

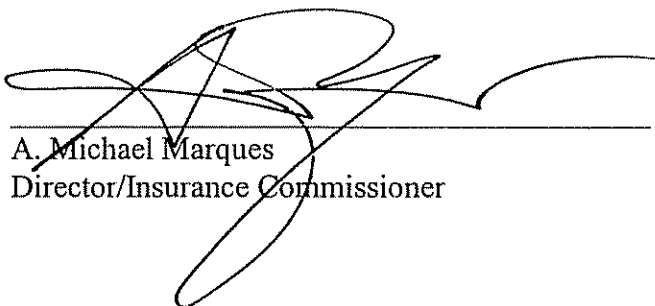
**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
INSURANCE DIVISION**

The attached Report of Examination as of December 31, 2005 of the market conduct condition and affairs of Metropolitan Life Insurance Company was recently completed by duly qualified examiners, pursuant to the provision of the Rhode Island Insurance Code.

Due consideration has been given to the comments of the examiners regarding the operations of Metropolitan Life Insurance Company and its market conduct condition as reflected from the examination report.

It is therefore ORDERED that said Report be, and it is hereby adopted and filed and made an official record of this department as of this date.

DEPARTMENT OF BUSINESS REGULATION



A. Michael Marques
Director/Insurance Commissioner

ORDER NO. 06-212

DATED: 7-31-2006

REPORT ON
THE MARKET CONDUCT EXAMINATION

OF

Metropolitan Life Insurance Company

NAIC Company Code: 65978

as of

December 31, 2005

State of Rhode Island
Department of Business Regulation
Insurance Division

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Providence, Rhode Island

May 31, 2006

Honorable A. Michael Marques
Insurance Commissioner
State of Rhode Island

Dear Commissioner:

In accordance with your instructions and pursuant to the statutes of the State of Rhode Island, a

Market Conduct Examination was conducted of the:

Metropolitan Life Insurance Company

200 Park Avenue

New York, New York 10166-0188

hereinafter referred to as the "Company".

The examination was conducted at a regional office of the Company, which is located at 700 Quaker Lane, Warwick, Rhode Island.

FOREWORD

Our Market Conduct Examination Report is, in general, a report by exception. Information relating to practices, procedures, and/or files subject to review during our examination, has been omitted from the report if errors and/or improprieties were not evidenced.

SCOPE OF EXAMINATION

Authority for this examination is provided by R. I. Gen. Laws §27-13-1 and §27-13.1-3. The examination covered the period from January 1, 2004 through December 31, 2005 and was conducted in accordance with standards established by the National Association of Insurance Commissioners, as well as, procedures developed by the Rhode Island Department of Business Regulation, Insurance Division.

The examination encompassed the review of the following areas: Consumer or Other Related Complaints, Life Claims and Replacements.

The primary purpose of the examination was to evaluate the Company's compliance with Rhode Island General Laws and Insurance Regulations, and to determine whether Rhode Island insureds and claimants were being treated equitably. The test work performed during the examination satisfied this purpose, and formed the basis for the findings and recommendations presented in this report. The examination consisted of verification and evaluation, on a test basis, of information contained in the insurer's files.

PROFILE OF COMPANY

Metropolitan Life Insurance Company

History

The origin of Metropolitan Life Insurance Company goes back to 1863, when a group of New York City businessmen raised \$100,000 to fund the National Union Life and Limb Insurance Company. Metropolitan Life Insurance Company was incorporated on May 4, 1866. The Company was known as the National Travelers Insurance Company from May 4, 1866 to March 24, 1868. After several reorganizations, the company's president and board of directors decided to focus on the life insurance business, so a new company was chartered to sell "ordinary" insurance to the middle class.

Metropolitan Life Insurance Company was incorporated as a stock life insurance company under the laws of the State of New York on March 24, 1868, and commenced business on March 25, 1868. In 1915, the Company converted from a stock company to a mutual company. On April 7, 2000, the Company converted to a stock life insurance company through a demutualization plan.

Metropolitan Life Insurance Company, a wholly owned subsidiary of MetLife, Inc., a Delaware corporation, is a leading provider of insurance and other financial services to a broad spectrum of individual and institutional customers. MetLife is domiciled in the State of New York and is licensed to transact insurance business in, and is subject to, regulation by all 50 states, the District of Columbia, Puerto Rico and the U. S. Virgin Islands.

