004.28
026929AA7	8,990,381.35	-	8,990,381.35	8,654,511.98	(335,869.37)	8,654,511.98	8,883,436.91
026929AD1	8,710,369.61	-	8,710,369.61	8,406,222.21	(304,147.40)	8,406,222.21	5,877,597.71
040104QN4	3,493,460.23	-	3,493,460.23	3,266,039.39	(227,420.84)	3,266,039.39	2,749,129.20
040104TF8	88,076.11	-	88,076.11	85,556.47	(2,519.64)	85,556.47	62,760.85
040104TG6	977,591.28	-	977,591.28	950,814.78	(26,776.50)	950,814.78	820,433.37
04012XAC9	253,511.81	-	253,511.81	238,019.03	(15,492.78)	238,019.03	175,845.08
055294AA0	2,975,082.10	-	2,975,082.10	2,897,726.71	(77,355.39)	2,897,726.71	2,397,151.63
05535DAN4	4,426,081.37	-	4,426,081.37	2,957,964.95	(1,468,116.42)	2,957,964.95	2,707,952.24
05535DCF9	8,177,898.68	-	8,177,898.68	7,887,868.43	(290,030.25)	7,887,868.43	4,796,232.12
05946XYP2	965,465.31	-	965,465.31	954,163.65	(11,301.66)	954,163.65	713,045.13
05949ALH1	1,959,762.10	-	1,959,762.10	1,945,434.78	(14,327.32)	1,945,434.78	1,914,105.59
05950DAA8	10,315,389.14	-	10,315,389.14	10,136,225.11	(179,164.03)	10,136,225.11	8,457,262.89
06050HKX5	591,031.77	-	591,031.77	562,401.51	(28,630.26)	562,401.51	291,127.17
073879Z92	9,741,810.63	-	9,741,810.63	9,295,040.70	(446,769.93)	9,295,040.70	4,612,197.71
07389VAA5	1,671,470.58	-	1,671,470.58	1,561,202.75	(110,267.83)	1,561,202.75	1,504,771.87
07400XAB4	2,780,642.45	-	2,780,642.45	2,666,904.78	(113,737.67)	2,666,904.78	1,842,237.26
07401LAA1	13,341,277.48	-	13,341,277.48	12,685,561.38	(655,716.10)	12,685,561.38	9,725,389.47
07401LAQ6	3,052,505.86	-	3,052,505.86	2,941,553.78	(110,952.08)	2,941,553.78	2,412,194.27
07820QAY1	13,083,773.80	-	13,083,773.80	12,632,872.48	(450,901.32)	12,632,872.48	9,775,561.89
07820QBL8	2,720,336.17	-	2,720,336.17	2,618,897.35	(101,438.82)	2,618,897.35	2,018,590.75
1248M3AB9	4,951,130.55	-	4,951,130.55	4,861,326.62	(89,803.93)	4,861,326.62	4,664,240.59
1248MGAJ3	78,372.25	-	78,372.25	72,737.09	(5,635.16)	72,737.09	48,377.62
1248RHAD9	4,780,920.84	-	4,780,920.84	4,175,285.93	(605,634.91)	4,175,285.93	2,877,308.61
12498NAB9	789,064.07	-	789,064.07	766,456.38	(22,607.69)	766,456.38	740,423.81
126670KN7	1,831,846.50	-	1,831,846.50	1,717,010.16	(114,836.34)	1,717,010.16	1,037,118.00
126673WB4	560,083.26	-	560,083.26	544,691.82	(15,391.44)	544,691.82	519,479.47
12667FUL7	189,967.87	-	189,967.87	141,385.58	(48,582.29)	141,385.58	785,597.22
12667GCB7	181,815.58	-	181,815.58	170,887.82	(10,927.76)	170,887.82	135,927.44
12667GR62	8,415,537.52	-	8,415,537.52	8,355,026.41	(60,511.11)	8,355,026.41	7,028,670.89

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
12667GS20	$ 12,283,980.56	$ -	$ 12,283,980.56	$ 11,937,876.96	$ (346,103.60)	$ 11,937,876.96	$ 8,059,668.23
12667GWF6	7,061,095.55	-	7,061,095.55	6,602,223.90	(458,871.65)	6,602,223.90	5,007,656.34
