REPORT ON EXAMINATION

OF THE

METLIFE INSURANCE COMPANY USA

AS OF

DECEMBER 31, 2014

Karen Weldin Stewart, CIR-ML
Commissioner

Delaware Department of Insurance

I, Karen Weldin Stewart, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT OF EXAMINATION, made as of December 31, 2014 of the

METLIFE INSURANCE COMPANY USA

is a true and correct copy of the document filed with this Department.

Attest By: ______________________

Date: October 27, 2016

In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 27th day of October, 2016.

____

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

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Karen Weldin Stewart, CIR-ML
Commissioner

Delaware Department of Insurance

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METLIFE INSURANCE COMPANY USA

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The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Dated this 27th day of October, 2016

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SALUTATION

March 9, 2016

Honorable Karen Weldin Stewart, CIR-ML
Delaware Insurance Commissioner
Delaware Department of Insurance
Rodney Building
841 Silver Lake Blvd.
Dover, Delaware 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Certificate of Authority No. 15.016, dated February 3, 2015, an Association examination has been made of the affairs, financial condition and management of the

METLIFE INSURANCE COMPANY USA

hereinafter referred to as "Company" or "MLUSA" incorporated under the laws of the State of Delaware as a stock company with its statutory home office located at 1209 Orange Street, Wilmington, Delaware 19801. The examination was conducted at the main administrative office of the Company, located at 18210 Crane Nest Drive, Tampa, Florida 33647. The report of this examination is submitted herewith.

SCOPE OF EXAMINATION

We have performed our multi-state examination of MetLife Insurance Company USA. The last examination covered the period of January 1, 2007 through December 31, 2010. This examination covers the period of January 1, 2011 through December 31, 2014.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in 18 Del. C. § 321 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the company.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material adjustments to the Company's financial statements.

HISTORY

The Company previously operated under a charter granted by a Special Act of the General Assembly of the State of Connecticut. The original act was approved on January 1, 1863, and the Company was incorporated/organized on June 17, 1863, and commenced business on April 1, 1864.

On July 1, 2005, the Company (previously known as Travelers Insurance Company) was acquired for $12 billion by MetLife, Inc. (MetLife) from Citigroup Insurance Holding Corporation, an indirect, wholly-owned subsidiary of Citigroup. Other affiliated entities, including Travelers Life and Annuity Company (later renamed MetLife Life and Annuity Company (MLAC)), and substantially all of Citigroup's international insurance business, excluding Primerica Life Insurance Company and its subsidiaries, were included in the acquisition.

On May 1, 2006, the Company's name was changed from Travelers Insurance Company to MetLife Insurance Company of Connecticut.

On October 11, 2006, the Company entered into a Transfer Agreement with its affiliate, MetLife Investors Group, Inc. (MLIG), pursuant to which the Company acquired all of the outstanding stock of MetLife Investors USA Insurance Company (MLIUSA), from MLIG in exchange for shares of the Company's common stock with a par value $2.50 per share. The Company issued 4,595,317 shares at fair value to MLIG, which equaled the recorded cost of MLIUSA. In order to effectuate the exchange of shares, MetLife returned 10,000,000 shares just prior to the closing of the transaction and retained 30,000,000 shares representing 100% of the issued and outstanding shares of the Company prior to closing of the transaction. After the closing of the transaction, 34,595,317 shares of the Company remained outstanding, of which MLIG held 4,595,317 shares, and the remaining 30,000,000 shares held by MetLife.

Pursuant to an Agreement and Plan of Merger dated as of June 29, 2007, MLAC was merged into the Company on December 7, 2007, whereby the separate existence of MLAC ceased and all rights and obligations of MLAC became the Company's rights and obligations. The transaction was accounted for as a statutory merger.

On November 14, 2014, the Company redomesticated from the State of Connecticut to the State of Delaware in accordance with 18 Del. C. §4946 and other applicable provisions of law. Prior to the Company’s redomestication, the Company was owned 86.72% by MetLife and 13.28% by MLIG, which is wholly owned by MetLife. Upon approval by the Connecticut Insurance Department received June 30, 2014, the Company completed a stock repurchase transaction through which it repurchased the shares of stock held by MLIG. As a result of this transaction, the Company was wholly owned by MetLife upon redomestication.

Concurrently with the Company’s redomestication, the Company changed its name from MetLife Insurance Company of Connecticut (MICC) to MetLife Insurance Company USA (MLUSA), and merged with its subsidiary, MLIUSA, and its affiliate, MetLife Investors Insurance Company (MLIIC), and Exeter Reassurance Company, Ltd. (Exeter), a former offshore, reinsurance subsidiary of MetLife and an affiliate of the Company. This merger transaction was accounted for as a statutory merger in accordance with SSAP No. 68, *Business Combinations and Goodwill*.

The Company is authorized as a stock insurer to transact the business of life insurance, including annuities, variable life, variable annuities, credit life, health and credit health insurance as defined in 18 Del. C. §902 and 18 Del. C. §903. The Company markets and administers traditional life, variable and universal life, variable and fixed annuity products.

Common Capital Stock and Paid-in Surplus

The Amended Certificate of Incorporation provides that the Company has authority to issue 40,000,000 shares of common stock, par value $2.50 per share. The capital represented by the 30,000,000 shares of common stock issued and outstanding is $75,000,000. As of December 31, 2014, the company had no preferred stock.

As of December 31, 2014, all outstanding shares of the Company's common stock were owned by the Parent, MetLife, Inc.

During the period under examination, the Company received the following contributions from the Parent:

Year	Contributions
2012	$ (201,900,000) [1]
2013	$ 154,159,550 [2]
2014	$ (1,148,511,708) [3]

(1) On June 25, 2012, the Company transferred its ownership interest in its former indirect subsidiary, MetLife Europe Limited (MEL), as an extraordinary dividend consisting of all the issued and outstanding shares of common stock of MEL. The transfer was approved by the Connecticut Department of Insurance as an extraordinary dividend in the amount of $201,900,000 and was classified as a return of paid in surplus.

(2) $152,246,859 is from adjustments to restatements made for the 2013 Annual Statement as a result of the Merger on November 14, 2014. The remaining $1,912,691 was a noncash contribution passed through to Tower Square Securities.

(3) Prior to the Merger, on August 14, 2014, the Company redeemed and retired 4,595,317 shares of common stock owned by MetLife Investors Group LLC (MLIG) with a par value of $11,488,293 for $1,390,542,000 in cash. As part of this transaction, the Company received a capital contribution of $230,542,000 from MetLife.

Dividends

During the period under examination, the Company paid the following dividends to its Parent:

Year	Dividends
2011	$ 517,000,000 [1]
2012	$ 504,000,000 [2]
2013	$ 1,261,484,028 [3]
2014	$ 154,550,000 [4]

(1) Ordinary dividends paid while the Company was a Connecticut domestic.
(2) This dividend is comprised of an ordinary dividend of $302,100,000 and an extraordinary dividend approved by the Connecticut Insurance Department for $201,900,000.
(3) This dividend consists of a $624 million dividend and a $376 million dividend paid by the Company to MetLife, and two dividends paid in 2013 by merged companies consisting of a preferred stock dividend of $132,484,028 paid by Exeter to MetLife, and a $129 million dividend paid by MLIIC paid to MetLife.
(4) Prior to the November 14, 2014 merger, Exeter paid a preferred stock dividend of $154,550,000 to MetLife in 2014.

Surplus Notes

As of December 31, 2014, the Company had the following outstanding Surplus Notes;

Surplus Note Amount	Date Issued	Date Matures	Issued To	Interest Rate	CY Interest Paid
$ 750,000,000 [1]	4/8/2008	4/8/2038	MetLife Capital Trust X	8.595%	$ 64,462,500

(1) Per this Surplus Note, interest is payable semi-annually in arrears on each April 8th and October 8th. MLUSA was not re-domesticated to Delaware from Connecticut until November 14, 2014, therefore no 2014 interest payments were required to be approved by the Delaware Insurance Department. This surplus note was approved by the Connecticut Insurance Department.

Borrowed Money

As of December 31, 2014, the Company had no borrowed money.

MANAGEMENT AND CONTROL

Stockholder

Article I of the Company’s bylaws, states that annual meetings of the stockholders shall be held for the election of directors at such date, time and place, if any, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting. The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors. Action to elect the directors or to transact any other business properly transacted at the annual meeting action may be taken by written consent of the stockholders in lieu of an annual meeting of stockholders, in accordance with applicable law and the bylaws. At each annual meeting, the stockholders entitled to vote shall elect a Board of Directors and they may transact such other company business as is stated in the notice of meeting or as otherwise appropriate. Special meetings of stockholders for any purpose may be called by the Chief Executive Officer or, in the event of such Chief Executive Officers disability, by the President or by the Chief Financial Officer. The business transacted at any special meeting shall be limited to the purposes stated in the notice thereof. The holders of a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the shareholders.

