

MetLife general account funding agreements

Investment contracts issued as general account obligations

General account funding agreements are investment contracts issued as general account obligations by insurance companies which credit interest at fixed or floating rates. They are privately-placed, unregistered obligations, individually negotiated with specific terms tailored for each institutional investor.^{1,2}

According to NY insurance statutes, funding agreements rank *pari passu* with policyholder claims, which is above senior corporate debt.³



General terms

- Contracts with guarantee of principal and guarantee of credited interest rates, either fixed or floating⁴
- May be funded by the purchaser with either a lump sum payment or installment payments
- Minimum contract size = \$5,000,000
- Maturities Available:
 - 13-month rolling maturities — floating rate (reset quarterly and typically with spreads indexed to 1-month or 3-month LIBOR⁵)
 - Fixed rate maturities from one to 10 years
- Payout at maturity — either a single lump sum or scheduled installment payments

To learn more about our stable value solutions please contact Warren Howe at **1-860-768-0068**

1. Funding agreements are generally pre-approved in the state of issue. They generally require filing and approval by the relevant state insurance regulator before a contract can be issued.
2. Funding agreements may not be available in all jurisdictions. In addition, they are backed solely by the financial strength of the issuing company.
3. Insurance Law § 7435. However, this does not constitute legal advice; Metropolitan Life Insurance Company does not provide legal advice. Such advice should be obtained from a qualified attorney.
4. Guarantees are subject to the financial strength and claims-paying ability of the issuing MetLife company.
5. May also be indexed to the Secured Overnight Financing Rate or another secured overnight valuation rate adopted in the United States as a replacement for U.S. LIBOR, should U.S. LIBOR be discontinued as a standard benchmark rate (“Alternative Secured Rate”).



Purchaser benefits

- High-quality credit
- Guarantee of principal and interest⁴
- Attractive yields
- Predictable returns/spreads
- Diversification
- Customization
- Can be matched to specific liabilities (e.g., construction financing, scholarship payments, fund expenses)



Typical purchasers

- Money market funds
- Securities lending cash collateral portfolios
- Municipalities, government pools
- Short-term investment funds
- Corporate cash pools
- Nuclear decommissioning trusts
- Foundations and endowments
- Financial institutions