REPORT ON EXAMINATION

OF THE

METROPOLITAN TOWER LIFE INSURANCE COMPANY

AS OF

DECEMBER 31, 2010

Karen Weldin Stewart, CIR-ML
Commissioner

Delaware Department of Insurance

I, Karen Weldin Stewart, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of December 31, 2010 of the

METROPOLITAN TOWER LIFE INSURANCE COMPANY

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

Attest By: ______________________

Date: 8 Jun 2012

In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 8th day of June, 2012.

____
Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Karen Weldin Stewart, CIR-ML
Commissioner

Delaware Department of Insurance

REPORT ON EXAMINATION

OF THE

METROPOLITAN TOWER LIFE INSURANCE COMPANY

AS OF

DECEMBER 31, 2010

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

Consideration has been duly 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.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Dated this 8th day of June, 2012

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SALUTATION

March 6, 2012

Honorable Karen Weldin Stewart
Commissioner
Delaware Department of Insurance
Rodney Building
841 Silver Lake Boulevard
Dover, Delaware 19904

Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Certificate of Authority No. 11.019, dated February 25, 2011, an Association examination has been made of the affairs, financial condition and management of the

METROPOLITAN TOWER LIFE INSURANCE COMPANY

hereinafter referred to as "Company" or "MTL", incorporated under the laws of the State of Delaware as a stock company with its statutory home office located at 111 Continental Drive, Suite 101, Newark, Delaware 19713. The examination was conducted at the main administrative office of the Company, located at 18210 Crane Nest Drive, Tampa, Florida 33647. The report of this examination is submitted herewith.

SCOPE OF EXAMINATION

We have performed our association examination of Metropolitan Tower Life Insurance Company. The last examination of the Company was conducted as of December 31, 2006. This examination covers the period since that date through December 31, 2010, and including any material transactions and or events noted occurring subsequent to December 31, 2010.

This examination was conducted in accordance with the *National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook* (NAIC Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance

Laws and Regulations of the State of Delaware. The NAIC Handbook requires the examiners perform an examination to evaluate the financial condition and identify prospective risks of the Company. In doing so, the examiners reviewed corporate governance, identified inherent risks of the Company, and evaluated the controls and procedures used to mitigate the identified risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles and applicable annual statement instructions.

The Company's external auditor, Deloitte & Touche LLP, made available for review, all work papers pertinent to its audit of the Company's financial statements for the year ended December 31, 2010. Certain work papers prepared by the external accounting firm were incorporated into the examiners work papers if deemed appropriate and in accordance with the NAIC Handbook.

In addition to items hereinafter incorporated as a part of this report, the following were reviewed without exception and made part of the work papers of this examination.

Fidelity Bonds and Other Insurance
Pensions, Stock Ownership and Insurance Plans
NAIC Ratios
Legal Actions
All Asset & Liability items not mentioned

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material adjustments to the Company's financial statements that warranted disclosure in this examination report.

COMPLIANCE WITH PRIOR REPORT RECOMMENDATIONS

There were no prior exam report findings or recommendations.

SUBSEQUENT EVENTS

Subsequent to December 31, 2010, the Company entered into the following intercompany agreement:

Service Agreement with Metropolitan Life Insurance Company

Effective January 1, 2011, the Company entered into a Service Agreement with Metropolitan Life Insurance Company (MLIC), whereby MLIC provides for a broad range of services to be rendered and facilities and equipment to be provided. Services, facilities and equipment are requested by the Company as deemed necessary for its operations. This agreement involves cost allocation arrangements, under which the Company pays MLIC for all expenses, direct and indirect, reasonably and equitably determined to be attributable to the services, facilities and equipment provided. The Delaware Department of Insurance approved this agreement on June 21, 2011.

HISTORY

The Company was incorporated on March 4, 1982, under the laws of the State of Delaware, and was licensed to transact business on October 7, 1982. The Company commenced its insurance operations on February 15, 1983, upon approval by the New York State Insurance Department, by assuming the outstanding life insurance business of an insolvent New York domiciled fraternal organization, the Labor Zionist Alliance.

On October 1, 2003, MetLife, Inc. purchased all of the outstanding shares of the Company's stock that were previously owned by the former parent, MLIC.

On October 8, 2004, Metropolitan Insurance and Annuity Company, a Delaware domestic, was merged with and into the Company. Also, on this same date, the Company purchased New England Pension and Annuity Company, a Delaware domestic, from New

England Life Insurance Company, an affiliated entity, which was concurrently merged with and into the Company.

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 18 Del. C. § 902 and 18 Del. C. § 903. The Company was originally established for the purpose of issuing life insurance products for which its then parent, MLIC, at that time a mutual company, was prohibited from marketing. Activities of the Company had been predominantly in the variable universal life insurance market. Since 1992, MLIC has been able to issue non-participating policies. In 1993, the Company voluntarily discontinued writing new business. Hence, the Company operates as a closed block, with its existing business in run-off resulting in a continued decline in premium volume over the years.

CAPITALIZATION

Preferred and Common Capital Stock and Paid-in Surplus

The Company has 2,000 shares of preferred stock authorized, of which none are issued and outstanding. The Company has 1,000 shares of common stock authorized, of which 1,000 shares are issued and outstanding, at $2,000 per share par value, for a total outstanding of $2,000,000. In 1999, in accordance with 8 Del.C. § 154 "Determination of amount of capital; capital, surplus and net assets defined", the Company's Board authorized the transfer of $500,000 from gross paid-in and contributed surplus to capital stock in order to meet minimum paid-in capital requirements in California. As a result of this action, the Company has $500,000 of capital stock not assigned specifically to shares issued and outstanding. At December 31, 2010, all outstanding shares of the Company's stock were owned by MetLife, Inc.

Dividends

The Company declared and paid extraordinary dividends totaling $277,000,000 during 2008 and $568,900,000 during 2010 to its parent, MetLife, Inc. The 2008 and 2010 dividends were approved by the Delaware Department of Insurance for payment.

The Company did not pay any dividends during 2007 or 2009.

CORPORATE RECORDS

The recorded minutes of the sole shareholder and Board of Directors were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events, including the authorization of investments as required by 18 Del.C. § 1304 Authorization; record of investments.

A review of the Insurance Holding Company Annual Registration Statement filings (Form B and Form C) made by and on behalf of the Company for all years under examination revealed that the Company had complied with the requirements of 18 Del. Admin. Code 1801.