Board of Directors

Pursuant to the General Corporation Laws of the State of Delaware, as implemented by the Company's Articles of Incorporation and bylaws, all corporate powers are exercised by or under the direction of the Board of Directors. The bylaws, as amended November 14, 2014, provide that the Company’s business and affairs shall be managed by the Board of Directors. Subject to restrictions imposed by law, the Articles of Incorporation, or the bylaws, the Board can exercise all of the powers of the Company. The Board shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. The Board shall be elected at the annual meeting of stockholders and each director shall be elected to hold office until the next succeeding annual meeting and until his successor is elected and qualified or until his earlier death, resignation or removal.

At December 31, 2014, the members of the Board of Directors together with their principal business affiliations were as follows:

Name and Location	Principal Occupation
Eric Thomas Steigerwalt Waxhaw, North Carolina	Chairman, President and Chief Executive Officer
Elizabeth Mary Forget New York, New York	Senior Vice President
Gene Lee Lunman Waxhaw, North Carolina	Senior Vice President

The minutes of the meetings of the shareholders and Board of Directors, which were held during the period of examination, were read and noted. Attendance at meetings, election of directors and officers, and approval of investment transactions were also noted.

Receipt by the Board of Directors of the Report on Examination as of December 31, 2010 was noted in the minutes of the Board of Directors.

Committees

Article III of the amended bylaws states that the Board of Directors, shall designate an audit committee, and may designate one or more additional committees, consisting of one or more Directors of the Company.

As of December 31, 2014, the Board had designated one committee; the Audit Committee, which was established on December 15, 2010. During the period covered by this examination, the full Board served as the Audit Committee of the Company. As the Company is a wholly owned subsidiary of MetLife, Inc., this designation is appropriate and meets the requirements of 18 Del. Admin. Code 301 §4.0 “General Requirements Related to Filing and Extensions for Filing of Annual Audited Financial Reports and Audit Committee Appointment.” None of the members of the Audit Committee were considered independent.

Officers

Article IV of the amended bylaws, states that the company's executive officers shall consist of a Chief Executive Officer, President, Vice President, Treasurer, and Secretary elected by the Board and who shall hold office until their successors are elected and qualified. The Board may designate one of its members as Chairman of the Board of Directors and another of its members as Vice Chairman of the Board of Directors.

The Board of Directors, at its first meeting after each annual meeting of shareholders, shall choose one of its directors to serve as President. The Board may elect one or more Vice Presidents, a Secretary, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers, none of whom need be a member of the Board of Directors. The officers shall be elected at each annual meeting. Any two or more offices may be held by the same person. Each officer shall hold office for the term for which he is elected and until his successor shall have been duly elected and qualified, or until death, resignation, or removal.

At December 31, 2014, the Company's principal officers and their respective titles were:

Name	**Principal Occupation**
Eric Thomas Steigerwalt	Chairman, President and Chief Executive Officer
Anant nmn Bhalla	Senior Vice President and Chief Financial Officer
Jacob Moishe Jenkelowitz	Secretary
Marlene Beverly Debel	Senior Vice President and Treasurer
Ricardo Arturo Anzaldua	Executive Vice President and General Counsel
Peter Martin Carlson	Executive Vice President and Chief Accounting Officer
Robin nmn Lenna	Executive Vice President

In addition to the above officers, additional Vice Presidents, Assistant Vice Presidents and other assistant officers were also appointed.

Conflicts of Interest

The Company maintains a formal written Code of Business Conduct, which sets out minimum standards of ethical conduct that applies to all employees, officers and directors.

Incorporated into the Code of Business Conduct is a conflict of interest policy. Each year, all officers and directors are required to complete a Business Conduct Certificate Acknowledgement, re-affirming the commitment to comply with the Code, and reporting any breaches of which they are aware and potential conflicts of interest. The Chief Compliance Officer of the Company provides an annual report to the Board concerning the compliance with the Code of Conduct, as required by the Company's Risk Management Policies, including any potential conflicts of interest.

In accordance with the Delaware Insurance Department Examination Handbook, Section 12, a review of the Company’s Annual Code Acknowledgement Statements for officers, directors and key employees was performed for the purpose of identifying anyone with a felony conviction involving dishonesty or a breach of trust. There was no indication of any criminal conviction in any of the responses reviewed.

A review of executed conflict of interest disclosure statements was conducted for all years under examination with no concerns or issues identified.

Articles of Incorporation and bylaws

On November 14, 2014, the Company redomesticated from the State of Connecticut to the State of Delaware in accordance with 18 Del. C. §4946 and other applicable provisions of law. The Company filed a Certificate of Conversions, and Articles of Incorporation on November 14, 2014, as part of the redomestication process.

Concurrent with the Company’s redomestication, the Company changed its name from MetLife Insurance Company of Connecticut to MetLife Insurance Company USA, and merged with its subsidiary, MLIUSA, and its affiliate, MLIIC, and Exeter, a former offshore reinsurance subsidiary of MetLife, and an affiliate of the Company. Upon redomestication of the Company to the State of Delaware on November 14, 2014, the bylaws were amended and restated.

Corporate Records

The recorded minutes of the sole shareholder and Board of Directors were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events, including the authorization of investments as required by 18 Del. C. §1304 "Authorization; record of investments".

A review of the Insurance Holding Company Annual Registration Statement filings (Form B and Form C) made by and on behalf of the Company for the period under examination revealed that the Company had materially complied with 18 Del. C. §5004 and 18 Del. Admin. Code 1801.

Holding Company System

The Company is a member of an insurance holding company system as defined in 18 Del. C. §5001(6) "Insurance Holding Company System". The Company's Holding Company Registration Statements were timely filed with the Delaware Insurance Department for the years under examination. The immediate parent of the Company at December 31, 2014 was MetLife, Inc. The Company had several subsidiaries as of December 31, 2014.

The following abbreviated presentation of the holding company system reflects the identities and interrelationships between the Company, its Parent, affiliated insurers and other members of the holding company system as of December 31, 2014:

Company	Domicile	% own
MetLife Inc.	Delaware	
Metropolitan Life Insurance Company	New York	100%
MetLife International Holdings, Inc.	Delaware	100%
Metropolitan Property and Casualty Insurance Company	Rhode Island	100%
MetLife Insurance Company USA	**Delaware**	**100%**

Greenwich Street Investments, LLC	Delaware	100%
Greenwich Street Capital Offshore Fund, Ltd.	Virgin Islands	100%
Greenwich Street Investments, L.P.	Delaware	100%
MetLife Renewables Holding, LLC	Texas	100%
Greater Sandhill I, LLC	Delaware	100%
Metropolitan Connecticut Properties Ventures, LLC	Delaware	100%
MetLife Greenstone Southeast Ventures, LLC	Delaware	5%
One Financial Place Corporation [1]	Delaware	100%
MetLife Greenstone Southeast Ventures, LLC	Delaware	95%
MLGP Lakeside, LLC	Delaware	100%
Euro TI Investments LLC	Delaware	100%
MetLife USA Assignment Company	Connecticut	100%
TLA Holdings II LLC	Delaware	100%
TLA Holdings III LLC	Delaware	100%
TIC European Real Estate LP, LLC	Delaware	100%
MetLife European Holdings, LLC	Delaware	100%
Sino-US United MetLife Insurance Co. LTD. [2]	China	27.8%
TLA Holdings LLC	Delaware	100%
The Prospect Company	Delaware	100%
TRAL & Co. [3]	Connecticut	50% GP
Euro TL Investments LLC	Delaware	100%
Corrigan TLP LLC	Delaware	100%
MetLife Canadian Property Ventures LLC	New York	100%
MetLife Property Ventures Canada ULC	Canada	100%
Metropolitan Tower Life Insurance Company	Delaware	100%
SafeGuard Health Enterprises, Inc.	Delaware	100%
Newbury Insurance Company, Limited	Delaware	100%
First MetLife Investors Insurance Company	New York	100%
MetLife Reinsurance Company of South Carolina	South Carolina	100%
MetLife Reinsurance Company of Charleston	South Carolina	100%
MetLife Reinsurance Company of Vermont	Vermont	100%
MetLife Reinsurance Company of Delaware	Delaware	100%
Delaware American Life Insurance Company	Delaware	100%
American Life Insurance Company	Delaware	100%

(1) 100% is owned in aggregate, by MetLife Insurance Company USA.
(2) Sino-US United MetLife Insurance Co. Ltd. is owned 27.8% by MetLife Insurance Company USA, 22.2% by Metropolitan Life Insurance Company and 50% by a third party.
(3) TRAL & Co. is a general partnership. Its partners are MetLife Insurance Company USA and Metropolitan Life Insurance Company.

