

MetLife's Total Control Account® at a Glance-8/6/10

The TCA has been available as a life insurance benefit settlement (payment) option for more than 25 years. In 1984 MetLife added the TCA to other available methods for life insurance beneficiaries to receive the funds payable to them. Like other insurance settlement options, the laws of the 50 states govern TCAs.

TCA accountholders are protected from interruptions in interest and may withdraw the entire amount of their benefit payment immediately. Accountholders gain immediate checkbook access to the entirety of their life insurance proceeds, favorable interest from the date the account is established, a completely liquid account, relief from the need to make immediate decisions about how they want to use or invest proceeds, a dedicated telephone support center to answer questions or assist with transactions, and enjoy the assurance of a guaranteed minimum interest rate.

The features of the TCA are equal to or more favorable than receiving a lump sum check in virtually every scenario and compare favorably to the features of other liquid, interest-bearing demand accounts, such as money market bank accounts. In view of its advantages, in particular its protection from interruptions in interest, the TCA is the payment option utilized for most of our group policyholders (*i.e.*, employers). The TCA is also the method used to pay life insurance benefits under many of MetLife's individual policies. MetLife always honors a policyholder's or beneficiary's request for a check instead of a TCA.

The interest paid on TCAs is set with reference to two specified objective indices and is guaranteed never to be less than the guaranteed minimum interest rate promised for that account. The interest rate paid on TCAs always equals or exceeds the rate on at least one of the two indices referenced in the customer agreement, one of which is an index of government money market mutual fund rates and the other an index of rates paid by the country's largest banks and thrifts on money market accounts.

In the present economy, most accountholders are enjoying the protection of their TCA's guaranteed minimum interest rates. Current guaranteed interest rates are 3%, 1.5%, or 0.5%, depending on the age and origin of the account, and are guaranteed for the life of the account. As of June 30, 2010, approximately half of accountholders and account balances were earning interest at 3.0% and approximately 80% of accountholders and account balances were earning 1.5% or better.

The drafts MetLife provides accountholders can be used like checks and are generally accepted by merchants and financial institutions that accept checks. MetLife's designated processing bank cleared over 1.3 million TCA drafts in 2009.

TCA funds are secure. Although the TCA is not a checking, savings, or money market account from a bank and is not insured by the FDIC, TCA funds are guaranteed by the financial strength of MetLife. As the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) points out on its website, TCA balances are also protected by state guaranty funds, up to state coverage limits (generally \$300,000).

MetLife takes the investment risk, not the accountholders. Because MetLife bears the investment experience of the assets backing the TCA, it may receive a profit from these assets. MetLife also invests the assets to earn a return on the capital it must retain to ensure that it can always satisfy its obligations to its customers.