REPORT ON EXAMINATION

OF

METLIFE INVESTORS USA INSURANCE COMPANY

AS OF

DECEMBER 31, 2003

State of Delaware

Department of Insurance

Dover, Delaware

I, Matthew Denn, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of December 31, 2003 of the

METLIFE INVESTORS USA INSURANCE COMPANY

is a true and correct copy of the document filed with this Department.

ATTEST BY: Jennifer L. Miller

DATE: 29TH JUNE, 2005

In Witness Whereof, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THIS DEPARTMENT AT THE CITY OF DOVER, THIS 29TH DAY OF JUNE, 2005.

INSURANCE COMMISSIONER • STATE OF DELAWARE •

Matt Denn

Insurance Commissioner

Deputy Insurance Commissioner

REPORT ON EXAMINATION

OF THE

METLIFE INVESTORS USA INSURANCE COMPANY

AS OF

December 31, 2003

The above captioned Report was completed by examiners of the Delaware Insurance Department.

Consideration has duly been given to the comments, conclusions, and recommendations of the examiners regarding the status of the Company as reflected in the Report.

This Report is hereby accepted, adopted, and filed as an official record of this Department.

MATTHEW DENN
INSURANCE COMMISSIONER

DATED this 29TH day of JUNE, 2005.

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May 31, 2005

SALUTATION

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Chairman Financial Condition,
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Kansas City, Missouri 64108-2604

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Salt Lake City, Utah, 84114-1201

Honorable Matthew Denn, Commissioner
Delaware Department of Insurance
841 Silver Lake Boulevard
Dover, Delaware 19904

Commissioners:

In compliance with instructions and pursuant to statutory provisions contained in Certificate of Authority Number 04-027, dated November 18, 2004, an examination has been made of the affairs, financial condition and management of the

METLIFE INVESTORS USA INSURANCE COMPANY

hereinafter referred to as "Company" or "MetLife Investors USA", incorporated under the laws of the State of Delaware. The examination was conducted at the executive and administrative offices of the Company in Long Island City, New York, Morristown, New Jersey, and Warwick, Rhode Island. The Company's main administrative office is located at One Madison Avenue, New York, New York 10010. The report of examination is respectfully submitted.

SCOPE OF EXAMINATION

The last examination of the Company was conducted by the Delaware Department of Insurance as of December 31, 2000. This examination covers the three year period from January 1, 2001 through December 31, 2003, and consisted of a general survey of the Company's business practices and policies; management, any corporate matters thereto; a verification and evaluation of assets and a determination of liabilities. Transactions subsequent to the latter date were reviewed and have been commented upon where deemed necessary.

The report is presented on an exception basis. The format of this report is designed to explain the procedures employed during the examination and the text will explain changes wherever made. If necessary, comments and recommendations have been made in those areas in need of correction or improvement. In such cases, these matters were thoroughly discussed with responsible personnel and or officials during the course of the examination.

The general procedure of the examination followed rules established by the National Association of Insurance Commissioners ("NAIC") Committee on Financial Condition Examiners Handbook, and generally accepted insurance examination standards.

In addition to items hereinafter incorporated as a part of the written report, the following were checked and made part of the work papers of this examination:

Corporate Records
Fidelity Bond and Other Corporate Insurance
Salary, Wage, and Employee Benefits
NAIC Financial Ratios
Legal Actions
All Asset and Liability items not mentioned in this report

The examination was conducted by the Delaware Department of Insurance in accordance with the Association Plan of Examination Guidelines established by the NAIC. No states participated in the examination.

In addition to the Company, concurrent examinations were performed on Metropolitan Insurance & Annuity Company and Metropolitan Tower Life Insurance Company, all Delaware domestic insurance companies.

Work papers prepared by the Company's external accounting firm, Deloitte & Touché ("D&T") LLP, New York, New York, in connection with the annual audit, were reviewed and relied upon to the extent possible.

INS Services, Inc. was retained by the Delaware Insurance Department to conduct a review of the Company's overall risks related to information system controls.

HISTORY

The Company was incorporated in Delaware on September 13, 1960, and commenced business on March 10, 1961.

In 1968, control of the Company was purchased by Union Fidelity Investment Corporation, Delaware and incorporated as Associated Traffic Clubs Insurance Corporation; the name was changed to National Consumers Life Insurance Company in 1972

On July 11, 1979, the Security First Group, Inc. ("SFG") of Los Angeles acquired the Company and moved the administrative offices to Los Angeles, California. Concurrent with the acquisition, the name was changed to Security First Life Insurance Company ("Security First Life").

Effective January 1, 1985, an organizational restructuring occurred, and The Holden Group, Inc. became the direct parent of the Company and SFG. From 1985 through mid-1995 SFG and the Company were known as The Holden Group.

On September 22, 1986, London Insurance Group, Inc. ("LIG"), the parent of London Life Insurance Company, Ontario, Canada, acquired a 60 percent interest in The Holden Group,

Inc. On May 13, 1994, LIG increased that ownership to 100%. Effective on June 1, 1995 the names were changed back to SFG and Security First Life.

On October 30 1997, LIG sold SFG to Metropolitan Life Insurance Company ("MLIC"), a New York domiciled life insurance company. On January 8, 2001, MLIC changed the name of the Company from Security First Life to the present name. On January 29, 2001 the holding company name was changed to MetLife Investors Group, Inc. ("MLIG") and on December 31, 2002 MetLife, Inc., ("MetLife") the parent of MLIC, acquired MLIG.

CAPITALIZATION

Common and Preferred Stock

The Company is authorized to issue 15,000 shares of common capital stock having a par value of $200 per share of which 11,000 shares are issued and outstanding totaling $2,200,000. In addition, $100,000 was previously transferred in the year 1999 from gross paid-in and contributed surplus to common stock for a total paid up capital of $2,300,000. The Company is authorized and issued 200,000 shares of preferred stock having a par value of $1.00 per share. MLIG, the parent company, owns all of the outstanding common and preferred stock of the Company.

The Company's gross paid-in and contributed surplus was increased to $98,046,959 when its parent company funded $50,000,000 to the Company on December 29, 2003. The funding was the result of a December 2003 adoption by the NAIC of a change in Actuarial Guideline Number 34 ("AG"), which led to a change in the reserving at a number of MetLife companies. As a result of the changes in reserving, the statutory capital of those companies was negatively impacted and their statutory capital needed to be increased before year-end.

Dividends to Stockholders

There was one dividend issued and paid to the stockholder of record during the examination period in the amount of $19,900,000 in 2001.

MANAGEMENT AND CONTROL

Pursuant to the general Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and By-Laws, all corporate powers are exercised by or under the direction of the Board of Directors. The By-Laws provide that the number of directors shall be established by the Board of Directors or by action of the stockholder and shall consist of not less than six members. Directors are elected annually and shall hold office until the first annual meeting of stockholders or until their successors have been elected and qualified. Interim vacancies may be filled by vote of the directors then in office, which may be less than a quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business.

