

Create Lifelong IncomeSM

Talking Points on the Lifelong Income Program



MetLife[®]



What challenges do retiring employees face
in today's market?

How can you provide them with
what they need most?

Which companies are your best prospects and
how do you approach them?

What Account Executives should know to meet the needs of the rapidly growing retiree market

FACT: Many Americans will be spending as many years in retirement as they did at their careers.

Life expectancies have increased dramatically. Half of all men age 65 are expected to live beyond 85, and one in four will live beyond 92. Half of all women age 65 are expected to live beyond 88, and one in four will live beyond 94. For married couples who are age 65, there's a 25% chance that one spouse or partner will live beyond 97.¹

FACT: Approximately 40 million baby boomers will reach age 65 by 2010, and 62 million will reach age 65 by 2025.

Stated in other terms, the current retiree population in the U.S. is approximately 35 million—roughly the same as the population of California. By 2025, the retiree population will be roughly the size of the populations of California, Florida and New York *combined*.²

FICTION: Tomorrow's retirees will have the income they need to meet day-to-day expenses without diligent planning.

The opportunity has never been greater

The baby boomers are reaching retirement just as many employers are cutting back on defined benefit plans and retiree health-care benefits. And most workers are saving far too little and not always investing in their future. In fact, 66% of workers have given little or no thought as to how to best manage their money in retirement so it doesn't run out.³

Now is the time for you to talk to your clients about MetLife's suite of fixed and variable income annuity products.

Here's what you should know before making your approach ...

¹ Annuity 2000 Mortality Tables.

² U.S. Census Bureau 2000 Census.

³ 2004 Retirement Confidence Survey (EBRI).

Let's start with the basics

1	What is an income annuity?	<ul style="list-style-type: none">• A contract between an individual and an insurance company that offers guaranteed income for as long as the individual lives.⁴
2	Are there different types of income annuities? Yes! MetLife offers various options in our Lifelong Income SM suite of products, so employers can be sure they are providing options suitable for all employees. ⁵	<ul style="list-style-type: none">• Immediate income annuities are for employees who are about to retire and will need to generate a stream of retirement income very soon.• Deferred income annuities are for employees who are still working toward retirement and want to guarantee lifelong income for when they are ready to retire.• Fixed income annuities provide a guaranteed amount of lifelong income that never changes.⁵• Variable income annuities provide lifelong income that fluctuates with the performance of the selected investment options.⁶
3	What sets MetLife apart from the competition? Lifelong Income from MetLife SM is:	<ul style="list-style-type: none">• Comprehensive—tailored so employees can choose the benefits they need.• Secure—provides a guaranteed lifetime stream of payments employees cannot outlive.⁵• Flexible—allows purchasing future income over time at different interest rates rather than locking assets into a fixed rate.• Stable—provides a guarantee that mutual funds, stocks and bonds cannot.⁵• Complementary—enhances an existing defined benefit or 401(k) plan.

Starting a conversation

Try these conversation starters with your clients. They will appreciate your proactive approach in helping them meet a difficult challenge.

“What if you could offer your employees a meaningful way to provide for their retirement without making additional contributions to their pension plan?”

“Do you realize that MetLife offers a way for employees to generate the income they’ll need for retirement ... with little or no burden to your company?”

“Are you looking for a way to provide executives with an additional retirement benefit without subjecting your 401(k) plan to IRS and Department of Labor testing?”

“Catch-up provisions on your 401(k) plan are great, but did you know there was a way for any employee to save more for retirement ... even if he or she is already contributing the maximum to your 401(k)?”

Meet your
2006 business
goals

Make new
contacts

Leverage
existing
relationships

Grow your
business

Qualifying your prospects: points to consider

This guide provides useful tips to help you qualify and prioritize new Institutional Income Annuities sales leads.

Please note: This list of qualifiers is not intended to be the sole decision-making element in assessing a new opportunity to sell Lifelong Income from MetLife. The following list can help to establish an initial view of the prospect and provide a starting point for follow-up discussions about the lead.

EMPLOYEE DEMOGRAPHICS	Number of Employees	<ul style="list-style-type: none"> Look for companies with a large pool of employees. The more employees there are, the higher the participation is likely to be. An ideal prospective employer will have at least 1,000 employees.
	Full- vs. Part-Time	<ul style="list-style-type: none"> Full-time employees have more disposable income and are in a better position to buy products than part-time employees. And part-time employees are not always eligible for benefits. An ideal prospect will have 75% to 100% full-time employee status.
	Hourly vs. Salary	<ul style="list-style-type: none"> Aim for prospective companies that have a large percentage of salaried employees—75% to 100%. Salaried employees are more likely to have access to benefit offerings and be more likely to have disposable income to enroll.
	Annual Salary	<ul style="list-style-type: none"> Prospects with employees earning more than \$50K annually should be your primary focus. The more money employees earn, the more likely it is that they will be able to invest extra savings in an annuity.
	Age of Employees	<ul style="list-style-type: none"> It is best to have a company with employees at a wide range of ages. Then, the employer can offer several products. We can target our products and marketing efforts according to age.
	Locations	<ul style="list-style-type: none"> Prospects with employees in few (1–5) locations are preferable, especially when it comes to planning on-site seminars and one-on-one income-planning sessions. If a prospect has many locations, try to be sure that there is a high concentration of employees in each.
	Employee Profile	<ul style="list-style-type: none"> Companies with primarily white-collar employees are preferable compared to companies with more blue-collar workers. White-collar workers tend to have more disposable income and more money invested in a defined contribution plan, therefore enabling them to invest in annuity products.

