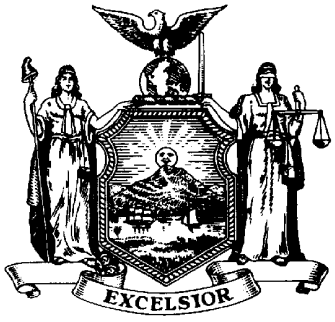

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

REPORT ON MARKET CONDUCT EXAMINATION

OF THE

METROPOLITAN LIFE INSURANCE COMPANY

CONDITION: DECEMBER 31, 2008

DATE OF REPORT: JUNE 15, 2012

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EXAMINER: ANTHONY MAURO

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Andrew M. Cuomo
Governor

Benjamin M. Lawsky
Superintendent

October, 23, 2012

Honorable Benjamin M. Lawsky
Superintendent of Financial Services
New York, New York 10004

Sir:

In accordance with instructions contained in Appointment No. 30496, dated March 12, 2010, and annexed hereto, an examination has been made into the condition and affairs of Metropolitan Life Insurance Company, hereinafter referred to as "the Company" or "MLIC," at its office located at 27-01 Queens Plaza North, Long Island City, New York 11101.

Wherever "Department" appears in this report, it refers to the New York State Department of Financial Services.

On October 3, 2011, the Insurance Department merged with the Banking Department to create the New York State Department of Financial Services.

The report indicating the results of this examination is respectfully submitted.

1. EXECUTIVE SUMMARY

As a result of the Company's repeated and protracted failure to facilitate the examination, the examiners were forced to identify and employ alternative methods to satisfy key market conduct objectives. However, even now there remain areas for which the nature, extent and scope of work was limited due to the delayed access to documentation and/or cooperation on the part of the Company. Furthermore, these delays caused the examination to run over budget from both a time and cost perspective, which in turn led to additional expenses being borne by the Company. (See Section 5 of this report)

The examiner recommends that the Company develop and implement far more effective procedures so as to ensure that, in the future, it can produce in a timely manner, policy level data that can be reconciled to the various policy exhibits as reported in the Company's filed annual statements for the period under examination. (See Section 5 of this report)

A review of premium notices generated by "MILEPOST", which is a legacy administrative system used for certain in-force life insurance products, revealed that the premium notices did not contain the statement that "unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit". The Company thus violated Section 3211(b)(2) of the New York Insurance Law by failing to state on the premium notice that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the policyholder's right to any cash surrender value or nonforfeiture benefit. (See Section 4C of this report)

A review of life insurance surrender payments where the surrender proceeds were paid on checks generated by two administrative systems used to administer a small block of individual life insurance policies included the following statement on the face of each check: "IN FULL SETTLEMENT OF ALL CLAIMS UNDER POLICY # [XXX] ON THE LIFE OF [XXX]". The Company thus violated Section 216.6(g) of Department Regulation No. 64 by including language on the face of the checks which expressly or impliedly states that acceptance of such check constitutes final settlement or release of any future obligations arising out of the loss. (See Section 4C of this report)

A review of the Company's individual life and annuity claim forms utilized during the examination period revealed that the required New York fraud warning statement was not included on any of its life and annuity claim forms. The Company thus violated Section 403(d) of the New York Insurance Law by failing to include a fraud warning statement on any of its individual life and annuity claim forms. In response, the Company explained the violation was a result of a misunderstanding of the applicability of Section 403(d). (See Section 4C of this report)

A review of group life and dental claims revealed that all of the Company's group life and dental claim forms contained a fraud warning statement that substantially differed from the language required by Section 403(d) and Section 86.4(a) of Department Regulation No. 95. The fraud warning statement used on the group life and dental claim forms was not submitted to the Insurance Frauds Bureau for prior approval, as required by Section 86.4(e) of Department Regulation No. 95. The Company thus violated Section 403(d) of the New York Insurance Law and Section 86.4(e) of Department Regulation No. 95 by using group life and dental claim forms that contained fraud warning statements that substantially differed from the statutory fraud warning statement without submitting such forms to the Insurance Frauds Bureau for prior approval. (See Section 4C of this report)

2. SCOPE OF EXAMINATION

This examination covers the period from January 1, 2004 through December 31, 2008. As necessary, the examiner reviewed matters occurring subsequent to December 31, 2008 but prior to the date of this report (i.e., the completion date of the examination).