Regular meetings of the Board of Directors may be held without notice at such time and place as determined by the Board. The President on five days notice to each director may call special meetings, personally, by mail or by telegram. The President or Secretary shall call special meetings in like manner and on like notice at the written request of two directors.

The minutes of the meetings of the Stockholder and Board of Directors, which were held during the period of examination were read and noted. Attendance at meetings, election of Directors and Officers and approval of investment transactions were also noted.

Members of the Board of Directors, duly elected in accordance with the Company's By-Laws and serving as of December 31, 2003, were as follows:

Name	**Principal Business Affiliation**
Michael K. Farrell	Chairman of the Board, President and Chief Executive Officer MetLife Investors USA Insurance Company
James P. Bossert	Executive Vice President and Chief Financial Officer MetLife Investors USA Insurance Company
Richard C. Pearson	Executive Vice President, General Counsel and Secretary MetLife Investors USA Insurance Company
Hugh C. McHaffie	Senior Vice President MetLife, Inc.
Elizabeth M. Forget	Vice President MetLife, Inc.
Michael R. Fanning	Vice President MetLife, Inc.
George Foulke	Vice President MetLife, Inc.
Jeffrey A. Tupper	Assistant Vice President MetLife Investors USA Insurance Company
Susan A. Buffum	Managing Director MetLife, Inc.

Committees of the Board of Directors

Several members of the Board of Directors served on the following committees as of December 31, 2003:

Executive Committee	Audit Committee	Investment Committee
Michael K. Farrell	Richard C. Pearson	Michael K. Farrell
James P. Bossert	Michael K. Farrell	James P. Bossert
Richard C. Pearson	James P. Bossert	Richard C. Pearson
	Jeffrey A. Tupper	Susan A. Buffum

Officers

The By-Laws provide that the officers of the Company shall be chosen by the Board of Directors and shall be a President, Vice-President, Secretary, Treasurer and such other offices with titles as shall from time to time be set by resolution of the Board of Directors.

The principal elected officers of the Company serving as of December 31, 2003, were as follows:

Name	**Title**
Michael K. Farrell	President and Chief Executive Officer
James P. Bossert	Executive Vice President and Chief Financial Officer
Richard C. Pearson	Executive Vice President, General Counsel and Secretary
Helayne F. Klier	Executive Vice President
Hugh C. McHaffie	Executive Vice President
Kevin J. Paulson	Senior Vice President
Louis M. Weisz	Vice President and Actuary
Anthony J. Williamson	Treasurer

During the period of review, most actions taken by the Board were by the written consent of all Board members in lieu of holding Board meetings.

During the period, January 1, 2001 to December 31, 2003, there were fifty-one new appointments or terminations of principal officers or directors that weren't reported (46 occurrences) promptly (within 30 days) to the Delaware Insurance Commissioner. Section 4919-Notice of change of directors or officers, of the Delaware Insurance Code states: “Every domestic stock or mutual insurer shall promptly notify the Commissioner in writing of any change of personnel among its directors or principal officers.”

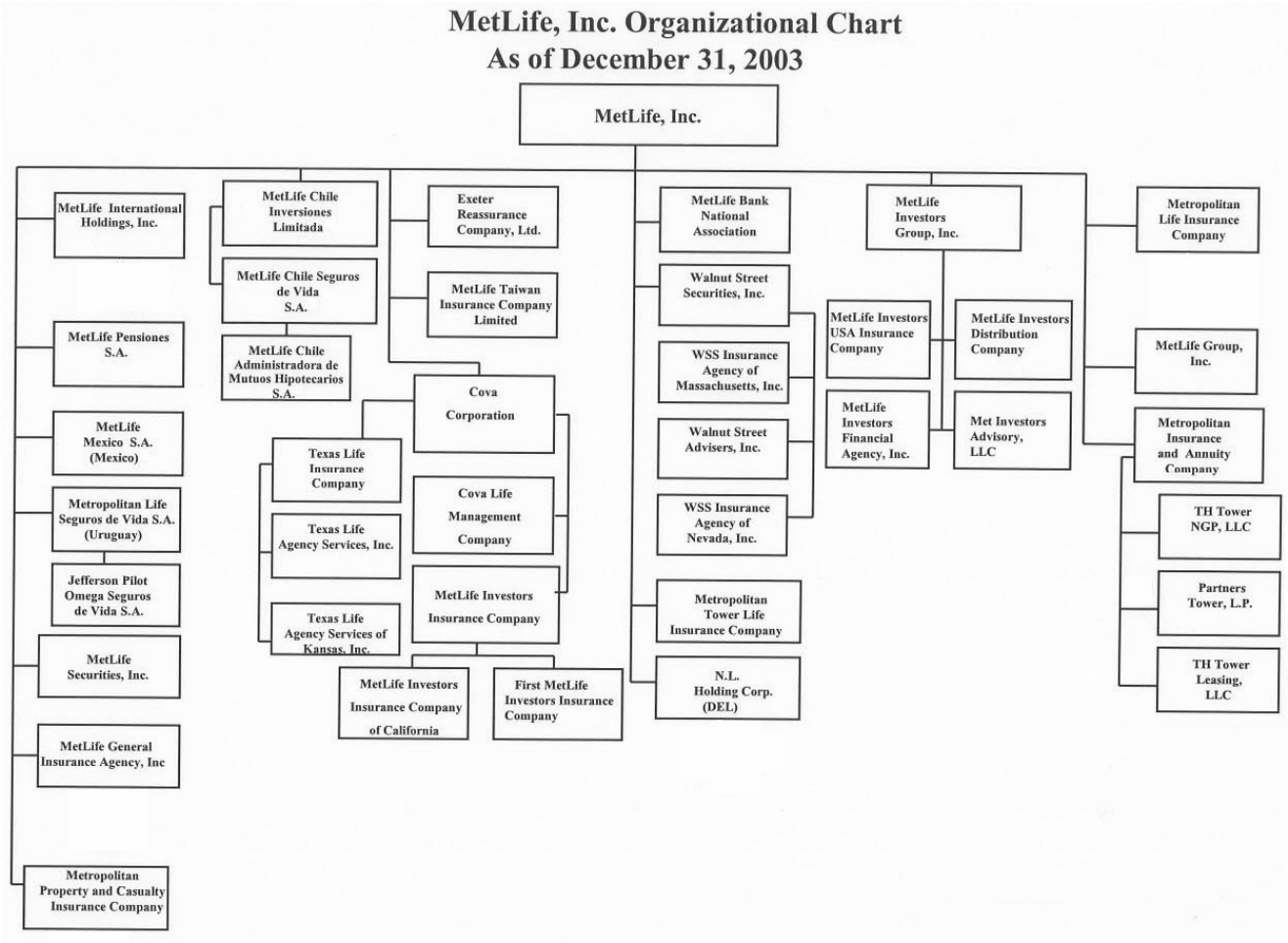
It is recommended that the Company comply with Section 4919 of the Delaware Insurance Code by promptly reporting changes in its principal Officers and Directors.