Affiliated Management and Service Agreements

The Company was party to numerous inter-company agreements, which were disclosed in the Form B filings with the Delaware Insurance Department.

The following agreements were entered into prior to the period covered by this examination and remained in effect as of December 31, 2014:

Description	**Effective Date**
Administrative Services Agreement with MLIC	March 1, 1998 (1)
Administrative Services Agreement with MLIC	July 1, 1998 (1)
Metropolitan Money Market Pool Partnership Agreement	September 30, 1999 (2)
Investment Management Agreement with MLIC	January 1, 2001 (1)
Principal Underwriter's and Selling Agreement with MLIG and MLIDC	January 1, 2001, amended January 1, 2002 (3)
Master Services Agreement with MILIC	December 31, 2002
Services Agreement with MLG	January 1, 2003
Wholesale Sales Agreement between MLIUSA, affiliates and GAD	November 30, 2004
Wholesale Sales Agreement between MLIUSA, affiliates and MLIC	November 12, 2004
Wholesale Sales Agreement between MLIUSA, affiliates and NELICO	November 12, 2004
Wholesale Sales Agreement between MLIUSA, affiliates and TD	September 5, 2004
Loan Participation Agreement with MLIC	December 1, 2005
Marketing Agreement with MLPCIC	January 1, 2006 (4)
Administrative Services Agreement with MLIC	January 1, 2006
Global Services Agreement with MTL and MLS	January 1, 2007
Loan Commitment Agreement with MetLife Credit Corp	June 21, 2007
Common Paymaster Agreement with GALIC and affiliates	January 1, 2008
MLUSA Surplus Note with MetLife Capital Trust X	April 8, 2008
12b-1 Service Agreement with MLIDC	July 1, 2008
MLUSA Secured Demand Note Collateral Agreement with MLIDC	September 30, 2008
Amended and Restated Limited Liability Company Agreement with MLA	May 1, 2009
Mezzanine Loan Agreements with MICC and MLIC	December 30, 2009
Marketing and Selling Agreement with MLIC	January 1, 2010
Marketing and Selling Agreement with NEICO	January 1, 2010
Tax Allocation Agreement with MetLife and affiliates	December 1, 2011

(1) These agreements are slated for termination, but had not been terminated as of December 31, 2014
(2) During 2014, the Company redeemed its outstanding partnership interest in the pool.
(3) This agreement was subsequently amended and restated effective May 1, 2009.
(4) There are two agreements with MLPCIC, one covering all states excluding Washington, and another for only Washington.

Acronym Legend
GAD – General American Distributors
GALIC – General American Life Insurance Company
MLAC – MetLife Life & Annuity Company (formerly Travelers Life & Annuity Company)
MLIDC – MetLife Investors Distribution Company
MLG – MetLife Group, Inc.
MLPCIC – Metropolitan Property & Casualty Insurance Company
NELICO – New England Life Insurance Company
TD – Travelers Distribution, LLC
MLS - MetLife Services and Solutions, LLC

MLA – MetLife Advisors, LLC

The above agreements have previously been reviewed; however, balances associated with the above agreements as of December 31, 2014 were reviewed as part of this examination.

Agreements entered into during the period covered by this examination and remaining in effect are summarized as follows:

Global Service Agreement

Effective August 23, 2013, the Company entered into a service agreement with GBN LLC. (GBN), wherein GBN will create certain cards or stored value cards (the "Cards"), the funds associated with which may be used to fund premiums for certain life insurance policies issued by the Company; and the Company intends to market certain life insurance policies at certain retail location in combination with the Cards.

Global Service Agreement

Effective June 10, 2014, the Company entered into a service agreement with MetLife International Holdings, Inc. (MIHI), wherein MIHI will serve as a conduit for foreign vendors, including MIHI's foreign subsidiaries and affiliates within the MetLife enterprise, to provide shared services and facilities used by the Company.

MIHI will provide such services requested by the Company as the Company may determine to be reasonably necessary or beneficial to conducting its operations. The services to be provided will allow the Company to obtain services necessary or beneficial for their operations in a cost efficient manner. The types of services that will be available to the Company under the agreement will include: actuarial advice and assistance; benefits management; controller and finance support; human resource support; information technology services; product management and development; data entry processing services; and global brand marketing initiatives.

TERRITORY AND PLAN OF OPERATION

Territory

As of December 31, 2014, the Company was licensed to transact business in 49 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands. The Company was not licensed in New York. The Company is authorized as a stock insurer to transact the business of life insurance, including annuities, variable annuities, and credit health insurance as defined in 18 Del. C. § 902, and 18 Del. C. § 903.

The principal office facilities of the Company are located in Charlotte, North Carolina, Newport Beach, California; Tampa, Florida; Long Island City, New York; Warwick, Rhode Island; and West Des Moines, Iowa.

Plan of Operation

At December 31, 2014, approximately forty percent (40.3%) of direct premium was produced in five states:

The geographical breakdown of direct written premiums as of December 31, 2014 ($000's omitted) are: California, $800,496 (10.7%); Florida, $680,235 (9.1%); New Jersey, $596,556 (8.0%); Texas, $484,082 (6.4%); Pennsylvania, $460,583 (6.1%); other jurisdictions, $4,484,706 (59.7%).

The Company is one of a number of subsidiaries of MetLife, which maintains six segments, reflecting three broad geographic regions: Retail; Group, Voluntary & Worksite Benefits (GVWB); Corporate Benefit Funding; Latin America (collectively, the "Americas");

Japan and Asia Pacific or APAC (collectively "Asia"); and Europe, the Middle East and Africa (EMEA). MLUSA operates within the Americas region, within the (1) Retail, (2) GVWB, and (3) Corporate Benefit Funding segments. The segments are managed separately because they provide different products and services, require different strategies or have different technology requirements. In addition, the Company reports certain of its results of operations under (4) Corporate and Other, a non-operating segment.

Retail products are sold through a diverse set of distribution networks in order to maximize penetration in the market place. These include our MetLife Premier Client Group and third-party organizations and property.

The MetLife Premier Client Group targets the middle to upper income consumer market, including the executives of small to medium-sized companies and small business owners. As of January 1, 2015, three formerly separate distribution channels, MetLife, New England Financial, and MetLife Resources, were unified under the MetLife Premier Client Group, which, consolidated, consisted of approximately 12,000 agencies and over 100,000 career financial service representatives/agents as of December 31, 2014.

The Company also sells retail products through various third-party organizations. Products are distributed through wholesalers working directly with high net worth individuals and small to medium-sized businesses through independent general agencies, financial advisors, consultants, brokerage general agencies and other independent marketing organizations under contractual arrangements. Additionally, wholesalers sell through financial intermediaries, including regional broker-dealers, brokerage firms, financial planners and banks.

Group, Voluntary & Worksite Benefits distributes its products and services through a sales force that is segmented by the size of the target customer. Marketing representatives sell either directly to corporate and other group customers or through an intermediary, such as a broker or consultant. In addition, voluntary products are sold by specialists. Employers have been emphasizing voluntary products and, as a result, MetLife has increased their focus on communicating and marketing to employees in order to further foster sales of those products. At December 31, 2014, the Group, Voluntary & Worksite Benefits sales channels had more than 300 marketing representatives.

The Company has entered into several operating joint ventures and other arrangements with third parties to expand the marketing and distribution opportunities of Group, Voluntary & Worksite Benefits products and services. They also seek to sell Company group products and services through sponsoring organizations and affinity groups.

Corporate Benefit Funding products and services are distributed through dedicated sales teams and relationship managers located in 10 offices in the U.S. Products may be sold directly to benefit plan sponsors and advisors or through brokers, consultants or other intermediaries. In addition, these sales professionals work with individual, group and global distribution areas to better reach and service customers, brokers, consultants and other intermediaries.

Corporate & Other contains excess capital not allocated to the segments, various domestic and international start-up entities and run-off business. Corporate & Other also includes the elimination of intersegment amounts, which generally relate to loans.

A summary of premiums and annuity considerations for 2014 is described as follows:

	Life Insurance	Individual Annuities	Group Life	Group Annuities	Group A & H	Other A & H
Direct	$ 2,402,599,998	$4,874,353,039	$ 114,333	$119,316,737	$ 725,551	$230,388,901
Reinsurance Assumed	(1,381,012,901)	(1,175,280,679)	38,827,620	-	5,279,521	24,775
Reinsurance Ceded	2,099,554,155	3,864,931,202	13,400	1,776,571	725,538	224,911,517
Net Premiums Written	$(1,077,967,058)	$ (165,858,842)	$38,928,553	$117,540,166	$5,279,534	$ 5,502,159

Agency Relations and Third Party Administrators (TPA):

During the examination period, the Company had entered into several agreements with third party administrators (TPAs) for policyholder services to include but not limited to policy administration, record keeping and data processing for certain products sold by the Company.