12668A4B8	12,941,158.94	-	12,941,158.94	12,119,014.73	(822,144.21)	12,119,014.73	8,944,515.20
12668ACZ6	3,423,890.67	-	3,423,890.67	3,297,199.39	(126,691.28)	3,297,199.39	2,465,241.99
12668AEV3	10,542,275.05	-	10,542,275.05	10,247,548.39	(294,726.66)	10,247,548.39	8,344,374.16
12668AGW9	2,432,368.04	-	2,432,368.04	2,035,172.05	(397,195.99)	2,035,172.05	2,335,532.17
12668BDC4	4,752,590.84	-	4,752,590.84	4,513,145.41	(239,445.43)	4,513,145.41	3,802,036.56
12668BE33	13,928,835.54	-	13,928,835.54	13,081,072.18	(847,763.36)	13,081,072.18	9,546,383.41
12669B3B6	65,409.70	-	65,409.70	35,269.47	(30,140.23)	35,269.47	48,988.83
12669FVD2	858,107.46	-	858,107.46	804,119.58	(53,987.88)	804,119.58	854,710.58
12669FW82	1,015,805.12	-	1,015,805.12	975,988.96	(39,816.16)	975,988.96	770,763.52
12669GKH3	11,817,843.84	-	11,817,843.84	11,343,160.99	(474,682.85)	11,343,160.99	9,250,248.44
12669GMS7	205,855.54	-	205,855.54	193,668.85	(12,186.69)	193,668.85	175,858.37
12669GRM5	2,635,349.19	-	2,635,349.19	2,451,227.00	(184,122.19)	2,451,227.00	2,127,705.34
12669GRQ6	6,472,125.17	-	6,472,125.17	6,054,262.33	(417,862.84)	6,054,262.33	5,782,563.12
12669GTV3	339,622.83	-	339,622.83	311,854.40	(27,768.43)	311,854.40	242,733.97
12669GUR0	3,316,493.22	-	3,316,493.22	3,189,613.15	(126,880.07)	3,189,613.15	2,328,534.88
14983CAA3	1,274,147.66	-	1,274,147.66	1,196,953.48	(77,194.18)	1,196,953.48	837,139.86
17311YAC7	2,898,818.47	-	2,898,818.47	2,491,417.26	(407,401.21)	2,491,417.26	2,326,545.71
22540VG71	122,879.34	-	122,879.34	122,460.00	(419.34)	122,460.00	121,864.87
225470B93	4,582,217.54	-	4,582,217.54	4,509,934.32	(72,283.22)	4,509,934.32	3,845,680.35
22943HAD8	10,470,446.75	-	10,470,446.75	8,957,363.82	(1,513,082.93)	8,957,363.82	7,387,020.00
23243AAD8	989,370.51	-	989,370.51	955,614.98	(33,755.53)	955,614.98	717,483.87
23245QAA7	2,071,789.83	-	2,071,789.83	1,955,492.72	(116,297.11)	1,955,492.72	1,565,153.34
23321P6A1	2,863,387.53	-	2,863,387.53	2,856,459.02	(6,928.51)	2,856,459.02	2,786,385.86
23332UFV1	1,289,366.54	-	1,289,366.54	1,282,023.04	(7,343.50)	1,282,023.04	911,008.17
251508AB3	7,534,519.27	-	7,534,519.27	6,934,953.06	(599,566.21)	6,934,953.06	4,710,530.76
30251YAB4	7,206,825.42	-	7,206,825.42	7,150,532.74	(56,292.68)	7,150,532.74	5,424,394.15
32056CAH2	15,970,892.52	-	15,970,892.52	15,625,008.42	(345,884.10)	15,625,008.42	14,097,475.09
36185NXT2	480,300.23	-	480,300.23	342,093.29	(138,206.94)	342,093.29	360,669.96
36228FC53	1,037,017.12	-	1,037,017.12	982,991.94	(54,025.18)	982,991.94	842,138.90
362341L49	5,106,623.24	-	5,106,623.24	5,021,034.34	(85,588.90)	5,021,034.34	4,412,830.84
362341TM1	2,443,201.11	-	2,443,201.11	2,374,066.43	(69,134.68)	2,374,066.43	2,292,997.45