The examination comprised a review of market conduct activities and utilized the National Association of Insurance Commissioners' Market Conduct Examiner's Handbook or such other examination procedures, as deemed appropriate, in such review.

The examiner reviewed the corrective actions taken by the Company with respect to the market conduct violations, recommendations and comments contained in the prior report on examination. The results of the examiner's review are contained in item 6 of this report.

This report on examination is confined to comments on matters which involve departure from laws, regulations or rules, or which require explanation or description.

3. DESCRIPTION OF COMPANY

A. History

The Company was incorporated as a stock life insurance company under the laws of the State of New York on March 24, 1868 (in succession to National Travelers Insurance Company, incorporated May 1866), and commenced business on March 25, 1868. In 1915, the Company converted from a stock company to a mutual company, a company operated for the benefit of its policyholders.

On November 29, 1998, the Company announced that it would pursue conversion to a stock company from a mutual company through demutualization under Section 7312 of the New York Insurance Law. On February 18, 2000, the Company's policyholders approved the plan to convert to a stock company. The demutualization plan was approved by the Superintendent and the Company demutualized on April 7, 2000.

When the Company converted to a stock company on April 7, 2000, it became a wholly owned subsidiary of MetLife, Inc., a Delaware holding company. Each policyholder's ownership interest in the Company was extinguished and each eligible policyholder received, in exchange for that interest, trust interests representing shares of common stock of MetLife, Inc. held in the MetLife Policyholder Trust, cash, or an adjustment to their policy value in the form of policy credits, as provided in the reorganization plan.

On the date of demutualization, April 7, 2000, the Company established a closed block for the benefit of individual participating policyholders who are expected to receive ongoing dividend payments as part of their policies. The Company designated assets to the closed block in an amount that it reasonably expected would, together with revenue from the policies in the closed block, be sufficient to pay benefits and certain taxes and expenses of the closed block, and provide for the continuation of the then current dividend scales, if the experience underlying such dividend scales continued and for appropriate changes in such scales if the experience changed. These cash flows are expected to be sufficient to pay each policyholder, including the last surviving individual, a commensurate amount of cash flow for policyholder benefits and dividends.

On June 27, 2000, MetLife, Inc.'s board of directors authorized the repurchase of up to $1 billion of MetLife, Inc.'s outstanding common stock. After the completion of this repurchase

program, MetLife, Inc.'s board of directors authorized another $1 billion common stock repurchase program on March 27, 2001. Both authorizations allowed MetLife, Inc. to purchase common stock from the Metropolitan Life Policyholder Trust, in the open market, and in private transactions.

On January 1, 2003, MetLife, Inc. established a new direct subsidiary, MetLife Group, Inc., as an employee services company to provide personnel to support all activities of the MetLife enterprise. With certain limited exceptions, all United States associates formerly employed by the Company became employees of MetLife Group, Inc. For regulatory purposes, certain employees who adjudicate insurance claims remained employees of the Company. In addition, certain sales force and agency administrative support personnel remained employees of the Company.

On January 31, 2005, MetLife, Inc. entered into an agreement to acquire Citigroup's Travelers Life & Annuity business, and substantially all of Citigroup's international insurance businesses (except its business in Mexico), for $11.5 billion. In connection with the transaction, Citigroup and MetLife, Inc. entered into ten year agreements under which MetLife, Inc. expanded its distribution by making products available through some Citigroup distribution channels, including Smith Barney, Citibank branches, and Primerica in the U.S., as well as a number of international distribution channels.

B. Territory and Plan of Operation

The Company is authorized to write life insurance, annuities and accident and health insurance as defined in paragraphs 1, 2 and 3 of Section 1113(a) of the New York Insurance Law. The Company is licensed to transact business in all fifty states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and Guam. Policies are written on a participating and non-participating basis.