HOLDING COMPANY SYSTEM

The Company is a wholly owned subsidiary of MetLife Investors Group (MLIG) an insurance holding company domiciled in Delaware. On December 31, 2002, MetLife, Inc., a publicly traded holding company and the ultimate controlling entity of the group acquired MLIG. MetLife through its affiliates and subsidiaries is a leading provider of insurance and other financial services to a broad spectrum of individual and institutional customers. MetLife offers life insurance, annuities, automobile and homeowners insurance, mutual funds to individuals, as well as group insurance, reinsurance, retirement and savings products and services to corporations and other institutions. MetLife is traded on the New York Stock Exchange as MET. As of December 31, 2003, MetLife Inc. reported assets of $285.1 billion and Capital and Surplus Funds of $10.3 billion.

The Company is a member of an insurance holding company system as defined under Chapter 50 of the Delaware Insurance Code. The Company directly submits all holding company registration statements to the State of Delaware. As of the examination date, all filings were in compliance with respect to Delaware insurance laws.

An organizational chart setting forth the Holding Company System of which the Company was a member as of December 31, 2003 follows:



MANAGEMENT AND SERVICE AGREEMENTS

The Company participated in the following material agreements as of the date of the examination.

Services Agreement – MetLife Group (MLG) - Effective - January 1, 2003

MLG provides personnel, on an as needed basis, qualified to perform services including the following: legal, communications, human resources, broker-dealer, general management, controller, investment management, actuarial, treasury, benefits management, information

systems and technology, claims, underwriting and policyholder services. This agreement is in addition to the Sales and Service Agreement with MLIC, which was in effect for 2002 and 2001. Under the terms of the agreements, total amounts billed under the agreements for 2003, 2002 and 2001 were $94,935 thousand, $58,728 thousand and $33,168 thousand, respectively.

Consolidated Federal Income Tax Agreement - MLIC-Effective January 1, 1985

The Company is a participant in a federal income tax agreement entered into with Metropolitan Life Insurance Company (MLIC) and affiliates. MLIC is the largest life insurer in the MetLife Group. Under the agreement, federal income tax expense or benefits are allocated in the ratio that the Company's separate tax return liability or benefit bears to the sum of the separate return tax liabilities or benefits of the MLIC and its affiliates. Estimated payments are made between members during the year. The amounts allocated to the Company during the period of examination were reviewed and determined to be appropriate.

Although MLIC and the respective named parties adhere to most of the provisions of the agreement, the Company paid its Parent, MLIG, forty-two advance payments totaling $4,966,429 in the years 2002 to 2004, which represented federal income taxes paid on behalf of five affiliates.

§ 5005 of the Delaware Insurance Code states in part that;

(a) Transactions within a holding company system.

(1) Transactions within a holding company system to which an insurer subject to registration is a party shall be subject to the following standards:

a. The terms shall be fair and reasonable;

b. Charges or fees for services performed shall be reasonable

c. Expenses incurred and payment received shall be allocated to the insurer in conformity with customary insurance accounting practices consistently applied;

There are no terms in the tax allocation agreement for the Company to make payments on behalf of its affiliates nor were there any underlying agreement associated with the loans that were advanced. Loan advances remained unsettled for extended periods of time some exceeding a year. These transactions were not fair and reasonable nor in conformity with customary insurance accounting practices since the Company did not receive any economic benefit or interest upon being subsequently reimbursed.

It is recommended that the Company follow the terms of its tax allocation agreement and enter into transactions that are in compliance with Section 5005 of the Delaware Insurance Code.

Metropolitan Money Market Pool Partnership Agreement ("MMMP") - Effective July 9, 1990

The Company participates in a stand-alone Partnership, which was formed as a private pass –through investment vehicle to enable partners to invest, on a pooled basis, in US Treasury and high quality corporate securities, which fall under the definition of "Short-Term Investments" according to NAIC guidelines. The Partnership is a New York General Partnership consisting of approximately 40 wholly owned subsidiaries of MetLife. Participants contribute cash to a common "Pooling Fund" account, whereby, participants own assets jointly in proportion to contributions. Each Partner's investment represents that Company's pro rata undivided ownership in each of the pooled securities. The Company's investment in the MMMP Fund for each of the 3 years ending December 31, 2003, 2002 and 2001 was approximately $15,164,000, $928,000 and $136,699,000, respectively.

MetLife Intermediate Income Pool ("DCA") - Effective June 1, 2002

The Company participates in a stand-alone Partnership, which was formed on June 1, 2002 as a private pass-through investment vehicle to enable partners to invest, on a pooled basis, in debt and equity securities. In General, the invested securities are typically of a longer term than those invested in by the MMMP. The Partnership is a New York General partnership

consisting of eight wholly owned subsidiaries of MetLife. Participants contribute cash, securities and other assets to the partnership. The Partnership can purchase, sell, invest and trade in, lend securities, purchase and sell options and other derivative instruments, and enter into derivative transactions, as to securities, allowed by "Pool Law" of the various states and in accordance with the various limits of said "Pool Law". Each Partner's investment represents that Company's pro rata undivided ownership in each of the pooled securities. The Company's investment in the DCA for each of the 3 years ending December 31, 2003, 2002 and 2001 was approximately $105,959,000, $68,147,000 and $ -0-, respectively.

Administrative Services Agreement with MLIC - Effective March 1, 1998

The Company will administer certain annuity policies that were assumed by MLIC from Corporate Life Insurance Company and which were previously administered by PFG, Inc. of Blue Bell, PA.

Administrative Services Agreement with MLIC - Effective July 1, 1998

MLIC will provide services which include marketing, sales, underwriting, policy issuance, general administrative, actuarial, and compliance, legal, financial and accounting, data processing, claims reinsurance administration and related services associated with term life business. No compensation was paid to MLIC in 2003.

Principal Underwriters and Selling Agreement on behalf of MetLife Investors USA Separate Account A, MLIG and MetLife Investors Distribution Company ("MIDC")-principle underwriter-Effective January 1, 2001

The Company proposes to issue and sell individual single and flexible purchase payment deferred fixed and variable annuity contracts through MLIG and MIDC. MLIG and MIDC will provide marketing and distribution services. A total of $50,873,491 was paid to MIDC for the year ended December 31, 2003.

Shareholder Services Agreement with MIDC - Effective January 1, 2002

The Company will provide certain personal shareholder and account maintenance services to MIDC. MIDC is the principal underwriter of each class of the shares of beneficial interest (the shares) of each Series of the Met Investor Series Trust (the fund). The Company through its separate accounts, issues variable insurance products that utilize certain Class B and Class E shares of certain Series as investment options. The Company received $4,345,102 during the year ended December 31, 2003.