362480AD7	11,678,000.76	-	11,678,000.76	11,207,319.96	(470,680.80)	11,207,319.96	7,858,713.01
39538RAB5	9,839,578.13	-	9,839,578.13	9,740,017.04	(99,561.09)	9,740,017.04	6,825,326.72
39538RBB4	11,118,644.03	-	11,118,644.03	10,867,077.20	(251,566.83)	10,867,077.20	8,084,521.46
39538WFH6	9,253,858.85	-	9,253,858.85	9,008,051.77	(245,807.08)	9,008,051.77	6,507,935.92
39538WHF8	25,147,502.44	-	25,147,502.44	24,863,316.46	(284,185.98)	24,863,316.46	18,158,716.82
39539GAA0	4,142,380.99	-	4,142,380.99	3,858,924.02	(283,456.97)	3,858,924.02	3,093,463.70
41161PFR9	1,089,162.17	-	1,089,162.17	1,062,736.29	(26,425.88)	1,062,736.29	964,707.20
41161PHU0	6,805,621.64	-	6,805,621.64	6,566,125.81	(239,495.83)	6,566,125.81	5,535,257.34
41161PKH5	465,705.71	-	465,705.71	447,126.11	(18,579.60)	447,126.11	331,165.28
41161PL43	15,904,690.31	-	15,904,690.31	15,427,639.04	(477,051.27)	15,427,639.04	12,519,861.74
41161PLR2	11,217,125.58	-	11,217,125.58	10,366,730.27	(850,395.31)	10,366,730.27	8,096,014.35
41161PMG5	14,212,262.03	-	14,212,262.03	13,086,899.71	(1,125,362.32)	13,086,899.71	9,903,452.27
41161PQU0	11,206,801.04	-	11,206,801.04	11,083,259.53	(123,541.51)	11,083,259.53	8,829,517.26
41161PSK0	4,155,867.99	-	4,155,867.99	4,140,078.71	(15,789.28)	4,140,078.71	3,311,704.79
41161PTN3	1,861,916.34	-	1,861,916.34	1,835,975.71	(25,940.63)	1,835,975.71	1,380,582.71
41161PWB5	5,844,745.44	-	5,844,745.44	5,799,323.66	(45,421.78)	5,799,323.66	4,123,200.14
41161PXH1	677,816.57	-	677,816.57	669,094.72	(8,721.85)	669,094.72	477,286.09
41162DAF6	8,994,069.64	-	8,994,069.64	7,961,170.02	(1,032,899.62)	7,961,170.02	7,118,547.39
41164LAB5	12,621,800.45	-	12,621,800.45	11,230,967.78	(1,390,832.67)	11,230,967.78	8,387,551.76
41164YAB7	10,726,262.52	-	10,726,262.52	10,475,360.99	(250,901.53)	10,475,360.99	7,668,382.14
43739EBJ5	8,350,734.18	-	8,350,734.18	7,950,384.41	(400,349.77)	7,950,384.41	6,251,970.02
43739EBS5	8,105,864.82	-	8,105,864.82	7,658,917.19	(446,947.63)	7,658,917.19	6,751,074.64
45254NHV2	247,136.73	-	247,136.73	233,455.99	(13,680.74)	233,455.99	209,178.13
45254NJG3	1,142,062.94	-	1,142,062.94	1,122,485.65	(19,577.29)	1,122,485.65	956,740.55
45254NKF3	4,447,562.20	-	4,447,562.20	4,407,084.59	(40,477.61)	4,407,084.59	4,349,125.98
45254NML8	1,023,637.01	-	1,023,637.01	1,023,042.60	(594.41)	1,023,042.60	798,028.88
45254NPA9	13,599,192.07	-	13,599,192.07	13,231,174.95	(368,017.12)	13,231,174.95	11,211,853.18
45254NPU5	4,802,222.03	-	4,802,222.03	4,628,886.89	(173,335.14)	4,628,886.89	3,490,188.34
45254TRX4	297,840.06	-	297,840.06	293,087.16	(4,752.90)	293,087.16	207,069.94
45254TSM7	3,295,634.70	-	3,295,634.70	3,266,883.53	(28,751.17)	3,266,883.53	2,097,577.20
45257EAA2	3,879,055.62	-	3,879,055.62	3,664,344.06	(214,711.56)	3,664,344.06	3,535,358.63
