

ATTORNEY GENERAL OF THE STATE OF NEW YORK

-----X

IN THE MATTER OF :

METROPOLITAN LIFE INSURANCE COMPANY :

-----X

### ASSURANCE OF DISCONTINUANCE

Pursuant to the provisions of Executive Law § 63(12), the Donnelly Act (Gen. Bus. Law §§ 340 et. seq.), § 349 of the General Business Law and the common law of the State of New York, Eliot Spitzer, Attorney General of the State of New York, caused an investigation to be made of Metropolitan Life Insurance Company (“MetLife”), relating to practices in the marketing, underwriting, sale, issuance, renewal, payment of compensation, placement and servicing of insurance for its clients or prospective clients; and based upon the Attorney General’s investigation the following findings have been made:

### PRELIMINARY STATEMENT

1. Metropolitan Life Insurance Company (“MetLife”), a New York company, is one of the largest employee benefits insurers in the U.S., providing group benefits insurance to 37 million employees and their families through their employers. MetLife employee benefits insurance includes group life, disability, dental, long term care and travel accident insurance. In the group life area, MetLife receives over six billion dollars in annual premium, and has over twenty percent market share based on in-force premiums. MetLife does extensive business with group customers in New York State. In 2005, MetLife had 2,405 group life, disability, and dental customers in New York, accounting for 334 million dollars in premium.

2. Currently most group life insurance policies are sold through intermediaries, such as brokers or consultants (collectively, “producers”). Producers provide employers with access to a wide array of insurance products from various insurers and purport to advise them on the optimal coverage for their employees. Many employers were unaware, however, that MetLife – like most other carriers – since at least 1998 entered into numerous undisclosed “override agreements” (sometimes referred to by insurers and producers as “contingent commission agreements”) under which carriers paid producers millions of dollars of undisclosed compensation in connection with the sale and renewal of insurance business.

3. Under these override agreements, MetLife paid producers based on certain conditions. These included: (1) the volume of business the producer generated for MetLife; and (2) the amount of business the producer was able to maintain for MetLife at renewal. These compensation arrangements gave an incentive for producers – who have an obligation to employers to identify the optimal insurance products for the customer’s needs – to provide customers to MetLife. This system of compensation proved to be beneficial for MetLife: Former and current MetLife managers have acknowledged that because competitors in the industry made similar payments, MetLife may not have received as much business as it did without paying overrides.

4. MetLife trained its sales force to use the prospect of override payments to encourage brokers to recommend MetLife’s products to its clients. It made available to regional sales managers a regularly prepared “threshold attainment report” which indicated how close brokers were to meeting their override targets, and thereby obtaining higher payments. It also prepared letters to brokers signed by a MetLife executive, which reported the amount of an override the broker would receive based on sales until that point during the year; how far it had to go to meet the next threshold, and the amount it would get if it hit that target. MetLife urged

its field staff to “leverage” these documents by reminding brokers during the sales process how much they could earn by awarding MetLife a particular contract.

5. MetLife also entered into “single case override” agreements with a limited number of producers that paid them in connection with a particular case. Although this practice was largely discontinued at the corporate level in 2002, in several instances MetLife field staff continued to promise payments for specific pieces of business. To comply with these assurances, MetLife offered the brokers more lucrative override agreements as recompense, which in some instances were calculated to result in the same payment that had been promised. In one instance, MetLife lowered the threshold the broker had to meet for an override payment as “an acknowledgment of [the broker’s] role in recommending MetLife to their clients.”

6. In certain cases, MetLife also paid to producers undisclosed communication fees that were far higher than those charged by MetLife, and other types of fees for services that were often ill-defined. MetLife then sometimes passed on the cost of the fees to its clients. In one instance, MetLife paid communications fees to one producer – Universal Life Resources (“ULR”) – although it knew that ULR had not performed the services for which it was compensated.

7. MetLife’s responses to client inquiries about such payments were sometimes incomplete or inaccurate. MetLife also created a statement to respond to inquiries on communication fees that indicated: “These expenses will be incurred whether or not ULR is involved with the development of the communications and the oversight of the[ir] implementation,” although MetLife was aware that ULR’s charges for these services were much higher than MetLife’s.

8. In sum, MetLife implemented a program of undisclosed incentives designed to reward brokers for recommending MetLife to their clients, and then encouraged its sales staff to

“leverage” such incentives, so as to promote MetLife products to their clients. This may have resulted in producers taking actions that were at odds with their clients’ best interests.

## **FACTS**

### **I. BACKGROUND**

9. Employers often offer insurance as a benefit for their employees. An employer may offer group insurance in which the employer is the policyholder, or may serve as a conduit for voluntary insurance. In both cases, insurance carriers generally receive premium payments through the employer – from salary deductions in the case of voluntary insurance.

10. Employers rarely purchase group insurance policies directly. Rather, they typically hire consultants or brokers – whom insurers call “producers” – to represent their interests in dealings with insurance carriers. Producers often issue requests for proposals (“RFP’s”) to insurers; present insurers’ proposals to employers; recommend the optimal proposal; and represent the employer in negotiations that follow. They hold themselves out as representatives of the employer seeking insurance, and employers rely on their expertise in navigating the complexities of group benefit insurance.

11. Some employers compensate producers by paying a fee; otherwise, insurers generally pay producers a commission, calculated as a percentage of the premium paid by the employer. In addition, insurers have made other payments to producers that are contingent on the amount and nature of business the producer “produces” for the insurer. The precise name of these payments may differ among insurers, but they are generically referred to as “overrides” or “contingent commissions.” The specific terms of contingent commission agreements vary, but they commonly require the insurer to pay the producers based on factors including the volume of

business the producer's clients place with the insurer and the number of the producer's clients that maintain their policies with the insurer.

12. Federal law generally requires private employers to disclose compensation paid to producers in connection with an employer's purchase of insurance for its employees with group plans in excess of 100 or more participants. This information must be reported on Form 5500, Schedule A ("Form 5500"), and must be filed by the employer with the United States Department of Labor. In situations where the employer has paid a fee to the producer, the employer will know the amount to report on Form 5500. The employer, however, may not independently know the amount of compensation an insurer may have paid to the producer. As a result, the insurer usually reports that amount to the employer. Where the producer does not disclose its compensation to the employer, this report may be the employer's only opportunity to learn of compensation its producer has received from an insurer; if a payment is not disclosed during the creation of the Form 5500, an employer may never know of its existence.

## **II. METLIFE PAID UNDISCLOSED INCENTIVES TO PRODUCERS**

13. Like many insurers, MetLife incentivized its producers to provide it with business, through several vehicles. *First*, MetLife established several "Preferred Broker" programs under which it paid producers based on the amount of business they placed, or maintained, with MetLife. *Second*, MetLife paid certain producers undisclosed "communication fees" that were far higher than those charged by MetLife, and other types of ill-defined "service fees" to producers, in order to continue to receive business from them.