MANAGEMENT AND CONTROL

Stockholder

Article I, Section 1.1 of the Company's amended bylaws, states, "The Annual Meeting of the shareholders of the corporation for the election of directors and for the transaction of such other business as properly may come before such meeting shall be held either within or without the corporation's state of incorporation on such date and at such time as may be fixed from time to time by resolution of the Board of Directors of the corporation and set forth in the notice or waiver of notice of the meeting." Special meetings of the shareholders may be called at any time by the President or by the Board of Directors.

Board of Directors

Pursuant to the General Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, all corporate powers are exercised by or under the direction of the Board of Directors. The bylaws, as amended and restated as of June 30, 2004, provide that the number of directors is established by the Board of Directors, to consist of not less than three directors (except for vacancies temporarily unfilled), with the authorized number determined by the Board by resolution adopted by a majority of the authorized number of directors immediately prior to any determination. Directors are elected annually and hold office until the next annual meeting of shareholders or until their successors have been elected and qualified. The number of directors constituting a quorum for the transaction of business is not less than one-third of the board. A 2004 amendment to the bylaws decreased the required number of directors from six to three.

At December 31, 2010, the members of the Board of Directors together with their principal business affiliations were as follows:

Name	**Principal Business Affiliation**
Steven Jeffery Goulart	EVP, Chief Investment Officer and Treasurer, MetLife Group, Inc.
Andrew nmn Kaniuk	VP and Senior Actuary, MetLife Group, Inc.
Robert Rabun Merck	Senior Managing Director, MetLife Group, Inc.

The minutes of the meetings of the shareholders 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.

Receipt by the Board of Directors of the Report on Examination as of December 31, 2006 was noted in the minutes of the Board of Directors as of September 30, 2008.

Committees

Article III, Section 3.1 of the amended and restated bylaws, states "There shall be no standing committees of the Board, unless required by law or regulation to which the corporation is subject." Article III, Section 3.2 of the bylaws states "The Board may, by resolution adopted by a majority of the then authorized number of directors, designate special committees, each such committee consisting of two or more directors of the corporation, which committee, except as otherwise prescribed by law or by Section 3.3 of these bylaws, shall have and may exercise the authority of the Board to the extent provided in the resolutions designating such committees."

During the period covered by this examination, the Board established an Audit Committee, which was chartered on August 19, 2010 and held its first meeting on August 24, 2010, to meet the requirements of 18 Del. Admin. Code 301 § 4.0 General Requirements Related to Filing and Extensions for Filing of Annual Audited Financial Reports and Audit Committee Appointment. The following members of the Board of Directors served on the Company's Audit Committee as of December 31, 2010:

Audit Committee
Steven Jeffery Goulart
Andrew nmn Kaniuk
Robert Rabun Merck

None of the members of the Audit Committee were considered independent.

Officers

Article VI, Section 4.1 of the Company's bylaws state that the Board may elect or appoint a President, one or more Vice-Presidents, a Secretary, a Treasurer, and other officers as deemed appropriate. Insofar as permitted by law, any two offices may be held by the same person.

At December 31, 2010, the Company's principal officers and their respective titles were as follows:

Officer	**Title**
Steven Jeffery Goulart	President, Presiding Officer of the Board, and Treasurer
William David Cammarata	Senior Vice-President and Senior Controller
Isaac nmn Torres	Assistant Vice-President and Secretary

In addition to the above officers, additional vice presidents, assistant vice presidents and other assistant officers were also appointed.

Numerous changes in directors and officers occurred during the period under review. As required, proper notification was provided to the Delaware Department of Insurance with no exception.

Conflicts of Interest

The Company maintains a formal written conflict of interest policy, which officers, directors, and all employees of MetLife Group, Inc. and its subsidiaries must fill out on an annual basis. MetLife's Conflict of Interest procedures were adopted as a means to disclose possible conflicts of interest on the part of officers, directors and employees whose positions are such that they exercise judgments or make decisions which may be influenced so as to result in a conflict of interest. If possible conflicts were disclosed, Company officials scrutinized them further to determine if corrective action was necessary. Conflict of interest questionnaires are required for third party administrators or independently contracted consultants.

A review of executed disclosure statements was conducted during the examination period without exception.

In accordance with the Delaware Insurance Department Examination Handbook, Section 12, a review of the Company's Business Conduct Certificate disclosure statements for officers, directors and key employees was performed for the purpose of identifying anyone with a felony conviction involving dishonesty or a breach of trust. There was no indication of any criminal conviction in any of the responses reviewed.

Articles of Incorporation and bylaws

The Company did not amend its Articles of Incorporation or bylaws during the exam period.

HOLDING COMPANY SYSTEM

The Company is a member of an Insurance Holding Company System. The immediate parent of the Company at December 31, 2010 was MetLife, Inc. (Delaware). The Company had several subsidiaries as of December 31, 2010.

Organization Chart

The following abbreviated presentation of the holding company system reflects the identities and interrelationships between the Company, its Parent, affiliated insurers and other members of the holding company system as of December 31, 2010:

Company	Domicile	% own
MetLife, Inc.	Delaware	
Metropolitan Life Insurance Company	New York	100%
MetLife International Holdings, Inc.	Delaware	100%
Metropolitan Property and Casualty Insurance Company	Rhode Island	100%
MetLife Insurance Company of Connecticut	Connecticut	86.72%
MetLife Investors USA Insurance Company	Delaware	100%
MetLife Renewables Holding, LLC	Texas	100%
Greater Sandhill I, LLC	Delaware	100%
Metropolitan Tower Life Insurance Company	Delaware	100%
EntreCap Real Estate II, LLC	Connecticut	100%
PREFCO Dix-Huit LLC	Connecticut	100%
PREFCO Ten Limited Partnership	Connecticut	99.9% LP
PREFCO X Holdings LLC	Connecticut	100%
PREFCO Ten Limited Partnership	Connecticut	0.1% GP
PREFCO Twenty Limited Partnership	Connecticut	99% LP
PREFCO Vingt LLC	Connecticut	100%
PREFCO Twenty Limited Partnership	Connecticut	1% GP
Plaza Drive Properties, LLC	Delaware	100%
Partners Tower, L.P.	Delaware	99% LP
TH Tower NGP, LLC	Delaware	100%

