



Illinois Department of Insurance

JB Pritzker
Governor

Dana Popish Severinghaus
Acting Director

VIA ELECTRONIC MAIL

March 18, 2021

Mr. Michel Khalaf, President and CEO
c/o Eileen Breen
Metropolitan Life Insurance Company
18210 Crane Nest Drive, 3rd Floor
Tampa, FL. 33647

Re: Metropolitan Life Insurance Company, NAIC 65978
Metropolitan Tower Life Insurance Company, NAIC 97136
Market Conduct Examination Report Closing Letter

Dear Mr. Khalaf:

The Department has received your Company's proof of compliance. Therefore, the Department is closing its file on this exam.

I intend to ask the Director to make the Examination Report and Stipulation and Consent Order available for public inspection as authorized by 215 ILCS 5/132. At the Department's discretion, specific content of the report may be subject to redaction for private, personal, or trade secret information prior to making the report public. However, any redacted information will be made available to other regulators upon request.

Please contact me if you have any questions.

Sincerely,

Erica Weyhenmeyer
Chief Market Conduct Examiner
Illinois Department of Insurance
320 West Washington St., 5th Floor
Springfield, IL 62767
Phone: 217-782-1790
E-mail: Erica.Weyhenmeyer@Illinois.gov

**Illinois Department of Insurance
Market Conduct Examination**

Metropolitan Life Insurance Company

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: November 13, 2020

EXAMINATION OF: Metropolitan Life Insurance Company
NAIC Number: 65978

STATUTORY HOME OFFICE: 200 Park Avenue
New York, NY 10168-0188

PERIOD COVERED BY EXAMINATION: December 1, 2018 through November 30, 2019
COMPLAINTS: June 1, 2018 through November 30, 2019

EXAMINERS: Karina Ruthenberg, MCM, The INS Companies
Alan Klinc, MCM
John Drake, AIE, MCM, APIR, ChFC, CLU, RHU,
FLMI, HIA
Chris Heisler, Examiner-in-Charge, CIE, MCM, FLMI,
ARC

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I. FOREWORD

This is a comprehensive market conduct examination report of the Metropolitan Life Insurance Company (NAIC Code 65978). The Illinois Department of Insurance (“Department”) examined both Metropolitan Tower Life Insurance Company (“MTLIC”) and its parent, Metropolitan Life Insurance Company (“MLIC”) at the same time. Separate market conduct exam reports were prepared for each company. This report is specifically for Metropolitan Life Insurance Company.

This examination report is generally a report by exception. However, failure to criticize specific practices, procedures or files does not constitute approval thereof by the Illinois Department of Insurance.

During this examination, examiners cited errors made by the Company. Statutory citations were as of the examination period unless otherwise noted.

II. SCOPE OF THE EXAMINATION

The Department has the authority to conduct this examination pursuant to, but not limited to, 215 ILCS 5/132.

The purpose of the examination was to determine if the Company complied with Illinois statutes, and Illinois Administrative Code and to consider whether the Company's operations are consistent with public interest. The primary period covered by this review is December 1, 2018 through November 30, 2019 for claims and June 1, 2018 through November 30, 2019 for complaints unless otherwise noted. Errors discovered outside the time period of the examination, may also be included in the report.

The examination was a comprehensive examination involving the following business functions of the individual life insurance, group life insurance, individual annuity, group annuity and group accident and health lines of business: claims handling practices and handling of consumer and Department complaints.

In performing this examination, the examiners reviewed a sample of the Company's practices, procedures, extra-contractual claim adjudication guidelines and files. Therefore, some noncompliant events may not have been discovered. As such, this report may not fully reflect all the practices and procedures of the Company. As indicated previously, failure to identify or criticize improper or noncompliant business practices in this state or other jurisdiction does not constitute acceptance of such practices.

III. COMPANY PROFILE

History:

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

On February 18, 2000, the Company's policyholders approved a demutualization plan to convert to a stock company from a mutual company under Section 7312 of the New York Insurance Law. The demutualization plan was approved by the New York Superintendent, and the Company demutualized on April 7, 2000, thereby converting back to a stock company, and becoming a wholly-owned subsidiary of MetLife, Inc. ("MetLife"), a Delaware corporation. Each policyholder's ownership interest in the Company was extinguished and each eligible policyholder received, in exchange for that interest, trust interests representing shares of common stock of MetLife held in the MetLife Policyholder Trust, cash, or an adjustment to their policy values in the form of policy credits, as provided in the demutualization plan. On the date of demutualization, the Company also established a closed block for the benefit of individual participating policyholders who are expected to receive ongoing dividend payments as part of their policies. [The Company designated assets to the closed block in an amount that it reasonably expected would, together with revenue from the policies in the closed block, be sufficient to pay benefits and certain taxes and expenses of the closed block, and provide for the continuation of the then current dividend scales, if the experience underlying such dividend scales continued and for appropriate changes in such scales if the experience changed. These cash flows are expected to be sufficient to pay each policyholder, including the last surviving individual, a commensurate amount of cash flow for policyholder benefits and dividends.]