The following tables show the percentage of direct premiums received, by state, and by major lines of business for the year 2008:

Life Insurance Premiums	
New York	15.89%
California	9.43%
Texas	6.52%
Michigan	5.55%
New Jersey	4.98%
Subtotal	42.37%
All others	57.63%
Total	100.00%

Annuity Considerations	
New York	14.20%
Florida	8.25%
Pennsylvania	6.85%
New Jersey	6.56%
California	5.94%
Subtotal	41.80%
All others	58.20%
Total	100.00%

Accident and Health Insurance Premiums	
California	10.77%
New York	9.26%
Texas	7.31%
Florida	5.98%
Illinois	5.06%
Subtotal	38.38%
All others	61.62%
Total	100.00%

Deposit Type Funds	
New York	64.85%
Delaware	33.91%
Subtotal	98.76%
All others	1.24%
Total	100.00%

Other Considerations	
New York	26.17%
California	8.91%
Pennsylvania	8.81%
New Jersey	8.11%
Illinois	7.06%
Subtotal	59.06%
All others	40.94%
Total	100.00%

The Company offers a wide variety of individual and group products. Individual products offered by the Company include traditional term and whole life, universal and variable universal life, disability and long-term care insurance, as well as qualified and non-qualified

variable and fixed annuities. The markets targeted for individual insurance include, the middle-income, affluent and business owner markets.

Group products offered by the Company include term life, private placement variable life, general and separate account annuities, dental, long-term disability, and long-term care insurance. The markets targeted for group insurance include small, medium and large employers, either as an integrated employee benefits package or as a stand alone product offering.

Retirement and savings products offered by the Company include administrative services to sponsors of 401(k) and other defined contribution plans and guaranteed interest products. The markets targeted for retirement and savings products include the small and midsize groups markets. The Company offers a variety of guaranteed interest contracts and funding arrangements for qualified retirement and savings plans.

In November 2011, the Company announced that it discontinued the sale of new long term care insurance. The decision to stop writing new business does not affect existing insureds' coverage.

The Company's agency operations are conducted through its career agency force, independent agents, financial institutions, affiliated broker/dealers, third party marketing organizations, including direct marketing efforts, affinity groups and joint ventures. Major individual life and annuity products continued to be sold primarily through the Metropolitan Life career agency sales force by 6,362 career representatives through the end of 2008. The Company offers its major individual life insurance and annuity products primarily through its career agency force. The primary distribution channels for group health and welfare products and group annuity products are brokers and consultants. The individual business distribution channels offer disability income and individual long-term care.

4. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's market conduct activities affecting policyholders, claimants, and beneficiaries to determine compliance with applicable statutes and regulations and the operating rules of the Company.

A. Advertising and Sales Activities

The examiner reviewed a sample of the Company's advertising files and the sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies.

Based upon the sample reviewed, no significant findings were noted.

B. Underwriting and Policy Forms

The examiner reviewed a sample of new underwriting files, both issued and declined, and the applicable policy forms.

Based upon the sample reviewed, no significant findings were noted.

C. Treatment of Policyholders

The examiner reviewed a sample of various types of claims, surrenders, changes and lapses. The examiner also reviewed the various controls involved, checked the accuracy of the computations and traced the accounting data to the books of account.

Section 403(d) of the New York Insurance Law states, in part:

> "(d) All applications for commercial insurance, individual, group or blanket accident and health insurance and all claim forms....shall contain a notice in a form approved by the superintendent that clearly states in substance the following:
> 'Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.'"

Section 86.4 of Department Regulation No. 95 states, in part:

> "(a) . . . all claim forms for insurance, . . . shall contain the following statement: 'Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.'
>
> (e)…insurers may use substantially similar warning statements provided such warning statements are submitted to the Insurance Frauds Bureau for prior approval."

A review of the Company's individual life and annuity claim forms utilized during the examination period revealed that the required New York fraud warning statement was not included on any of its life and annuity claim forms. The Company thus violated Section 403(d) of the New York Insurance Law by failing to include a fraud warning statement on any of its individual life and annuity claim forms. In response, the Company explained the violation was a result of a misunderstanding of the applicability of Section 403(d).

A review of group life and dental claims revealed that all of the Company's group life and dental claim forms contained a fraud warning statement that substantially differed from the language required by Section 403(d) and Section 86.4(a) of Department Regulation No. 95. The fraud warning statement used on the group life and dental claim forms was not submitted to the Insurance Frauds Bureau for prior approval, as required by Section 86.4(e) of Department Regulation No. 95. The Company thus violated Section 403(d) of the New York Insurance Law and Section 86.4(e) of Department Regulation No. 95 by using group life and dental claim forms that contained fraud warning statements that substantially differed from the statutory fraud warning statement without submitting such forms to the Insurance Frauds Bureau for prior approval.