Partners Tower, L.P.	Delaware	1% GP
TH Tower Leasing, LLC	Massachusetts	100%
MTL Leasing, LLC	India	100%
PREFCO IX Realty LLC	Connecticut	100%
PREFCO Fourteen Limited Partnership	Connecticut	99.9% LP
PREFCO XIV Holdings LLC	Connecticut	100%
PREFCO Fourteen Limited Partnership	Connecticut	0.1% GP
SafeGuard Health Enterprises, Inc.	Delaware	100%
Exeter Reassurance Company, Ltd.	Bermuda	100%
MetLife Taiwan Insurance Company, Ltd.	Taiwan	100%
MetLife Investors Insurance Company	Missouri	100%
Newbury Insurance Company, Ltd.	Bermuda	100%
First MetLife Investors Insurance Company	New York	100%
MetLife Reinsurance Company of South Carolina	South Carolina	100%
MetLife Reinsurance Company of Charleston	South Carolina	100%
MetLife Reinsurance Company of Vermont	Vermont	100%
Delaware American Life Insurance Company	Delaware	100%
American Life Insurance Company	Delaware	100%
MetLife Investors Group, Inc.	Delaware	100%
MetLife Insurance Company of Connecticut	Connecticut	13.28%

* LP – Limited Partner; GP – General Partner

INTERCOMPANY AGREEMENTS

The Company was party to numerous inter-company agreements, which were disclosed in the Form B filings with the Delaware Department of Insurance.

The following agreements were entered into prior to the period covered by this examination and remained in effect as of December 31, 2010:

Description	Effective Date
Administrative Services Agreement with MLIC	January 1, 2001
Metropolitan Money Market Pool Partnership Agreement	September 30, 1999
Partnership Agreement - Intermediate Income Pool	June 1, 2002 (1)
Master Services Agreement with MLIC	December 31, 2002
Services Agreement with MetLife Group, Inc. (MLG)	January 1, 2003
Tax Allocation Agreement with MLIC	January 1, 1985
License Agreement with MetLife, Inc.	May 4, 2005
Loan Participation Agreement with MLIC	December 1, 2005
Loan Commitment Agreement with MetLife Credit Corp.	May 15, 2006

(1) During 2010, the Company redeemed its outstanding partnership interest in the pool.

The above agreements have previously been reviewed; however, balances associated with the above agreements as of December 31, 2010 were reviewed as part of this examination.

Agreements entered into during the period covered by this examination and remaining in effect are summarized as follows:

Global Services Agreement

Effective January 1, 2007, the Company and MLIUSA entered into a Global Services Agreement with an affiliate, MetLife Services and Solutions, LLC (MetLife Services), which was superseded by an Amended and Restated Global Services Agreement effective November 1, 2008. Pursuant to this agreement, MetLife Services provides various services to support the activities of the Company, including but not limited to, services, facilities and equipment requested by the Company as may be determined to be reasonably necessary for the conduct of its operations. The agreement has no fixed term and is terminable by any of the parties on six months advance notice. Under certain circumstances, however, the Company or MLIUSA would have the right to require MetLife Services to provide services for a longer period of time. MetLife Services charged the Company less than $1 million for the years ended December 31, 2010 and 2009, respectively.

Lease Agreement

The Company leases a property to MLIC under terms of a Lease Agreement effective January 1, 2008. The Company received rental income of $4,758,791 included in net investment income, for the year ended December 31, 2010 and $10,000,000, included in other income, for the year ended December 31, 2009.

12b-1 Service Agreement

Effective July 1, 2008, the Company entered into a service agreement with MetLife Investors Distribution Company (MLIDC), whereby the Company, MTL and other affiliates agree to provide certain account maintenance and other administrative services on behalf of MLIDC to current and prospective holders of the life and annuity contracts issued, and MLIDC agreed to pay to MLIUSA an amount equal to certain Rule 12b-1 fees received by MLIDC under Rule 12b-1 plans adopted by various mutual funds underlying the life and annuity contracts issued by MTL. The Company received fee income of $123,751 for the year ended December 31, 2010. There was no fee income amount received for the year ended December 31, 2009.

MetLife Advisors, LLC – Amended and Restated Limited Liability Company Agreement

Effective May 1, 2009, the Company entered into a Limited Liability Company Agreement (the "Agreement") with MetLife Advisors, LLC (MetLife Advisors), MetLife Investors Group, Inc. (MLIG) and several other affiliates. Among other things, the Agreement sets forth provisions for the allocation of income and losses to the members of MetLife Advisors, including the Company. In accordance with the Agreement, the Company recorded other income of $215,000 and $169,000 for the years ended December 31, 2010 and 2009, respectively.

Future Tax Liability Agreement

Effective June 30, 2010, the Company entered into a Future Tax Liability Agreement with MetLife, Inc. The Company distributed as a dividend to MetLife all of the issued and outstanding shares of MetLife Reinsurance Company of Vermont (MRV). As this distribution created a deferred intercompany tax gain as of March 31, 2010 that could result in a future tax liability becoming due upon the occurrence of certain contingent events that may take place in the future, MetLife, Inc. will assume the responsibility for any and all future tax liabilities resulting from the distribution of MRV. As of December 31, 2010, no contingent events have occurred that would result in the implementation of this agreement.

EXTERNAL AGREEMENTS

In addition to the above intercompany agreements, the Company had the following external agreement in effect at December 31, 2010:

Domestic Custody Agreement

Effective December 24, 2004, the Company entered into a Domestic Custody Agreement with JPMorgan Chase Bank, N.A. for the purpose of safekeeping the Company's invested assets. Effective January 4, 2005, a rider was entered into with respect to Global Securities, i.e., securities other than U.S. securities, which are governed exclusively by the terms of the Domestic Custody Agreement.

TERRITORY AND PLAN OF OPERATION

Territory

As of December 31, 2010, the Company was licensed to transact the business of insurance in the District of Columbia and all 50 states. 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 18 Del. C. § 902 and § 903. 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.

Plan of Operation

At December 31, 2010, approximately forty-six percent (46.6%) of the direct premium written was produced in five states.

Major direct premium writings in 2010 by state were ($000’s omitted): New York, $25,997 (17.2%); Pennsylvania, $12,179 (8.0%); Florida, $11,651 (7.7%); Illinois, $11,637 (7.7%); New Jersey, $9,067 (6.0%); other jurisdictions, $80,850 (53.4%).