On January 12, 2016, MetLife announced its plan to pursue the separation of a substantial portion of its former U.S. Retail segment and certain portions of its former Corporate Benefit Funding segment and Corporate & Other. MetLife subsequently re-segmented the business to be separated and rebranded it Brighthouse Financial. In July 2016, MetLife completed the sale of 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., a wholly-owned subsidiary of MetLife Inc., to Massachusetts Mutual Life Insurance Company. On August 4, 2017, MetLife completed the separation of a substantial portion of its former U.S. retail segment through distribution of shares of Brighthouse Financial, Inc. ("Brighthouse") common stock to MetLife common shareholders. MetLife retained its remaining ownership interest of 19.2% of Brighthouse common stock outstanding. On June 19, 2018, MetLife completed a debt-for-equity exchange with a number of investment banks under which MetLife received MetLife debt held by those firms in exchange for MetLife's remaining shares of common stock of Brighthouse. MetLife no longer holds any shares of Brighthouse for its own account; however, certain insurance company separate accounts hold Brighthouse shares.

Operations:

The Company is domiciled in the State of New York (“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, Canada, the U.S. Virgin Islands, Guam and the Northern Mariana Islands. The Company offers a broad range of protection products and services aimed at serving the lifelong financial needs of customers. These products are sold to corporations and their respective employees, other institutions and their respective members, as well as individuals. These products are organized into Group Benefits and Retirement and Income Solutions (“RIS”). The Group Benefits business offers insurance products and services which include life, dental, group short- and long-term disability, individual disability, accidental death and dismemberment, critical illness, vision and accident & health coverages. This business also sells administrative services-only arrangements to some employers. The RIS business offers a broad range of annuity and investment products, including guaranteed interest contracts and other stable value products, institutional income annuities and separate account contracts for the investment management of defined benefit and defined contribution plan assets. This business also includes structured settlements and certain products to fund postretirement benefits and company-, bank- or trust-owned life insurance used to finance nonqualified benefit programs for executives. The Company no longer markets variable life, universal life, traditional life, including whole life and term life, and variable and fixed annuity products.

Written premium and market share in Illinois per the NAIC Market Analysis Review System for MLIC are as follows:

Line of Business	2018 Premiums Written	2018 Market Share	2017 Premiums Written	2017 Market Share
Group Life	\$305,409,811	19.30%	\$312,329,050	20.70%
Group Annuity	\$207,779,073	8.10%	\$202,887,041	6.10%
Individual Accident & Health	\$35,685,118	0.52%	\$37,439,826	0.57%
Individual Life	\$84,445,894	1.55%	\$91,024,656	1.71%

IV. SUMMARY

A comprehensive market conduct examination of Metropolitan Life Insurance Company was performed to determine compliance with Illinois statutes and Illinois Administrative Code.

During the exam, the Company disclosed that they experienced delays in processing death claims in 2019. The examiners confirmed the delays in processing of death claims and it was evident in the review of complaints. The explanation provided by the Company is that they implemented two enhancements to their Electronic Death Match (EDM) process. The Company integrated LexisNexis, a third-party vendor, to expand the data sources used to identify deaths and to enhance the EDM capabilities to include address matching. The second enhancement was extracting dates of birth and social security numbers from older life insurance paper applications for policies on certain administrative systems and loaded them into the EDM system. The integration of both enhancements began in November of 2018 and was completed in late 2019. The EDM process enhancements produced more than 150,000 additional matches in 2019. Although, the Company increased staffing and cross training to meet the increased workload, the delays contributed to an increase in complaints and caused life insurance claims to be delayed by more than 30 days for an error rate more than 32%. The Company did pay beneficiaries the statutory 10% interest penalty for delays exceeding 30 days.

The following represents a summary of findings; however specific details are found in each section of the report.