14. Any producer nationwide was eligible to receive payments under MetLife's standard Preferred Broker program. Regional sales managers also nominated brokers they deemed promising for "Strategic Alliance ("SA") Agreements." For these select brokers,

MetLife set higher thresholds, and paid higher compensation to producers who met them than they would have received under the Preferred Broker program.

15. MetLife entered into SA Agreements in order to “[i]ncent intermediaries to place . . . cases with MetLife . . .” SA Agreements also incentivized producers to encourage clients to sell particular kinds of MetLife products. For example, MetLife provided differing levels of incentives depending on whether the broker sold insurance that was “participating” or “non-participating.” Participating contracts, under which the customer has a share in the positive and negative experience that may result, are generally less profitable. Under some SA Agreements, producers had to sell four times as many participating contracts to receive the same credit towards an override payment as they did in the case of non-participating contracts. MetLife also provided incentives to producers to get their customers to switch from participating contracts to non-participating ones.

16. MetLife sometimes also paid incentives based on the cash accumulation in Group Universal Life (“GUL”) products. Employees insured through GUL can invest additional moneys in an accumulation fund with a fixed rate of return. MetLife invests these funds, and retains the spread. Because the accumulation fund provided an additional source of profit, at least one of MetLife’s SA Agreements provided for augmented payments based on the size of the fund.

17. In one instance, MetLife paid a producer based in part on its “closing ratio” – the percentage of total contracts awarded by the producer that it gave to MetLife. MetLife’s SA Agreement with producer ULR for life insurance, in effect in 2002 and 2003, allowed ULR to secure a 50% increase in its overrides, ostensibly for performing certain ill-defined “administrative services.” In order to secure the increase, however, ULR had to meet a “New Business Threshold” as follows:

[O]ne or more of every three cases brought to market by ULR in each calendar year this agreement is in effect must be placed with MetLife, assuming MetLife is competitively priced . . . .”

ULR met this target, and received payment under the clause.

18. In a few instances, MetLife also made interest-free advances to producers of override payments it expected they would earn. Those producers could then “recoup” the advances by providing MetLife with business.

19. MetLife did not list the actual amount of override payments on the Form 5500, although MetLife had the ability to determine the payments made in connection with each plan sponsor’s contract, and did so in internal reports. MetLife sometimes included a note on the Form 5500 documents that MetLife has a preferred broker program in place which could result in the broker receiving additional compensation that was not directly charged back to the customer. Even this was omitted on some of the reports MetLife provided to employers.

**III. METLIFE INSTRUCTED SALES PERSONNEL TO “LEVERAGE” OVERRIDES TO GET PRODUCERS TO PROVIDE METLIFE WITH BUSINESS.**

20. MetLife worked to insure that producers responded to its incentive programs by distributing information on how close they were to meeting their goals, and by encouraging sales staff to use that information to push producers to sell MetLife products. For these purposes, MetLife sometimes created “Threshold Attainment” reports, which set forth each producer’s compensation thresholds, and how close each was to meeting these targets.

21. In addition, MetLife prepared letters for each producer with an SA Agreement to update its sales personnel on which producers had sold sufficient MetLife business to qualify for an override or were in “striking distance” of their SA targets. In one instance, an internal MetLife email referred to the Threshold Attainment report as a guide to “Who’s in the money.”

22. MetLife sales personnel had the option of delivering the form letter in person, or having it mailed by a MetLife executive. The form letter told the party to the SA Agreement: 1) what the qualifying premium total was thus far that year; 2) what the override would be as a result; 3) how much additional premium the producer needed to generate for MetLife to meet the next threshold; and 4) the range of additional compensation that could result from meeting that target. MetLife sales personnel also had the option of presenting threshold attainment data directly to the broker.

23. Sales personnel were urged to use such letters to “leverage our alliance agreement” – that is, to use the prospect of an SA payment to generate business for MetLife. A MetLife employee has acknowledged that the company hoped that “if a broker saw that [it] was near the first threshold and all other things were equal . . . that may bring business to [MetLife].” One sales representative characterized the “ability to let the broker know where they stand on the Preferred Broker Bonus Program” as “the main sales tool I need.”

24. MetLife sales personnel provided producers with such notifications throughout the year. For example, one MetLife salesperson sent an email in September 2003 to a producer when it qualified for the first level of bonus. The sales person noted: “[Your company] is \$550,000 away from qualifying for the second bonus level, an additional 50% increase in bonus revenue . . . . Good stuff!”

25. MetLife took other steps to highlight the impact of MetLife compensation programs to producers. It requested of certain brokers that they break down MetLife’s override payments so that the individual offices that sold particular pieces of business would receive a direct share of the compensation. Many brokers did, in fact, distribute override payments to local offices, or even to individual producers. In 2003 and 2004, MetLife reached agreement with certain producers that operated nationwide, so as to set up a system of regional targets that

would trigger compensation paid on the regional level. The purpose of these initiatives was, in the words of one MetLife employee, to give individual producers “some skin in the game” – a direct personal incentive to recommend MetLife to their clients.

26. One case illustrates the manner in which MetLife used its incentive payments to secure favorable treatment. In 2002, MetLife decided to use one consultant, Mercer, as a “test case” to focus its attention on cultivating relationships with consultants.

27. As with other producers, MetLife communicated with Mercer about the targets that they needed to meet to garner override compensation. These arrangements proved helpful when MetLife competed to provide Group Long Term Disability insurance to one large non-profit corporation. At the time, Mercer was close to meeting its 2002 first tier threshold, and MetLife, “regularly communicated to key Mercer leaders . . . what a sale to the [non-profit] would mean to Mercer financially.” The conversation took place at the senior level, because consultants “strive to maintain the appearance of impartiality,” and MetLife calculated that an approach to the individuals directly handling the bidding would harm its chances.

28. MetLife’s approach proved successful. Mercer not only prepared a “compelling spreadsheet” that recommended MetLife over the competing insurer, it sent a draft of these recommendations to MetLife before the client saw it, and asked MetLife to suggest further arguments for the consultant to make in MetLife’s favor. Mercer also declined to give MetLife’s competitors a final chance to match its rates. Its endorsement, in MetLife’s view was “key to tipping the scales in our favor.”

29. In October 2002, after the bid had been awarded, MetLife amended its compensation agreement with Mercer to reduce the threshold to \$40 million, so as to allow Mercer to qualify. This agreement resulted in a \$747,000 payment. MetLife further agreed to advance 80 percent of this sum before 2002 was over. In the letter, MetLife stated that it granted

the amendment “[a]s an acknowledgment” of the consultant’s “role in recommending MetLife to their clients.”

**IV. METLIFE NEGOTIATED AND PAID CASE-SPECIFIC INCENTIVES TO PRODUCERS BASED ON THEIR GIVING A PARTICULAR CLIENT’S BUSINESS TO MET.**

30. MetLife payments to producers were not limited to those made on a producer’s overall book of business with MetLife. Sometimes, MetLife entered into agreements with particular brokers under which it agreed to pay them a specific sum, on condition that it was awarded the coverage. Moreover, while MetLife informed the employer about standard commission payments to brokers on the Form 5500, it failed to disclose these “single case overrides” on the 5500, as a matter of course.