Best's Rating

Based on A.M. Best's current opinion of the consolidated financial condition and operating performance of the Company, the Company was rated A+ (Superior) for the year ending December 31, 2014, with a stable outlook.

REINSURANCE

For 2014, the Company reported the following distribution of net premiums written:

Direct	$ 7,627,498,546
Reinsurance assumed (from affiliates)	(1,519,351,607)
Reinsurance assumed (from non-affiliates)	(992,810,057)
Total direct and assumed	$ 5,115,336,882
Reinsurance ceded (to affiliates)	(5,375,923,508)
Reinsurance ceded (to non-affiliates)	(815,988,875)
Net premium written	$ (1,076,575,501)

The Company enters into reinsurance agreements primarily as a purchaser of reinsurance for its various insurance products and also as a provider of reinsurance for some insurance products issued by affiliated and unaffiliated companies. The Company participates in reinsurance activities in order to limit losses, minimize exposure to significant risks and provide additional capacity for future growth. For its life insurance products, the Company reinsures, depending on the product, risks above the corporate retention limit of up to $5 million to external reinsurers.

Assumed:

The Company assumes life, annuity and accident and health insurance from affiliates and non-affiliates on a coinsurance, coinsurance with funds withheld, or a combination of coinsurance /modified coinsurance, as well as catastrophe (group) business from DELAM. The Company also assumes risk on certain client arrangements from both foreign affiliates and unaffiliated companies. This reinsurance activity relates to risk-sharing agreements and multinational pooling.

Ceded:

For its individual life insurance products, the Company has historically reinsured the mortality risk primarily on an excess of retention basis or on a quota share basis. The Company currently reinsures 100% of the mortality risk in excess of $100,000 per life for most new policies and reinsures up to 100% of the mortality risk for certain other policies. In addition to reinsuring mortality risk as described above, the Company reinsures other risks, as well as specific coverages. Placement of reinsurance is done primarily on an automatic basis and also on a facultative basis for risks with specified characteristics. The Company also reinsures portions of certain whole life, level premium term and universal life policies with secondary death benefit guarantees to certain affiliates. The Company evaluates its reinsurance programs routinely and may increase or decrease its retention at any time.

For its individual annuity business, the Company currently reinsures 90% of certain fixed annuities to an affiliate. The Company also reinsures portions of the living and death benefit guarantees issued in connection with certain variable annuities to unaffiliated reinsurers. Under these reinsurance agreements, the Company pays a reinsurance premium generally based on fees associated with the guarantees collected from policyholders, and receives reimbursement for benefits paid or accrued in excess of account values, subject to certain limitations. The Company also assumes 100% of the living and death benefit guarantees issued in connection with variable annuities issued by certain affiliates.

The Company reinsures, through 100% quota share agreements, certain run-off long-term care and workers' compensation business written by the Company.

The Company has exposure to catastrophes, which could contribute to significant fluctuations in the Company's results of operations. The Company uses excess of retention and quota share reinsurance agreements to provide greater diversification of risk and minimize exposure to larger risks.

The Company reinsures its business through a diversified group of well-capitalized reinsurers. The Company analyzes recent trends in arbitration and litigation outcomes in disputes, if any, with its reinsurers. The Company monitors ratings and evaluates the financial strength of its reinsurers by analyzing their financial statements. The Company also periodically monitors the collectability of reinsurance balances. No single unaffiliated reinsurer has a material obligation to the Company nor is the Company's business substantially dependent upon any reinsurance agreement. The Company is contingently liable with respect to ceded reinsurance should any reinsurer be unable to meet its obligations under these agreements.

The letters of credit and the trust agreements from the five unauthorized reinsurers were reviewed and were determined to comply with the requirements of 18 Del. Admin. Code 1003 "Credit for Reinsurance", the NAIC *Accounting Practices and Procedures Manual*, and SSAP No. 61.

The Company did not have any inter-company pooling arrangements at December 31, 2014.

Reinsurance Contract Review

A review was performed of significant reinsurance contracts put into place during the examination period for compliance with 18 Del. Admin Code §1000 and NAIC Guidelines and Statutory Accounting Principles (SSAP). No exceptions were noted.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Delaware Department of Insurance and present the financial condition of the Company for the period ending December 31, 2014. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statements, and should be considered an integral part of the financial statements.

General Account:
- Assets
- Liabilities, Surplus and Other Funds
- Summary of Operations
- Capital and Surplus Account
- Reconciliation of Capital and Surplus for the Examination Period

Separate Accounts:
- Assets
- Liabilities and Surplus

Schedule of Examination Adjustments

The narrative on the reserve related balances is presented in the Notes to the Financial Statements section of this report.

Assets
As of December 31, 2014

	Assets	Nonadmitted Assets	Net Admitted Assets	Notes
Bonds	$ 43,361,867,273	$	$ 43,361,867,273	
Stocks:				
Preferred stocks	214,169,066		214,169,066	
Common stocks	232,827,784	3,337,241	229,490,543	
Mortgage loans on real estate				
First liens	5,343,142,969		5,343,142,969	
Other than first liens	61,952,451		61,952,451	
Real estate				
Properties held for the production of income	154,514,639		154,514,639	
Properties held for sale	50,353,481		50,353,481	
Cash, cash equivalents and short-term investments	2,017,005,895		2,017,005,895	
Contract loans	1,193,519,329		1,193,519,329	
Derivatives	3,241,336,484		3,241,336,484	
Other invested assets	3,520,108,898	215,095,329	3,305,013,569	
Receivables for securities	3,593,526		3,593,526	
Aggregate write-ins for invested assets	23,795,276		23,795,276	
Investment income due and accrued	651,455,620	80,045	651,375,575	
Premiums and considerations				
Uncollected premiums and agents' balances in course of collection	220,795,838	12,207,428	208,588,410	
Deferred premiums, agents' balances and installments booked but deferred	59,182,036		59,182,036	
Reinsurance:				
Amounts recoverable from reinsurers	237,378,157		237,378,157	
Funds held by or deposited with reinsured companies	8,374,103		8,374,103	
Other amounts receivable under reinsurance contracts	812,552,937		812,552,937	
Current federal and foreign income tax recoverable and interest thereon	410,977,898		410,977,898	1
Net deferred tax asset	2,193,090,200	1,418,064,878	775,025,322	2
Guarantee funds receivable or on deposit	26,253,626		26,253,626	
Electronic data processing equipment and software	128,308,924	128,308,924	-	
Receivable from parent, subsidiairies and affiliates	96,764,947		96,764,947	
Aggregate write-ins for other than invested assets	110,756,016	30,712,036	80,043,980	
Total assets excluding Separate Accounts	$ 64,374,077,373	$ 1,807,805,881	$ 62,566,271,492	
From Separate Accounts	111,939,706,076	-	111,939,706,076	
Total	$ 176,313,783,449	$ 1,807,805,881	$ 174,505,977,568	

Liabilities, Surplus and Other Funds
As of December 31, 2014

		Notes
Aggregate reserves for life contracts	$ 35,574,616,336	3
Aggregate reserves for accident and health contracts	110,813,167	4
Liability for deposit type contracts	7,064,651,347	5
Contract claims:		
Life	107,190,050	6
Accident and health	2,060,835	7
Policyholders' dividends and coupons due and unpaid	4,486,188	
Provision for policyholder dividends and coupons payable in following		
Dividends apportioned for payment	13,026,000	
Premiums and annuity considerations for life and accident and health	2,135,080	
Contract liabilities not included elsewhere:		
Provision for experience rating refunds	188,723	
Other amounts payable on reinsurance	1,116,616,790	
Interest maintenance reserve	254,562,242	
Commissions to agents due or accrued	93,974,900	
Commissions and expense allowances payable on reinsurance assumed	4,436,658	
General expenses due or accrued	5,312,699	
Transfers to Separate Accounts due or accrued	(1,760,972,038)	8
Taxes, licenses and fees	21,272,621	
Unearned investment income	5,329,259	
Amounts withheld or retained by company as agent or trustee	25,531,674	
Remittances and items not allocated	61,389,472	
Miscellaneous liabilities:		
Asset valuation reserve	662,079,840	
Funds held under reinsurance treaties and unauthorized reinsurers	3,242,945,872	
Payable to parent, subsidiaires and affiliates	70,785,190	
Funds held under coinsurance	770,420,956	
Derivatives	1,744,475,472	
Payable for securities	1,222,388	
Payable for securities lending	6,781,592,096	
Aggregate write-ins for liabilities	962,177,881	
Total liabilities excluding Separate Accounts	$ 56,942,321,698	
From Separate Accounts Statement	111,622,128,405	
Total Liabilities	$ 168,564,450,103	
Common capital stock	75,000,000	
Preferred capital stock		
Surplus notes	750,000,000	
Gross paid-in and contributed surplus	1,576,169,638	
Unassigned funds	3,540,357,827	
Surplus	$ 5,941,527,465	
Total Liabilities, Capital and Surplus	$ 174,505,977,568	