The Company was originally established for the purpose of issuing life insurance products for which its then parent, Metropolitan Life Insurance Company (MLIC), was prohibited from marketing. Activities of the Company have been predominantly in the variable universe life insurance market. Since 1992, MLIC has been able to issue non-participating policies. As a result, the Company has not written any new business since 1993. Its existing business is in run-off, resulting in a significant decline in premium volume over the years. Products issued include annuities, variable annuities, universal life, and traditional life, including whole life and term insurance.

During the fourth quarter of 2006, MetLife Reinsurance Company of Charleston (MRC), a new captive reinsurance company, was established as a subsidiary of the Company. MRC is domiciled in South Carolina

In the fourth quarter of 2007, MetLife Reinsurance Company of Vermont (MRV), a special purpose financial captive insurance company with protected cells was established as a subsidiary of the Company. MRV is domiciled in Vermont.

On July 1, 2008 and November 1, 2010, all issued and outstanding shares of MRC and MRV, respectively, were paid to MetLife, Inc. as extraordinary common stock dividends.

A summary of premiums and annuity considerations for 2010 is described as follows:

	Ordinary Life Insurance	Ordinary Individual Annuities	Total
Direct	$150,722,560	$2,273,516	$152,996,076
Reinsurance Assumed	0	0	0
Reinsurance Ceded	108,304,779	2,273,516	110,578,295
Net Premiums Written	$ 42,417,781	$ 0	$ 42,417,781

Agency Relations and Third Party Administrators (TPA):

The Company was not actively marketing its insurance products during the examination period.

Best's Rating

Based on A.M. Best's current opinion of the consolidated financial condition and operating performance of the Company, the Company was rated A+ (Superior) for the year ending 2010, with a negative outlook. The Company maintains top ratings with Moody's Investor Services, and Standard and Poor's.

GROWTH OF THE COMPANY

The following information was extracted from copies of the Company's filed Annual Statements, for each year indicated, and covers the period from the Company's last examination.

Year	Net Admitted Assets	Total Liabilities	Total Capital and Surplus	Premiums and Annuity Considerations	Deposit-Type Funds	Net Income / Losses
2010	$4,953,820,850	$4,149,306,363	$804,514,487	$42,417,781	$0	$151,352,218
2009	5,000,314,631	4,133,692,011	866,622,620	49,556,382	0	57,180,502
2008	5,511,566,500	4,626,740,144	884,826,356	54,233,007	0	212,196,053
2007	6,179,137,672	5,041,357,643	1,137,780,029	51,410,886	0	103,215,412
2006	7,261,999,014	6,219,166,236	1,042,832,778	57,450,983	0	2,786,763,367

*Schedule does not include adjustments as a result of the prior or current examinations

Since year-end 2006, net admitted assets have decreased by 31.8% or $2.3 billion while total liabilities decreased proportionately by 33.3% or $2.1 billion. Over the same period, total capital and surplus decreased by 22.9% or $238.3 million.

Although not shown, total policyholder reserves decreased approximately 11% during the exam period from $3.6 billion at December 31, 2006 to $3.2 billion at December 31, 2010. The change in policyholder reserves was attributable to a decrease in ordinary life insurance reserves, as well as the Company operating as a closed-block of business. As noted previously, the Company voluntarily suspended new sales of variable life insurance products in 1993. This decreased life insurance policies in force, and the Company expects this trend to continue as it does not expect to issue new business in future years.

Premiums and annuity considerations decreased from $57.4 million in December 31, 2006 to $42.4 million as of December 31, 2010. Overall, premiums and annuity considerations decreased 26.2% since the prior examination period. The decrease is attributed to the decline in surrenders, and a decrease in renewal premiums. Additionally, the Company continues to operate as a closed block with no new sales.

The Company's net income decreased 94.6% from December 31, 2006 to December 31, 2010. In 2006, the Company reported a net gain of $2.79 billion which was driven by realized capital gains from the sale of the Peter Cooper Village and Stuyvesant Town real estate in New York City. Partially offsetting this gain was the payment of a $2.30 billion dividend to the parent in 2006. The improvement from 2009 to 2010 was mainly attributable to a $143 million favorable change in net realized capital losses net of Federal income tax, resulting primarily from a MRV transaction, partially offset by a $64 million decrease in gain from operations before Federal income tax.

LOSS EXPERIENCE

Reserves and contract claims as of December 31, 2009 and December 31, 2010 were as follows:

	Aggr. Reserves for Life Contracts	Contract Claims: Life
December 31, 2009	$3,303,763,436	$15,284,937
December 31, 2010	3,228,418,069	15,816,605
Increase (Decrease)	$ (75,345,367)	$ (531,668)

The decrease of reserves is generally a result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. No significant increase or decrease was noted for any particular line of business.

REINSURANCE

For 2010, the Company reported the following distribution of net premiums written:

Direct business	$ 152,996,076
Reinsurance assumed (from affiliates)	0
Reinsurance assumed (from non-affiliates)	0
Total direct and assumed	$ 152,996,076
Reinsurance ceded (to affiliates)	(2,282,316)
Reinsurance ceded to (non-affiliates)	(108,295,977)
Net premiums Written	$ 42,417,783

The following describes the Company's reinsurance program as of December 31, 2010:

Assumed

The Company did not have any assumed business.

Ceded

As noted previously, the Company ceased writing new business in 1993. As such, the Company's business is a closed block with no secondary guarantees.

The Company reinsures its business through a diversified group of reinsurers. No single unaffiliated reinsurer has a material obligation to the Company, nor is the Company's ceded business substantially dependent upon any one reinsurer.

The Company retains up to $1,000,000 per individual life and reinsures 100% of amounts in excess of the Company's retention limits.

The Company cedes 100% of its annuity, supplementary contract, and deposit-type contract business to MLIC. The Company cedes individual life business to MLIC and various non-affiliates. The total premium ceded at December 31, 2010 of $110,578,293 was comprised of premiums ceded to MLIC and non-affiliates in the amounts of $2,282,316 and $108,295,977, respectively. Approximately 2% of the Company's ceded premium was ceded to MLIC. The Company's business was ceded under various yearly renewable term, automatic and facultative coinsurance, and indemnity quota share agreements.