31. For example, in August 2000, MetLife agreed to pay a producer an override on one employer’s business if it was awarded the Term Life and Voluntary Dental business. Another agreement the same year paid a consultant \$20,000 in connection with a particular renewal – a sum that, by agreement would not be disclosed on the Form 5500. A 2001 agreement with Aon Consulting gave it a \$100,000 payment in connection with MetLife’s life and disability coverage for one of its clients.

32. These payments supplemented those made under the SA Agreement. Handwritten notes on one such agreement referenced: “special deals on huge cases, where we give the case-specific comp w/out 5500.”

33. In recent years, MetLife’s corporate officers sought to move away from agreements to pay pre-determined sums of money in exchange for particular cases. In some cases, however, individual MetLife salespersons continued to agree to such arrangements. On several occasions, when brokers demanded payment on such arrangements, MetLife responded by offering an expanded compensation package that, in practice, gave the broker a comparable

financial benefit. MetLife did so either by providing a SA Agreement to brokers that previously did not have one, or by providing more expansive incentives on an agreement it had already signed with the broker. In this way, MetLife rewarded brokers for providing it with particular clients, while ostensibly acting outside the rubric of “single case overrides.”

34. For example, MetLife promised ULR a \$120,000 payment as additional compensation on one client’s business. MetLife subsequently amended ULR’s compensation agreement midstream to provide an additional 0.1% on its existing book of business with MetLife, to a maximum of \$120,000. MetLife knew that ULR had enough business with MetLife so that this was the equivalent of making a \$120,000 payment.

35. Similarly, in March 2004, ULR told MetLife that it had agreed to make an \$80,000 override payment to it “for selling [short term disability coverage] at full price” to another of its clients. Instead of making the payment directly, MetLife agreed to amend ULR’s SA Agreement to increase its compensation. MetLife gave similar benefits to certain other producers. In two instances, MetLife made good on its agreements to make a payment on a single case by granting the producer a SA Agreement that had not been in place previously. Similarly, when MetLife made an effort – ultimately unsuccessful – to win a contract for a group of schools, their broker questioned MetLife about the lesser compensation it would receive if it awarded MetLife the contract, as it would receive \$50,000 if it gave the bid to MetLife’s rival bidder. MetLife responded by “reassuring” the broker that if MetLife “was fortunate enough to get this block of business, [it] would need to be able to offer a similar agreement to them so that [the broker] would be able to continue to earn \$50,000 in override bonus money.” In response, for the specific purpose of being a finalist on the school group business, MetLife promised to “roll” the broker “into” an override agreement MetLife already had with an affiliate, which would allow MetLife to make the demanded payment.

**V. METLIFE PAID EXCESSIVE AND UNDISCLOSED “FEES” TO COMPENSATE PRODUCERS, AND SOMETIMES PASSED ON THEIR COST TO THE INSURED.**

36. Certain producers also sought compensation from MetLife for “services” they purported to render to the insurer or insured. MetLife made such payments, even in circumstances where it knew the fees were far greater than what MetLife would charge or, in one instance, when it became aware that the work at issue had never been performed. The cost of these undisclosed payments were sometimes incorporated into the rate paid by the insured, who ultimately bore the cost of these payments.

37. One producer who charged these fees was ULR. As a condition of doing business, ULR provided “communication” services for which it charged \$10 for existing employees, and \$5 for new hires and subsequent enrollments. In one case, ULR charged even higher. From 1999-2004, MetLife’s SA Agreements with ULR required that it make these payments to ULR, and that they not be detailed on the Form 5500. MetLife recognized that such fees were “very lucrative” for ULR, and their cost ultimately might be borne by the insured, as part of the insurance pricing.

38. In 2003 alone, MetLife paid ULR over \$2 million in such fees – more than it paid in standard commissions reported on the Form 5500. Altogether, including its SA Agreement payments, ULR received over \$11 million in compensation from MetLife that was not included on the Form 5500 documents, and less than \$2 million in disclosed payments.

39. In 1999, MetLife agreed to pay an additional \$10 per enrollee for ULR communication services for one client, although it had already given ULR \$20 per enrollee for the same services. As a result, ULR received \$30 per employee for a service that MetLife could have performed for a fraction of the cost.

40. In one instance, ULR never actually performed the communications services for which it was contracted. Nonetheless, it still asked for – and MetLife still paid – the money agreed to on the assumption that these services were carried out. Specifically, ULR demanded payment for communication services provided to one client although the company had hired another consultant, and ULR never provided the services for which it was compensated. These fees ultimately totaled approximately \$1.8 million. MetLife failed to disclose this payment to the customer until the customer made a request for information on ULR’s compensation following the initiation of an action by the Attorney General against ULR.

41. In 2003, another MetLife producer informed some of MetLife’s customers about the compensation arrangements that MetLife had with ULR. As a result, a former MetLife executive wrote numerous sales and other executive staff to provide “suggested responses” to customers should they ask about these arrangements. In these suggestions, the former MetLife manager urged sales personnel to misrepresent a portion of the compensation it paid to ULR.

42. In particular, MetLife employees were told to tell customers that its payment of communications fees “replaces the insurance company charge and the two are commensurate.” MetLife, however, could perform similar services for much lower cost, and did so when a customer so requested it.

43. One MetLife employee expressed her concern about the proposed statement. She stated that she had “been asked to sign several arrangements on compensation with ULR and [did] not feel comfortable with the arrangements.” In particular, she wanted “to insure there is no conflict or payment without valid agreement.” In response, the former MetLife official responsible for the ULR relationship sought to cut her out of the information loop. He asked her how she had seen documentation on the issue, and requested that in the future, all ULR invoices be forwarded through him.

44. MetLife made similar misrepresentations in regard to fees paid on life coverage for employees of a pharmaceutical company. A proposal submitted by MetLife to provide life insurance to the company included a communication/enrollment expense of 2% for communication costs, specifically noting that the payment would go to ULR. After a complaint from ULR about this disclosure, MetLife submitted a “clarification” which stated: “These expenses will be incurred whether or not ULR is involved . . . going forward. Our proposal incorrectly . . . made reference to ULR in relation to these charges.” MetLife went on to “strongly” recommend ULR to carry out this service, stating that its “involvement is neutral to the extent of our proposed pricing.” This clarification was not accurate, since MetLife was able to perform similar services at a much lower cost.

45. In some instances, MetLife characterized other kinds of compensation as fees for services, in order to avoid disclosure. In 2002, MetLife entered into an agreement to compensate a New York broker 3% on all premium MetLife received from it for new disability customers, in exchange for “services” that included holding regular meetings, providing “feedback” and maintaining “appropriate records.” Many of these services, however, were standard for producers who had no such agreement. The agreement explicitly stipulated that the compensation would not be disclosed on the Form 5500.