Section 216.6 (g) of Department Regulation No. 64 states:

> "Checks or drafts in payment of claims; releases. No insurer shall issue a check or draft in payment of a first-party claim or any element thereof, arising under any policy subject to this Part that contains any language or provision that expressly or impliedly states that acceptance of such check or draft shall constitute a final settlement or release of any or all future obligations arising out of the loss. No

> insurer shall require execution of a release on a first- or third-party claim that is broader than the scope of the settlement."

A review of life insurance surrender payments where the surrender proceeds were paid on checks generated by two administrative systems used to administer a small block of individual life insurance policies included the following statement on the face of each check: "IN FULL SETTLEMENT OF ALL CLAIMS UNDER POLICY # [XXX] ON THE LIFE OF [XXX]".

The Company thus violated Section 216.6(g) of Department Regulation No. 64 by including language on the face of the checks which expressly or impliedly states that acceptance of such check constitutes final settlement or release of any future obligations arising out of the loss.

Section 3211 of the New York Insurance Law states, in part:

> "(a)(1) No policy of life insurance or non-cancellable disability insurance delivered or issued for delivery in this state . . . shall terminate or lapse by reason of default in payment of any premium, installment, or interest on any policy loan in less than one year after such default, unless a notice shall have been duly mailed at least fifteen and not more than forty-five days prior to the day when such payment becomes due. A separate notice shall not be required for insurance that is supplemental to a policy of life insurance . . .
>
> (b) The notice required by paragraph one of subsection (a) hereof shall . . .
>
> (1) be duly mailed to the last known address of the person insured, or if any other person shall have been designated in writing to receive such notice, then to such other person;
>
> (2) state the amount of such payment, the date when due, the place where and the person to whom it is payable; and shall also state that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit . . ."

A review of premium notices generated by "MILEPOST", which is a legacy administrative system used for certain in-force life insurance products,, revealed that the premium notices did not contain the statement that "unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit".

The Company thus violated Section 3211(b)(2) of the New York Insurance Law by failing to state on the premium notices issued by one of its legacy administrative systems that unless such payment is made on or before the date when due or within the specified grace period

thereafter, the policy shall terminate or lapse except as to the policyholder's right to any cash surrender value or nonforfeiture benefit.

5. DATA FILE FACILITATION

The examination commenced on August 14, 2008, with the issuance of the Pre-examination Letter ("PEL") to the Company, which requested policy level data files for all life, annuity and accident and health policies that were issued, in force or terminated, as well as claims paid, denied or pending during the examination period. In addition to providing the data files, reconciliations to support the totals in the data files to the amounts reflected in the various policy exhibits and schedules, as reported in its filed annual statements for the examination period, were required as a verification of the integrity of the data. The requested information was to be provided within 30 days of receipt of the PEL by the Company.

On October 23, 2008, at the Company's request, the examiners met with the Company to prioritize the delivery of all the information requested in the PEL. The production of the data files was made a top priority item. At that time, the Company was reminded that the information was approximately two months past due and of its obligation to facilitate the examination.

On December 18, 2008, the examiner issued Examination Memorandum No. 1, which summarized the series of delays in the commencement of the examination and also advised the Company that the "examination is seriously behind schedule as a result of the Company's delay in providing the requested data files. . ."

On December 22, 2008, seven weeks after the date originally planned, the examination team arrived onsite at the Company's Long Island City Office.

Throughout the next several months, the examiners were in constant communication with the Company regarding the outstanding data files. These communications included periodic examination status meetings, informal discussions and examination memoranda.

On February 16, 2010, 18 months after it is was first requested, the Company placed on its internal shared drive the in-force "data files" for the year ending 2008, which were in response to PEL item 16 – "in force" data files. A review of these data files revealed that the files were copies of the "actuarial valuation filings" that were previously provided to the Life Bureau Actuaries in March 2009 as part of the Annual Statement filing. However, while these files were

appropriate for reserve validation, they did not tie into the amounts reflected in the other policy exhibits and schedules, as reported in its filed annual statements.

On June 30, 2010, the field work for the Financial Condition Examination was completed and a draft report was sent to the Company. A minimal staff of examiners remained on-site and continued to have periodic status meetings with the Company to request the outstanding data files and related market conduct information.

From June 30, 2010 through April 2011, the examiners were in communication via email with the Company regarding the outstanding data files.

On April 6, 2011, the Department met with the Company and the Company committed to provide the outstanding market conduct items, including the policy level data. On or about April 29, 2011, the Company made a decision to produce the policy level data without regard to whether it reconciled to the annual statements.