TABLE OF TOTAL VIOLATIONS							
Crit #	Statute / Rule	Description of Violations	Population	Files Reviewed	Number of Violations	Findings Section	Error %
17	215 ILCS 5/154.6(i)	Paid Claims Ind. Life - Failure to pay claim in 30 days	10,658	109	35	A.2	32.10%
19	IAC 919.70(a)(2)	Paid Claims Ind. Life - Failure to provide delay letter within 45 days	10,658	109	34	A.2	31.20%
22	IAC 919.70(a)(2)	Paid Claims Ind. Life - Failure to provide Notice of Availability of the Department of Insurance on delay letter	10,658	109	9	A.2	8.30%
33	IAC 919.30(c)(d)	Paid Claims Ind. Life - Failure to retain copies of correspondence	10,658	109	9	A.2	8.30%
11	IAC 919.50(a)(1)	Denied Claims Ind. Life - Failure to deny claim within 30 days	22	22	3	A.3	13.60%
12	IAC 919.70(a)(2)	Denied Claims Ind. Life - Failure to provide delay letter within 45 days	22	22	3	A.3	13.60%
13	IAC 919.50(a)(1)	Denied Claims Ind. Life - Failure to provide Notice of Availability of the Department of Insurance on denial letter	22	22	7	A.3	31.80%

TABLE OF TOTAL VIOLATIONS							
Crit #	Statute / Rule	Description of Violations	Population	Files Reviewed	Number of Violations	Findings Section	Error %
28	215 ILCS 5/154.6(o)	Paid Claims Ind. Annuity - Failure to provide claim forms within 15 working days	468	76	1	A.5	1.30%
27	IAC 919.70(a)(2)	Paid Claims Ind. Annuity - Failure to provide delay letter within 45 days	468	76	1	A.5	1.30%
26	IAC 919.70(a)(2)	Paid Claims Ind. Annuity - Failure to provide Notice of Availability of the Department of Insurance on the delay letter	468	76	36	A.5	47.40%
35	IAC 919.30(c)(d)	Paid claims Ind. Annuity - Failure to retain copies of correspondence	468	76	1	A.5	1.30%
51	IAC 919.50(a)(1)	Denied Claims Ind. Dental - Failure to provide Notice of Availability of the Department of Insurance on denial letter	4,777	108	102	A.9	94.40%
21	IAC 919.70(a)(2)	Paid Claims Ind. Disability Income - Failure to provide Notice of Availability of Department of Insurance on the delay letter	11	6	5	A.10	83.30%
23	IAC 919.70(a)(2)	Denied Claims Ind. Disability Income - Failure to provide Notice of Availability of the Department of Insurance on the delay letter	15	15	5	A.11	33.30%
16	IAC 919.70(a)(2)	Paid Claims Ind. Long-Term Care - Failure to provide Notice of Availability of Department of Insurance on the delay letter	142	71	27	A.12	38.00%
40	215 ILCS 5/154.6(i)	Paid Claims Group Annuity - Failure to pay claim within 30 days	59	29	16	A.14	55.20%
39	215 ILCS 5/154.6(o)	Paid Claims Group Annuity - Failure to provide claim forms within 15 working days	59	29	7	A.14	24.10%
37	IAC 919.70(a)(2)	Paid Claims Group Annuity - Failure to provide Notice of Availability of the Department of Insurance on the delay letter	59	29	24	A.14	82.80%
38	IAC 919.70(a)(2)	Paid Claims Group Annuity - Failure to provide delay letter within 45 days	59	29	14	A.14	48.30%

TABLE OF TOTAL VIOLATIONS							
Crit #	Statute / Rule	Description of Violations	Population	Files Reviewed	Number of Violations	Findings Section	Error %
48	IAC 919.70(a)(2)	Denied Claims Group A&H - Failure to provide Notice of Availability of the Department of Insurance on delay letter	389	32	8	A.16	25.00%
7	IAC 919.70(a)(2)	Paid Claims Group Life - Failure to provide delay letter within 45 days	6,819	108	1	A.20	0.90%
6	IAC 919.70(a)(2)	Paid Claims Group Life - Failure to provide Notice of Availability of the Department of Insurance on delay letter	6,819	108	26	A.20	24.10%
3	IAC 919.70(a)(2)	Denied Claims Group Life - Failure to provide delay letter within 45 days	133	67	1	A.21	1.50%
2	IAC 919.70(a)(2)	Denied Claims Group Life - Failure to provide Notice of Availability of the Department of Insurance on delay letter	133	67	16	A.21	23.90%
4	IAC 919.50(a)(1)	Denied Claims Group Life - Failure to provide Notice of Availability of the Department of Insurance on denial letter	133	67	19	A.21	28.40%
9	IAC 919.50(a)(1)	Denied Claims Group Long-Term Care - Failure to provide Notice of Availability of the Department of Insurance on the denial letter	5	5	2	A.25	40.00%
10	IAC 919.70(a)(2)	Denied Claims Group Long-Term Care - Failure to provide Notice of Availability of the Department of Insurance on the delay letter	5	5	3	A.25	60.00%
31	IAC 919.70(a)(2)	Paid Claims Group Long-Term Disability - Failure to provide Notice of Availability of the Department of Insurance on the delay letter	281	8	2	A.26	25.00%
44	IAC 919.50(a)(1)	Denied Claims Group Long-Term Disability - Failure to provide Notice of Availability of the Department of Insurance on denial letter	293	24	1	A.27	4.20%
45	IAC 919.70(a)(2)	Denied Claims Group Long-Term Disability - Failure to provide Notice of Availability of the Department of Insurance on delay letter	293	24	11	A.27	45.80%