46. In one instance, MetLife paid a \$25,000 fee to ULR upon winning the business of one customer in exchange for ULR’s “preparation of the request for proposal, and review of insurance carrier responses,” as set forth in the Request for Proposal. MetLife’s underwriters then “increased expenses by \$25,000 so [that payment was] in essence being passed back to the customer as part of the rates.” One MetLife manager, in an email marked “[d]o not release please delete after reading,” commented that MetLife’s payments to ULR “appears to be a conflict of interest or at a minimum could be perceived as too close of a relationship,” and raised

the question of whether the customer was actually aware that the fee was included in the customer's rates.

47. In sum, MetLife used "service" fees as a means to compensate certain producers, without full disclosure to the producers' client – and sometimes at the client's expense.

#### **VI. THE NEW YORK ATTORNEY GENERAL'S INVESTIGATION AND METLIFE'S IMPROVED DISCLOSURE**

48. The New York Attorney General commenced a broad investigation of insurance brokers and insurers, including MetLife, in 2004. To address some of the issues raised by the investigation, MetLife has implemented a policy of fuller disclosure. For example, MetLife began to disclose all contingent compensation retroactive to January 2004, as well as to notify all customers prior to making contingent compensation payments to brokers that their plans would result in the payment of such compensation.

49. Based on these facts the Attorney General finds that MetLife engaged in deceptive and/or fraudulent practices by (a) paying brokers and consultants to bring business to MetLife in violation of their duties to their clients; (b) failing to disclose or concealing certain payments from employers; and (c) in some instances, making misrepresentations regarding the true cost and nature of communication and other service fees.

50. MetLife has cooperated with the Attorney General's investigation.

51. In the wake of the Attorney General's investigation, MetLife has adopted and under this Assurance of Discontinuance ("Assurance") will continue to implement a number of business reforms governing the conduct of MetLife employees.

52. The Attorney General and MetLife wish to enter into this Assurance to resolve all issues related to MetLife in the Attorney General's investigation.

53. The Attorney General finds the relief and agreements contained in the Assurance appropriate and in the public interest. The Attorney General is willing to accept this Assurance of Discontinuance pursuant to Executive Law § 63(15), in lieu of commencing a proceeding.

54. This Assurance is entered into solely for the purpose of resolving the Attorney General's investigation, and is not intended to be used for any other purpose.

55. Without admitting or denying any of the above allegations, MetLife is entering into this Assurance.

56. Neither this Assurance, nor any acts performed nor documents executed in furtherance of this Assurance, may be used as an admission of the above allegations.

NOW THEREFORE MetLife and the Attorney General hereby enter into this Assurance and agree as follows:

## **AGREEMENT**

### **Definitions**

For purposes of this Assurance:

1. "Assurance" means this Voluntary Assurance of Discontinuance, and its exhibits.
2. "Attorney General's Investigation" or "Investigation" means the Office of Attorney General's investigation related to MetLife's practices in the marketing, underwriting, sale, issuance, renewal or servicing of, and payment of Compensation relating to, Covered Insurance for its Clients or Prospective Clients.
3. "Base Compensation" shall mean a commission paid to a Producer in connection with the issuance or renewal of Covered Insurance that is a percentage of premium or a fixed dollar amount that will be paid in relation to a Covered Policy.
4. "Bid Proposal" or "Proposal" shall mean any offer made by MetLife to issue, or

renew Covered Insurance.

5. “Broker of Record Letter” shall mean a written statement signed by a group insurance policyholder advising an insurer that a particular Producer shall act as the policyholder’s representative.

6. “Compensation” shall mean anything of material value given to a Producer in connection with Covered Insurance including, but not limited to, money, credits, loans, advances of Compensation, forgiveness of debt, forgiveness of principal or interest, trips, prizes, gifts or the payment of salaries or expenses for an employee of the Producer, except that Compensation shall not include reasonable entertainment expenses.

7. “Contingent Compensation” means any Compensation paid to a Producer in relation to Covered Insurance which is contingent upon any Producer: (a) placing a particular number of policies or a dollar value of premium with MetLife; (b) achieving a particular level of growth in the number of policies placed or a particular dollar value of premium with MetLife; (c) meeting a particular rate of retention or renewal of policies in force with MetLife; (d) placing or keeping sufficient insurance business with MetLife to achieve a particular loss ratio or any other measure of profitability; (e) providing preferential treatment to MetLife in the placement process, including but not limited to giving MetLife last looks, first looks, rights of first refusal, or limiting the number of quotes sought from insurers for insurance placements; or (f) providing anything else of material value to MetLife. Contingent Compensation shall not include Base Compensation or Supplemental Compensation paid in accordance with the terms and conditions set forth herein.

8. “Covered Insurance” or “Covered Policy” shall mean any insurance: (1) provided by MetLife which employees, their spouses, domestic partners and/or dependents obtain (whether or not at their own expense) through any group entity (including an employer),

including health, dental, life, disability, long term care, accidental death and dismemberment and medical stop loss insurance; (2) that is issued or renewed in the United States; (3) for which Compensation is payable to a Producer; and (4) as to which the policy is issued to the employer or group. Notwithstanding the foregoing, group annuity products and coverage for legal services shall not be considered “Covered Insurance” for the purposes of this Assurance.

9. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

10. “Implementation Date” means January 1, 2008.

11. “MetLife” shall mean Metropolitan Life Insurance Company, and its officers, directors and employees.

12. “MetLife Client” or “Client” shall mean any person or entity that is a party to a Covered Insurance contract with MetLife that is in force on or after the Implementation Date, or for which MetLife issues, or renews Covered Insurance, after the Implementation Date. Any person or entity with whom MetLife contracts to provide or renew Covered Insurance after the Implementation Date, or any person or entity that is a party to an insurance contract assumed or acquired by MetLife after the Implementation Date that is Covered Insurance, shall be a Client for purposes of this Assurance only from the time of the issuance or renewal of such Covered Insurance or from the date that is 12 months after the date of the assumption or acquisition of such insurance contract.

13. “Permitted Compensation” shall mean 1) Base Compensation, Supplemental Compensation, and Service Fees paid or offered to be paid to a Producer in connection with Covered Insurance; or 2) Compensation that (a) has been expressly and conspicuously authorized in a separate writing by the Prospective MetLife Client or the MetLife Client; and (b) is not Contingent Compensation.

14. “Producer” shall mean: 1) any insurance broker as that term is defined in § 2101(c) of the Insurance Law of the State of New York; 2) any independent insurance agent as that term is defined in § 2101(b) of the Insurance Law of the State of New York who offers Covered Insurance for a specific product or line from more than one insurer or affiliated group of insurers; or 3) any entity that solicits Bid Proposals or quotes on behalf of parties seeking Covered Insurance. For the purposes of the Assurance, “Producer” shall not include any employees of MetLife or any person who discloses in writing to the Prospective Client that such person represents MetLife and will receive Compensation from MetLife in connection with the placement of Covered Insurance.

15. “Prospective MetLife Client” or “Prospective Client” shall mean any person or entity which has solicited a quote or Proposal for insurance that if issued or renewed would be Covered Insurance, or to whom MetLife has provided a quote or Proposal for insurance that if issued or renewed would be Covered Insurance. Any MetLife Client that solicits a quote or Proposal for additional insurance that if issued would be Covered Insurance shall be considered a Prospective MetLife Client under this Assurance.