45660LW96	3,085,309.15	-	3,085,309.15	2,903,399.55	(181,909.60)	2,903,399.55	1,872,549.76
45660LY94	485,927.29	-	485,927.29	307,876.96	(178,050.33)	307,876.96	183,383.48
45660LYW3	3,582,993.37	-	3,582,993.37	2,965,244.32	(617,749.05)	2,965,244.32	2,142,003.90
45660N3S2	4,168,246.96	-	4,168,246.96	4,148,358.98	(19,887.98)	4,148,358.98	3,817,083.54
45660NQ24	853,542.41	-	853,542.41	802,184.25	(51,358.16)	802,184.25	791,950.38
456612AC4	14,752,889.16	-	14,752,889.16	13,658,056.92	(1,094,832.24)	13,658,056.92	9,476,622.32
45661LAG3	4,918,903.42	-	4,918,903.42	4,767,495.48	(151,407.94)	4,767,495.48	4,036,455.12
45667WAA6	3,657,646.56	-	3,657,646.56	3,407,235.80	(250,410.76)	3,407,235.80	3,135,273.61
466247BC6	140,463.09	-	140,463.09	139,336.41	(1,126.68)	139,336.41	137,500.62
525221AJ6	2,423,202.18	-	2,423,202.18	2,408,596.80	(14,605.38)	2,408,596.80	1,681,253.43
525221EN3	10,347,206.55	-	10,347,206.55	8,058,470.44	(2,288,736.11)	8,058,470.44	6,566,646.65
525221GM3	3,131,481.61	-	3,131,481.61	2,964,863.90	(166,617.71)	2,964,863.90	1,891,920.84
52524YAF0	10,705,885.46	-	10,705,885.46	10,608,844.00	(97,041.46)	10,608,844.00	7,272,729.33

CUSIP	Amortized Cost before Cumulative Adjustment	Cumulative Adjustment	Amortized Cost before OTTI	Projected Cash Flow	Recognized OTTI	Amortized Cost after OTTI	Fair Value
550279AA1	$ 4,183,735.11	$ -	$ 4,183,735.11	$ 4,132,667.48	$ (51,067.63)	$ 4,132,667.48	$ 3,211,786.83
55027AAR1	10,402,608.17	-	10,402,608.17	10,175,024.99	(227,583.18)	10,175,024.99	7,001,283.12
55027AAU4	5,421,668.41	-	5,421,668.41	5,198,866.80	(222,801.61)	5,198,866.80	3,379,511.88
55027BAA6	14,422,565.14	-	14,422,565.14	14,012,496.58	(410,068.56)	14,012,496.58	9,444,008.61
576433G42	7,620,937.36	-	7,620,937.36	7,346,531.01	(274,406.35)	7,346,531.01	5,368,399.14
576433H33	3,914,653.00	-	3,914,653.00	3,779,758.84	(134,894.16)	3,779,758.84	3,725,126.07
576438AA3	3,170,157.17	-	3,170,157.17	3,154,671.70	(15,485.47)	3,154,671.70	2,688,395.08
57643LMP8	1,818,151.86	-	1,818,151.86	1,734,492.66	(83,659.20)	1,734,492.66	1,093,308.00
617463AA2	18,190.33	-	18,190.33	17,901.18	(289.15)	17,901.18	14,579.46
61750FAE0	669,494.38	-	669,494.38	629,661.33	(39,833.05)	629,661.33	571,359.46
617526AE8	314,327.91	-	314,327.91	300,966.95	(13,360.96)	300,966.95	228,521.15
63543XAH2	106,600.00	-	106,600.00	79,020.00	(27,580.00)	79,020.00	100,000.00
64352VNY3	2,963,790.95	-	2,963,790.95	2,721,526.68	(242,264.27)	2,721,526.68	1,402,020.00
65535VRK6	1,114,388.91	-	1,114,388.91	1,072,060.59	(42,328.32)	1,072,060.59	1,055,783.60
65535VUS5	2,153,982.46	-	2,153,982.46	1,841,133.77	(312,848.69)	1,841,133.77	1,904,936.36
66987XBV6	18,653.88	-	18,653.88	18,052.56	(601.32)	18,052.56	13,570.85
