

## Individual Business Field Release

### **MetLife Long-Term Care Announces Important Pricing Changes**

As a leader in the Long-Term Care Insurance (LTCI) marketplace for the past 20 years, MetLife has and continues to believe that LTCI is an important product for one's personal safety net, and a key component of a comprehensive retirement plan. We are committed to ensuring that our pricing supports the long-term stability of the products we offer, so that we can deliver the guarantees our customers rely on. In addition, we continually evaluate the assumptions used to price our products.

Based on a most recent in-depth analysis of our business, and changes in our actuarial assumptions based on emerging experience since the initial pricing of our products, we will be taking several actions with respect to rates. Evolving assumptions and their impact on pricing is not just a MetLife challenge, but one the industry is facing overall. We believe that having rates at the right levels and focusing on product development are the best solutions for our business and the LTCI market.

MetLife is committed to you and our policyholders. We recognize the importance of sharing as much information with you and with our policyholders as early as possible. Over the coming months we will be continuing to provide you with details on each of our rate action initiatives. MetLife will continue to be there for our policyholders, particularly when they need us most – at time of claim.

Following is detailed information on rate actions and dates for key communications.

### **Planned Rate Actions, Timing, and Communications**

We will be filing for an in-force rate increase on our LTC97 and VIP1 policy series. We will also be filing for a new rate basis for new insureds on our products currently in market, VIP2 and LifeStage Advantage, however, there will be no impact to current VIP2 and LifeStage Advantage policyholders. Additionally, we will be making changes to our Multi-Life Discount Program and VIP2 policy series.

Filings for all rate actions will begin September 2008. Keep in mind that the amount and timing of the planned rate actions are subject to regulatory approval.

### **LTC97 and VIP1 Policy Series**

- We are requesting states approve an 18% in-force rate increase on our two oldest individual policy series, LTC97 and VIP1.
- We intend to minimize the impact to our older-aged policyholders to the extent permissible by law and approved by state regulators. As such, we are requesting no increase for insureds who have an original issue age of 70 and over.
- Policyholders will be provided with options for keeping their policy in-force at premiums that are comparable to their current level of premium, such as reducing their Daily/Monthly Benefit Amount or their Total Benefit Amount.
- Commissions will be paid at renewal rates on the increased premiums.

**Timing of Planned Rate Action:** We expect to begin implementing in-force premium increases during the second half of 2009, based on state approvals and concurrent with a policyholder's anniversary date. For example, if we implement new rates in a specific state in September 2009, and the policyholder anniversary date is December 2009, the rate change for that policyholder will occur in December 2009.

**For Producer or Broker/Dealer use Only. Not For Public Distribution.**

L09081718(exp1008)

**Communications:**

- March 2009: A detailed information packet for the in-force rate increase is expected to be distributed to producers. This will include a timeline for communications and implementation, a Q&A document and sample policyholder communications.
- Mid-2009: State announcement mailings are expected to begin as follows:
  - Producers of policyholders in states that have approved the in-force premium increase will be notified prior to their clients, and will receive a list of their clients in those states and the premium impact, if any.
  - Impacted policyholders in states that approved the in-force increase will receive increase letters. Letters will include the new premium amount and applicable benefit decrease options (reducing Daily/Monthly Benefit Amount and/or Total Benefit Amount). Policyholders will have 30 days to respond to this mailing.
  - This process will be repeated as states continue to approve and we implement the in-force premium increase.

**VIP2 and LifeStage Advantage Policy Series**

- A new rate basis will be introduced for new insureds on our individual policy series, VIP2 and LifeStage Advantage.
- The new rate basis for policies containing no inflation protection, Future Purchase Option (FPO), or Guaranteed Purchase Option (GPO) for many ages will be more competitively priced than it is today.
- The new rate basis will be higher for policies containing Automatic Inflation Protection features, except at older ages.

**Timing of Planned Rate Action:** We expect to begin the implementation of new rates for VIP2 and LifeStage Advantage in early 2009, as we receive state approvals.

**Communications:** We will use field releases to notify you of state availability for new rates.

***IMPORTANT NOTE:***

- *In-force VIP2 and LifeStage Advantage policies will not be impacted by these actions.*
- *Remaining state rollouts of LifeStage Advantage will be postponed until the new rate basis is approved and implemented in a remaining state.*

**Suspension of Premier Policy and Unlimited Benefit Duration Under VIP2 Policy Series**

- As of October 6, 2008, the Premier Policy and the Unlimited Benefit Duration will not be available under the current VIP2 Policy Series rate structure.
- Applications requesting these features must be signed and dated by October 6, 2008 and received by MetLife LTC by October 13, 2008.

***IMPORTANT NOTE:*** *A notice will be included in application kits as a reminder that these features are not available and our illustration systems will be updated with these changes. Marketing materials will also be updated as necessary.*

**Multi-Life Discount Program Changes**

- For new groups – effective October 6, 2008, only one product will be available in each state under the Multi-Life Discount Program. If LifeStage Advantage is available in a state, that will be the product offered. If LifeStage Advantage is not available in a state, VIP2 will be the product offered.
- Groups that have been approved through October 6, and sign on or before the end of their 30-day Offer Letter acceptance period, will receive the product selected on their Qualification Form.

***IMPORTANT NOTE:*** *In-force VIP2 and LifeStage Advantage Multi-Life groups will not be subject to the state availability restriction outlined above.*

**For Producer or Broker/Dealer use Only. Not For Public Distribution.**

L09081718(exp1008)

### **Our Vision for the Future**

MetLife believes the LTCI market needs to change in order to attract a broader segment of the population in both the individual and worksite markets. As such, we believe future opportunities may be with lower cost, simpler products, such as the FPO/GPO features of LifeStage Advantage as well as products that change the funding of LTCI by combining life insurance and annuities with LTCI, capitalizing on the Pension Protection Act, and other solutions. Product development initiatives will be a main focus at MetLife as we determine how best to approach these opportunities. We will be soliciting field input throughout this process. We believe LTCI is an important component of one's personal safety net, and a key component of a comprehensive retirement plan.

We will continue to keep you informed of our progress. For additional information please call: **The MetLife Investors Long-Term Care Insurance Sales Desk at 888-776-3882, or your Regional Sales Vice President.** Please remember, at this time we do not know which, if any, of your in-force LTCI clients will be affected and in what manner. The LTCI in-force rate increase request on the LTC97 and VIP1 policies are subject to state departments of insurance approvals. We anticipate implementation of the in-force premium rate increase to begin second half of 2009.

**David Acselrod, Vice President is the officer sponsoring this release.**

**For Producer or Broker/Dealer use Only. Not For Public Distribution.**

L09081718(exp1008)