Master Services Agreement with MLIC - Effective December 31, 2002

The services in whole or in part may include, but need not be limited to: legal, communications, human resources, broker-dealer, general management, controller, investment management, actuarial, treasury, benefits management, systems and technology, adjusting, and claims, and underwriting and policyholder services.

Investment Management Agreement with MLIC - January 1, 2001

MLIC provides the investment advisory, portfolio management and all other services needed to operate and report on the assets. The services include accounting, technology, record-keeping, reporting, investment projections and other similar functions. The services relate to all cash, cash equivalents, securities, loans, contracts, investments and other property or interests, as well as accretions of any sort, including dividends, interest, sinking fund payments, accrued income, stock splits and realized capital appreciation in respect of the Company's general account that are held in one or more segregated accounts established by the Company with custodians. The Company paid MLIC $3,881,810 for the year ended December 31, 2003.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2003, the Company was licensed to transact the business of insurance in the District of Columbia and all states except New York. The Company is authorized as a stock insurer to transact the business of life insurance, including annuities, variable annuities, and credit health insurance as defined in Sections 902 and 903, of the Delaware Insurance Code.

The principal office facilities of the Company are located in Newport Beach, California, Tampa, Florida, Long Island City, New York, Warwick, Rhode Island, and West Des Moines, Iowa.

Prior to 2002 the Company principally sold term life insurance written by agents of MLIC. During 2002 the Company began concentrating on fixed and variable annuity products to diverse niche markets, on both an individual and group basis. The change in product mix resulted in an increase of direct written premiums of $747 million in 2001, $1,963 million in 2002 and $4,287 million in 2003.

The Bank Financial Services division represents the principal operating division of the Company and is responsible for sales of individual annuities through arrangements with banks and other financial institutions. The Company offers single premium tax deferred annuities through financial institutions. The Company has more than 80 banking relationships with national, regional and community banks on a nationwide basis. Distribution of the Company's products occurs through two distinct groups. The first is a direct network that manufactures annuity products for broker/dealers and regional financial institutions. The second group is a fully integrated financial services program that includes annuities, mutual funds, and life insurance products of MLIC and its subsidiaries, and also providing sales, marketing, and administrative support to banks.

The Public Services division offers flexible payment tax-deferred annuities to government and education employees through payroll deductions via a career agency system. The flexible annuities are marketed to employees of states, counties municipalities, public school systems and charitable organizations. The division focuses on the K–12 public school market. The Company is particularly strong in the Ohio, Indiana, and Massachusetts with active marketing efforts to over 2000 school district payroll slots. The Company is also active in the government deferred compensation market, which includes governmental entities such as municipalities, counties and states by providing full service as well as third party administration for the government employee market. The business is qualified under Section 403(b) of the Internal Revenue Code, which allows participants to set aside income on a pretax basis with tax-deferred accumulation. The products are marketed as 457 and 401(k) plans. The Company has an exclusive selling arrangement in the State of Texas.

The Company is very active in the State of Florida, writing over $972 million in annuities on a direct basis as of December 31, 2003, where it is one of the primary issuers of annuities to the state's deferred compensation plan. Operations are organized on the general agency plan.

A summary of premiums written for all business is described as follows:

	Ordinary		Group	
	Life Insurance	Individual Annuities	Annuities	Total
Direct	$ 5,531,064	$ 4,115,926,961	$ 166,321, 497	$ 4,287,779,522
Reinsurance Assumed	-0-	-0-	-0-	-0-
Reinsurance Ceded	4,062,069	3,536,997,153	-0-	3,541,059,222
Net premiums written	$ 1,468,995	$ 578,929,808	$166,321,497	$ 746,720,300

As of December 31, 2003, 82.6% of all life insurance business, which consisted of approximately $4 billion of insurance in force, was co-insured to seven reinsurance companies, six non-affiliated and one that is affiliated.

The Company is currently rated A+ (Superior) by A. M. Best Company and maintains top ratings with Moody's Investor Services, Standard and Poor's, and Duff and Phelps.

REINSURANCE

The Company participates in reinsurance in order to limit losses, reduce exposure to large risks and to provide additional capacity.

For 2003, the Company reported the following distribution of net premiums written:

Direct business	$	4,287,974,405
Reinsurance assumed (from affiliates)		0
Reinsurance assumed (from non-affiliates)		0
Total direct and assumed	$	4,287,974,405
Reinsurance ceded (to affiliates)		642,195,105
Reinsurance ceded (to non-affiliates)		211,600,026
Reinsurance ceded to affiliates – Separate Accounts	$	2,687,264,092
Total ceded	$	3,541,059,223
Net Premiums Written	$	746,915,182

Direct

During the examination period, the Company steadily increased its business activities in the United States. The Company's principal product was individual annuities comprising approximately 78% of total premiums and annuity considerations for 2003. Total net premium written increased from $431 million in 2001 to $747 million in 2003.

Assumed

The Company did not assume any business from affiliates or non-affiliates during the period of examination.

Ceded

The Company entered into coinsurance and modified coinsurance agreements with affiliated and non-affiliated companies to provide protection on selected policies. The Company

had reinsurance treaties with ten reinsurance companies at December 31, 2003. The Company reinsures 90% of its new production of variable and fixed annuities to its affiliate, MLIC. In addition the Company reinsures 55% of the riders containing benefit guarantees related to variable annuities with affiliates and non-affiliates. The Company performs an evaluation on each existing or prospective reinsurer. The evaluation is forwarded to the appropriate management personnel who then decide to accept or reject the company in question.

As of the examination date, the Company retained approximately 17% of premiums and annuity considerations written. The following table illustrates the breakdown of the reinsurance ceded reserve credits taken as of December 31, 2003:

	Coinsurance	YRT	Total
Life Insurance	$ 13,370,506	$ -0-	$ 13,370,506
Annuities	287,350,257	-0-	287,350,257
SCI	3,365,416	-0-	3,365,416
Accidental death benefits	-0-	-0-	-0-
Disability – active lives	-0-	-0-	-0-
Disability – disabled lives	-0-	-0-	-0-
Miscellaneous	5,507	-0-	5,507
Totals	$ 304,091,686	$ -0-	$ 304,091,686

During the course of the examination, all reserve credits for reinsurance ceded were reconciled to Exhibit 8 and Schedule S, Part 1, of the filed Annual Statement.

All of the reinsurance agreements reviewed were evaluated in accordance with the NAIC Accounting Practices and Procedures Manual. The agreements do not appear to contain any provisions which limit transfer of risk or would otherwise prohibit being accounted for as reinsurance. Each of the agreements reviewed appeared to include the proper insolvency and intermediary clauses.