On or about May 2, 2011, the first data files were provided to the examiners on the Company's internal shared drive -- 33 months after the initial data file request was sent. The files were provided on a rolling basis between May and June 2011. Approximately 300 data files, data layouts and data dictionaries in various formats were provided; some of which were in formats that were incompatible with the Department's and/or Company's software and could not be opened. As a result, the Company had to re-produce certain files, which caused further delays. In addition, the Company was unable to provide data file reconciliations that traced the policy counts and amounts reported in various policy schedules and exhibits as reported in its filed annual statements for the period under examination; nor did the Company provide complete explanations as to which requests the data files related. Consequently, additional examination resources were used to investigate the completeness, accuracy and usefulness of the data for the examination objectives. Even then, however, the files did not completely meet the examiners' requirements and expectations, because the Company failed to include all the data fields requested in the PEL and was unable to reconcile the data files to the amounts reported in various policy schedules and exhibits as reported in its filed annual statements for the period under examination. Nonetheless, the examiners ultimately decided to proceed based on the files -- a decision made, in no small measure, because another production would have caused additional delays and may not have yielded better results.

Once the examiners began sampling the data, approximately 66 Market Conduct examination requests for policies, contracts or certificates that were issued, in force or terminated as well as claims paid, denied or pending during the examination period were requested between June 8, 2011 and October 12, 2011. The requests contained a standard response deadline of 5 business days. However, the first responses to any of the requests did not arrive until September 16, 2011 -- 72 business days after the first of the 66 requests were sent.

As a result of the Company's repeated and protracted failure to facilitate the examination, the examiners were forced to identify and employ alternative methods to satisfy key market conduct objectives. However, even now, there remain areas for which the nature, extent and scope of work was limited due to the delayed access to documentation and/or cooperation on the part of the Company. Furthermore, these delays caused the examination to run over budget from both a time and cost perspective, which in turn led to additional expenses being borne by the Company.

The examiner recommends that the Company develop and implement far more effective procedures so as to ensure that, in the future, it can produce in a timely manner, policy level data that can be reconciled to the various policy exhibits as reported in the Company's filed annual statements for the period under examination.

6. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violations, recommendations and comments contained in the prior report on examination and the subsequent actions taken by the Company in response to each citation:

Item	Description
A	The Company violated Sections 51.6(b)(2), (b)(3) and (b)(6) of Department Regulation No. 60 for: failing to require with or as part of each application a copy of any proposal, including the sales material used in the sale of the proposed annuity contract or life insurance policy, and the proof of receipt by the applicant of the completed Disclosure Statement; failing to maintain any proposals, including the sales material used in the sale of the proposed annuity contract or life insurance policy; and failing to examine any proposal used, including the Disclosure Statement, and ascertain that they were accurate and met the requirements of Department Regulation No. 60. The review revealed that the Company maintains and examines any proposal used, including the Disclosure Statement, and ascertains that they are accurate and meet the requirements of Department Regulation No. 60.
B	The examiner recommends that the Company ensure that its agents identify on the Disclosure Statement whether or not sales material is used in the sale of proposed life insurance policies and annuity contracts. The review revealed that the Company's agents are identifying on the Disclosure Statement whether or not sales material is used in the sale of proposed life insurance policies and annuity contracts.
C	The Company violated Section 51.6(b)(6) of Department Regulation No. 60 and Section 243.2(b) of Department Regulation No. 152 for failing to maintain the notification of replacement to the insurer whose annuity contract was replaced and failing to maintain the documentation received from the replaced insurer that was used to complete the Disclosure Statement for its annuity replacements. The review revealed that the Company maintains the notification of replacement to the insurer whose annuity contract was replaced and the documentation received from the replaced insurer.
D	The Company violated Section 51.6(b)(4) of Department Regulation No. 60 for failing to furnish to the insurer whose coverage was being replaced a copy of any proposal, including the sales material used in the sale of the proposed annuity contract, and the completed Disclosure Statement within ten days of receipt of the application. The review revealed that the Company is furnishing to the insurer whose coverage was

being replaced a copy of any proposal, including the sales material used in the sale of the proposed annuity contract, and the completed Disclosure Statement within ten days of receipt of the application in accordance with Section 51.6(b)(4) of Department Regulation No. 60

E The Company violated Section 51.6(e) of Department Regulation No. 60 for failing to furnish changes to their procedures within 30 days of such changes to the Superintendent.