TABLE OF TOTAL VIOLATIONS							
Crit #	Statute / Rule	Description of Violations	Population	Files Reviewed	Number of Violations	Findings Section	Error %
29	IAC 919.50(a)(1)	Denied Claims Group Short-Term Disability - Failure to provide Notice of Availability of the Department of Insurance on the denial letter	618	51	6	A.29	11.80%
30	IAC 919.70(a)(2)	Denied Claims Group Short-Term Disability - Failure to provide Notice of Availability of the Department of Insurance on the delay letter	618	51	3	A.29	5.90%
34	IAC 919.50(a)(2)	Denied Claims Group Short-Term Disability - Failure to deny within 30 days	618	51	4	A.29	7.80%
36	IAC 919.70(a)(2)	Denied Claims Group Short-Term Disability - Failure to provide delay letter within 45 days	618	51	2	A.29	3.90%
54	IAC 919.50(a)(1)	Denied Claims Group Vision - Failure to deny claim within 30 days	22,305	12	6	A.31	50.00%
53	215 ILCS 5/132(2)	Policy Loans – Failure to maintain copies of pertinent communications with policy-owner	16,759	109	8	B.1	7.30%
55	215 ILCS 5/149(1)	Policy Loans – Misrepresenting the policy loans values on policyholder annual statements	16,759	109	1	B.1	0.90%
42	215 ILCS 5/234.1	Non-Forfeiture Options - Failure to provide detailed explanation of all available options	559	86	71	B.2	82.30%
47	215 ILCS 5/143d(b)	Consumer Complaints - Failure to provide written response within 21 days	161	161	21	C.1	13.00%
25	IAC 926.40(a)	DOI Complaints - Failure to respond to IL Dept of Insurance by time allotted by Dept	154	154	14	C.2	9.10%

V. METHODOLOGY

The market conduct examination covered the business written for the period of December 1, 2018 through November 30, 2019. Complaints covered the period of June 1, 2018 through November 30, 2019. Specifically, the examination focused on a review of the following areas:

- a. Claims Analysis
- b. Policy Service (policy loans, cash surrenders and non-forfeitures)
- c. Consumer Complaints, Insurance Department Complaints and Litigation

The review of these categories was accomplished through examination of policy loans, cash surrendered policy files, extended term and reduced paid-up policy files, claim files, Insurance Department and consumer complaint files. Each of these categories is examined for compliance with Department Regulations and applicable State Laws.

The report concerns itself with improper practices performed by the Company, resulting in a failure to comply with Illinois statutes and/or administrative rules. Criticisms were prepared and communicated to the Company addressing violations discovered in the review process. All valid criticisms were incorporated in this report.

The following methods were used to obtain the required samples and to assure a methodical selection.

Claims Analysis

Claim surveys were selected using the following criteria:

- a. Paid Claims - Payment for claims made during the examination period.
- b. Denied Claims - Denial of benefits during the examination period for losses not covered by policy provisions.

All claims were reviewed for compliance with policy contracts and endorsements, applicable sections of the Illinois Insurance Code (215 ILCS 5/1 et seq.) and the Illinois Administrative Code (50 Ill. Adm. Code 101 et seq.).

All median payment periods were measured from the date necessary proofs of loss were received to the date of payment or denial to the insured or the beneficiary. The examination period for the claims review was December 1, 2018 through November 30, 2019.

Policy Service

Policy service surveys were selected using the following criteria:

- a. Policy Loans – Loans made during the examination period.
- b. Cash Surrenders – Surrenders made during the examination period.
- c. Non-forfeiture Options – Policies that lapsed due to non-payment of premiums and exercised the option to Reduced Paid-Up Insurance or Extended Term Insurance.

Consumer, Insurance Department Complaints and Litigation

The Company provided all files relating to complaints received via the Department of Insurance as well as those received directly by the Company from the insured or his/her representative. A copy of the Company's complaint register was also reviewed.

The Company provided a listing of all open and closed litigation files. A review was performed on the closed litigation files.

Median periods were measured from the date of notification of the complaint to the date of response by the Company. The period of review was June 1, 2018 through November 30, 2019.