Summary of Operations
As of December 31, 2014

Premiums and annuity considerations for life and accident and health contracts	$ (1,076,575,501)
Consideration for supplementary contracts with life contingencies	110,443,342
Net investment income	2,622,982,381
Amortization of Interest Maintenance Reserve	21,572,272
Separate Accounts net gain from operations excluding unrealized gains or losses	26,399,739
Commissions and expense allowances on reinsurance ceded	317,480,474
Reserve adjustments on reinsurance ceded	2,911,816,844
Miscellaneous income:	
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	2,562,881,081
Charges and fees for deposit-type contracts	3,497,307
Aggregate write-ins for miscellaneous income	1,372,755,200
Totals	$ 8,873,253,139
Death benefits	$ 636,358,672
Matured endowments (excluding guaranteed annual pure endowments)	1,517,473
Annuity benefits	2,046,179,946
Disability benefits and benefits under accident and health contracts	15,906,359
Surrender benefits and withdrawals for life contracts	8,968,986,369
Interest and adjustments on contract or deposit-type contract funds	153,548,841
Payments on supplementary contracts with life contingencies	77,483,074
Increase in aggregate reserves for life and accident and health contracts	(3,221,700,050)
Totals	$ 8,678,280,684
Commissions on premiums, annuity considerations and deposit-type contracts funds	796,365,847
Commissions and expense allowances on reinsurance assumed	31,011,414
General insurance expenses	1,133,072,065
Insurance taxes, licenses and fees, excluding federal income taxes	56,049,168
Increase in loading on deferred and uncollected premiums	11,583,906
Net transfers to or (from) Separate Accounts net of reinsurance	(5,007,794,715)
Aggregate write-ins for deductions	(77,614,122)
Totals	$ 5,620,954,247
Net gain from operations before dividends to policyholders and federal income taxes	$ 3,252,298,892
Dividend to policyholders	22,699,411
Net gain from operations after dividends to policyholders and before federal income taxes	3,229,599,481
Federal and foreign income taxes incurred	173,249,924
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains (losses)	3,056,349,557
Net realized capital gains (losses)	(1,512,886,361)
Net Income	$ 1,543,463,196

Capital and Surplus Account
As of December 31, 2014

Capital and surplus, December 31, prior year	$ 3,566,466,374
Net income (Loss)	1,543,463,196
Change in net unrealized capital gains or (losses) less capital gains tax of $ 756,141,159	903,126,672
Change in net unrealized foreign exchange capital gain (loss)	478,783,825
Change in net deferred income tax	(573,507,990)
Change in nonadmitted assets	1,489,261,277
Change in liability for reinsurance in unauthorized companies	0
Change in reserve on account of change in valuation basis (increase) or decrease	5,799,156
Change in asset valuation reserve	74,177,186
Suplus (contributed to) withdrawn from Separate Accounts during period	(7,000,000)
Other changes in surplus in Separate Accounts Statement	1,792,386
Change in surplus notes	0
Cummulative effect of changes in accounting principles	0
Capital changes	
Paid in	(11,488,292)
Surplus adjustment	
Paid in	(1,148,511,708)
Change in surplus as a result of reinsurance	(47,527,371)
Dividends to stockholders	(154,550,000)
Aggregate write-ins for gains and losses in surplus	(78,757,246)
Net change in capital and surplus for the year	$ 2,475,061,091
Change as a result of December 31, 2014 examination	(100,000,000)
Capital and surplus, December 31, current year	$ 5,941,527,465

Reconciliation of Capital and Surplus
From December 31, 2010 to December 31, 2014

			Notes
Capital and Surplus, December 31, 2010		$ 5,104,852,826	
Net income		5,795,975,825	
Additions:			
Change in net unrealized foreign exchange capital gain (loss)	$ 641,171,321		
Change in non-admitted assets	159,460,526		
Change in asset valuation reserve	91,812,295		
Surplus (contributed to) withdrawn from Separate Accounts during period	25,558,924		
Total Additions		918,003,066	
Deductions			
Change in net unrealized capital gains (losses) less capital gains tax of	(1,231,248,326)		
Change in net deferred income tax	(445,913,668)		
Change in reserve on account of change in valuation basis, (increase) or decrease	(136,359,134)		
Other changes in surplus in Separate Accounts statement	(30,766,538)		
Capital changes: Paid in	(11,488,292)		
Surplus adjustment: Paid in	(1,348,499,017)		
Surplus adjustment: Change in surplus as a result of reinsurance	(147,941,439)		
Dividends to stockholders	(2,437,034,028)		
Aggregate write-ins for gains and losses in surplus	(110,922,992)		
Change as a result of December 31, 2014 examination	(100,000,000)		1, 2
Total Deductions		(6,000,173,434)	
November 14, 2014 merger reconciliation adjustment		122,869,182	
Capital and Surplus, December 31, 2014		$ 5,941,527,465	

Separate Accounts
Assets
As of December 31, 2014

	General Account Basis	Fair Value Basis	Total	Notes
Bonds	$ 853,536,523	$ 2,487,522,317	$ 3,341,058,840	
Stocks:				
Preferred stocks	10,643	-	10,643	
Common stocks	61,104	108,010,573,659	108,010,634,763	
Mortgage loans	32,690,640	31,915,123	64,605,763	
Contract loans	-	-	-	
Cash and cash equivalents	14,807,947	26,810,686	41,618,633	
Short-term investments	35,543,965	133,585,746	169,129,711	
Deriviatives	-	11,508,686	11,508,686	
Other invested assets	1,659,513	135,753,394	137,412,907	
Aggregate write-ins for invested assets	14,458	65,998	80,456	
Investment income due and accrued	5,686,350	22,927,779	28,614,129	
Receivable for securities	337,879	134,688,705	135,026,584	
Aggregate write-ins for other than invested assets	3,024	1,937	4,961	
Total	$ 944,352,046	$ 110,995,354,030	$ 111,939,706,076	

Liabilities
As of December 31, 2014

	General Account Basis	Fair Value Basis	Total	Notes
Aggregate reserve for life, annuity and accident and health contracts	$ 737,085,021	$ 108,717,147,837	$ 109,454,232,858	9
Liability for deposit-type contracts	82,071,337	149,026,536	231,097,873	10
Interest maintnence reserve	17,687,817	-	17,687,817	
Charges for investment management, administration and contract guarantees due or accrued	-	151,105	151,105	
Investment taxes, licenses and fees due or accrued	-	787	787	
Unearned investment income	586	-	586	
Other transfers to general account due or accrued	(9,729,343)	1,770,550,276	1,760,820,933	11
Remittances and items not allocated	1,250	-	1,250	
Derivatives	149,835	1,492	151,327	
Payable for securities	24,938,527	131,665,606	156,604,133	
Aggregate write-ins for liabilities	705,588	674,149	1,379,737	
Total liabilities	$ 852,910,618	$ 110,769,217,788	$ 111,622,128,406	

SCHEDULE OF EXAMINATION ADJUSTMENTS

Description	Per Examination	Per Company	Surplus Increase (Decrease)	Notes
Assets:				
Current federal and foreign income taxes recoverable	$ 497,977,898	$ 410,977,898	$ (87,000,000)	1
Net deferred tax asset	788,025,322	775,025,322	(13,000,000)	2
Adjusted Admitted Assets	$ 1,286,003,220	$ 1,186,003,220	$ (100,000,000)	
Unassigned funds	3,640,357,827	3,540,357,827	(100,000,000)	
Adjusted Liabilities and Surplus	$ 3,640,357,827	$ 3,540,357,827	$ (100,000,000)	

NOTES TO FINANCIAL STATEMENTS

Assets – General Account

(1) <u>Current federal and foreign income tax recoverable and interest thereon</u> <u>$410,977,898</u>

(2) <u>Net deferred tax asset</u> <u>$775,025,322</u>

The above-captioned amounts are reported on Page 2, Lines 18.1 and 18.2, are $87,000,000 and $13,000,000, respectively, less than that reported by the Company in its 2014 Annual Statement.

As extracted from the 2014 Audited Statutory Financial Statements, "During the process of finalizing the 2014 Audited Statutory Financial Statements, Management determined that amounts in the 2014 Annual Statement had to be restated to reflect the correction of errors. The corrections affect the Statutory Statement of Admitted Assets, Liabilities and Capital and Surplus, and the Statutory Statement of Operations and Changes in Capital and Surplus. Such corrections were made to correct the impact of foreign exchange calculations resulting from the Exeter reserves being reported on a GAAP basis instead of a Statutory basis, and the associated tax effects of those corrections." The above adjusted balance reflects the correction of errors directly impacting the 2014 Annual Statement balance sheet accounts.