MARKET CONDUCT ACTIVITIES

The market conduct review of the Company was conducted simultaneously with the financial examination of the Company. A review was made of the Company's market conduct activities with regard to its business practices and ability to fulfill its contractual obligations to policyholders and beneficiaries. Records and documentation relevant to these operations were reviewed. It should be noted that market conduct reports from other jurisdictions were also reviewed to obtain potential areas of concern. There were no material exceptions noted in sales, underwriting, advertising, complaint handling or claims practices.

Claims Practices:

The prior examination report contained a recommendation with regard to the Company's failure to retain and maintain adequate supporting records. The Company could not locate several requested claim files. The requested claim files were apparently lost during the transfer of records between office relocations. This was a violation of Section 320 (c) of the Delaware Insurance Code.

A review was conducted of the Company's current claims processing procedures from initial report through settlement to ascertain compliance with the applicable state laws and regulations governing the Company's processing and treatment of claims. All death claims for 2003 were reviewed. It was determined by the examination that the Company generally processed and settled claims on a timely basis and in a fair and equitable manner. The procedures are comprehensive and adequately documented. The information requested of the claimants is reasonable as well as thorough. The Company's claims register was reviewed and verified to actual claim files. It was determined that the Company was in compliance with Section 2914 of the Delaware Insurance Code (Settlement of Death Benefits) and Delaware Department of Insurance Regulation 26 (Prohibited Unfair Claim Settlement Practices). It was determined that

the data reported in the claims register was adequate and that the Company acknowledged communications from the claimants in a timely manner.

GROWTH OF COMPANY

The following financial information was extracted from the Company's filed Annual Statements and covers the three years from its last examination 2000 through this examination 2003.

Year	Net Admitted Assets	Liabilities	Capital and Surplus	Premiums and Annuity Considerations	Net Income
2000	$4,319,735,798	$4,177,312,718	$142,423,078	$561,189,845	$10,536,728
2001	$4,409,260,687	$4,285,065,034	$124,195,653	$446,574,110	$ 1,333,651
2002	$5,770,058,850	$5,622,003,491	$148,055,359	$533,165,280	$ 13,401,994
2003*	$10,659,746,802	$10,401,329,350	$258,417,452	$750,869,162	$101,209,867

*Examination adjustments.

For the examination period, net admitted assets increased 148%, liabilities increased 149% and capital and surplus increased 108%.

Total assets for the Company increased $4.93 billion which was broken down as a $1.15 billion increase in the General Account and a $3.78 billion increase in the Separate Account, a 114% increase from 2002 to 2003. This increase was primarily due to increases in both fixed maturities and cash & other invested assets. Total liabilities increased $4.78 billion primarily due to increased policy reserves resulting from increased sales, as well as liabilities incurred due to the Company's inclusion into the MLIC securities lending program which is conducted through its investment management agreement with MLIC.

At December 31, 2003, capital and surplus had increased $116 million since the previous examination period. This increase can be attributed to the Company's increase in net earnings for the period and a $50 million surplus contribution from the parent Company. The Company operated at a net gain of $101 million as of December 31, 2003 compared to a net gain of $13 million for the same period in 2002.

ACCOUNTS AND RECORDS

Pursuant to the Services Agreement with MLG previously discussed, MLG provides the services and personnel necessary for the Company to conduct its operations. The accounts and records reviewed during the examination included an evaluation of the Company's operational and organizational controls. The areas evaluated included computer and accounting systems, organizational structure and the information processing structure. The Company's accounts and records are maintained in Long Island City, New York, Tampa, Florida, Morristown, New Jersey and Warwick, Rhode Island. The Company utilizes MetLife's Data Center located in Rensselaer, New York for processing, updating, and storing the primary records and the Scranton Information System Center in Scranton, Pennsylvania for the mainframe print and output-processing environment of the Company.

A high-level assessment of the internal control structure and process for the Company's accounting and computer systems was discussed with management and reviewed after completion of questionnaires developed by the NAIC and the Delaware Department of Insurance. The discussions and review did not reveal any material deficiencies in the Company's internal control structure.

An external accounting firm audits the statutory-basis financial statements of the Company annually. The Company's external accounting firm reviewed the internal control structure in order to establish the necessary audit procedures required to express an opinion on

the December 31, 2003 financial statements. No significant or qualifying deficiencies were found to exist in the design or operation of the internal control structure. The Company's records are also subject to review by MLG's internal audit department.

Based on the examination review of the filed Annual Statement, observations and subsequent discussions with management, the accounting system and procedures generally conformed to insurance accounting practices and requirements.

FINANCIAL STATEMENTS

The financial position of the Company as of December 31, 2003, as determined by the Examination is presented in the following exhibits:

Assets, Liabilities, Surplus and Other Funds as of December 31, 2003
Summary of Operation Exhibit as of December 31, 2003
Capital and Surplus Account for the period of January 1, 2003 to December 31, 2003
Schedule of examination adjustments – Comparison of amounts reported by the Company and amounts determined by this examination

Analysis of Assets

	Ledger Assets	Nonadmitted Admitted	Net Admitted Assets	Notes
Bonds	$ 3,423,795,860	$	$ 3,423,795,860	
Stocks:				
Common stocks	2,027,417		2,027,417	
Mortgage loans:				
First liens - mortgage loans on real estate	431,973,135		431,973,135	
Cash $29,815,433, cash equivalents $164,175,579 and short-term investments $16,171,461	210,162,473		210,162,473	
Contract loans	35,767,819		35,767,819	
Other invested assets	125,247,373		125,247,373	
Receivable for securities	1,169,528		1,169,528	
Aggregate write-ins for invested assets	2,877,712		2,877,712	
Total-Cash and invested assets	$ 4,233,021,317		$ 4,233,021,317	1
Investment income due and accrued	40,329,111		40,329,111	
Uncollected premiums and agents' balances in the course of collection	1,502,777	1,410,760	92,017	
Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,842,086		1,842,086	
Reinsurance:				
Other amounts receivable under reinsurance contracts	1,769,719		1,769,719	
Current federal and foreign income tax recoverable and interest thereon	37,585,163	37,439,532	145,631	7
Net deferred tax asset	3,026,530		3,026,530	
Guaranty funds receivable or on deposit	726,529		726,529	
Aggregate write-ins for other than invested assets	10,021,950		10,021,950	
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	4,329,825,182	38,850,292	4,328,414,422	
From Separate Accounts, Segregated Accounts and Protected Cell Accounts	6,368,771,912		6,368,771,912	2
Totals	$ 10,698,597,094	$ 38,850,292	$ 10,659,746,802	