74922AAA5	13,943,565.17	-	13,943,565.17	13,688,265.61	(255,299.56)	13,688,265.61	8,514,255.33
75114GAC3	18,526,178.13	-	18,526,178.13	18,199,499.83	(326,678.30)	18,199,499.83	12,887,711.47
75114HAD9	17,431,974.80	-	17,431,974.80	16,987,120.85	(444,853.95)	16,987,120.85	13,037,178.33
75114NAA2	8,422,001.05	-	8,422,001.05	8,389,607.15	(32,393.90)	8,389,607.15	6,867,667.02
75114NAB0	3,022,759.65	-	3,022,759.65	3,017,026.02	(5,733.63)	3,017,026.02	2,735,828.82
75970NAG2	1,672,850.85	-	1,672,850.85	1,580,319.99	(92,530.86)	1,580,319.99	1,316,403.38
759950EL8	4,369,242.19	-	4,369,242.19	4,171,673.19	(197,569.00)	4,171,673.19	4,268,234.94
760985U33	619,524.33	-	619,524.33	508,808.67	(110,715.66)	508,808.67	301,850.44
76110GE23	5,194,269.38	-	5,194,269.38	5,130,427.40	(63,841.98)	5,130,427.40	4,358,588.14
76110GTL5	932,001.08	-	932,001.08	762,733.61	(169,267.47)	762,733.61	850,961.76
76110GV40	3,116,460.84	-	3,116,460.84	2,955,452.79	(161,008.05)	2,955,452.79	2,784,815.56
76110GVT5	2,221,320.41	-	2,221,320.41	2,053,290.88	(168,029.53)	2,053,290.88	2,154,244.36
76110GWG2	1,628,169.23	-	1,628,169.23	1,497,239.37	(130,929.86)	1,497,239.37	1,525,109.56
76110GZQ7	7,320,464.50	-	7,320,464.50	7,260,673.39	(59,791.11)	7,260,673.39	6,305,260.05
76110GZR5	2,460,530.70	-	2,460,530.70	2,020,311.93	(440,218.77)	2,020,311.93	2,082,824.91
761118NN4	8,970,194.40	-	8,970,194.40	8,854,040.82	(116,153.58)	8,854,040.82	6,065,811.19
761118RJ9	388,592.06	-	388,592.06	367,492.35	(21,099.71)	367,492.35	229,312.93
761118RM2	18,435,535.65	-	18,435,535.65	17,706,883.39	(728,652.26)	17,706,883.39	12,966,353.51
79549ASN0	188,855.67	-	188,855.67	96,628.07	(92,227.60)	96,628.07	156,004.99
80557BAC8	7,073,934.57	-	7,073,934.57	6,658,521.05	(415,413.52)	6,658,521.05	5,994,708.50
81378EAA1	2,835,965.73	-	2,835,965.73	2,729,570.58	(106,395.15)	2,729,570.58	1,991,329.48
81379EAA0	393,146.04	-	393,146.04	382,391.58	(10,754.46)	382,391.58	347,864.03
83613GAA7	2,424,305.21	-	2,424,305.21	2,289,435.53	(134,869.68)	2,289,435.53	1,882,122.00
84752CAE7	1,577,215.87	-	1,577,215.87	1,521,215.46	(56,000.41)	1,521,215.46	751,364.85
8635722A0	246,838.88	-	246,838.88	235,041.39	(11,797.49)	235,041.39	214,420.07
863579DV7	471,733.98	-	471,733.98	468,843.11	(2,890.87)	468,843.11	367,893.29
863579KG2	3,245,100.31	-	3,245,100.31	3,099,874.57	(145,225.74)	3,099,874.57	2,990,920.99
863579YR3	6,981,204.72	-	6,981,204.72	6,615,297.71	(365,907.01)	6,615,297.71	6,138,939.08
86358HHX0	1,001,108.45	-	1,001,108.45	987,386.44	(13,722.01)	987,386.44	807,677.73
86358RA23	4,524,533.79	-	4,524,533.79	4,465,507.90	(59,025.89)	4,465,507.90	3,907,151.38
86358RL88	226,189.24	-	226,189.24	58,057.55	(168,131.69)	58,057.55	122,236.18
86358RP68	593,608.65	-	593,608.65	591,449.14	(2,159.51)	591,449.14	579,356.43
