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ONE HUNDRED ELEVENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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August 24, 2010

Mr. Robert C. Henrikson
Chairman, President, and
Chief Executive Officer
Metlife, Incorporated
200 Park Avenue
New York, NY 10166

Dear Mr. Henrikson:

Metlife is currently the sole provider of life insurance for federal civilian employees under the Federal Employees' Group Life Insurance (FEGLI) program. Upon the death of a federal civilian employee, Metlife does not automatically deliver a lump-sum check to the beneficiary. Instead, the beneficiary receives a letter indicating that these funds have been placed in a "retained asset account," and is provided with checks that can be used to withdraw all or a portion of the funds in the account.

I am concerned that some beneficiaries may not fully understand their right to obtain immediate, lump-sum payment of their benefits. Moreover, these retained asset accounts are essentially low interest bank accounts that, unlike bank deposits, are not insured by the Federal Deposit Insurance Corporation, although they may be protected by state insurance guaranty funds. It appears that Metlife currently earns more than 4 percent on funds deposited in these retained asset accounts, while some beneficiaries earn 0.5 percent interest.

The Committee on Oversight and Government Reform is the principal oversight committee in the U.S. House of Representatives, with jurisdiction over "any matter." Under Rules X and XI of the Rules of the House of Representatives, the Committee is investigating the life insurance industry's use of retained asset accounts, including the use of these accounts as it relates to active duty members of the armed forces, veterans, and federal civilian employees. To aid in the Committee's investigation, please provide the following information and records:

General

1. Please provide copies of the standard FEGLI insurance policy. If the standard FEGLI insurance policy has been revised or updated since 1990, please provide copies of all the iterations of this policy that have been used since 1990.
2. When did your company first begin providing life insurance under the FEGLI program?
3. Please provide copies of all MetLife contracts with the Federal Government pertaining to the FEGLI program, along with all amendments.
4. When did your company begin to employ retained asset accounts for the payment of claims under FEGLI?
5. When was your company's contract with the Federal Government amended to provide for retained asset accounts?
6. Does your company employ retained asset accounts for all life insurance policies it sells? If so, when did your company begin using retained asset accounts for life insurance other than FEGLI?
7. Please provide copies of all materials, including claims forms, sent to beneficiaries of FEGLI life insurance policies, *i.e.*, the entire contents of "the envelope" that the beneficiary first receives. If these materials have been revised or updated since 2000, please provide copies of all the iterations of these materials that have been used since 2000.

Administering the FEGLI Program

8. Please list by year the amount of administrative costs and service charges that Metlife has received annually under the FEGLI program since 1992.
9. Upon the death of a FEGLI policy holder, when are life insurance funds transferred from the US Treasury to Metlife? How often are these funds transferred?
10. Who pays the costs associated with transferring funds from the U.S. Treasury to Metlife under the FEGLI program? Please provide by year the costs associated from transferring these funds since January 1, 2000.
11. How much money does Metlife charge the federal government in administrative costs to provide FEGLI beneficiaries a lump sum payment up-front, as compared to a retained asset account?
12. Please list by year the total number of FEGLI claims and average amount that have been processed since 1992.

Checks

13. Please provide a copy of the standard checks your company includes in the initial package it sends to FEGLI beneficiaries. Can these checks be used to pay third parties?
14. Do the checks provided to beneficiaries go to another service provider before they can be cleared? If so, please provide a description of the responsibilities for each service provider, and copies of all contracts between Metlife and these service providers.

Investment

15. How does your company invest the assets residing in retained asset accounts?
16. Is the investment of these assets restricted by state or Federal regulation, or by internal rules? If so, please provide a detailed description.

Interest Rate

17. Please provide all policies and procedures for setting the interest rate that will be paid on retained asset accounts of FEGLI, and other life insurance beneficiaries. Please include in your answer: (a) a list all factors your company considers in setting these interest rates; (b) who decides what the interest rate will be; and (c) how often the interest rate is reviewed.