VI. SELECTION OF SAMPLES

Metropolitan Life Insurance Company			
Survey	Population	# Reviewed	% Reviewed
CLAIMS ANALYSIS			
Retained Asset Accounts (From Settled Claims)	13,271	109	0.82%
Paid Individual Life	10,658	109	1.00%
Denied Individual Life	22	22	100%
Paid Individual Life Waiver of Premium	1	1	100%
Paid Individual Annuity	468	76	16.20%
Paid Individual Accidental Death	2	2	100%
Denied Individual Accidental Death	32	16	50%
Paid Individual Dental	14,717	109	0.70%
Denied Individual Dental	4,777	108	2.30%
Paid Individual Disability Income	11	6	54.50%
Denied Individual Disability Income	15	15	100%
Paid Individual Long-Term Care	142	71	50%
Denied Individual Long-Term Care	8	8	100%
Paid Group Annuity	59	29	49.10%
Paid Group Accident & Health Indemnity	1,811	48	2.70%
Denied Group Accident & Health Indemnity	389	32	8.20%
Paid Group Dental	653,934	99	0.02%
Denied Group Dental	177,232	97	0.10%
Paid SBR (COLI/BOLI)	69	6	8.70%
Paid Group Life	6,819	108	1.60%
Denied Group Life	133	67	50.40%
Paid Group Life Waiver of Premium	133	67	50.40%
Denied Group Life Waiver of Premium	1,234	105	8.50%
Paid Group Long-Term Care	47	24	51.10%
Denied Group Long-Term Care	5	5	100%
Paid Group Long-Term Disability	281	8	2.80%
Denied Group Long-Term Disability	293	24	8.20%
Paid Group Short-Term Disability	1,980	53	2.70%
Denied Group Short-Term Disability	618	51	8.30%
Paid Group Vision	64,147	10	0.02%
Denied Group Vision	22,305	12	0.10%
CONSUMER COMPLAINTS	161	161	100%
DEPARTMENT OF INSURANCE COMPLAINTS	154	154	100%
CLOSED LITIGATION	14	14	100%
POLICYHOLDER SERVICES			
Policy Loans	16,759	109	0.65%
Non-Forfeiture Options	559	86	15.40%
Group Life Cash Surrender	262	79	30.10%
Individual Life Cash Surrender	1,720	113	6.60%
SBR (COLI/BOLI) Cash Surrender	19	9	47.30%
Group Annuity Cash Surrender	39	39	100%
Individual Annuity Cash Surrender	1,655	113	6.80%

VII. FINDINGS

a. Claims Practices

The examiners reviewed the Company's claim practices to determine its efficiency in handling complaints, accuracy of payment, adherence to contract provisions and compliance with Illinois laws and regulations.

i. Retained Asset Accounts (from settled claims)

A review of 109 retained account transactions produced no criticisms.

ii. Paid Individual Life Claims

A review of 109 paid individual life claims produced four (4) criticisms. Criticism 17 was issued to the Company. The Company failed to offer payment of claim within 30 days for 35 claims as required by 215 ILCS 5/154.6(i) and 50 Ill. Adm. Code 919.50(a).

Criticism 19 was issued to the Company. The Company failed to provide the insured's beneficiary with a reasonable written explanation for the delay beyond 45 days for 34 claims as required by 50 Ill. Adm. Code 919.70(a)(2).

Criticism 22 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for nine (9) claims as required by 50 Ill. Adm. Code 919.70(a)(2).

Criticism 33 was issued to the Company. The Company failed to retain documentation of pertinent communications for nine (9) claims as required by 50 Ill. Adm. Code 919.30(c)(d).

The median for payment was nine (9) days.

iii. Denied Individual Life Claims

A review of 22 denied individual life claim files produced three (3) criticisms. Criticism 11 was issued to the Company. The Company failed to provide the insured's beneficiary with a reasonable written explanation for the basis of denial within 30 days for three (3) claims as required by 50 Ill. Adm. Code 919.50(a)(1).

Criticism 12 was issued to the Company. The Company failed to provide the insured's beneficiary with a reasonable written explanation for the delay beyond 45 days for three (3) claims as required by 50 Ill. Adm. Code 919.70(a)(2).

Criticism 13 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for seven (7) claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for denial was three (3) days.

iv. Paid Individual Life Waiver of Premium

A review of one (1) paid individual life waiver of premium claims produced no criticisms.

The median for payment was one (1) day.

v. Paid Individual Annuity

A review of 76 paid individual annuity claims produced four (4) criticisms. Criticism 28 was issued to the Company. The Company failed to provide forms necessary to present claims within 15 working days for one (1) claim as required by 215 ILCS 5/154.6(o).