Liabilities, Surplus and Other Funds

			Notes
Aggregate reserve for life contracts	$	3,455,225,875	3
Liability for deposit-type contracts		122,665,655	
Contract claims – Life		82,710	
Premiums and annuity considerations received in advance		43,183	
Other amounts payable on reinsurance		1,176,685	
Interest maintenance reserve		6,907,293	
Commissions to agents due or accrued – life contracts and annuity contracts		1,296,541	
General expenses due or accrued		819,406	
Transfers to Separate Accounts due or accrued		(295,218,677)	5
Taxes, licenses and fees due or accrued, excluding federal income taxes		1,257,069	
Unearned investment income		3,427	
Amounts withheld or retained by company as agent or trustee		668,839,157	
Remittances and items not allocated		10,914,390	
Asset valuation reserve		14,228,981	
Payable to parent, subsidiaries and affiliates		17,035,068	
Payable for securities		3,915,803	
Aggregate write-ins for liabilities		23,364,872	6
Total liabilities (excluding Separate Accounts Statement)	$	4,032,557,438	
From Separate Accounts Statement		6,368,771,912	4
Total liabilities	$	10,401,329,350	
Common capital stock	$	2,300,000	
Preferred capital stock		200,000	
Surplus notes		35,000,000	
Gross paid in and contributed surplus		98,046,959	
Unassigned funds (surplus)		122,870,493	
Capital and surplus	$	258,417,452	
Total	$	10,659,746,802	

Summary of Operations

Premiums and annuity considerations for life and accident and health contracts	$ 746,720,300
Consideration for supplementary contracts with life contingencies	4,148,862
Net investment income	193,004,278
Amortization of interest maintenance reserve (IMR)	372,616
Separate Accounts net gain from operations excluding unrealized gains or losses	270
Commissions and expenses allowance on reinsurance ceded	272,809,989
Reserve adjustments on reinsurance	3,112,296,537
Income from fees associated with investments management, administration and contract guarantees from separate accounts	68,593,895
Charges and fees for deposit-type contracts	2,551,610
Aggregate write-ins for miscellaneous income	18,326,717
Total Income	$ 4,418,825,074
Death benefits	$ 299,400
Annuity benefits	52,027,954
Disability benefits and benefits under accident and health contracts	2,174
Surrender benefits and other fund withdrawals	461,253,161
Interest and adjustments on contract or deposit-type contract funds	10,123,360
Payments on supplementary contracts with life contingencies	2,423,317
Increase in aggregate reserves for life and accident and health contracts	678,947,991
Commissions on premiums, annuity considerations, and deposits-type funds	216,823,548
General insurance expense	87,508,968
Insurance taxes, license and fees, excluding federal income taxes	6,499,775
Increase in loading on deferred and uncollected premiums	(16,810)
Net transfers to or (from) Separate Accounts net of reinsurance	2,734,131,019
Aggregate write-ins for deductions	6,434,988
Total Expenses	$ 4,256,458,845
Net gain from operations before dividends to policyholders and federal income taxes	$ 162,366,299
Federal and foreign income taxes incurred	66,450,417
Net gain from operations after dividends to policyholders and federal income tax and before realized capital gains or (losses)	95,915,812
Net realized capital gains or (losses) less capital gains tax	5,294,055
Net income	$ 101,209,867

Capital and Surplus Account

			Note
Capital and Surplus, December 31, 2002	$	148,055,359	
Net Income	$	101,209,867	
Change in net unrealized capital gains or (losses)		(2,124,481)	
Change in net deferred income tax		928,242	
Change in nonadmitted assets and related items		(37,007,777)	7
Change in liability for reinsurance in unauthorized companies		660,386	
Change in asset valuation reserve		(3,305,979)	
Surplus (contributed to) withdrawn from Separate Accounts		9,969	
Other changes in surplus in Separate Accounts statement		(8,134)	
Paid in (surplus adjustments)		50,000,000	
Net change in capital and surplus	$	110,362,093	
Capital and surplus, December 31, 2003	$	258,417,452	

Summary of Examination Adjustments

Account	Company Balance	Examination Balance	Surplus Increase or (Decrease)	Note
General Account				
Current federal and foreign income tax recoverable	$ 37,585,163	$ 145,631	$ (37,439,532)	7
Change in General Account assets			$ (37,439,532)	
Aggregate reserve for life contracts	3,362,045,758	3,455,225,875	$ (93,180,117)	3
Transfers to Separate Accounts due or accrued	(183,544,922)	(295,218,677)	111,673,755	5
Aggregate write-ins for liabilities	4,871,234	23,364,872	(18,493,638)	6
Change in General Account liabilities			$ -0-	
Separate Accounts Statement:				
Aggregate reserve for life, annuity, and accident and health contracts	$ 6,166,365,674	$ 6,073,185,557	$ 93,180,117	3
Other transfers to General Account due or accrued	201,381,747	294,561,864	(93,180,117)	3
Total change in Separate Accounts Statement			$ -0-	
Net Change in Surplus			$ (37,439,532)	

NOTES TO FINANCIAL STATEMENTS

1. Invested Assets **$4,233,021,317**

The Company reported invested assets of $4,233,021,317 with long-term bonds and mortgage backed securities comprising 81% of the value, 10% in mortgage loans and 5% in cash and short-term investments. 68% of bonds were categorized as Class 1 (highest quality) graded bonds with 25% graded as Class 2 and 4% as Class 3. The portfolio mix by category was as follows: U.S. Government 3.6%, Other governments 1.5%, Special Revenue 23.9% Public Utilities 9.8%, Industrial and Miscellaneous 60.4% and Parents, Subsidiaries and Affiliates 2.9%.

2. Separate Accounts **$6,368,771,912**

The assets and liabilities of the Separate Account are clearly identified and distinct from the General Account assets and liabilities. The assets of the Separate Account are not charged with any liabilities arising out of any other business of the Company. However, the obligations of the Separate Account, including the promise to make annuity and death benefit payments, remain obligations of the Company. Assets and liabilities of the separate accounts are stated primarily at the market value of the underlying investments and corresponding contract holder's obligations. As of December 31, 2003, 60% of the Company's total admitted assets were comprised of Separate Account assets. Similarly, annuity contract reserves for both the separate and general accounts accounted for 92% of the Company's total liabilities. The Company has One (1) Separate Account described as follows:

MetLife Investors USA Separate Account A

MetLife Investors USA Separate Account A was established to support MetLife Investors USA with respect to certain Variable Annuity policies. The Separate Account is registered as a unit investment trust under the Investment Company Act of 1940, as amended, and exists in

accordance with regulations of the Delaware Department of Insurance. Separate Account A consists of approximately eighty investment divisions/options that support Variable Annuity Contracts offered for sale by the Company. As of December 31, 2003, Separate Account A had a total investment Value of $6,368,771,912.

3. Aggregate Reserve for Life Contracts **$ 3,455,225,875**

The aggregate reserve for life contracts was restated for purposes of this examination from $3,362,045,758 to $3,455,225,875 an adjustment of $93,180,117.