Liabilities – General Account

As of December 31, 2014, the Company's business was primarily comprised of the following product segments:

1. Life Insurance including Universal Life, Traditional Whole Life and Term insurance.
2. Annuities including fixed and variable deferred annuities, single premium immediate annuities, supplementary contracts with and without life contingencies.
3. Accident and Health contracts including disability income and long term care.

4. Reinsurance- catastrophic and mortality reinsurance assumed.

The Company held general account (GA) reserves primarily for fixed deferred annuities and individual life insurance and separate accounts (SA) reserves for variable deferred annuities. GA and/or SA reserves were also held for smaller blocks of term life insurance and fixed and variable supplementary contracts.

Asset Adequacy Analysis

The Consulting Actuary reviewed the 2014 Asset Adequacy Analysis (AAA) conducted as required by the Actuarial Opinion Memorandum Regulation (AOMR). As a result of the AAA performed, the Company's Appointed Actuary concluded that additional reserves were required for certain product lines as of December 31, 2014. Based on the Consulting Actuary's review, this conclusion was accepted for examination purposes.

Data Validity / Inclusion Testing

The examination of the Company was conducted as a Risk-Focused Examination following the procedures as outlined in the Financial Condition Examiners Handbook, 2015 Edition (Handbook).

The two data risks which are significant for reserve verification are the validity of underlying valuation data and the inclusion of all business in the valuation. Following the Handbook procedures, it appeared that the valuation extract files were generally accurate and the Consulting Actuary concluded that the underlying data provided was accurate and complete for the purposes of the actuarial review.

Summary of the Analysis for the Liability and Asset Balance Sheet Items

Reserves were reviewed by the Consulting Actuary for compliance with standard valuation laws, applicable National Association of Insurance Commissioners (NAIC) Actuarial

Guidelines and Model Regulations. The Consulting Actuary reviewed the aggregate reserves for life and annuity contracts, accident and health contracts, claim reserves, separate account liabilities and the transfer to the separate account booked in the General Account and Separate Accounts of the Annual Statements. Based on this review, the Consulting Actuary concluded that the Company made adequate provision for these liabilities.

The Consulting Actuary reviewed the Company's assets for uncollected premiums and agents' balances and deferred premiums, agents' balances and installments booked but deferred and not yet due. Based on this review, the Consulting Actuary concluded that the Company made adequate provision for this asset.

Reinsurance

The Consulting Actuary reconciled assumed reserves from Exhibits 5, 6 and 7 to the Annual Statement Schedule S – Part 1 – Sections 1 & 2. No exceptions were noted. The Consulting Actuary reconciled reinsurance ceded reserves from Exhibits 5, 6 and 7 to the Annual Statement Schedule S – Part 3 – Sections 1 & 2. No exceptions were noted.

The Financial Examiners conducted a review of all significant reinsurance treaties and amendments for assumed and ceded business. The Consulting Actuary selected a sample of material reinsurance treaties to review transfer of risk; no concerns were found. The Consulting Actuary relied on the Financial Examiners' review for compliance with 18 Del. Admin. Code 1002. The Consulting Actuary reconciled reinsurance ceded reserves to the Annual Statement Schedule S, and concluded that the reserves reported in Schedule S were reasonable.

Summary

The balance sheet items covered in the examination scope appear fairly stated and were calculated using valuation parameters which appear to be substantially free of any material error that would adversely affect reserve calculations. Valuation extract files appear to be complete. Based on the above discussion and analysis performed, the Consulting Actuary concluded that the December 31, 2014 balance sheet items covered in the actuarial examination are accepted as stated.

(3) Aggregate reserves for life contracts **($35,574,616,336)**

The above-captioned amount, which is the same as that reported by the Company in its 2013 Annual Statement, is reported on Page 3, Line 1 and in Exhibit 5.

The reserve breakdown of Exhibit 5, by type of benefit, is as follows:

Reserve Segment	Total Gross	Reinsurance Ceded	Total Net
Life Insurance	$26,162,362,351	$15,851,424,937	$10,310,937,414
Annuities	26,456,334,078	4,892,442,567	21,563,891,511
Supplementary Contracts	640,497,931	17,303,216	623,194,715
Accidental Death Benefits	1,253,323	400,396	852,927
Disability - Active Lives	48,820,670	1,376,997	47,443,673
Disability - Disabled Lives	98,881,735	73,360,575	25,521,160
Miscellaneous Reserves	4,917,718,718	1,914,943,782	3,002,774,936
Totals	$58,325,868,806	$22,751,252,470	$35,574,616,336

The aggregate reserve was held for universal life (UL), term insurance, the fixed portion of variable universal life insurance (VUL), fixed deferred annuity business (DA), the fixed portion of variable deferred annuity business (VDA) and related ancillary benefits.

As part of the annual certificate of reserve valuation procedure, the Consulting Actuary reviewed the December 31, 2014 life and annuity reserves and deposit-type contract liabilities. During that process, valuation files and summary work papers were reviewed and found to be in order. Reserves were reconciled from the summary work papers to Exhibit 5. The Actuarial Opinion was reviewed and found to be in order.

The primary risks associated with Exhibit 5 business are adverse mortality, asset default, interest rate volatility, and mismatching of asset and liability cash flows. These risks were further reviewed by evaluating the 2014 Actuarial Opinion Memorandum (AOM). Based on that review, the Consulting Actuary accepted the Company’s conclusion that additional reserves were required for some lines of business.

Review of reserves was performed through a combination of trend analysis, reconciliation analysis, review of various supporting documentation prepared by the Company, actuarial analysis, and verification of reserves by recalculating the reserve for sampled contracts. No material exceptions were noted.

The Consulting Actuary performed a review of reinsurance ceded reserve credits taken within Exhibit 5 as of December 31, 2014. The Company had reinsurance ceded treaties with many reinsurance companies as of December 31, 2014. As part of the annual certificate of reserve valuation procedure, the Company provided work papers supporting the ceded reserves and liabilities. The Consulting Actuary reviewed these work papers and reconciled them to the ceded reserve total. The Financial Examiners conducted a review of all significant reinsurance treaties and amendments. The Consulting Actuary selected a sample of material reinsurance treaties to review transfer of risk. No concerns were found. The Consulting Actuary relied upon the Financial Examiners that the reinsurance treaties are in compliance with Delaware Insurance Regulations. No material exceptions were noted as part of this review.

The Consulting Actuary reconciled the Exhibit 5 total ceded reserve and the Exhibit 7 total ceded liability to the amount reported in Schedule S-Part 3-Section 1 (reinsurance ceded for life and annuity reserves and deposit-type liabilities) in the December 31, 2014 Annual

Statement. The Company provided work papers supporting the ceded reserves. The Consulting Actuary reviewed these work papers and reconciled them to the ceded reserve total.

The reconciliation between the exhibits and schedule is as follows:

Annual Statement Exhibit	Ceded Reserve
Exhibit 5	$22,751,252,466
Exhibit 7	372,586,787
Schedule S-Part 3-Section 1	$23,123,839,253

Unauthorized and Authorized Captive Reinsurers

Almost 64% of the reserves ceded involve treaties with the following unauthorized reinsurers:

Company	Reserve Ceded
MetLife Reinsurance Company of Vermont (MRV)	$10,909,566,766
MetLife Reinsurance Company of South Carolina (MRSC)	3,418,412,007
Union Hamilton Reinsurance Ltd.	384,577,405
Total	$14,712,556,178

Since unauthorized reinsurance was not addressed in the 2014 Asset Adequacy Analysis, the Consulting Actuary reviewed the 2014 surplus relief of unauthorized captives MRV and MRSC. In addition, the Consulting Actuary reviewed the authorized captive MetLife Reinsurance Company of Delaware (MRD) with total ceded reserve of approximately $1.6 billion.

The Consulting Actuary reviewed reserve credits and surplus relief provided by MRV and MRD, as these two entities provided the greatest surplus relief. Business assumed by these two captives was 100% assumed from the Company. The Consulting Actuary concluded surplus relief provided by MRSC and Hamilton was not material and did not perform a review of these two entities.

The Consulting Actuary reviewed MRV and MRD's Asset Adequacy Analysis (AAA) which demonstrates the appropriateness of the assets and the adequacy of the reserve held. The Consulting Actuary reviewed the methodologies, assumptions and results of the analyses. Based on the analysis performed by MRV and MRV's Appointed Actuary, the Consulting Actuary concluded that the reserves held in support of the business in MRV and MRD was adequate to provide for the future obligations associated with the business ceded to these captives.