Criticism 27 was issued to the Company. The Company failed to notify the insured's beneficiary with a reasonable written explanation for the delay beyond 45 days for one (1) claim as required by 50 Ill. Adm. Code 919.70(a)(2).

Criticism 26 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for 36 claims as required by 50 Ill. Adm. Code 919.70(a)(2).

Criticism 35 was issued to the Company. The Company failed to retain documentation of pertinent communications for one (1) claim as required by 50 Ill. Adm. Code 919.30(c)(d).

The median for payment was one (1) day.

vi. Paid Individual Accidental Death

A review of two (2) paid individual accidental death claims produced no criticisms.

The median for payment was seven (7) days.

vii. Denied Individual Accidental Death

A review of 16 denied individual accidental death claims produced no criticisms.

The median for denial was seven (7) days.

viii. Paid Individual Dental

A review of 109 paid individual dental claims produced no criticisms.

The median for payment was six (6) days.

ix. Denied Individual Dental

A review of 108 denied individual dental claims produced one (1) criticism. Criticism 51 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the denial letter for 102 claims as required by 50 Ill. Adm. Code 919.50(a)(1).

The median for denial was four (4) days.

x. Paid Individual Disability Income

A review of six (6) denied individual disability income claims produced one (1) criticism. Criticism 21 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for five (5) claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for payment was 22 days.

xi. Denied Individual Disability Income

A review of 15 denied individual disability income claims produced one (1) criticism. Criticism 23 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for 12 claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for denial was one (1) day.

xii. Paid Individual Long-Term Care

A review of 71 paid individual long-term care claims produced one (1) criticism. Criticism 16 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for 27 claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for payment was 18 days.

xiii. Denied Individual Long-Term Care

A review of eight (8) denied individual long-term care claims produced no criticisms.

The median for denial was 18 days.

xiv. Paid Group Annuity

A review 29 paid group annuity claims produced four (4) criticisms. Criticism 40 was issued to the Company. The Company failed to offer payment of claim within 30 days for 16 claims as required by 215 ILCS 5/154.6(i) and 50 Ill. Adm. Code 919.50(a).

Criticism 39 was issued to the Company. The Company failed to provide forms necessary to present claims within 15 working days for seven (7) claims as required by 215 ILCS 5/154.6(o).

Criticism 37 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for 24 claims as required by 50 Ill. Adm. Code 919.70(a)(2).

Criticism 38 was issued to the Company. The Company failed to notify the insured's beneficiary with a reasonable written explanation for the delay beyond 45 days for 14 claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for payment was 36 days.

xv. Paid Group Accident and Health Indemnity

A review of 48 paid group accident and health indemnity claims produced no criticisms.

The median for payment was five (5) days.

xvi. Denied Group Accident and Health Indemnity

A review of 32 denied group accident and health indemnity claims produced one (1) criticism. Criticism 48 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for eight (8) claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for denial was three (3) days.

xvii. Paid Group Dental

A review of 99 paid group dental claims produced no criticisms.

The median for payment was six (6) days.

xviii. Denied Group Dental

A review of 97 denied group dental claims produced no criticisms.

The median for denial was two (2) days.

xix. Paid SBR (Company/Business Owned Life Insurance)

A review of 6 paid SBR claims produced no criticisms.

The median for payment was five (5) days.

xx. Paid Group Life

A review of 108 paid group life insurance claims produced two (2) criticisms. Criticism 7 was issued to the Company. The Company failed to provide the insured's beneficiary with a delay letter within 45 days for one (1) claim as required by Ill. Adm. Code 919.70(a)(2).

Criticism 6 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for 26 claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for payment was two (2) days.

xxi. Denied Group Life

A review of 67 denied group life claims produced three (3) criticisms. Criticism 3 was issued to the Company. The Company failed to provide the insured's beneficiary with a delay letter within 45 days for one (1) claim as required by Ill. Adm. Code 919.70(a)(2).

Criticism 2 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for 16 claims as required by 50 Ill. Adm. Code 919.70(a)(2).

Criticism 4 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the denial letter for 19 claims as required by 50 Ill. Adm. Code 919.50(a)(1).

The median for denial was nine (9) days.

xxii. Paid Group Life Waiver of Premium

A review of 67 paid group life waiver of premium claims produced no criticisms.

xxiii. Denied Group Life Waiver of Premium

A review of 105 denied group life waiver of premium produced no criticisms.

xxiv. Paid Group Long-Term Care

A review of 24 paid group long-term care claims produced no criticisms.