The Department's consulting actuary, INS Consultants, Inc. ("INS") prepared the 2003 Certificate of Reserve Valuation for the Company and also performed the reserve analysis for this examination. As part of the annual certificate of reserve valuation procedure, INS reviewed the December 31, 2003 General Account and Separate Account aggregate reserves for life contracts and liability for deposit-type contracts. INS included a review of the asset adequacy/ cash flow testing analysis performed annually and outlined in the Actuarial Opinion and Memorandum (AOM). The Company held General Account reserves consisted primarily of fixed deferred annuities and Separate Accounts reserves consisted of variable deferred annuities. General Account and Separate Account reserves were also held for smaller blocks of term life insurance and fixed and variable supplementary contracts.

During that process, Company work papers and tabulation reports were reviewed, and the reserves were reconciled to Exhibit 5, of the Company's 2003 General Account Annual Statement.

The restated reserve breakdown in Exhibit 5, by type of benefit, is presented in the following table:

Reserve Segment	**Total (Gross)**	**Reinsurance Ceded**	**Total (Net)**
Life Insurance	$ 14,896,234	$ 13,370,506	$ 1,525,728
Annuities	3,545,475,449	287,350,257	3,258,125,192
Supplementary Contracts	104,994,765	3,365,416	101,629,349
Accidental Death Benefits	0	0	0
Disability - Active Lives	28,180	0	28,180
Disability - Disabled Lives	0	0	0
Miscellaneous Reserves	93,922,934	5,507	93,917,427
Totals (Net) – restated	$ 3,759,317,562	$ 304,091,686	$ 3,455,225,876

4. From Separate Account Statement Liabilities **$6,368,771,912**

The following amounts represent the liabilities transferred from the separate account to the

General Account as of December 31, 2003.

Reserve Accounts	**Total (Net)**
Aggregate reserve for life and annuity contracts *	$6,073,185,557
Liability for deposit-type contracts	367,993
Other transfer to general account due & accrued*	294,561,864
Charges for investment management fees	1,817,282
Remittances and items not allocated	(315)
Aggregate write-ins for liabilities	(1,160,469)
Total	$6,368,771,912

- Aggregate reserve for life and annuity contracts in the restated amount of $6,073,185,557 is $93,180,117 less than the amount reported on the Separate Account Statement and the $294,561,864 restated amount for other transfer to the general account due & accrued is increased by the same amount due to a reclassification based on the INS actuarial analysis. The restated reserve breakdown in Exhibit 3, by type of benefit, is as follows:

CV15 deferred annuities	$ 299,397,991
EV15 deferred annuities	4,590,975,433
MRPS deferred annuities	1,182,497,527
Supplementary contracts	314,606
Total	$6,073,185,557 *

The examination included a verification of the accuracy of the underlying data used to calculate reserves. Samples of randomly selected policies from the Company's business segments were used to test the validity of valuation data. Inclusion testing was also performed in order to ensure that valuation files are essentially complete. Validity testing indicated that there were data discrepancies for deferred annuity contracts. However, INS concluded that these data discrepancies had no impact on reserves. Original source data for some deferred annuity contracts, supplementary contracts and deposit-type contracts could not be furnished and alternative sources of information had to be used for data verification. The inclusion testing indicated that the valuation files are complete.

It is the recommended that the Company continues to search for missing files and correct data problems during 2005.

Reserves were reviewed for compliance with standard valuation laws, applicable National Association of Insurance Commissioner (NAIC) Actuarial Guidelines and Model Regulations. Reserve trends and roll-forward analyses were also performed and generally produced reasonable results. Reinsurance reserve credits were reviewed and appeared reasonable. Reserves for sampled policies were calculated in accordance with standard actuarial practice.

INS determined that incorrect surrender charges were being used for policy form 8010 in the EV15 system. The change was relatively minor and INS concluded that this has no significant impact on reserve results.

It is recommended that the Company correct the surrender charges used for policy form 8010 in the EV15 system in future valuations.

The Company calculates a formula reserve for guaranteed minimum death benefits (GMDB) for variable deferred annuities and then tests the results using stochastic testing methodologies as prescribed by AG 34 and concluded that an additional reserve of $93.2 million associated with variable annuity contracts was required as of December 31, 2003. INS has concluded that this reserve should be held in the miscellaneous section of General Account Exhibit 5 and not the annuity section of Separate Account Exhibit 3. Even though this does not affect the overall surplus for the Company,

> **It is recommended additional reserves as a result of asset adequacy analysis and all guaranteed minimum death benefit reserves should be held in the miscellaneous reserve section of General Account Exhibit, in accordance with NAIC instructions.**

Minor data discrepancies were noted but these did not affect reserves. The balance sheet items enumerated in the examination scope, included those items which are restated appear fairly stated or restated as indicated and are calculated using valuation parameters which appear to be substantially free of any material error that would affect reserve calculations. Valuation extract files appear to be complete. Based on the above discussion and analysis, INS has concluded that certain December 31, 2003 balance sheet items covered in the examination should be restated. These restatements do not affect the overall surplus for the Company.

5. Transfer to Separate Accounts Due or Accrued ($295,218,677)

The transfers to separate accounts due or accrued, in the amount of ($295,218,677) are $111,673,755 more than the reported balance of ($183,544,922).

This liability was reported on Page 3, Line 13 of the Company's Annual Statement. The primary component of this item is the CARVM expense allowance for variable deferred annuity contracts. The NAIC instructions state that the item on Page 3, Line 13 of the General Account Annual Statement is required to mirror the Line 15, Page 3 insert of the Separate Accounts

Annual Statement, "Total Liabilities (including $ … due or accrued net transfers to or (from) the General Account)", but with the sign changed. The entry on Page 3, Line 13 of the Company's General Account Annual Statement should equal the restated parenthetical entry to be shown on page 3, line 15 of the Separate Account Annual Statement of $295,218,677 as of December 31, 2003, but with the sign changed. Thus, the correct figure on Page 3, Line 13 of the GA statement, should be ($295,218,677) which is the sum of the following three items:

1.	Charges for investment management, administration and contract guarantees due or accrued	($ 1,817,282)
2.	Other transfers to General Account due or accrued (Net) (restated)	(294,561,864)
3.	Amounts payable to the separate account	1,160,469
	Total (restated)	($ 295,218,677)

The Other transfers to General Account due or accrued are comprised exclusively of CARVM expense allowances for variable deferred annuities.

INS determined that the entry on Page 3, Line 13 of the GA Annual Statement does not agree with the parenthetical amount shown on Page 3, Line 15 of the SA Annual Statement as prescribed in the NAIC instructions.

It is recommended that future Annual Statements follow the NAIC instructions for Page 3, Line 13 of the General Account Annual Statement.

6. Aggregate Write-ins for Liabilities **$23,364,872**

The aggregate write-ins for liabilities in the amount of $23,364,872 is $18,493,638 more than the reported balance of $4,871,234 and is reflected in the following exhibit.