The Company's reserve credit taken for its ceded business to authorized and unauthorized reinsurers was $809,772,162 at December 31, 2010.

The Company ceded business to one unauthorized reinsurer, Pacific Life Re, as of December 31, 2010. The Company reported a reserve credit of $24,410 and ceded premiums of $49,260. The Company established an unauthorized reinsurance liability of $5,325 with respect to the reserve credit taken under the Pacific Life Re agreement for 2010, as collateral secured by the Company was insufficient at December 31, 2010 for full reserve credit.

The Company did not have any inter-company pooling arrangements at December 31, 2010.

ACCOUNTS AND RECORDS

Accounting System and Information

Pursuant to service agreements with affiliates, Metropolitan Life Insurance Company and MetLife Group, Inc. provide 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 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, 2010 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 MetLife'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.

Independent Accountants

The Company's financial statements are audited each year by the firm of Deloitte & Touche LLP or "D&T", of New York, NY. The examiners reviewed the audited statutory financial statements for all years under examination. For all years under review, D&T issued an unqualified opinion. The examiners reviewed D&T's 2010 work papers, and incorporated their work and findings as deemed pertinent to the current examination.

Actuarial Opinion

The Company's loss reserves and related actuarial items were reviewed by Frans W. te Groen, FSA, MAAA, who issued a statement of actuarial opinion, based on the financial information presented by the Company. The opinion stated that the reserves and related actuarial values carried on the balance sheet were fairly stated and met the requirements of the Insurance Laws of the State of Delaware.

STATUTORY DEPOSITS

The following statutory deposits were on file with the following states:

	Deposits For The Benefit of ALL Policyholders		All Other Special Deposits	
STATE	Book/Adjusted Carrying Value	Fair Value	Book/Adjusted Carrying Value	Fair Value
Delaware	2,033,940	2,080,430		
Georgia			81,088	95,780
Kentucky			101,334	106,328
Massachusetts			206,160	216,591
New Mexico			110,636	115,513
North Carolina			3,591,229	3,616,375
Virginia			378,825	396,656
TOTAL DEPOSITS	2,033,940	2,080,430	4,469,272	4,547,243

FINANCIAL STATEMENTS

The following pages contain a statement of assets, liabilities, surplus and other funds as of December 31, 2010, as determined by this examination, along with supporting exhibits as detailed below:

General Account:
- Assets
- Liabilities, Surplus and Other Funds
- Summary of Operations
- Capital and Surplus Account
- Reconciliation of Capital and Surplus for the Examination Period

Separate Accounts:
- Assets
- Liabilities and Surplus

Schedule of Examination Adjustments

It should be noted that the various schedules and exhibits may not add to the totals shown due to rounding. The narratives on the individual accounts, with the exception of the reserve related balances, are presented on the "exception basis" in the Notes to the Financial Statements section of this report.

General Account
Assets
As of December 31, 2010

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$ 2,864,154,692	$	$ 2,864,154,692
Preferred stocks	6,750,000		6,750,000
Common stocks	1,002,031		1,002,031
Mortgage loans on real estate			
First liens	250,681,424		250,681,424
Real estate			
Properties occupied by the company	46,640,162		46,640,162
Properties held for the production of income	1,052,596,732		1,052,596,732
Cash, cash equivalents and short-term investments	52,118,026		52,118,026
Contract loans	330,742,414		330,742,414
Derivatives	24,386,485		24,386,485
Other invested assets	143,642,752		143,642,752
Aggregate write-ins for invested assets	172,032		172,032
Investment income due and accrued	65,405,070		65,405,070
Premiums and considerations			
Uncollected premiums and agents' balances in course of collection	6,342		6,342
Deferred premiums, agents' balances and installments booked but deferred and not yet due	105,929		105,929
Reinsurance:			
Amounts recoverable from reinsurers	15,540,375		15,540,375
Other amounts receivable under reinsurance contracts	456,869		456,869
Guaranty funds receivable or on deposit	1,836,117		1,836,117
Electronic data processing equipment and software	733,137	733,137	-
Furniture and equipment	3,689,496	3,689,496	-
Receivable from parent, subsidiaries and affiliates	186,085		186,085
Aggregate write-ins for other than invested assets	1,935,594	1,935,594	-
Total assets excluding Separate Accounts	$ 4,862,781,764	$ 6,358,227	$ 4,856,423,537
From Separate Accounts	97,397,313	-	97,397,313
Total	$ 4,960,179,077	$ 6,358,227	$ 4,953,820,850

Liabilities, Surplus and Other Funds
As of December 31, 2010

		Notes
Aggregate reserves for life contracts	$ 3,228,418,069	1
Liability for deposti-type contracts	-0-	2
Contract claims:		
Life	15,816,605	3
Premiums and annuity considerations for life and accident and health contracts received in advance	1,644	
Contract liabilities not included elsewhere:		
Other amounts payable on reinsurance	18,889,050	
Interest maintenance reserve	2,981,695	
General expenses due or accrued	2,932,144	
Transfers to Separate Accounts due or accrued (net)	(103,750)	4
Taxes, licenses and fees due or accrued, excluding federal income taxes	3,920,224	
Current federal and foreign income taxes	41,078,749	
Net deferred tax liability	212,123,720	
Unearned investment income	5,758,972	
Remittances and items not allocated	118,971	
Miscellaneous liabilities:		
Asset valuation reserve	36,919,812	
Reinsurance in unauthorized companies	5,325	
Payable to parent, subsidiaires and affiliates	10,213,869	
Derivatives	7,347,947	
Payable for securities lending	433,264,381	
Aggregate write-ins for liabilities	32,221,623	
Total liabilities excluding Separate Accounts	$ 4,051,909,050	
From Separate Accounts Statement	97,397,313	
Total Liabilities	$ 4,149,306,363	
Common capital stock	2,500,000	
Gross paid-in and contributed surplus	315,670,900	
Unassigned funds	486,343,587	
Surplus	$ 804,514,487	
Total Liabilities, Surplus and Other Funds	$ 4,953,820,850	