The median for payment was 14 days.

xxv. Denied Group Long-Term Care

A review of five (5) denied group long-term care claims produced two (2) criticisms. Criticism 9 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the denial letter for two (2) claims as required by 50 Ill. Adm. Code 919.50(a)(1).

Criticism 10 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for three (3) claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for denial was 12 days.

xxvi. Paid Group Long-Term Disability

A review of eight (8) paid group long-term disability produced one (1) criticism. Criticism 31 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for two (2) claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for payment was 12 days.

xxvii. Denied Group Long-Term Disability

A review of 24 denied group long-term disability claims produced two (2) criticisms. Criticism 44 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the denial letter for one (1) claim as required by 50 Ill. Adm. Code 919.50(a)(1).

Criticism 45 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for 11 claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for denial was one (1) day.

xxviii. Paid Group Short-Term Disability

A review of 53 paid group short-term disability claims produced no criticisms.

The median for payment was (5) days.

xxix. Denied Group Short-Term Disability

A review of 51 denied group short-term disability claims produced four (4) criticisms. Criticism 29 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the denial letter for six (6) claims as required by 50 Ill. Adm. Code 919.50(a)(1).

Criticism 30 was issued to the Company. The Company failed to provide the Notice of Availability of the Department of Insurance on the delay letter for three (3) claims as required by 50 Ill. Adm. Code 919.70(a)(2).

Criticism 34 was issued to the Company. The Company failed to provide the insured's beneficiary with a reasonable written explanation for the basis of denial within 30 days for four (4) claims as required by 50 Ill. Adm. Code 919.50(a)(2).

Criticism 36 was issued to the Company. The Company failed to provide the insured's beneficiary with a reasonable written explanation for the delay beyond 45 days for two (2) claims as required by 50 Ill. Adm. Code 919.70(a)(2).

The median for denial was one (1) day.

xxx. Paid Group Vision

A review of 10 paid group vision claims produced no criticisms.

The median for payment was 13 days.

xxxi. Denied Group Vision

A review of 12 denied group vision claims produced one (1) criticism. Criticism 54 was issued to the Company. The Company failed to provide the insured's beneficiary with a reasonable written explanation for the basis of denial within 30 days for six (6) claims as required by 50 Ill. Adm. Code 919.50(a)(1).

The median for denial was one (1) day.

b. Policyholder Services

i. Policy Loans

A review of 109 policy loan files produced two criticisms. Criticism 53 was issued to the Company. The Company failed to maintain copies of pertinent communications with the policyowner. The Company did not maintain a copy of the annual policy statement or the policy loan interest billing statements in the policyowner file for eight (8) policy loan files as required by 215 ILCS 5/132(2).

Criticism #55 was issued to the Company. The Company misrepresented the policy loan values on the policyholder's annual statement for one (1) policy loan files as required by 215 ILCS 5/149(1). The Company disclosed three (3) additional policy loans from the same policy administration system that had incorrect policyholder annual statements. The Company has taken correction action and will contact the affected policyholders with revised annual statements.

ii. Non-Forfeiture Options

A review of 86 non-forfeiture option files produced one criticism. Criticism 42 was issued to the Company. The Company failed to provide a detailed explanation of all available non-forfeiture options that the policyowner may elect per the policy for 71 non-forfeiture policy files as required by 215 ILCS 5/234.1.

iii. Group Life Cash Surrender

A review of 79 group life cash surrender files produced no criticisms.

The median for surrender was two (2) days.

iv. Individual Life Cash Surrender

A review of 113 individual life cash surrender files produced no criticisms.

The median for surrender was one (1) day.

v. SBR (Company/Business Owned Life Insurance) Cash Surrender

A review of nine (9) SBR company/business owned life insurance cash surrender files produced no criticisms.

The median for surrender was five (5) days.

vi. Group Annuity Cash Surrender

A review of 39 group annuity cash surrender files produced no criticisms.

The median for surrender was 21 days

vii. Individual Annuity Cash Surrender

A review of 113 individual annuity cash surrender files produced no criticisms.

The median for surrender was two (2) days

c. Complaints and Litigation

i. A review of 161 consumer complaints produced one (1) criticism. Criticism 47 was issued to the Company. The Company failed to provide a written response within 21 days of receipt of complaint for 21 complaints as required by 215 ILCS 5/143.d(b).

ii. A review of 154 Illinois Department of Insurance complaints produced one criticism. Criticism 25 was issued to the Company. The Company failed to respond within the time allotted by the Illinois Department of Insurance for 14 complaints as required by 50 Ill. Adm. Code 926.40(a).

iii. A review of 14 closed litigation files produced no criticisms.