During the examination, INS confirmed that the original liability on Page 3, Line 13 of the Company's General Account statement was comprised of:

1.	Charges for investment management, administration and contract guarantees due or accrued	($ 1,817,282)
2.	Other transfers to General Account due or accrued (Net)	(201,381,747)
3.	Amounts payable from the separate account	1,160,469
4.	Last day trading suspense*	13,561,947
5.	Other receivable accounts*	2,109,109
6.	Administration services account in the general account*	974,567
7.	Not reconciled*	1,848,015
	Total (restated)	($ 183,544,922)

The last four items * in the above table which sum to $18,493,638 represent liabilities that should not be included in Line 13 of Page 3 of the General Account, but should be included elsewhere on Page 3, as a write-in liability. The last day trading suspense item of $13,561,947 represents accrued policyholder amounts received at year-end and held in suspense until assets can be purchased after December 31, 2003. Other receivable accounts amounting to $2,109,109 represents variable deferred annuity mortality and expense charges that had been booked to an incorrect account. Administration services account in the general account of $974,567 represents administrative service fees that had also been booked to an incorrect account. The not reconciled item of $1,848,015 was related to ledger "clean up" work due to conversion issues that were cleaned up in 2004. The result of the recommended changes would have no effect on the Company's overall surplus.

7. Current federal and foreign income tax recoverable **$145,631**

The amount of $145,631 as determined by this examination is $37,439,532 lower than the amount of $37,585,163 reported by the Company in its Annual Statement. The decrease in the account balance was mainly attributable to the Company establishing a reserve for a Separate

Account tax reserve of $93.2 million (previously discussed in Note 4 – Separate Account Statement liabilities) under the provisions of Actuarial Guideline Number 34 ("34") in 2003, which was included in the admitted asset. The required AG 34 reserves are a result of an actuarial calculation that is designed to generate additional reserves (when needed) for guaranteed minimum death benefits and possibly under certain types of annuity contracts. Subsequently in 2004 prior to the Company filing its consolidated federal income tax return for 2003 in 2004 it was determined this deduction was not allowable for income tax purposes. The tax affect of the $93.2 million is $32.6 million, which is the basis for the account decrease. The additional account adjustments are due to capital gains adjustment related to tax year 2001, and the under accrual on State taxes for 2003.

COMPLIANCE WITH PRIOR REPORT OF EXAMINATION

The summary of recommendations proposed as a result of the previous Report of Examination, and the disposition of such items since that exam, are as follows:

	Previous Recommendation	Action by Company
1.	It is again recommended that the Company comply with the provisions of Section 4919 of the Delaware Insurance Code regarding the proper reporting of changes in officers and transactions of the Company.	The Company has not complied.
2	It is again recommended the Company initiate procedures to maintain complete supporting financial records for review by Delaware regulatory authorities in compliance with Section 320 *(c)* of the Delaware Insurance Code.	The Company has complied.
3.	It is recommended the Company initiate procedures to retain and maintain complete claim related files for review by Delaware regulatory authorities in compliance with Section 320 (c) of the Delaware Insurance Code.	The Company has complied.

4	It is recommended that the Company initiate procedures to ensure appropriate audit trails and records be maintained for all accounts reported in the Company's filed Annual Statement.	The Company has complied.
5	It is recommended that the Company review and become familiar with all relevant Delaware Department of Insurance and NAIC requirements and guidance relative to reporting and recordkeeping. The requirements or guidance should be followed unless the Company has received written approval from the Delaware Department of Insurance to utilize an alternate permitted accounting practice.	The Company has complied.

RECOMMENDATIONS

Management and Control - *It is recommended that the Company comply with Section 4919 of the Delaware Insurance Code by promptly reporting changes in its principal Officers and Directors. (Page 7).*

Management and Service Agreements - It *is recommended that the Company follow the terms of its tax allocation agreement and enter into transactions that are in compliance with Section 5005 of the Delaware Insurance Code (Page 11).*

Aggregate Reserve for life contracts - Original source data for some deferred annuity contracts, supplementary contracts and deposit-type contracts could not be furnished and alternative sources of information had to be used for data verification. *It is the recommended that the Company continues to search for missing files and correct data problems during 2005 (Page 30).*

Aggregate Reserve for life contracts – Incorrect surrender charges were being used for policy form 8010 in the EV15 system. The change was relatively minor and INS concluded that this has no significant impact on reserve results. *It is recommended that the Company correct the surrender charges used for policy form 8010 in the EV15 system in future valuation (Page 30).*

Aggregate Reserve for life contracts – *It is recommended additional reserves as a result of asset adequacy analysis and all guaranteed minimum death benefit reserves should be held in the miscellaneous reserve section of General Account Exhibit, in accordance with NAIC instructions (Page 31).*

Aggregate Reserve for life contracts – The NAIC instructions state that the item on Page 3, Line 13 of the General Account Annual Statement is required to mirror the Line 15, Page 3 insert of the Separate Accounts Annual Statement, *It is recommended that future Annual Statements follow the NAIC instructions for Page 3, Line 13 of the General Account Annual Statement (Page 32).*

CONCLUSION

The following schedule shows the results of this examination and the results of the prior examination with changes between examination periods.

Description	12/31/03 Current Examination	12/31/00 Prior Examination	Changes Increase (Decrease)
Assets	$ 10,659,746,802	$ 4,319,350,691	$ 6,340,396,111
Liabilities	$ 10,401,329,350	$ 4,181,141,856	$ 6,220,187,494
Common capital stock	$ 2,300,000	$ 2,300,000	$ 0
Preferred capital stock	200,000	200,000	0
Surplus notes	35,000,000	35,000,000	0
Gross paid in and contributed surplus	98,046,959	48,046,959	50,000,000
Unassigned funds (surplus)	122,870,493	52,661,876	70,208,617
Total capital and surplus	$ 258,417,452	$ 138,208,835	$ 120,208,617
Total	$ 10,659,746,802	$ 4,319,350,691	$ 6,340,396,111

The assistance of Delaware's consulting actuarial firm, INS Consultants, Inc. is acknowledged.

Respectfully submitted,

Joseph Murano Jr.

Joseph Murano, Jr., CFE
Examiner-in-Charge
State of Delaware

SUBSEQUENT EVENTS

Effective January 1, 2005, the Company assumed 100% of General American Life Insurance Company's ("GALIC"), an affiliate, liabilities, net of existing reinsurance, under certain guaranteed level term, universal life and joint survivorship policies issued on and after January 1, 2000. Under the reinsurance agreement, which is structured on a coinsurance basis, GALIC transferred approximately $1.012 billion of reserves to the Company. Concurrently, the Company entered into a reinsurance agreement with Exeter Re, an affiliate, under which Exeter reinsures a 100% quota share of the secondary guarantee risks, net of existing reinsurance, associated with the universal life business assumed from GALIC. The transfer of this business resulted in a net decrease of $349 million in statutory surplus, which was offset by a corresponding capital contribution from MetLife. The assumption and cession agreements were approved by the Delaware Insurance Department.