A review revealed that the Company furnished changes to its procedures to the Superintendent in accordance with Section 51.6(e) of Department Regulation No. 60.

F The Company violated Section 3209(b)(1) of the New York Insurance Law and/or Section 53-3.5(a) of Department Regulation No. 74 by failing to provide the applicant with the preliminary information or an illustration, as applicable, prior to or at the time of application for universal life and variable universal life policies.

The Company's practice was to provide customers with the ability to view a computer screen generated illustration prior to or at the time the application is signed, particularly in applications involving Universal Life and Variable Universal Life policies. The Company utilized electronic illustrations or electronic preliminary information sheets to avoid delaying application submission and underwriting until a physical copy of the illustration or preliminary information can be provided. In response to the prior report violation, the Company filed individual life application (form # ENB-7-07-NY), which was approved for use in New York. The form contains check boxes near the agreement section where the policy owner is asked to sign, and to indicate that he or she has either viewed an illustration and/or will receive a paper copy no later than upon issuance and delivery of the policy.

G The examiner recommends that the Company review its policy files and identify all such cases where: 1) there is no signed statement by the applicant indicating receipt of the preliminary information or an illustration, as applicable; 2) the signed statement that the applicant received the preliminary information or illustration, as applicable, indicates it was provided after the policy was delivered; and 3) the signed statement that the applicant received the preliminary information or illustration, as applicable, indicates it was provided after the date of the application but prior to or at the time that the policy was delivered. The examiner also recommends that the Company develop and propose a plan of remediation acceptable to the Department which addresses the Company's failure to provide the required disclosure material (i.e., preliminary information or an illustration, as applicable) in a timely manner.

The Company's practice was to provide customers with the ability to view a computer screen generated illustration prior to or at the time the application is signed, particularly in applications involving Universal Life and Variable Universal Life policies. The Company's utilized electronic illustrations or electronic preliminary information sheets to avoid delaying application submission and underwriting until a physical copy of the illustration or preliminary information can be provided. In response to the prior report

violation, the Company filed individual life application (form # ENB-7-07-NY), which was approved for use in New York. The form contains check boxes near the agreement section where the policy owner is asked to sign, and to indicate that he or she has either viewed an illustration and/or will receive a paper copy no later than upon issuance and delivery of the policy.

H The examiner recommends that the Company provide to the Department a plan to assure that, in the future, applicants are provided with the required disclosure in a timely manner in compliance with Section 3209 of the New York Insurance Law and Department Regulation No. 74.

In response to the prior report violation, the Company filed individual life application (form # ENB-7-07-NY), which was approved for use in New York. The form contains check boxes near the agreement section where the policy owner is asked to sign, and to indicate that he or she has either viewed an illustration and/or will receive a paper copy no later than upon issuance and delivery of the policy.

I The Company violated Section 3201(b)(1) of the New York Insurance Law by using three employee enrollment/consent to insurance forms that were not filed with and approved by the Superintendent.

The Company submitted for approval the enrollment/consent forms on September 24, 2008 and the forms were approved on November 4, 2008.

J The Company violated Section 54.7(b)(4) of Department Regulation No. 77 by having maximum cost of insurance rates stated in its juvenile and small face amount variable universal life policies in excess of those permitted.

The Company submitted documentation to the Department including mortality studies showing the mortality experience for juveniles, which the Department accepted.

K The examiner recommends that the Company provide endorsements for all juvenile and small face amount policies where the maximum cost of insurance rates stated in the policies are in excess of those permitted by Department Regulation No. 77, for the purpose of reducing such maximum cost of insurance rates to the rates permitted by Department Regulation No. 77. The examiner also recommends that the Company review its small face amount and juvenile policies to determine which policies were charged more than the maximum mortality rates permitted by Department Regulation No. 77 and the amount of the excess, and report the results of the review to the Department, and in addition, provide the Department with the historic experience (deaths and exposures) and the history of cost of insurance rates charges for small face amount, juvenile, and smoker classes.

The Company submitted documentation to the Department including mortality studies showing the mortality experience for juveniles, which the Department accepted.

L The Company violated Section 3201(b)(1) for using approved annuity contracts in an unapproved manner by issuing such variable annuity contracts without the required cost disclosure regarding its enhanced dollar cost averaging ("EDCA") accounts, as advised by Department Circular Letter No. 33 (1998).