16. “Service Fees” shall mean any fees paid by MetLife to a Producer in relation to the administration of Covered Insurance provided through an employer or other group to a particular MetLife Client in connection with the sale or renewal of such insurance in addition to, or outside of, any fees that are treated by MetLife as commissions for the purposes of Schedule A (Form 5500), regardless of whether MetLife is required under ERISA to provide Schedule A (Form 5500) information to the Client. Service Fees shall include, but not be limited to, communication fees, marketing fees, implementation fees, enrollment fees, audit fees and Request for Proposal fees.

17. “Supplemental Compensation” shall mean any periodic Compensation paid to a

Producer that is either set as a fixed percentage or based on the amount of some or all premiums, in respect of Covered Insurance sold or in force with MetLife, or number of cases sold, through that Producer during a previous year. The Supplemental Compensation percentage payable to any Producer must be fixed prior to the start of the year in which Supplemental Compensation is payable to the Producer, and the percentage may not be varied during the year.

### **Monetary Payments**

18. On or before January 31, 2007, MetLife shall pay a penalty of \$2.5 million, by wire transfer to the State of New York.

19. On or before January 31, 2007, MetLife shall pay \$16.5 million dollars into a fund (the "Fund"), to be paid to policyholders of MetLife Covered Insurance (or their successors) who were represented by Producers that received Contingent Compensation or other Service Fees covered by this Assurance ("Eligible Policyholders") between January 1, 2002 and December 31, 2005. No portion of the Fund shall be considered a fine or a penalty.

20. The Fund shall be invested in a designated money market fund subject to the prior approval of the Attorney General.

21. By March 31, 2007, MetLife shall propose to the Attorney General for approval a plan of distribution for the fund.

22. Within 60 days after the Attorney General approves the plan of distribution, MetLife shall calculate, in accordance with a formula approved by the Attorney General, the amount of money that each Eligible Policyholder may receive from the Fund. MetLife will provide the Attorney General with a report setting forth: (a) each Eligible Policyholder's name and address; (b) the percentage of the Fund and dollar amount to which the Eligible Policyholder shall be entitled; and (c) the criteria on which the Eligible Policyholder's proposed recovery is

based. Within 30 days thereafter, MetLife will send a notice, subject to the approval of the Attorney General, to each client eligible to be paid from the Fund, setting forth (a) – (c) above. The notice shall bear the caption of this proceeding and state that the amount paid may increase if there is less than full participation by Eligible Policyholders.

23. Eligible Policyholders shall have 120 days from the date the notice is sent or until October 1, 2007 (whichever is later, “the Claim Deadline”) to request a distribution. Those who voluntarily elect to receive a cash distribution (the “Participating Policyholders”) shall tender a release in the form attached hereto as Exhibit A. In the event that any Eligible Policyholder elects not to participate or otherwise does not respond (the “Non-Participating Policyholders”), that client’s allocated share may be used by MetLife to satisfy any pending or other claims asserted by policyholders relating to these matters. In no event shall a distribution be made from the Fund to any Non-Participating Policyholder until all Participating Policyholders have been paid the full aggregate amount due as calculated pursuant to paragraph 21 above; nor shall the total payments from the Fund to any Non-Participating Policyholder exceed 80% of that Non-Participating Policyholder’s allocated share. If any funds remain in the Fund as of December 31, 2008, any such funds shall be distributed on a pro rata basis to the Participating Policyholders.

24. Within 60 days after the Claim Deadline, MetLife shall pay proportionally to each Participating Policyholder as much of that Participating Policyholder’s aggregate share of the Fund as possible with the monies then available in the Fund pursuant to a calculation approved by the Attorney General. Within 45 days of the final payment from the Fund, MetLife shall file a report with the Attorney General, certified by an officer of MetLife or other individual with personal knowledge, listing all amounts paid from the Fund.

25. Any of the tasks set forth in paragraphs 21 through 24 above may be performed by a settlement administrator (the “Administrator”) selected and compensated by

MetLife. At least one month prior to the Administrator carrying out any tasks under the Assurance, MetLife shall provide the Attorney General with the identity of the Administrator, and shall provide a copy of all agreements between MetLife and the Administrator.

26. Nothing in any agreement between MetLife and the Administrator shall be inconsistent with the terms of this Assurance, nor shall any such agreement relieve MetLife of any obligation under this Assurance. The Attorney General shall have the right to object to any term of the agreement(s) on the ground that it is inconsistent with this Assurance. The Attorney General may, in its sole discretion, reject the appointment of any Administrator selected by MetLife.

27. In no event shall any of the funds in the Fund, or any investment income earned thereon, be used to pay attorneys' fees, to compensate or pay the costs incurred by the Administrator, or for any other purpose besides compensating Eligible Policyholders.

28. Nothing in this Assurance shall preclude MetLife from sharing the costs of the Administrator with any other entity.

29. The sums set forth in this section are in full satisfaction of MetLife's obligations hereunder, and the Attorney General shall not seek to impose on MetLife any other financial obligation or liability related to this Assurance.

## CONDUCT

### I. COMPENSATION

From and after the Implementation Date:

30. MetLife shall only pay to Producers, in connection with the issuance, renewal or servicing of Covered Insurance on or after the Implementation Date, Permitted Compensation.

31. MetLife shall not offer to pay, directly or indirectly, to any Producer any Compensation in connection with the Producer's issuance, renewal or servicing of Covered Insurance, or solicitation of bids from MetLife for Covered Insurance, other than Permitted Compensation.

32. Except as an allocation of overhead expense, MetLife shall not add in the cost of Covered Insurance any Supplemental Compensation paid to a Producer in connection with a Covered Policy.

33. MetLife may pay Permitted Compensation to a Producer in respect of Covered Insurance, so long as the terms of this Agreement are met, including the compensation disclosures set forth below.

34. MetLife shall not pay any Service Fees to a Producer in relation to Covered Insurance unless, in a separate and conspicuous writing, (1) the Client has agreed prior to such payment to the nature and scope of the services to be provided by the Producer and the amount of the Service Fee, (2) the Client has agreed that the services shall be provided by, and payment made to, the Producer; and (3) if MetLife provides the same services as those to be performed by the Producer, it has so informed the Client.

35. MetLife shall not pay any Contingent Compensation to a Producer in relation to any Covered Insurance.

- a. Notwithstanding the foregoing, in the event that MetLife, prior to the Termination Date, wishes to pay Contingent Compensation to Producers in relation to any Covered Insurance, and provided that one or more other insurers that have signed Assurances with the Attorney General in regard to Covered Insurance continue to pay Contingent Compensation in respect of Covered Policies, MetLife may request amendment to this Assurance to allow for the payment of Contingent Compensation on substantially the same terms and to the same extent as permitted by Assurances entered into by the Attorney General with other insurers.
- b. In the event MetLife makes any request under subpart (a), MetLife and the Attorney General shall in good faith negotiate an amendment to this Assurance that grants MetLife substantially the same right to pay Contingent Compensation (if any) to the same extent and upon the same terms and conditions as is afforded to other carriers entering into Assurances with the Attorney General in respect to Covered Insurance. It shall not constitute bad faith if the Attorney General declines a request by MetLife for amendment under this section on the ground of MetLife's refusal to agree to any term or terms contained in the Assurances with other insurers relied upon by MetLife in making its request.