Operations

The Company's Rhode Island direct written premium for the year 2005 was as follows:

Metropolitan Life Insurance Company

<u>Line of Business</u>	<u>Ordinary Written Premium</u>
Individual Life Insurance	\$24,292,455.00

Management

At December 31, 2005, the Officers of the Metropolitan Life Insurance Company were as follows: Robert Herman Benmosche, (Chairman of the Board and Chief Executive Officer), Carl Robert Henrikson, (President and Chief Operating Officer), William John Toppeta, (President, International) and Lisa Merry Weber, (President, Individual Business).

CONSUMER OR OTHER RELATED COMPLAINTS

A review of the Company's consumer or other related complaints was conducted to determine whether the Company was in compliance with R.I. Gen. Laws §27-29-4, Unfair Competition and Practices, and any other applicable Rhode Island General Laws and Insurance Regulations. The review was performed to determine whether the Company adhered to its own complaint handling procedures, whether a pattern existed in the types of complaints reported, whether complaints were processed and resolved in a timely manner, and whether all complaints recorded by the Department of Business Regulation, Insurance Division, were listed on the Company's complaint register.

The examiners reviewed the Insurance Division's complaint logs for the period under

examination to determine the number of complaints received by the department and forwarded to the Company. There were eight complaints received at the Insurance Division for the period under examination. The Company provided the examiners with their complaint register, which listed 17 complaints, including the 8 complaints mailed directly to the Insurance Division, for the period under examination.

Based on the examination work performed, no exceptions were noted for this area of review.

CLAIMS

A review of the Company's individual life claims practices was conducted to determine whether actions taken by the Company were in compliance with R. I. Gen. Laws §27-4-26, §27-9.1-4 and any other applicable Rhode Island General Laws and Regulations. The review was also performed to determine whether the Company was in compliance with their own claims procedures and to verify that claim files contained proper documentation and were paid in accordance with the provisions of the applicable policy contract.

The Company provided the examiners with a listing of 4,216 life insurance claims processed during the period under examination. From this listing, a sample of 50 life claim files was selected for review. The selection of the sample files was based on established NAIC sampling criteria.

Based upon the examination work performed, no exceptions were noted for this area of review.

REPLACEMENTS

Individual Life

A review of the Company's life insurance replacement practices was conducted to determine whether the Company was in compliance with Rhode Island Insurance Regulation 29 for the period under examination. Rhode Island Insurance Regulation 29 was established to protect the interests of life insurance policyholders and applicants regarding the replacement of existing life insurance, and requires specific actions by the agent and replacing insurer. Protecting policyholder interests is accomplished by assuring that the policyholders and applicants receive information to make a decision in their best interest, thereby reducing the opportunity for misrepresentation and incomplete disclosures.

The Company provided the examiners with a listing of 397 individual life insurance replacements processed during the period under examination. From this listing, a sample of 50 replacement files was selected for review. The selection of the sample files was based on established NAIC sampling criteria.

Based on the examination work performed, the examiners noted 4 files in which the Company did not send letters to the existing insurers with a verified Comparative Information Form within 3 working days, as required by Rhode Island Insurance Regulation 29 Section 7C.4, therefore, the Company was in violation of Regulation 29 Section 7C.4.

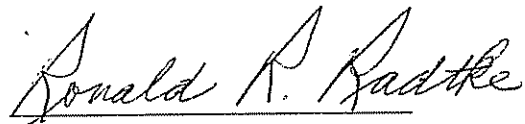
Recommendation #1: It is recommended that the Company monitor replacements of life insurance to ensure compliance with Rhode Island Insurance Regulation 29.

CONCLUSION

We have applied verification procedures to the data contained in this report using both subjective and statistical sampling techniques as deemed appropriate. While sampling techniques do not give complete assurance that all errors and irregularities will be detected, those that were detected during the course of this examination have been disclosed in this report. We were not informed of, and did not become aware of any other errors or irregularity that could have a material effect on the market conduct condition of the Company as presented in this report.

Assisting in the examination with the undersigned was Robert G. Arrow, FLMI, Senior Market Conduct Examiner and Dorothy Wendoloski, CFE, Senior Insurance Examiner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Ronald R. Radtke". The signature is written in black ink and is positioned above a horizontal line.

Ronald R. Radtke
Senior Market Conduct Examiner
Rhode Island Insurance Division