

Separate Account Guaranteed Interest Contracts (GICs)



Separate Account Guaranteed Interest Contracts (GICs)

Our separate account GIC provides an alternative to more traditional GIC contracts. First introduced by Metropolitan Life Insurance Company (MLIC) in 1989, separate account stable value products combine the best features of traditional GICs — guarantee of principal and interest, book value accounting and benefit responsiveness for DC plans* — with added investment flexibility, control and security in one comprehensive package.

What is a separate account?

A separate account is an asset account established by an insurance company with such assets segregated from the insurer's general account.

The catalyst for the development of separate account stable value products was a desire among insurance company contract holders for investment diversification, with the added benefit of greater investment flexibility and transparency.



The benefits of a separate account GIC

Our separate account stable value option offers a broad range of benefits designed to accommodate plans of varying sizes. From access to individual account management to facilitating access to a variety of commingled offerings, we aim to provide a stable value solution that meets the needs of a variety of plans.

Individual account management & investment diversification

Individually managed accounts, utilizing one or more investment strategies, can be created to meet a plan's specific requirements. For our largest clients, we can craft customized portfolios tailored to investment objectives and asset manager. For smaller plans that may not be eligible for an individually managed account, we offer a family of commingled funds sub-advised by well-known asset management firms, which are designed to meet a variety of investment objectives.

Asset protection

Separate account GIC assets are held in separate accounts of Metropolitan Life Insurance Company. These separate account assets are protected from the claims of our general creditors, and our general account policyholders, under New York State Insurance Law.

Meaningful guarantees*

Participant balances are guaranteed, up to the contract's full book value, by the claims-paying ability of Metropolitan Life Insurance Company.

Reduced reinvestment risk

Since separate accounts are managed around a duration target, the reinvestment risks typically encountered with traditional GICs and other buy-and-hold funding vehicles are mitigated.

*All guarantees are subject to the financial strength and claims-paying ability of Metropolitan Life Insurance Company.

Predictable interest rates

Guaranteed rates are reset periodically (quarterly, semiannually, annually), as provided in the contract, to reflect the separate account investment performance and the plan's cash flow experience. Our credited rate reset methodology smoothes market volatility while ensuring that asset experience is passed through to participants. Each plan's credited rate reflects the separate account's anticipated yield-to-maturity, cash flow expectations, amortization of the difference between the contract's market and book values, and fees.

Individual experience

Each separate account GIC contract receives its own credited interest rate. This is true for both individually managed and commingled separate account options.

Transparency

All components of the credited rate calculation are communicated to plan sponsors before the credited rate is set.

Custom performance measurement

Each plan sponsor's experience is tracked using both book and market values, facilitating meaningful ongoing evaluation of the separate account portfolio strategy and the separate account's underlying investments.

Easy integration and funding flexibility

With its guarantee of principal and book value accounting, the separate account GIC can be seamlessly integrated as a funding vehicle in a plan's stable value option.* The separate account GIC can accommodate both lump sum contributions and ongoing cash flows. Plan sponsors are not locked into either a fixed maturity date or a specific structure. Additionally, the separate account GIC is available on a unitized basis and can trade through the National Securities Clearing Corporation (NSCC).



Distinguishing characteristics of the separate account GIC

Fees

There are no minimum fee requirements.

Guaranteed book value*

The contract includes a traditional GIC conversion option (subject to current underwriting requirements) that provides the plan sponsor with a means to guarantee a book value payout for the stable value fund.

Employer-initiated events

The contract pays full book value for all employer-initiated events that lead to termination of employment, with some exclusions.

Regulatory oversight

We test each separate account contract to measure adequacy of reserves as required by the New York State Department of Financial Services.

*All guarantees are subject to the financial strength and claims-paying ability of Metropolitan Life Insurance Company.



Why work with us?

Experience

MetLife's Retirement & Income Solutions division, the company's institutional retirement business, issues products through Metropolitan Life Insurance Company, a wholly owned subsidiary of MetLife, Inc. Retirement & Income Solutions issues products for transferred pension liabilities, stable value, institutional income annuities, benefits funding and structured settlements.

Expertise

Stable value is a core competency. Our extensive knowledge and experience enable us to respond with creative, tailored stable value solutions.

Financial strength

Metropolitan Life Insurance Company's financial strength ratings are amongst the highest in the industry.¹

Flexibility

We work with our customers to create customized stable value solutions that meet the needs of their specific plan.

Superior service

Clients benefit from our ready accessibility and our commitment to accountability.

To learn more about our stable value solutions please contact:

Warren Howe
National Director - Sales
(860) 768-0068

1. For current ratings information, visit www.metlife.com and click on "About Us" and then "Company Ratings."

metlife.com/RIS

Any discussion of taxes is for general informational purposes only and does not purport to be complete or cover every situation. MetLife, its agents and representatives may not give legal, tax or accounting advice, and this document should not be construed as such. Clients should confer with their qualified legal, tax and accounting advisors as appropriate.

MetLife does not provide legal advice, and the views expressed in this brochure are not legal advice.