Summary of Operations
As of December 31, 2010

Premiums and annuity considerations for life and accident and health contracts	$	42,417,781
Net investment income		224,896,780
Amortization of Interest Maintenance Reserve		(2,200,504)
Miscellaneous income:		
Income from fees associated with investment management, administration and contract		
guarantees from Separate Accounts		1,714,691
Aggregate write-ins for miscellaneous income		3,585,893
Totals	$	270,414,641
Death benefits	$	124,442,293
Matured endowments		750
Disability benefits and benefits under accident and health contracts		1,619,505
Surrender benefits and withdrawals for life contracts		133,890,560
Interest and adjustments on contract or deposit-type contract funds		611,963
Increase in aggregate reserves for life and accident and health contracts		(75,345,367)
Totals	$	185,219,704
Commissions on premiums, annuity considerations and deposit-type contracts funds	$	1,822,136
General insurance expenses		10,040,901
Insurance taxes, licenses and fees, excluding federal income taxes		3,228,871
Net tansfers to or (from) Separate Accounts net of reinsurance		(5,653,412)
Totals	$	194,658,200
Net gain from operations before dividends to policyholders and federal income taxes	$	75,756,441
Dividend to policyholders		-
Net gain from operations after dividends to policyholders and before federal income taxes		75,756,441
Federal and foreign income taxes incurred		31,444,086
Net gain from operations after dividends to policyholders and federal income taxes and		
before realized capital gains (losses)		44,312,355
Net realized capital gains (losses)		107,039,863
Net Income	$	151,352,218

Capital and Surplus Account
As of December 31, 2010

Capital and surplus, December 31, prior year	$866,622,620
Net income	151,352,218
Change in net unrealized capital gains or (losses)	
less capital gains tax of $1,445,186	438,011,597
Change in net unrealized foreign exchange capital gain (loss)	(327,681)
Change in net deferred income tax	20,951,367
Change in nonadmitted assets	5,173,982
Change in liability for reinsurance in unauthorized companies	35,662
Change in asset valuation reserve	16,594,722
Surplus adjustment	
Paid-in	(125,000,000)
Dividends to stockholders	(568,900,000)
Net change in capital and surplus for the year	(62,108,133)
Capital and surplus, December 31, current year	$804,514,487

Reconciliation of Capital and Surplus
December 31, 2006 to December 31, 2010

Capital and Surplus, December 31, 2006		$1,042,832,780
Net income		523,944,185
Additions:		
Change in net unrealized capital gains	5,593,116	
Change in net unrealized foreign exchange capital	1,905,913	
Change in net deferred income tax	64,618,326	
Change in non-admitted assets	314,367	
Change in liability for reinsurance in unauthorized companies	16,220	
Change in asset valuation reserve	3,908,868	
Cumulative effect of change in accounting principles	9,719,836	
Total Additions		86,076,646
Deductions:		
Dividend to stockholder	(845,900,000)	
Change in surplus as a result of reinsurance	(2,439,124)	
Total Deductions		(848,339,124)
Capital and Surplus, December 31, 2010		$ 804,514,487

Separate Accounts
Assets
As of December 31, 2010

	General Account Basis	Fair Value Basis	Total	Notes
Common Stocks	$ 0	$97,397,310	$97,397,310	
Preferred stocks	0	0	0	
Common stocks	0	0	0	
Cash and cash equivalents	0	0	0	
Short-term investments	0	0	0	
Other invested assets	0	0	0	
Investment income due and accrued	0	0	0	
Aggregate write-ins for other than invested assets:				
Due from General Account	0	0	0	
Total	$ 0	$97,397,310	$97,397,310	

Liabilities and Surplus
As of December 31, 2010

	General Account Basis	Fair Value Basis	Total	
Aggregate reserves for life, annuity and accident and health contracts	$ 0	$97,293,564	$97,293,564	5
Charges for investment management, administration and contract guarantees due or accrued	0	0	0	
Other transfers to general account due or accrued	0	103,749	103,749	6
Payable for securities	0	0	0	
Aggregate write-ins for liabilities:				
Due to General Account	0	0	0	
Total	$ 0	$97,397,313	$97,397,313	

SCHEDULE OF EXAMINATION ADJUSTMENTS

There were no financial adjustments to the Company's General or Separate Account balance sheets as a result of this examination.

NOTES TO FINANCIAL STATEMENTS

Liabilities – General Account

General

As of December 31, 2010, MTL held General Account (GA) and Separate Accounts (SA) reserves. The business consisted of closed blocks of universal life insurance, traditional life insurance, variable life insurance, deferred annuities and supplementary contracts. The most recently issued business was universal policies that were sold through 2007. MTL cedes all deferred annuity and supplementary contract reserves to an affiliated insurer, MLIC.

Certificate of Reserve Valuation

As part of the annual certificate of reserve valuation procedure for the Delaware Insurance Department, the Consulting Actuary, INS Consultants, Inc. (the "Consulting Actuary") reviewed the reserves and liabilities reported in Exhibit 5 and in Exhibit 7 of MTL's December 31, 2010 GA Annual Statement and in Exhibit 3 of MTL's December 31, 2010 SA Statement. During that process, MTL work papers supporting these reserves and liabilities were reviewed and found to be in order. The Consulting Actuary's reconciliation work from that procedure has been relied upon for the current examination.

Asset Adequacy/Cash Flow Testing Analysis

The examination included a review of the asset adequacy testing (AAT) / cash flow testing (CFT) analysis, completed annually as part of the Actuarial Opinion Memorandum Regulation (AOMR) for 2010. As a result of AAT, MTL's appointed actuary concluded that no additional reserves were required as of December 31, 2010. The Consulting Actuary's review found this conclusion to be reasonable.

Data Validity / Inclusion Testing / Sampling

The Consulting Actuary relied on the work of the financial examiners (the “examiners”) who conducted interviews with senior management and conducted reviews of MTL's internal and independent auditor work papers. A review of the controls that were considered significant was conducted by the examiners. No significant control weaknesses were noted by the examiners. Reliance on MTL’s independent auditors’ testing and analysis of the controls on policy and claims systems resulted in a reduction of overall testing conducted by both the examiners and the Consulting Actuarial examination team allowing fewer substantive procedures and more utilization of analytical procedures. In addition, the Consulting Actuary relied on interviews and discussions that were conducted with the MTL actuaries.

Samples of policies from MTL’s valuation files were used to test the validity of valuation data. The policy sample tests indicated a general absence of errors in the underlying data used for valuation. Based on the inclusion testing also conducted, it appears that the valuation extract files are generally complete.