Participation

18. As of June 30, 2010, how many retained asset accounts under FEGLI and all other life insurance policies was your company managing and what was the total value of the assets in those accounts?
19. Since January 1, 2000, what percentage of retained asset accounts established under FEGLI and all other life insurance policies were closed by the account holders within the first 30 days? Within the first 60 days? Within the first year?
20. As of June 30, 2010, how many retained asset accounts under FEGLI and all other life insurance policies had been in existence for more than two years? More than five years? What was the total value of the accounts in each of those categories?

Dormant Accounts

21. How often does your company send account statements to retained asset account holders?
22. On what basis does your company consider a retained asset account to be dormant?
23. What does your company do with the assets in a dormant account and when?

24. How many dormant accounts has your company had since the inception of retained asset accounts and what was the total value of those accounts?
25. Does Metlife turn over inactive or dormant bank account to state governments or another entity? If so, please list by year the amount and number of accounts that have been turned over to each entity since January 1, 2000.

Account Security

26. Are your company's retained asset accounts guaranteed by the state guaranty funds in all 50 states and the District of Columbia? If so, please provide the applicable statutory or regulatory citations and specify any dollar limit or other restrictions on that guarantee.

Financial Information

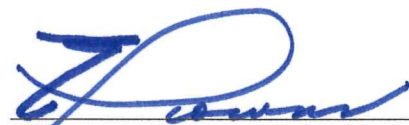
27. Please list by quarter the total number of retained-asset accounts held by your company from January 1, 2000 until June 30, 2010.
28. Please list by quarter the total amount of assets in retained asset accounts held by your company from January 1, 2000 until June 30, 2010.
29. Please list by quarter the total number of retained asset accounts held by your company under FEGLI from January 1, 2000 until June 30, 2010.
30. Please list by quarter the total amount of assets held in retained asset accounts through FEGLI from January 1, 2000 until June 30, 2010.
31. Please list by quarter the total return earned by your company on the assets held in retained asset accounts both with and without realized capital gains from January 1, 2000 through June 30, 2010.
32. Please list by quarter the total return earned by your company on the assets held in retained asset accounts through FEGLI from January 1, 2000 through June 30, 2010.
33. Please list by quarter the amount of interest paid to owners of retained asset accounts from January 1, 2000 until June 30, 2010.
34. Please list by quarter the amount your company collected in premiums for all life insurance from January 1, 2000 through June 30, 2010.
35. Please list by quarter the amount your company collected in premiums under the FEGLI programs from January 1, 2000 through June 30, 2010.
36. Please list by year the average interest rate paid to all retained-asset accounts since January 1, 2000. If accounts receive different interest rates, please list the number of accounts receiving each interest rate.

37. Please list by year the amount of money received annually from beneficiaries from service charges for all retained asset accounts since January 1, 2000.

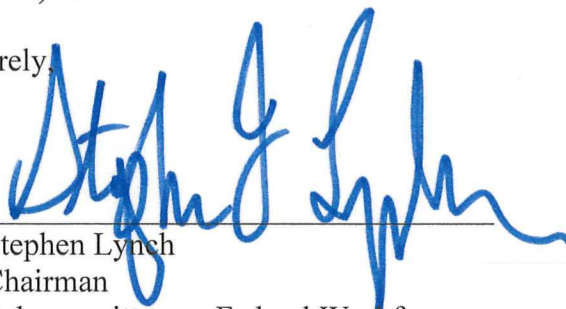
Please deliver the requested information and records to the Committee on Oversight and Government Reform, room 2157 Rayburn House Office Building, no later than 4:00 p.m. on September 2, 2010. To facilitate delivery and review, we prefer that the information and records be delivered in digital form.

Should you have any questions about this request, please contact John Arlington or Neema Singh Guliani of the Committee staff at (202) 225-5051.

Sincerely,



Edolphus Towns
Chairman
Committee on Oversight and
Government Reform



Stephen Lynch
Chairman
Subcommittee on Federal Workforce,
Postal Service, and the District of Columbia

cc: The Honorable Darrell Issa, Ranking Minority Member
Committee on Oversight and Government Reform

The Honorable Jason Chaffetz, Ranking Minority Member
Subcommittee on Federal Workforce, Postal Service, and the
District of Columbia