Yearly Renewable Term (YRT) Reinsurance Reserves

During the examination, the Company determined that the YRT reinsurance reserves calculated for some policies were based on the wrong mortality table. The table used a select and ultimate table instead of the ultimate table (1980 and 2001 CSO). The Consulting Actuary reviewed the seriatim listing provided by MetLife of the policies impacted by the error at December 31, 2014. The Consulting Actuary verified a significant portion (all policies that were not joint or rated) of the non-traditional contracts and all the contracts in the traditional life reserve verification. The Consulting Actuary found no discrepancies. The error at December 31, 2014 was that reserves were booked approximately $160.30 million higher than the correct amount. It is of note that an increase in the ceded reserve has the effect of lowering the net reserve amount for the Company. One of the purposes of the current examination is to verify that reported reserves satisfy the minimum requirements set by statute. Since reported reserves were greater than the minimum requirement, no financial adjustment to the Annual Statement was recommended.

Based on procedures performed, the Consulting Actuary concluded that the aggregate reserve for life contracts as reported on Page 3, Line 1 and in Exhibit 5 of the December 31, 2014 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(4) <u>Aggregate reserve for accident and health contracts</u> **<u>($110,813,167)</u>**

The above-captioned amount, which is the same as that reported by the Company in its 2014 Annual Statement, is reported on Page 3, Line 2 and in Exhibit 6. The reserve breakdown in Exhibit 6 is as follows:

<u>A&H Reserves</u>		
Unearned Premium	$	79,195,666
Additional Contract Reserves		3,419,825,981
Additional Actuarial Reserves - Asset/Liability Analysis		930,000,000
Gross Active Life Reserves	$	4,429,021,647
Ceded		4,404,919,088
Net Active Life Reserves	$	24,102,559
Claim Reserves	$	1,246,028,197
Ceded		(1,159,317,588)
Net Claim Reserves	$	86,710,608
Totals	$	110,813,167

The Company's valuation files and work papers supporting the above reserves were reviewed and found to be in order. The reserves consisted of closed blocks of long term care that is 100% ceded and disability income business.

The primary risks associated with Exhibit 6 included adverse morbidity, asset default, interest rate volatility, and mismatching of asset and liability cash flows. These risks were further reviewed by evaluating the 2014 AOM. Based on that review, the Consulting Actuary accepted the Company's conclusion that additional reserves as the result of Asset Adequacy Analysis were required.

No examination work was performed on the long term care business since it is a closed block that is 100% ceded to Genworth and assets are protected in trust at 102% of reserve.

A trend analysis of the reserves (unearned premium, additional contract and claim) was performed over the examination period. It is noted that the additional actuarial reserve for 2013 was zero but it was not deemed a problem since the gross active life reserve amount in total appears reasonable over the examination period. The analysis showed that the net reserves were decreasing slightly as expected for closed blocks of business and appeared reasonable. In addition, the trend of the A&H Claim Reserve Adequacy from the Five-Year History of the December 31, 2014 Annual Statement, which tests the adequacy of the combined claim reserve and liability, appeared reasonable.

Based on procedures performed, the Consulting Actuary concluded that the aggregate reserve for accident and health contracts as reported by the Company on Page 3, Line 2 and in Exhibit 6 of the December 31, 2014 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(5) Liability for deposit-type contracts **($7,064,651,347)**

The above-captioned amount, which is the same as that reported by the Company in its 2014 Annual Statement, is reported on Page 3, Line 3 and in Exhibit 7. The reserve breakdown of Exhibit 7, by type of benefit (difference due to rounding), is as follows:

Liability Item	Total Gross	Reinsurance Ceded	Total Net
Annuities Certain	$1,861,385,382	$ 0	$1,861,385,382
Supplemental Contracts	655,910,058	372,586,787	283,323,271
Dividend Accumulations	15,104	0	15,104
Premium and Other Deposit Funds	4,919,927,587	0	4,919,927,587
Totals	$7,437,238,131	$372,586,787	$7,064,651,344

This liability represented contracts in payout status which do not involve life contingencies. Annuities Certain and Supplemental Contracts provide for the payment of contractual amounts at specified intervals until the end of the guaranteed period. The contractual amounts, specified intervals and guaranteed periods were determined at issue of the contracts.

These contracts are similar to immediate annuities (which are reported in the annuities segment of Exhibit 5) and all payout annuities were included in the same valuation files as supplied by the Company.

As part of the annual certificate of reserve valuation procedure, the Consulting Actuary reviewed the December 31, 2014 reserves and deposit-type contract liabilities. During that process, valuation files and summary work papers were reviewed and found to be in order. Reserves were reconciled from the summary work papers to Exhibit 7.

To address the primary actuarial risks associated with Exhibit 7 reserves, the Consulting Actuary used sampling techniques and trend analysis. As a result, Annuities Certain and Supplemental Contracts were included in the same sampling and reserve testing procedures for payout annuities.

The payout annuity sample included six SPIA/Annuities Certain and two Supplemental Contracts for reserve testing. The Consulting Actuary verified reserves for each of the sample contracts without exception. A trend analysis of this liability also produced reasonable results.

Premiums and Other Deposit Funds consisted of monies that are owed to beneficiaries of policyholders as a result of the death of the policyholder, and for which the beneficiaries elected to retain those amounts in an interest bearing checking account. This liability was determined to be of low risk, and as such no further examination work was deemed necessary. The liabilities were accepted as stated.

Based on procedures performed, the Consulting Actuary concluded that the aggregate reserve for accident and health contracts as reported by the Company on Page 3, Line 3 and in Exhibit 7 of the December 31, 2014 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(6) <u>Contract claims - Life</u> **<u>($107,190,050)</u>**

The above-captioned amount, which is the same as that reported by the Company in its 2014 Annual Statement, is reported on Page 3, Line 4.1 and in Exhibit 8, Part 1, columns 2 through 8. The liability breakdown by type is as follows:

Liability Type	Total Gross	Reinsurance Ceded	Total Net
Due and unpaid	$ 11,983,919	$ 0	$ 11,983,919
In course of settlement (ICOS)	156,127,834	89,648,483	66,479,351
Incurred but unreported (IBNR)	55,701,919	26,975,140	28,726,779
Totals	$223,813,672	$116,623,623	$107,190,049

The Due and Unpaid and ICOS liabilities are inventory items which do not involve actuarial judgment, were reviewed by the Financial Examiners and accepted as stated. The Due and Unpaid and ICOS liabilities have few complicated reserving issues and the liability amounts were based on reasonable methodologies. The Consulting Actuary reviewed the Company's work papers supporting the above amounts and found all to be in order. The liabilities were reconciled from the summary work papers to Exhibit 8. As a large percentage of claims were annuity claims and not life and accident and health insurance claims, which could be contested, actuarial risk was deemed low.

The IBNR liability represents the estimate of all claims incurred prior to January 1, 2015 but not reported to the company as of December 31, 2014.

The Consulting Actuary reconciled the contract claims: Total life and annuity ceded liability to the amount reported in Schedule S-Part 2 (reinsurance recoverable and paid and unpaid losses), of $116,623,623, in the December 31, 2014 Annual Statement without exception.

No additional testing of the data supporting the claim reserves and the calculation of claim reserves was required. The Consulting Actuary concluded that the methods used by the

Company to determine the life insurance IBNR produce reasonable results and the IBNR liability for life insurance on December 31, 2014 was sufficient.

Based on the above discussion and analysis, the Consulting Actuary concluded that the Contract claims: Life, as reported by the Company on Page 3, Line 4.1 and in Exhibit 8, Part 1 of the December 31, 2014 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(7) Contract claims: Accident and health **($2,060,835)**

The above-captioned amount, which is the same as that reported by the Company in its 2014 Annual Statement, is reported on Page 3, Line 4.2 and in Exhibit 8, Part 1, columns 9 through 11. The liability breakdown by type is as follows:

Liability Type	Total Gross	Reinsurance Ceded	Total Net
Due and unpaid	$ 78,206	$ 8,358	$ 69,848
In course of settlement (ICOS)	1,104,147	85,770	1,018,377
Incurred but unreported (IBNR)	279,559,470	278,586,860	972,610
Totals	$280,741,823	$278,680,988	$2,060,835

The Consulting Actuary reviewed the Company's work papers supporting the above amounts. The liabilities were reconciled from the summary work papers to Exhibit 8. A trend analysis was performed over the examination period including the trend of the A&H Claim Reserve Adequacy from the Five-Year History of the December 31, 2014 Annual Statement, which tests the adequacy of the combined claim reserve and liability. The Consulting Actuary concluded that the trends were reasonable.

The Consulting Actuary reconciled the contract claims: Total accident and health insurance ceded liability to the amount reported in Schedule S-Part 2 (reinsurance recoverable and paid and unpaid losses), of $278,680,988, in the December 31, 2014 Annual Statement without exception.

Based on materiality of the IBNR liability, no further examination work was deemed necessary.

Based on the above discussion and analysis, the Consulting Actuary concluded that the Contract claims: Accident and health, as reported by the Company on Page 3, Line 4.2 and in Exhibit 8, Part 1 of the December 31, 2014 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(8) <u>Transfers to Separate Accounts due or accrued (net)</u> **<u>$1,760,972,038</u>**

The above-captioned amount, which is the same as that reported by the Company in its 2014 Annual Statement, is reported on Page 3, Line 13.