The Company submitted documentation to the Department regarding the EDCA cost disclosures which the Department accepted.

M The examiner recommends that the Company review its contract files to identify the variable annuity contracts with EDCA accounts in order to provide the cost disclosure required by Department Circular Letter No. 33 (1998) to the affected contract holders. The examiner also recommends that the Company develop a cost disclosure statement to be provided in a timely manner to future contract holders.

The Company submitted documentation to the Department regarding the EDCA cost disclosures which the Department accepted.

N The Company violated Section 3203(a)(16) of the New York Insurance Law by issuing life insurance policies subject to Section 4232(b) of the New York Insurance Law without disclosing that additional amounts are not guaranteed and the insurer has the right to change the amount of interest credited to the policy and the cost of insurance or other expense charges deducted under the policy which may require more premium to be paid than was illustrated or the cash values may be less than those illustrated.

The Company revised its policy forms to comply with Section 3203(a)(16) of the New York Insurance Law.

O The Company violated Section 3203(a)(15) of the New York Insurance Law by issuing participating cash value policies without disclosing that dividends are not guaranteed and the insurer has the right to change the amount of dividend to be credited to the policy which may result in lower dividend cash values than were illustrated, or, if applicable, require more premiums to be paid than were illustrated.

The Company mailed endorsements to policy owners of participating cash value policies disclosing that dividends are not guaranteed and the insurer has the right to change the amount of dividend to be credited to the policy which may result in lower dividend cash values than were illustrated, or, if applicable, require more premiums to be paid than were illustrated.

P Comment that the Company's actions or lack of action are an indication that the Company negligently failed to comply with Section 3203 of the New York Insurance Law.

The Company stated it has taken corrective action to comply with Section 3203 of the New York Insurance Law and the examination did not reveal any instances of non-compliance with Section 3203 of the New York Insurance Law.

7. SUMMARY AND CONCLUSIONS

Following are the violations and recommendations contained in this report:

Item	Description	Page No(s).
A	The Company violated Section 403(d) of the New York Insurance Law by failing to include a fraud warning statement on any of its individual life and annuity claim forms.	10
B	The Company violated Section 403(d) of the New York Insurance Law and Section 86.4(e) of Department Regulation No. 95 by using group life and dental claim forms that contained fraud warning statements that substantially differed from the statutory fraud warning statement without submitting such forms to the Insurance Frauds Bureau for prior approval.	10
C	The Company violated Section 216.6(g) of Department Regulation No. 64 by including language on the face of the checks which expressly or impliedly states that acceptance of such check constitutes final settlement or release of any future obligations arising out of the loss.	11
D	The Company violated Section 3211(b)(2) of the New York Insurance Law by failing to state on the premium notices issued by one of its legacy administrative systems that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the policyholder's right to any cash surrender value or nonforfeiture benefit.	11
E	As a result of the Company's repeated and protracted failure to facilitate the examination, the examiners were forced to identify and employ alternative methods to satisfy key market conduct objectives. However, even now there remain areas for which the nature, extent and scope of work was limited due to the delayed access to documentation and/or cooperation on the part of the Company. Furthermore, these delays and inefficiencies caused the examination to run over budget from both a time and cost perspective, which in turn led to additional expenses being borne by the Company.	14
F	The examiner recommends that the Company develop and implement far more effective procedures so as to ensure that, in the future, it can produce in a timely manner, policy level data that can be reconciled to the various policy exhibits as reported in the Company's filed annual statements for the period under examination.	14

Respectfully submitted,

/s/
Anthony Mauro
Associate Insurance Examiner

STATE OF NEW YORK)
)SS:
COUNTY OF NEW YORK)

Anthony Mauro, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

/s/
Anthony Mauro

Subscribed and sworn to before me

this_____ day of _____

APPOINTMENT NO. 30496

STATE OF NEW YORK

INSURANCE DEPARTMENT

I, ***JAMES J. WRYNN,*** *Superintendent of Insurance of the State of New York, pursuant to the provisions of the Insurance Law, do hereby appoint:*

ANTHONY MAURO

as a proper person to examine into the affairs of the

METROPOLITAN LIFE INSURANCE COMPANY

and to make a report to me in writing of the condition of the said

COMPANY

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed by name and affixed the official Seal of the Department at the City of New York

this 12th day of March, 2010

JAMES J. WRYNN
Superintendent of Insurance

Superintendent