

FINANCIAL SERVICES COMMISSION

**OFFICE OF INSURANCE REGULATION
MARKET INVESTIGATIONS**

TARGET MARKET CONDUCT FINAL EXAMINATION REPORT

OF

METROPOLITAN LIFE INSURANCE COMPANY

AS OF

MARCH 16, 2007

NAIC COMPANY CODE: 65978



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PURPOSE AND SCOPE OF EXAMINATION

Under authorization of the Financial Services Commission, Office of Insurance Regulation (Office), Market Investigations, pursuant to Section 624.3161, Florida Statutes, a target market conduct examination of Metropolitan Life Insurance Company (Company) was performed by Examination Resources, LLC. The scope of this examination was July 1, 2006 through December 15, 2006. The examination began January 2, 2007 and ended on January 5, 2007. A second visit to the Company began on March 12, 2007 and ended March 16, 2007.

The purpose of this examination was to verify the Company's compliance with Section 626.9541(1)(dd), Florida Statutes, which became effective on July 1, 2006. The examination included the following procedures:

- Review of the Company's procedures regarding declining, limiting, or canceling policies based on the applicant's past foreign travel experiences or future foreign travel plans.
- Verify the Company's forms utilized to determine insurability comply with Section 626.9541(1)(dd), Florida Statutes.
- Review all life insurance policy applications that were issued other than how they were applied for, declined, or cancelled during the examination period to verify the Company is complying with Section 626.9541(1)(dd), Florida Statutes.

This Final Report is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by the Company. Procedures and conduct of the examination were in accordance with the Market Regulation Handbook produced by the National Association of Insurance Commissioners.

COMPANY OPERATIONS

Metropolitan Life Insurance Company is a foreign insurer licensed to conduct business in the State of Florida. The Company provides life insurance coverage in the State of Florida.

Total Direct Premiums Written in Florida for life insurance was as follows:

Year	Total Written Life Premium In Florida (Per Schedule T of the Financial Statement)
3 rd Qtr 2006	\$313,638,885

FOREIGN TRAVEL PROCEDURES REVIEW

Company Procedures Review

The Company's agents were not formally notified of the effectuation of the new law, because the applications and the process of completing them did not change. On November 7, 2005, the Company issued a memorandum to their Life New Business Department indicating that consideration of travel was now prohibited on applications from residents of the state of Florida. The Company's underwriters were provided with these new requirements in writing on November 7, 2005, April 10, 2006 and July 10, 2006, and these releases became supplements to their underwriting manual. The Company certified that, although the questions appear on the applications, the issue of foreign travel is not utilized in the determination of coverage limitations or declination of coverage.

Subsequent to the examination scope, in March 2007, the Company notified its agents that in compliance with state regulations, it will not underwrite based solely on the proposed insured's past or future foreign travel plans.

Policy Application Review

There were 3,195 life insurance applications submitted to the Company during the scope of the examination. A review of 491 files, comprising all life insurance policy applications that were issued other than how they were applied for, declined, or cancelled during the scope period, was conducted to determine if the Company was in compliance with Section 626.9541(1)(dd), Florida Statutes. No violations were noted.

REPORT SUMMARIZATION

A review was conducted of the Company's travel policy with respect to the application process for life insurance. A review of 491 policy files revealed no violations. The following represents general findings, however, specific details are found in each section of the report.

Policy Application Review – 491 Files

- Policy Applications – 491 files

Findings

- Policy Application Review – No violations.

EXAMINATION FINAL REPORT

The Office hereby issues this report as the Final Report, which is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by the Company in response to the draft report.