



**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

TO: Office of the President
MetLife
27-01 Queens Plaza North, 5A-105B
Long Island City, NY 11101-4018

RE: Missouri Market Conduct Examination 0503-07-LAH
Metropolitan Life Insurance Company (NAIC #65978)

STIPULATION OF SETTLEMENT
VOLUNTARY FORFEITURE AND ORDER OF DIRECTOR

It is hereby stipulated and agreed by W. Dale Finke, Director of the Missouri Department of Insurance, Financial Institutions, and Professional Registration, hereinafter referred to as "Director" or "the Department," and Metropolitan Life Insurance Company (hereafter "MetLife,") as follows:

WHEREAS, W. Dale Finke is the Director of the Department of Insurance, Financial Institutions, and Professional Registration, an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State of Missouri; and

WHEREAS, MetLife has been granted certificate(s) of authority to transact the business of insurance in the State of Missouri; and

WHEREAS, the Department conducted a Market Conduct Examination of MetLife and prepared report number 0503-07-LAH; and

WHEREAS, the report of the Market Conduct Examination has revealed that:

1. In some instances, MetLife's advertising materials did not fully comply with Missouri law, in that they violated §§376.995(6), 376.620, and 376.693, RSMo, and Missouri Regulations 20 CSR 400-2.060(4)(F), 20 CSR 400-8.200(4)(C), and 20 CSR 400-5.100(4)(E) and (L).

2. In some instances, MetLife used application forms that included a question to elicit information about the applicant's prior declinations, violating §375.936(11)(f) and MDI Bulletin 94-04.

3. In some instances, MetLife used a certificate of coverage for life insurance that included an exclusion for suicide that did not comply with Missouri law, thereby violating Missouri Regulation 20 CSR 400-1.050(2)(A) and (3)(B).

4. In some instances, MetLife used a telephone interview questionnaire that was not previously filed for use in Missouri, as required by Missouri Regulation 20 CSR 400-8.200(2)(B)4.

5. In some instances, MetLife failed to notify some of its Individual Life Insurance policy applicants reviewed of their acceptance or rejection within 60 days of the application, nor of the reason for such delay, thereby violating Missouri Regulation 20 CSR 400-1.010(6)

6. In some instances, MetLife accepted applications with changes without the initials of the applicant in close proximity to the changes, as required by Company policy and §376.783.2, RSMo.

7. In some instances, MetLife accepted applications for issued policies although its files did not contain all necessary underwriting forms, as required by Company policy and §376.783.2, RSMo.

8. In some instances, MetLife delayed the claim process in a claim and improperly denied benefits in other claims, thereby violating §375.1007(1), (3), (4), and (5) RSMo, and Missouri Regulations 20 CSR 100-1.030(3) and 20 CSR 400-1.050.

9. In some instances, the examiners could not verify the accuracy of an unearned premium paid by MetLife, and in other policies, MetLife failed to obtain third party documentary proof of the information necessary to substantiate death claims, thereby violating §376.806.2, RSMo, and Missouri Regulation 20 CSR 300-2.200(2)

10. MetLife allowed a former insurance producer to acquire an ownership interest in a former client's policy, thereby violating Missouri Regulation 20 CSR 700-1.140(3) and (4).

WHEREAS, MetLife hereby agrees to take remedial action and to implement procedures based on those corrective actions to bring MetLife into compliance with the statutes and regulations of the State of Missouri and agrees to maintain those corrective actions at all times, including, but not limited to, taking the following actions:

1. The Company agrees to take corrective action to reasonably assure that the errors noted in the above-referenced market conduct examination report do not recur;

2. The Company agrees to take steps to ensure that all of its policyholders who are eligible for the term life conversion credit criticized on page 5 of the exam report are notified of this option; and

3. The Company agrees to review all of its Denied Group Life Claims dated January 1, 2002 to December 31, 2003, to assure that those claims were properly handled. If errors are noted, payment should be made immediately to the individuals, bearing in mind that an additional payment of nine per cent (9%) interest is also required, per §408.020, RSMo, on those late payments. A letter shall be included with the refund payments indicating that the payments are being made "as a result of a Missouri Market Conduct examination," and evidence shall be provided to the Missouri Department of Insurance, Financial Institutions, and Professional Registration, within 90 days after the closing of this examination that such payments have been made; and

4. The Company agrees to add the following language to its standard claim response letter:

"Accident reports are typically prepared by one of the police officers or emergency response workers who responded to the scene of the accident. Autopsy and toxicology reports are typically prepared by the hospital medical examiner or the County Coroner of the county in which the death occurred."

WHEREAS, MetLife, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, which may have otherwise applied to the above referenced Market Conduct Examination; and

WHEREAS, MetLife hereby agrees to the imposition of the ORDER of the Director as a result of Market Conduct Examination #0503-07-LAH further agrees, voluntarily and knowingly to surrender and forfeit the sum of \$12,162.50.

NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of MetLife to transact the business of insurance in the State of Missouri or the imposition of other sanctions, MetLife does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director and does surrender and forfeit the sum of \$12,162.50, such sum payable to the Missouri State School Fund, in accordance with §374.280, RSMo.

DATED: 12/21/2006

John F. Friedman

Senior Vice-President
MetLife