EXISTING COMPANY BENEFITS

<p>Average 401(k) Participation</p>	<ul style="list-style-type: none"> • Companies with good 401(k) participation rates are more likely to have employees who are interested in income annuities. Employees who are far from retirement and have good 401(k) participation rates are most likely mindful of the need to plan for retirement. They may also be interested in purchasing a deferred income annuity. Employees who are near retirement and have contributed a significant amount to their 401(k) plan annually are better situated to roll over some or all of their savings into an immediate income annuity.
<p>Defined Benefit Plan</p>	<ul style="list-style-type: none"> • Does the employer already offer a defined benefit plan? If not, Lifelong Income from MetLife provides the employer with an opportunity to replicate the benefits of an employer-sponsored pension at a fraction of the cost. Even if a defined benefit plan is offered, Lifelong Income provides a way for employees to generate even more guaranteed income in retirement.
<p>Voluntary Benefits Offered</p>	<ul style="list-style-type: none"> • An employer that offers a diverse set of options in its voluntary benefits package cares about its employees. A employer that already provides a voluntary benefits offering to its employees is more likely to consider our products and follow our recommendations for offerings and communications strategies.
<p>Employer Support for Program</p>	<ul style="list-style-type: none"> • Employer support for the benefits program is key to the program's success. The more support we have, the more access we will have to communicate information to employees, which will in turn drive up participation rates.
<p>Defined Contribution Plan</p>	<ul style="list-style-type: none"> • Does the company offer a defined contribution plan? If not, employees may be looking for a way to save money tax deferred until retirement. If so, then our products can help employees turn their savings into income guaranteed for life.
<p>Average 401(k) Balance</p>	<ul style="list-style-type: none"> • A company that has employees with high 401(k) balances has a group of employees that, as a whole, saves a lot. Younger employees who are saving a lot are good prospects for deferred income annuities. High 401(k) balances also might be indicative of a population of employees that is older and has provided service to the company for a long time. These employees may be good prospects for an immediate income annuity, because they will need to make decisions about the money they have saved up over the years.

EXISTING CLIENTS

<p>MetLife Institutional Relationship</p>	<ul style="list-style-type: none"> • It is easier to continue a relationship with an employer that already offers some of our institutional products than to start from the ground up with a new employer. (Of course, we always want to expand our clientele!) Existing employers may decide that they want to add retirement planning benefits to their voluntary benefits offering, and it is much less hassle to add another benefit from MetLife than to juggle benefits administration with multiple companies.
<p>MyBenefits Client</p>	<ul style="list-style-type: none"> • Existing MyBenefits clients are used to the way we work and understand the benefits of having a comprehensive employee Web site.

⁴ Options may include joint and survivor annuities—two lives, a guaranteed number of payments and cash refund annuities where payments may continue after the primary annuitant dies.

⁵ Lifelong Income is offered under annuity products issued and guaranteed by the Metropolitan Life Insurance Company, 200 Park Avenue, New York, NY 10166. All guarantees are subject to the financial strength and claims-paying ability of Metropolitan Life Insurance Company.

⁶ Income payment amounts under variable annuities may vary with market experience, depending on the investments selected.

Experience of a market leader

As a leader in employee benefits, MetLife brings its experience and expertise across all markets. We currently offer coverage to 88 of the top 100 Fortune 500® companies. With more than 130 years of benefit experience to back us up, we represent more than 37 million employees domestically and approximately 9 million customers outside the United States.

MetLife was the first company to issue a group annuity contract, back in 1921, and we continue to be trusted with over 4,300 group annuity contracts in force. We guarantee income benefits to more than 1.2 million individuals through group annuity contracts⁷ and handle more than \$144 billion in total annuity assets.⁸

⁷ MetLife Retirement & Savings financial information, including Travelers Life & Annuity, as of July 1, 2005.

⁸ Source: MetLife 2004 Annual Report. FORTUNE 500®, April 2004. FORTUNE 500® is a registered trademark of FORTUNE® magazine, a division of Time, Inc. Assets and corresponding liabilities. Data as of 12/31/2004.

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