## II. COMPENSATION DISCLOSURES

From and after the Implementation Date:

36. MetLife shall disclose to Clients as set forth in this Section II the Compensation paid or payable to a Producer in connection with any Covered Insurance.

37. All Producer Compensation contracts entered into or renewed by MetLife shall include a provision obligating the Producer to provide to the Client or Prospective Client the Compensation Notice provided in any Bid Proposal pursuant to paragraph 41(a) hereof.

38. For all Covered Insurance, it shall be sufficient, for purposes of this Assurance, for MetLife to deliver the Compensation Notices and Statements and any other disclosures required by this Assurance to the Client or Prospective Client.

A. Compensation Notice

39. MetLife shall deliver to Clients and Prospective Clients in a form substantially similar to Exhibit B hereto a compensation notice, as provided in paragraph 41, setting forth the details of all Compensation the Producer has received and/or may receive from MetLife in connection with any Covered Insurance purchased from MetLife (the "Compensation Notice").

40. The Compensation Notice shall include:

- a. A description of Base Compensation payable by MetLife in respect of Covered Insurance and a detailed description of how the Base Compensation is calculated or determined and paid;
- b. The maximum Supplemental Compensation payable by MetLife during the twelve-month period following issuance and renewal in respect of Covered Insurance, expressed as a specific dollar amount and/or as a percentage of premium and a detailed description of how the Supplemental Compensation is (or would be) calculated or determined, including whether such amount or percentage may change after the twelve-month period following issuance or renewal;
- c. The URL for a website, and a toll-free number, by which the Client or Prospective Client may obtain further information about Compensation paid by

MetLife, including the specific compensation paid or payable by MetLife in connection with the Client's or Prospective Client's Covered Policy; and

- d. Any equity interest held by MetLife in the Producer, if any.

B. Dissemination of Compensation Notice

- 41. MetLife shall deliver the Compensation Notice in the following manner:
  - a. The Compensation Notice shall be prominently and clearly included in any Bid Proposal. If no Bid Proposal is made, (1) for a Covered Policy that is terminable at will by the Client or Prospective Client, MetLife shall deliver the Compensation Notice prior to or with the delivery of the Client's Covered Policy; or (2) for a Covered Policy that is not terminable at will by the Client or Prospective Client, MetLife shall deliver the Compensation Notice prior to the time the Prospective Client agrees to the issuance of the Covered Insurance;
  - b. In the event MetLife receives a Broker of Record Letter from any MetLife Client reflecting a change in the Producer for the Covered Insurance, the Compensation Notice shall be delivered to the MetLife Client within 45 days of receipt of such Broker of Record Letter;
  - c. In the event MetLife assumes or acquires a contract of insurance that is Covered Insurance under this Assurance, the Compensation Notice shall be delivered to the MetLife Client within 14 days of it becoming a MetLife Client.
  - d. In the event MetLife renews a Client's Covered Insurance, the Compensation Notice shall be included with the renewal information materials sent to such Client.
- 42. MetLife shall not pay any Compensation to a Producer in connection with the

issuance of any Covered Insurance before the date the Client has acknowledged in writing that the Client has received the Compensation Notice; or, if MetLife has mailed to the client the Compensation Notice via first class return receipt mail, upon MetLife's possession of documentary evidence of the Client's receipt of such Compensation Notice.

C. Compensation Statement

43. As used in this Assurance, a "Compensation Statement" shall be a document in a form substantially similar to Exhibit C hereto, that includes:

- a. A description of Base Compensation payable by MetLife in respect of Covered Insurance and a detailed description of how the Base Compensation is calculated or determined and paid.
- b. The total dollar amount of Supplemental Compensation payable by MetLife to the Producer in respect of the Covered Insurance expressed as a specific dollar amount and/or as a percentage of premium and a detailed description of how the Supplemental Compensation is (or would be) calculated or determined.
- c. If any Compensation is payable to a Producer in connection with the issuance or renewal of Covered Insurance other than Base Compensation or Supplemental Compensation, the Compensation Statement shall identify the services for which (and if applicable, the agreement pursuant to which) the Compensation is to be paid and specify the amount of any such Compensation.
- d. The URL for a website, and a toll-free number, by which the Client may obtain further information about Compensation paid by MetLife, including the specific compensation paid or payable by MetLife in connection with the Client's or Prospective Client's Covered Policy.

D. Dissemination of Compensation Statement

44. MetLife shall either: a) send the Compensation Statement annually by mail to all policyholders of a policy for Covered Insurance with MetLife on or before June 30 of each calendar year, or the date on which the Form 5500 information report is delivered to such policyholders, whichever is later; or b) provide policyholders with the Compensation information required on the Form 5500 Schedule A, and such information as is sufficient for the policyholder to determine the amount of 1) Base Compensation; 2) Supplemental Compensation; 3) Service Fees; and 4) other Compensation, paid to a Producer in relation to the amount of premium collected on the applicable Covered Insurance. This information shall be provided irrespective of whether ERISA requires that such information be sent to such Clients.

III. CONDUCT RESTRICTIONS

45. Before the Implementation Date, MetLife shall develop and implement a written Producer compensation plan in compliance with the terms and conditions set forth herein.

46. Within 90 days after the Implementation Date, MetLife shall implement company-wide written standards of conduct regarding Compensation paid to Producers. MetLife shall submit to the Office of the Attorney General a draft of the written standards of conduct prior to their dissemination. MetLife shall also, consistent with the terms of this Assurance, implement appropriate training of relevant employees, including but not limited to training in business ethics, professional obligations, conflicts of interest, antitrust, trade practices compliance, and record-keeping. MetLife shall submit to the New York Attorney General a draft of the intended policies prior to their dissemination.

47. In connection with the foregoing matters, MetLife shall not engage in violations of Executive Law § 63 (12), the Donnelly Act (Gen. Bus. Law § 340 et seq.), the Martin Act (Gen. Bus. Law § 352-c) and New York Insurance Law.