The transfers to SA due or accrued included $1,887,820,930 of Commissioners Reserve Valuation Method / Commissioners Annuity Reserve Valuation Method (CRVM / CARVM) expense allowances for individual and group VUL and VDA contracts, which was the difference between the account values and the associated reserves held for such contracts in Exhibit 3 of the SA Annual Statement. The Consulting Actuary verified that the CRVM / CARVM expense allowances were consistent with reported SA fund values and reserves. The balance of this liability included $151,108 for charges for investment management which was an inventory item not involving actuarial judgment and ($127,000,000) for due or accrued annuity transfers.

The entry on Page 3, Line 13 of the GA Annual Statement equaled the parenthetical entry shown on Page 3, Line 17 of the SA Annual Statement as of December 31, 2014. The Consulting Actuary verified this for the reported amounts.

Based on the above discussion and analysis, the Consulting Actuary concluded that the transfers to SA due or accrued as reported on Page 3, Line 13 of the 2014 Annual Statement appears fairly stated, and has been accepted for examination purposes.

Liabilities - Separate Accounts

(9) <u>Aggregate reserve for life, annuity and accident and health contracts</u> <u>($109,454,232,858)</u>

The above-captioned amount, which is the same as that reported by the Company in its 2014 SA Annual Statement, is reported on Page 3, Line 1 and in Exhibit 3. The reserve breakdown in Exhibit 3, by reserve segment, is as follows:

Reserve Segment	Total Gross and Net
Life Insurance	$ 3,382,338,351
Variable Deferred Annuities	106,057,598,616
Supplementary Contracts	14,295,891
Total	$109,454,232,858

The aggregate net reserve was held primarily for variable deferred annuities (VDA) with smaller amounts for life insurance and supplementary contracts. Most of the Company's VDA contracts contained Guaranteed Minimum Death Benefits (GMDB) or Guaranteed Living Benefits (GLB) which typically were added to the VDA contracts by riders.

As part of the annual certificate of reserve valuation procedure, the Consulting Actuary reviewed the December 31, 2014 separate account reserves. During that process, valuation files and work papers were reviewed and found to be in order. Reserves were reconciled from the summary work papers to Exhibits 3 and 4 of the separate account Statement.

Examination work performed on each of the SA Exhibit 3 segments was performed using trend analysis, review of the 2014 Asset Adequacy Analysis, review of the AG 43 reserves, and sample testing performed as part of a review of the GA aggregate reserve for life contracts.

Based on the above discussion and analysis, the Consulting Actuary concluded that the aggregate reserve for life and annuity reported by the Company on Page 3, Line 1 and in Exhibit 3 of the 2014 SA Annual Statement appears fairly stated, and has been accepted for examination purposes.

(10) <u>Liability for deposit-type contracts</u> **<u>($231,097,873)</u>**

The above-captioned amount, which is the same as that reported by the Company in its 2014 SA Annual Statement, is reported on Page 3, Line 2 and in Exhibit 4.

This liability is held for SA supplementary contracts and was part of the business segment (GA Liability for deposit-type contracts) which is discussed previously in the general account section of this report. The Consulting Actuary's analysis focused on the total reserves held in both the GA and SA statements.

Reserve amounts in the Annual Statement were reconciled with the amounts obtained from the valuation extracts provided by the Company. No discrepancies were noted. A reserve trend analysis was performed and produced reasonable results.

Based on the above discussion and analysis, the Consulting Actuary concluded that the aggregate reserve for life and annuity reported by the Company on Page 3, Line 2 and in Exhibit 4 of the 2014 SA Annual Statement appears fairly stated, and has been accepted for examination purposes.

(11) <u>Other transfers to general account due or accrued</u> **<u>($1,760,820,933)</u>**

The above-captioned amount, which is the same as that reported by the Company in its 2014 SA Annual Statement, is reported on Page 3, Line 10.

The liability was for the CRVM and CARVM expense allowances, i.e., the difference between the account values and the associated reserves held in Exhibit 3 of the Separate Accounts Annual Statement.

Based on the above discussion and analysis, the Consulting Actuary concluded that the aggregate reserve for life and annuity reported by the Company on Page 3, Line 10 of the 2014 SA Annual Statement appears fairly stated, and has been accepted for examination purposes.

SUBSEQUENT EVENTS

The following material subsequent events occurred, requiring disclosure in this examination report.

Capital Contribution

Effective December 31, 2015, the Company recorded a $1,500,000,000 capital contribution receivable from its parent, MetLife. On February 24, 2016, the Company settled the $1,500,000,000 surplus contribution receivable from MetLife, which was included in the receivables from parent, subsidiaries, and affiliates at December 31, 2015.

Dividends

As of December 31, 2014, subsequent to the period under examination, the Company paid the following dividend:

Year		Dividend
2Q2015	$	500,000,000 [1]

(1) On May 28, 2015, the Company paid an ordinary dividend in the amount of $500 million to its immediate parent, MetLife, Inc.

Intercompany Agreements

Subsequent to December 31, 2014, the Company entered into the following intercompany agreement:

Administration Agreement between MLUSA and MetLife Insurance Limited

Effective December 31, 2015, the Company entered into an Administration Agreement with MetLife Insurance Limited (MIL), an Australian affiliate and direct subsidiary of MetLife.

Under terms of the agreement, MIL will provide certain services to MLUSA which include, among others, product implementation, accounting and reporting services, and underwriting and claims referrals. The agreement shall terminate December 31, 2026, or as otherwise agreed to by the parties from time to time.

The agreement provides for a service fee payable by MLUSA to MIL equivalent to 110% of the cost to provide the services as calculated with reference to the OECD Model Tax Convention on Income and Capital. The agreement was approved by the Delaware Insurance Department on October 16, 2015.

Reorganization

On January 12, 2016, MetLife announced its plan to pursue the separation of a substantial portion of its U.S. Retail business (the “Separation”). MetLife is currently evaluating structural alternatives for any such Separation. Any Separation that might occur will be subject to the satisfaction of various conditions and approvals, including approval of any transaction by the MetLife Board of Directors, satisfaction of any applicable requirements of the SEC, and receipt of insurance and other regulatory approvals and other anticipated conditions.

On February 28, 2016, MetLife entered into a purchase agreement with Massachusetts Mutual Life Insurance Company (“MassMutual”) pursuant to which MassMutual will acquire MetLife’s U.S. Retail advisor force, and certain assets and liabilities associated with the MetLife Premier Client Group, including MetLife’s affiliated broker-dealer, MetLife Securities, Inc. (“MSI”), a wholly-owned subsidiary of MetLife. The transaction is subject to certain closing conditions, including regulatory approval.

SUMMARY OF RECOMMENDATIONS

No examination report recommendations were noted as a result of this examination.

CONCLUSION

The following schedule shows a comparison of the results from the December 31, 2014 examination to the December 31, 2010 Annual Statement, with changes between:

Description	**December 31, 2010** [1]	**December 31, 2014** [2]	**Increase (Decrease)**
Assets	$ 54,153,056,314	$ 174,505,977,568	$ 120,352,921,254
Liabilities	$ 52,698,974,881	$ 168,564,450,103	$ 115,865,475,222
Common capital stock	2,300,000	75,000,000	72,700,000
Preferred Stock	200,000	-	(200,000)
Surplus notes	-	750,000,000	750,000,000
Gross paid in and contributed surplus	2,524,720,492	1,576,169,638	(948,550,854)
Aggregate Write-in for special surplus	111,192,015	-	(111,192,015)
Unassigned funds (surplus)	(1,184,331,074)	3,540,357,827 [3]	4,724,688,901
Total Capital and Surplus	1,454,081,433	5,941,527,465	4,487,446,032
Total Liabilities, Capital and Surplus	$ 54,153,056,314	$ 174,505,977,568	$ 120,352,921,254

(1) Annual Statement balances reported as of December 31 2010, reflect only MLIUSA, and do not include the December 31, 2010 Annual Statement balances for MICC, MLIIC, and Exeter, which were merged on November 14, 2014 and is now known as MLUSA.
(2) Annual Statement balances reported at December 31, 2014, reflects the balance sheet of MLUSA.
(3) Unassigned funds (Surplus) as of December 31, 2014, reflects the adjusted surplus as a result of the current financial examination.

The assistance of Delaware's consulting actuarial firm, INS Consultants, Inc. is acknowledged. In addition, the assistance and cooperation of the Company's outside audit firm, Deloitte & Touche LLP, and the Company's management and staff were appreciated and are acknowledged.

Respectfully submitted,

Keith E. Misenheimer, CFE, ALMI, CFE, ARM
Examiner-In-Charge
Delaware Insurance Department