Reserve Analysis

Reserves were reviewed for compliance with standard valuation laws, applicable NAIC Actuarial Guidelines and Model Regulations. Reserve trends and roll forward analyses were also performed and produced reasonable results. The Consulting Actuary identified the risks related to reserve determination procedures and methodologies associated with each product segment and certain product types within the product segments. For each product segment, examination procedures were performed by the Consulting Actuary depending on the residual risk assessments as determined by the Consulting Actuary. The Consulting Actuary determined the underlying inherent risks for each segment and concluded that the focus should be on the products with features that created the greatest risk for MTL. The Consulting Actuary’s examination procedures called for sample reserve calculations, where appropriate, and reserves for sample contracts were recalculated in accordance with standard actuarial practice.

Reinsurance

The examiners conducted a review of all significant reinsurance treaties, and obtained and reviewed the independent auditors' test work of reinsurance recoverables. No concerns were identified. The Consulting Actuary relied on the examiners' review of reinsurance agreements for compliance with Delaware Insurance Regulation 1002, which indicated that the agreements in place transferred risk. The Consulting Actuary reconciled reinsurance ceded reserves to the Annual Statement Schedule S. The Consulting Actuary noted that no new significant reinsurance treaties were placed into effect during the examination period, and concluded that the reserves reported in Schedule S for the reinsurance treaties were reasonable.

Summary

The balance sheet items enumerated in the examination scope appear fairly stated and are calculated using valuation parameters, which appear to be free of errors that would affect reserve calculations. The Consulting Actuary concluded that the underlying data provided by MTL is accurate and complete for the purposes of its actuarial review. Based on the above discussion and analysis, the Consulting Actuary has concluded that the December 31, 2010 balance sheet items covered in the examination scope appear fairly stated, and have been accepted for the purpose of this report.

(1) Aggregate reserves for life contracts ($3,228,418,069)

The above-captioned amount, which is the same as reported by the Company in its Annual Statement, is reported on Page 3, Line 1 and in Exhibit 5.

The reserve breakdown of Exhibit 5, by type of benefit, is as follows (differences due to rounding):

Reserve Segment	Total Gross	Reinsurance Ceded	Total Net
Life Insurance	$3,302,735,448	$ 129,151,911	$3,173,583,537
Annuities	264,684,342	264,684,342	0
Supplementary Contracts	46,316,094	46,316,094	0
Accidental Death Benefits	44,405	0	44,405
Disability - Active Lives	46,037	867	45,170
Disability - Disabled Lives	54,041,003	2,227	54,038,776
Miscellaneous Reserves	706,183	0	706,183
Totals (Net)	$3,668,573,512	$ 440,155,441	$3,228,418,071

An analysis of the individual components comprising this liability was performed by the Consulting Actuary. The analysis included a review of various supporting documentation prepared by the Company, actuarial analysis, and a review of the Company's reserving methodologies as of December 31, 2010.

The aggregate reserves are held for universal life (UL), ordinary life insurance (OL), the fixed portion of variable universal life insurance (VUL) and variable life insurance (VLI), fixed deferred annuity business (DA) and related ancillary benefits. As of the examination date of December 31, 2010, all business segments are closed to new business.

As part of the annual certificate of reserve valuation procedure, the Consulting Actuary reviewed the December 31, 2010 life reserves. During that process, valuation files and summary work papers were reviewed and found to be in order. Reserves were reconciled from the summary work papers to Exhibit 5. The Actuarial Opinion was reviewed and found to be in order. The Consulting Actuary performed a trend analysis of the Exhibit 5 life reserves covering the years 2006 through 2010. Samples of contracts were selected from the valuation systems for reserve testing. For UL, VUL and DA sample contracts, the Consulting Actuary reviewed annual reports sent to contract holders. These were found to be reasonable and consistent with valuation records.

The underlying data was verified for the sample contracts. No exceptions were noted in performing data validation or inclusion testing. Based on these results, the Consulting Actuary concluded that the valuation data for life and annuity contracts is substantially free of any material error that would affect reserve calculations.

The primary risks associated with Exhibit 5 business are adverse mortality, asset default, interest rate volatility and mismatching of asset and liability cash flows. These risks were further reviewed by evaluating the 2010 AOM. Based on this review, the Consulting Actuary accepted MTL's conclusion that additional reserves are not required.

Based on procedures performed, it appears that the Company's reserves at December 31, 2010 were adequate to meet its future contractual obligations under its policies and contracts. Therefore, the Company's liability as reported on Line 1, Page 3 and in Exhibit 5 has been accepted for examination purposes.

(2) Liability for deposit-type contracts ($0)

The above-captioned amount, which is the same as reported by the Company in its 2010 Annual Statement, is reported on Page 3, Line 3 and in Exhibit 7.

The gross liability is $369,616,722. MTL cedes all of this liability to MLIC and the net reserve is $0. The Consulting Actuary reconciled the gross liability amounts from valuation data files provided by MTL. A trend analysis was performed of the liability for the period under examination and the results were found reasonable.

Most of the liability, $355,226,798, represents death benefits left on deposit in an interest bearing account with check writing privileges (referred to as Total Control Accounts, or TCA by

MTL). The account balances of these contracts represent the liabilities reported in Exhibit 7. The balance of $14,389,924 is for supplemental contracts not involving life contingencies.

The Consulting Actuary did not identify any specific reserve related risk factors for these contracts. TCA accounts are closed to new business, but new contracts continue to be issued pursuant to existing life and annuity contracts. Consequently, a residual risk assessment of Moderate was assigned to the TCA product segment. A substantive sample of two TCA contracts was chosen for substantive testing. The account values were verified from the annual reports sent to contract holders. These were found to be reasonable and consistent with valuation records. No further examination work was deemed necessary and the liabilities have been accepted as stated.

Based on the above discussion and analysis, the Consulting Actuary concluded that the liability for deposit-type contracts as reported on Page 3, Line 3 and in Exhibit 7 of MTL's December 31, 2010 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(3) Contract claims - Life ($15,816,605)

The above-captioned amount, which is the same as that reported by the Company in its 2010 Annual Statement, is reported on Page 3, Line 4.1 and in Exhibit 8, Part 1 - column 3. The liability breakdown by type is as follows:

Liability Type	Total Gross	Reinsurance Ceded	Total Net
In course of settlement (ICOS)	$19,285,449	$ 8,313,028	$10,972,421
Incurred but unreported (IBNR)	10,653,186	5,809,002	4,844,184
Totals (Gross and net)	$29,938,635	$14,122,030	$15,816,605

The Consulting Actuary reviewed MTL's work papers supporting the above amounts and found all to be in order. The ICOS liability is an inventory item, which does not involve actuarial judgment. This was reviewed by the examiners and accepted as stated.