#### IV. COOPERATION

48. MetLife shall fully and promptly cooperate with the Office of the Attorney General with regard to its Investigation, and related proceedings and actions concerning any other person, corporation or entity, including but not limited to MetLife's current and former employees, concerning the insurance industry. MetLife shall use its best efforts to ensure that all of its officers, directors, employees, and agents also fully and promptly cooperate with the Office of the Attorney General in the Investigation and related proceedings and actions. Except where prohibited by applicable law, cooperation shall include without limitation: (a) production voluntarily and without service of subpoena of any non-privileged information and all non-privileged documents or other tangible evidence reasonably requested by the Office of the Attorney General, and any compilations or summaries of non-privileged information or data that the Office of the Attorney General reasonably requests to be prepared; (b) without the necessity of a subpoena, using its best efforts to have MetLife's officers, directors, employees and agents attend any proceedings at which the presence of any such persons is requested by the Office of the Attorney General and using its best efforts to have such persons answer any and all inquiries into non-privileged matters that may be put by the Office of the Attorney General (or any of the Office of the Attorney General's deputies, assistants or agents) to any of them at any proceedings or otherwise ("proceedings" include but are not limited to any meetings, interviews, depositions, hearings, grand jury hearing, trial or other proceedings); (c) fully, fairly and truthfully disclosing all non-privileged information and producing all non-privileged records and other evidence in its possession relevant to all inquiries reasonably made by the Office of the Attorney General

concerning any fraudulent or criminal conduct whatsoever about which it has any knowledge or information; (d) in the event any document is withheld or redacted on grounds of privilege, work-product or other legal doctrine, a statement shall be submitted in writing by MetLife indicating: (1) the type of document; (2) the date of the document; (3) the author and recipient of the document; (4) the general subject matter of the document; (5) the reason for withholding the document; and (6) the Bates number or range of the withheld document. The Office of the Attorney General may challenge such claim in any forum of its choice and may, without limitation, rely on all documents or communications theretofore produced or the contents of which have been described by MetLife, its officers, directors, employees, or agents; and (e) MetLife shall not jeopardize the safety of any investigator or the confidentiality of any aspect of the Office of the Attorney General's Investigation, including sharing or disclosing evidence, documents, or other information with others during the course of the investigation, without the consent of the Office of the Attorney General. Nothing herein shall prevent MetLife from providing such evidence to other regulators, or as otherwise required by law.

49. These rights shall be in addition to, and not in lieu of, any other investigative process which the Office of the Attorney General may invoke under New York law.

## V. NOTICES

50. All notices that are required or permitted under the Assurance shall be in writing and shall be sufficient if personally delivered or sent by certified or registered mail, facsimile transmission or overnight courier. Any notices shall be deemed given upon the earlier date of when received, or the third day after the date when sent by registered or certified mail or the day after the date when sent by overnight courier to the address below or by facsimile to the number below:

For MetLife:

Metropolitan Life Insurance Company  
Attn: General Counsel  
1 MetLife Plaza  
27-01 Queens Plaza North  
Long Island City, New York 11101  
212-578-0696  
212-252-7288 (facsimile)

with a copy to:

Debevoise & Plimpton LLP  
Attn: Bruce E. Yannett, Esq.  
919 Third Avenue  
New York, New York 10022  
212-909-6000  
212-909-6836 (facsimile)

For the Attorney General:

Office of Attorney General, State of New York  
Attn: Executive Deputy Attorney General for Economic Justice  
120 Broadway  
New York, New York 10271

51. Each Party shall provide the other with notification within seven days of any change in its principal address, telephone number or facsimile number. MetLife will provide the Office of the Attorney General with notification of any change in its corporate name and any merger, dissolution, or sale of all or substantially all of its assets.

#### VI. OTHER PROVISIONS

52. Except as otherwise stated, MetLife shall implement the provisions of this Assurance within sixty days of the Implementation Date. MetLife will not undertake any transaction for the purpose of circumventing the prohibitions contained in this Assurance.

53. The Attorney General will not initiate a case against MetLife relating to the matters uncovered to date relating to the subject matter of this Assurance, including, but not limited to, (1) any claim by the Attorney General against MetLife concerning Covered Insurance, and relating to any alleged act or omission in connection with the filing of Internal Revenue Service Form 5500, or any schedule thereto, by any MetLife Client (or by the administrator of any benefit plan established or maintained by a MetLife Client), or (2) relating to any alleged failure by MetLife to disclose any information about Compensation or Contingent Compensation for Covered Insurance paid to Producers.

54. This Assurance is not intended to disqualify MetLife, or any current employees of MetLife, from engaging in any business in New York or in any other jurisdiction. Nothing in this Assurance shall relieve MetLife's obligations imposed by any applicable state insurance law or regulation or other applicable law.

55. The Attorney General of the State of New York may make such application as appropriate to enforce or interpret the provisions of this Assurance, or in the alternative, maintain any action, either civil or criminal, for such other and further relief as the Attorney General may determine is proper and necessary for the enforcement of this Assurance. If compliance with any aspect of this Assurance proves impracticable, MetLife reserves the right to request that the parties modify the Assurance accordingly.

56. Section I of this Agreement shall terminate effective ten years from the Implementation Date ("Termination Date"). After the Termination Date, MetLife may adopt an alternative procedure than that required under Section II of this Assurance for disclosing Compensation to MetLife Clients and Prospective MetLife Clients; provided, however, such alternative procedure shall not go into effect absent the approval of the Attorney General, which approval shall not be unreasonably withheld.

57. This Assurance constitutes the entire agreement between the Office of the Attorney General and MetLife pertaining to the Investigation, and represents a voluntary agreement and full and final settlement of the parties' civil claims and defenses as to the matters addressed in this Assurance. It was entered into as a result of arm's length negotiations in which all parties were represented by counsel. The agreements contained herein are made without reliance upon any inducement, statement, promise or representation, other than those expressly contained in this Assurance.

58. This Assurance shall not be construed or interpreted to signify express or implied approval by the Office of the Attorney General or any of its respective agencies, departments or divisions, of any of acts, practices, policies or agreements carried out or entered into by MetLife.

59. Nothing in this Assurance shall relieve MetLife of any obligations imposed by any applicable New York law or regulation. In the event that performance of any provision of this Assurance is rendered impossible by an obligation imposed on MetLife by any New York law or regulation, such law or regulation shall control.

60. This Assurance shall not confer any rights upon any persons or entities besides the Office of the Attorney General and MetLife.

61. Nothing in this Assurance or any of its terms or conditions shall be interpreted to alter in any way the contractual terms of any Covered Policy issued, assumed or acquired by MetLife or any other insurance contract in force on or before the Implementation Date to which MetLife is or was a party.

62. Nothing in this Assurance constitutes an admission of liability by MetLife as to any issue of fact or law. Neither this Assurance nor MetLife's agreement to enter into this Assurance may be offered or received into evidence in any action as an admission of liability by MetLife, whether arising before or after the Implementation Date.

63. Facsimile transmission of a copy of this Assurance to counsel for each defendant shall be good and sufficient service on MetLife.

64. This Assurance may be executed on separate signature pages, in counterparts or by facsimile with the same effect as if all parties had signed the same physical page of this Agreement.

65. This Assurance shall be governed by the laws of the State of New York without regard to conflict of laws principles.

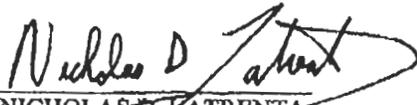
66. Any amendments to this Assurance shall be in writing and signed by all parties.

67. The parties represent that an authorized representative of each has signed the Assurance with full knowledge, understanding and acceptance of its terms and that this person has done so with authority to legally bind the respective party.