86358RUQ8	88,513.41	-	88,513.41	25,607.70	(62,905.71)	25,607.70	88,499.05
86359ACC5	754,969.66	-	754,969.66	541,626.76	(213,342.90)	541,626.76	511,408.43
86359BKB6	972,851.53	-	972,851.53	923,717.36	(49,134.17)	923,717.36	980,064.82
86359BLB5	1,252,854.82	-	1,252,854.82	1,239,560.72	(13,294.10)	1,239,560.72	1,222,569.46
86359DUR6	19,298,016.21	-	19,298,016.21	17,954,125.14	(1,343,891.07)	17,954,125.14	14,380,687.56
86359LRW1	21,245,312.20	-	21,245,312.20	20,534,345.47	(710,966.73)	20,534,345.47	15,097,985.41
86359LSM2	1,399,891.35	-	1,399,891.35	1,327,165.09	(72,726.26)	1,327,165.09	1,037,905.37
86360JAA9	11,391,844.75	-	11,391,844.75	10,989,386.04	(402,458.71)	10,989,386.04	6,815,506.29
86360JAE1	8,836,521.87	-	8,836,521.87	8,442,723.34	(393,798.53)	8,442,723.34	5,991,741.22
86360KAF5	34,500,571.37	-	34,500,571.37	32,904,063.84	(1,596,507.53)	32,904,063.84	22,382,347.38
86360UAF3	4,237,400.71	-	4,237,400.71	3,887,982.50	(349,418.21)	3,887,982.50	2,779,752.52
86361HAA2	13,013,081.24	-	13,013,081.24	12,328,462.58	(684,618.66)	12,328,462.58	9,078,783.67
86361HAB0	8,510,636.17	-	8,510,636.17	7,911,868.46	(598,767.71)	7,911,868.46	8,426,051.80
86363DAA9	9,969,991.34	-	9,969,991.34	9,039,799.82	(930,191.52)	9,039,799.82	6,772,652.20
872227AE3	1,910,011.85	-	1,910,011.85	1,844,666.33	(65,345.52)	1,844,666.33	1,429,459.84
88157QAL2	698,223.45	-	698,223.45	630,409.67	(67,813.78)	630,409.67	1,177,582.12
929227QB5	232,806.19	-	232,806.19	223,929.84	(8,876.35)	223,929.84	204,572.07
92922F4M7	4,472,237.35	-	4,472,237.35	4,424,884.76	(47,352.59)	4,424,884.76	3,637,374.21
92922F5T1	7,625,591.08	-	7,625,591.08	7,532,936.26	(92,654.82)	7,532,936.26	6,520,405.82
92922F7Q5	9,591,622.46	-	9,591,622.46	9,395,996.92	(195,625.54)	9,395,996.92	7,443,451.12
92922FTJ7	1,317,040.29	-	1,317,040.29	1,288,359.22	(28,681.07)	1,288,359.22	1,142,701.99
92922FWU8	3,843,712.21	-	3,843,712.21	3,739,680.49	(104,031.72)	3,739,680.49	3,352,423.20
92925CBB7	4,414,949.29	-	4,414,949.29	4,365,574.43	(49,374.86)	4,365,574.43	3,480,246.65
92926SAE6	2,379,476.79	-	2,379,476.79	2,155,902.71	(223,574.08)	2,155,902.71	2,123,918.65
92977YAY7	2,965,308.91	-	2,965,308.91	2,448,469.16	(516,839.75)	2,448,469.16	546,787.98
939336X65	1,741,456.57	-	1,741,456.57	1,734,753.31	(6,703.26)	1,734,753.31	1,423,713.09
93934FHC9	8,460,192.37	-	8,460,192.37	8,261,569.02	(198,623.35)	8,261,569.02	5,823,343.48
93934FJQ6	15,137,829.51	-	15,137,829.51	14,738,335.29	(399,494.22)	14,738,335.29	10,723,494.10
94985JAG5	18,250,633.52	-	18,250,633.52	17,383,308.71	(867,324.81)	17,383,308.71	18,341,034.90
Totals	$ 1,130,732,656.14	$ -	$ 1,130,732,656.14	$ 1,078,535,670.23	$ (52,196,985.91)	$ 1,078,535,670.23	$ 839,143,290.12