A trend analysis of both liability items was performed over the examination period. The liabilities have generally been decreasing each year which appears to be in line with the general patterns for the amounts of insurance in force and it was concluded that the trends are reasonable.

The Consulting Actuary performed an analysis of the life insurance IBNR by comparing the amount of the IBNR liability to both the claims incurred during the year and the net amount at risk in effect at the end of the year for years 2006 through 2010. Based on this analysis, it was concluded that the methods used by MTL to determine the life insurance IBNR produce reasonable results and that the IBNR liability for life insurance on December 31, 2010 was sufficient.

Based on materiality, the IBNR liability was assigned a residual risk assessment of Low, no further examination work was deemed necessary and the liability was accepted as stated.

Based on the above discussion and analysis, the Consulting Actuary concluded that the Contract claims: Life as reported by MTL on Page 3, Line 4.1 and in Exhibit 8 of the December 31, 2010 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(4) <u>Transfers to Separate Accounts due or accrued (net)</u> <u>$103,750</u>

The above-captioned amount, which is the same as that reported by the Company in its 2010 Annual Statement, represents the net balance at December 31, 2010 for transfers to separate accounts due or accrued. As is required, this item mirrors the Page 3, line 10 of the Separate Accounts (SA) Annual Statement, “Other transfers to general account due or accrued (net)”.

The liability was comprised of charges for investment management, administration and contract guarantees and other transfers to general account due or accrued. Other transfers to general account due or accrued arise from inconsistencies between the values obtained from the general ledger and those reported to the valuation system. Both are inventory items which do not involve actuarial judgment and based on materiality were accepted as stated. Typically, the bulk of the transfer item consists of Commissioner's Reserve Valuation Method (CRVM) expense allowances. However, since MTL calculates the SA reserve for life contracts as the SA account value, there is no CRVM expense allowance for variable life contracts.

The Consulting Actuary performed a trend analysis of the liability for the period under examination and found the results reasonable. Based on materiality, the transfers to separate accounts due or accrued liability was assigned a residual risk assessment of Low, no further examination work was deemed necessary and the liability was accepted as stated.

Based on the above discussion, the Consulting Actuary concluded that the Transfers to separate accounts due or accrued as reported by MTL on Page 3, Line 13 appears fairly stated, and has been accepted for examination purposes.

Liabilities – Separate Account

(5) Aggregate reserve for life, annuity and accident and health contracts ($97,293,564)

The above-captioned amount, which is the same as that reported by the Company on Page 3, Line 1 and in Exhibit 3 of the Separate Accounts Annual Statement, represents contractual obligations under separate account life and annuity contracts and policies written directly by the Company.

The reserve breakdown in Exhibit 3, by reserve segment, is as follows:

Product Segment or Reserve Item	Reserve
Variable universal life (VUL)	$92,233,026
Variable life insurance (VLI)	4,914,148
Miscellaneous	146,390
Total	$97,293,564

Reserves for life contracts (both VUL and VLI) in the SA statement represent contract funds held in various investments such as mutual funds, which are made available to contract owners. The Consulting Actuary's analysis focused on the total reserves held in both the GA and SA statements. Reserves for both VUL and VLI contracts in the SA Annual Statement equal the account value.

MTL valuation runs and supporting work papers for the SA life reserves were reviewed and found to be in order. A trend analysis of the aggregate reserve was performed and produced reasonable results over the examination period.

The Miscellaneous reserve is for the unearned cost of insurance for the VLI contracts held in the SA. This reserve was reviewed using a trend analysis for year ends 2006 through 2010 and the trend appears reasonable. Based on materiality, no further examination work was considered necessary.

Based on the above discussion and analysis, the Aggregate reserve for life, annuity and accident and health contracts as reported by MTL on Page 3, Line 1 and in Exhibit 3 of the

December 31, 2010 Separate Accounts Annual Statement appears fairly stated, and has been accepted for examination purposes.

(6) Other transfers to general account due or accrued (net) ($103,749)

The above-captioned amount, which is the same as that reported by the Company on Page 3, Line 10 of the Separate Accounts Annual Statement, represents the net balance at December 31, 2010 for transfers to general accounts due or accrued.

This item is discussed in Note 4, under the caption "Transfers to Separate Accounts due or accrued (net)" as it represents the offset to line 13 in the 2010 Annual Statement. Based on the above discussion and analysis, the Consulting Actuary has concluded that the Other transfers to general account due or accrued (net) as reported on Page 3, Line 10 of MTL's December 31, 2010 Separate Accounts Annual Statement appears fairly stated, and has been accepted for examination purposes.

SUMMARY OF RECOMMENDATIONS

No examination report recommendations were noted as a result of this examination.

CONCLUSION

The following schedule shows a comparison of the results from the December 31, 2006 examination to the 2010 Annual Statement balances, with changes between:

Description	December 31, 2006	December 31, 2010	Increase (Decrease)
Assets	$7,261,999,014	$4,953,820,850	($2,308,178,164)
Liabilities	$6,219,166,236	$4,149,306,363	($2,069,859,873)
Common capital stock	2,500,000	2,500,000	0
Gross paid in and contributed surplus	315,670,900	315,670,900	0
Unassigned funds (surplus)	724,661,878	486,343,587	(238,318,291)
Total Capital and Surplus	1,042,832,778	804,514,487	(238,318,291)
Total Liabilities, Capital and Surplus	$7,261,999,014	$4,953,820,850	($2,308,178,164)

* Differences due to rounding

The assistance of Delaware's consulting actuarial firm, INS Consultants, Inc. is acknowledged. In addition, the assistance and cooperation of the Company's outside audit firm, Deloitte & Touche LLP, and the Company's management and staff were appreciated and are acknowledged.

Respectfully submitted,

Keith E. Misenheimer, CFE, ALMI, CFE (Fraud)
Examiner-In-Charge
State of Delaware
Northeastern Zone, NAIC