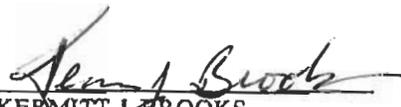
68. All of the obligations of this Assurance shall be binding on MetLife, its directors, officers, managers, employees successors, assigns and legal representatives, including but not limited to any person or entity to whom MetLife may be sold, leased or otherwise transferred.

WHEREFORE, the following signatures are affixed hereto on this 29<sup>th</sup> day of December 2006.

Metropolitan Life Insurance Company

By:   
NICHOLAS D. LATRENTA  
Chief Counsel, Institutional Business, Product Tax and ERISA  
1 MetLife Plaza  
27-01 Queens Plaza North  
Long Island City, NY 11101

ELIOT SPITZER  
Attorney General of the State of New York

By:   
KERMIT J. BROOKS  
Deputy Attorney General  
120 Broadway  
New York, NY 10271

## EXHIBIT A

### GENERAL RELEASE

This RELEASE (the "Release") is executed this \_\_\_ day of \_\_\_\_\_, 200\_ by RELEASOR (defined below) in favor of RELEASEE (defined below).

### DEFINITIONS

"RELEASOR" refers to [fill in name \_\_\_\_\_] and any of its affiliates, subsidiaries, associates, general or limited partners or partnerships, predecessors, successors, or assigns, including, without limitation, any of their respective present or former officers, directors, trustees, employees, agents, attorneys, representatives and shareholders, affiliates, associates, general or limited partners or partnerships, heirs, executors, administrators, predecessors, successors, assigns or insurers acting on behalf of RELEASOR.

"RELEASEE" refers to Metropolitan Life Insurance Company and any of its subsidiaries, affiliates, associates, general or limited partners or partnerships, predecessors, successors, or assigns, including, without limitation, any of their respective present or former officers, directors, trustees, employees, agents, attorneys, representatives and shareholders, affiliates, associates, general or limited partners or partnerships, heirs, executors, administrators, predecessors, successors, assigns or insurers (collectively, "MetLife").

"Assurance" refers to a certain Assurance of Discontinuance between Metropolitan Life Insurance Company and the Attorney General of the State of New York ("NYAG") dated \_\_\_, 2006, following an investigation by NYAG relating to same.

### RELEASE

1. In consideration for the total payment of \$\_\_\_\_\_ in accordance with the terms of the Assurance, RELEASOR does hereby fully release, waive and forever discharge RELEASEE from any and all claims, demands, debts, rights, causes of action or liabilities whatsoever, including known and unknown claims, now existing or hereafter arising, in law, equity or otherwise, whether under state, federal or foreign statutory or common law, and whether possessed or asserted directly, indirectly, derivatively, representatively or in any other capacity (collectively, "claims"), to the extent any such claims are based upon, arise out of or relate to, in whole or in part, (a) any of the allegations, acts, omissions, transactions, events, types of conduct or matters that are the subject of the Assurance; and (b) any allegations, acts, omissions, transactions, events, types of conduct or matters that are the subject of In re Insurance Brokerage Antitrust Litigation, MDL No. 1663, or the action pending in the United States District Court for the District of New Jersey captioned In re Employee Benefit Insurance Brokerage Antitrust Litigation, Civ. No. 05-1079 (FSH) or any related actions filed or transferred to the United States District Court for the District of New Jersey that are consolidated into either of the preceding Civil Action dockets.

2. In the event that the total payment referred to in paragraph 1 is not made for any reason, then this RELEASE shall be deemed null and void, provided that any payments received by RELEASOR shall be credited to MetLife in connection with any claims that RELEASOR may assert against MetLife, or that are asserted on behalf of RELEASOR or by a class of which RELEASOR is a member, against MetLife.

3. This RELEASE may not be changed orally and shall be governed by and interpreted in accordance with the internal laws of the State of New York, without giving effect to choice of law principles, except to the extent that federal law requires that federal law governs. Any disputes arising out of or related to this RELEASE shall be subject to the exclusive jurisdiction of the Supreme Court of the State of New York or, to the extent federal jurisdiction exists, the United States District Court for the Southern District of New York.

4 RELEASOR represents and warrants that the claims have not been sold, assigned or hypothecated in whole or in part.

Dated: \_\_\_\_\_

RELEASOR: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT B

### PRODUCER COMPENSATION NOTICE

Producers who place business with MetLife may be eligible to receive Base Compensation and Supplemental Compensation.

Base Compensation is payable to your producer as a percentage of paid premium or a fixed dollar amount for as long as the producer is recognized as the broker of record on your policy.

Supplemental Compensation payment amounts range from 0% – [x%] of group insurance premium. The actual percentage payable as Supplemental Compensation is determined each year and is based on either (a) the number of cases sold during the previous year; (b) the amount of some or all premiums with respect to insurance sold or in force with MetLife through your producer during the previous year; or (c) a fixed percentage of premiums set by MetLife. As such, the amount paid under MetLife's Supplemental Compensation program on eligible cases may vary from year to year, but will in no case exceed [x%] during the twelve-month period following [issuance/renewal]. The cost of Supplemental Compensation is not charged directly to policies. As a result, your rates are unaffected whether or not your producer receives Supplemental Compensation. More information about eligibility criteria and payment calculations under MetLife's Supplemental Compensation program can be found on MetLife's website: [specific page]

Questions regarding producer compensation can be directed to [GrpIns@MetLife.com](mailto:GrpIns@MetLife.com), or if you would like to speak to someone about producer compensation please call 1-888-xxx-xxxx.

## EXHIBIT C

### PRODUCER COMPENSATION STATEMENT

Producers who place business with MetLife may be eligible to receive Base Compensation and Supplemental Compensation.

Base Compensation is payable to your producer as a percentage of paid premium or a fixed dollar amount for as long as the producer is recognized as the broker of record on your policy. The annual Base Compensation to be paid to the producer in connection with your insurance policy is [x] % of premium.

Supplemental Compensation payment amounts range from 0% – [x%] of group insurance premium. The actual percentage payable as Supplemental Compensation is determined each year and is based on either (a) the number of cases sold during the previous year; (b) the amount of some or all premiums with respect to insurance sold or in force with MetLife through your producer during the previous year; or (c) a fixed percentage of premiums set by MetLife. As such, the amount paid under MetLife's Supplemental Compensation program on eligible cases may vary from year to year, but will in no case exceed [x%] during the twelve-month period following [issuance/renewal]. Your producer is currently qualified to receive [x ] % of eligible group insurance premiums paid by you. The cost of Supplemental Compensation is not charged directly to policies. As a result, your rates are unaffected whether or not your producer receives Supplemental Compensation. More information about eligibility criteria and payment calculations under MetLife's Supplemental Compensation program can be found on MetLife's website: [specific page]

MetLife is paying [\$xx.00] or [y % of premium] to your producer in connection with your policy for [x, y, z services] pursuant to \_\_\_ agreement, dated \_\_\_\_\_.

Questions regarding producer compensation can be directed to [e-mail] if you would like to speak to someone about producer compensation please call 1-888-xxx-xxxx.