Funding Agreements

A MetLife Funding Agreement provides a safe, convenient, and flexible way to fund general employee benefits. Amounts can be held for a variety of purposes — to pay future premiums for insurance products, to fund various liabilities associated with self-insured and limited liability long-term disability plans or as an investment allocation for welfare benefit funding programs. Depending on an employer’s objectives and the benefits being funded, several interest crediting arrangements may be available.

How does a funding agreement work?

A Funding Agreement can be issued to either an employer or a Trust. Guaranteed interest rates for maturity terms of one to five years are available and matched to meet cash flow needs. Withdrawal of funds allocated to a guaranteed interest Funding Agreement is not allowed until maturity. However, short-term index rates are available for a portion of the Funding Agreement to be kept liquid to meet current cash flow needs. Funds not withdrawn at maturity will also receive the short-term index rate. Deposits are usually made on a lump sum basis but can be made in installments. The minimum amount required to establish a Funding Agreement is generally $500,000.
**Why MetLife for funding agreements?**

Under MetLife’s Funding Agreement, an agreed-upon amount is paid to MetLife in a lump sum or in installments. MetLife will hold these funds at a specified interest-crediting rate for a specified amount of time. Principal is always guaranteed, and MetLife credits guaranteed interest at one or more specified rates, depending on the terms selected, with interest earnings reported annually and paid at maturity.¹

<table>
<thead>
<tr>
<th>Convenience</th>
<th>Easy to establish. MetLife can help to analyze liabilities and assist in making allocation decisions to match cash flow needs.</th>
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</thead>
<tbody>
<tr>
<td>Flexibility</td>
<td>Employers have more flexibility and control over the use of funds than ‘normally would be the case with other insurance company products.</td>
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<tr>
<td>Security</td>
<td>MetLife provides a principal and interest rate guarantee.</td>
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**The MetLife advantage**

MetLife is unique in the market for having a dedicated Post Retirement Benefits (PRB) team of professionals with over 50 years of experience in developing funding solutions. Long-term solutions that help employers meet the promises made to current and future employees are only as good as the company that stands behind them. MetLife is one of the world’s largest and most stable financial services companies, and our ratings reflect this.²

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1. All guarantees are subject to the financial strength and claims-paying ability of Metropolitan Life Insurance Company.
2. For current ratings information and a more complete analysis of the financial strength of Metropolitan Life Insurance Company, please go to www.metlife.com and click on “About MetLife,” “Ratings.”

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