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF:

METROPOLITAN LIFE INSURANCE COMPANY
200 PARK AVENUE
NEW YORK, NY. 10166

STIPULATION AND CONSENT ORDER

WHEREAS, the Director of the Illinois Department of Insurance (“Department”) is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Metropolitan Life Insurance Company (“the Company”), NAIC 65978, is authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by a duly qualified examiner of the Department pursuant to Sections 132, 401, 402, 403, and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403, and 5/425); and

WHEREAS, as a result of the Market Conduct Examination, the Department examiner filed a Market Conduct Examination Report covering the examination period of June 1, 2018 through November 30, 2019, which is an official document of the Department; and

WHEREAS, the Market Conduct Examination Report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company; and

WHEREAS, the Company is aware of and understands their various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407, and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, they waive any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS AGREED by and between the Company and the Director as follows:

1. The Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and Department Regulations; and
2. The Director and the Company consent to this Order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Reinforce existing policies and procedures whereby the Company shall affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed. 215 ILCS 5/154.6(i)
2. Reinforce existing policies and procedures whereby, if a claim remains unresolved for 45 days from the date it is reported, the Company shall provide the insured or, when applicable, the insured's beneficiary, with a reasonable written explanation for the delay. In credit or mortgage claims, the notice must be provided to the debtor/insured in addition to the policyholder. Additionally, institute and maintain policies and procedures to include notice of availability of the Department of Insurance with such written explanation to the insured beneficiary. IAC 919.70(a)(2)
3. Reinforce existing policies and procedures whereby detailed documentation shall be contained in each claim file in order to permit reconstruction of the company's activities relative to each claim file. For those companies who do not maintain hard copy files, claim files must be accessible from cathode ray tube (CRT) or micrographics and capable of duplication to hard copy. IAC 919.30(c)&(d)
4. Reinforce existing policies and procedures whereby the Company shall, on first party claims if a settlement of a claim is less than the amount claimed, or if the claim is denied, the company shall provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed. This explanation shall clearly set forth the policy definition, limitation, exclusion or condition upon which denial was based. Notice of Availability of the Department of Insurance shall accompany this explanation. IAC 919.50(a)(1)
5. Reinforce existing policies and procedures whereby the Company shall provide forms necessary to present claims within 15 working days of a request with such explanations as are necessary to use them effectively. 215 ILCS 5/154.6(o)

6. Institute and maintain policies and procedures whereby the Company shall not enact a non-forfeiture option, unless a notice is given to the policyowner which explains this action and refers the policyowner to the other available options, if any, under the provisions of the policy. Evidence of this notice shall be maintained by the insurer. 215 ILCS 5/234.1
7. Reinforce existing policies and procedures whereby the Company shall provide information and services that may reasonably be requested by policyholders who are residents of this State and must respond promptly to complaints made by policyholder. Companies must provide a written response to written inquiries and complaints within 21 days of receipt. 215 ILCS 5/143d(b)
8. Submit to the Director of Insurance, State of Illinois, proof of compliance with or remediation plan for compliance with the above seven (7) orders within 30 days of execution of this Order.
9. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of \$60,850.00 to be paid within 10 days of execution of this Order.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code including, but not limited to, levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent Order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of METROPOLITAN LIFE INSURANCE COMPANY



Signature

Larry Wolff

Name

Senior Vice President & Chief Counsel

Title

Subscribed and sworn to before me this
28 day of January 2021.

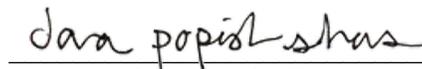


Notary Public

SZE KAN YEUNG
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01YE6151803
Qualified in Queens County
Commission Expires August 28, 2022

DEPARTMENT OF INSURANCE of the
State of Illinois:

DATE _____



Dana Popish Severinghaus
Acting Director



STATE OF ILLINOIS)
) ss
COUNTY OF SANGAMON)

Christopher Heisler being first duly sworn upon his/her oath, deposes and says:

That she/he was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of METROPOLITAN LIFE INSURANCE COMPANY (the "Company").

That the Examiner-In-Charge was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Company with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Company's business and affairs and the manner in which the Company conducts its business;

That neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is an officer of, connected with, or financially interested in the Company nor any of the Company's affiliates other than as a policyholder or claimant under a policy or as an owner of shares in a regulated diversified investment company, and that neither the Examiner-In-Charge nor any other persons so designated nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

That she/he was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Company for the period covered by the Report as determined by the examiners;

That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Company.

Christopher
Heisler

Digitally signed by Christopher
Heisler
Date: 2021.03.17 08:08:21
-05'00'

Examiner-In-Charge

Subscribed and sworn to before me
this 17th day of March 2021

Erica Weyhenmeyer
Notary Public

