

METLIFE INC
Form 8-K
December 11, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: December 11, 2002

(Date of earliest event reported)

MetLife, Inc.

(Exact name of registrant as specified in its charter)

Delaware

1-15787

13-4075851

(State or other jurisdiction
of incorporation)

(Commission File
Number)

(I.R.S. Employer
Identification No.)

One Madison Avenue, New York, New York 10010-3690

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:

(212) 578-2211

Item 7. Financial Statements and Exhibits.

(a) Not applicable.

(b) Not applicable.

(c) Exhibits.

99.1 Press Release of MetLife, Inc., dated December 11, 2002.

Item 9. Regulation FD Disclosure.

On December 11, 2002, MetLife, Inc., a Delaware corporation, issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The text of this press release is furnished and not filed pursuant to Regulation FD.

The following materials, which are furnished and not filed, pursuant to Regulation FD, will be used on December 11, 2002 at the Metlife, Inc. Investor Day and may be used by MetLife, Inc. in various other presentations to investors:



**Presentation of Quarterly Operating Earnings on
Risk Based Capital and Economic Capital Allocation Basis
for the Quarterly Reporting Periods
March 31, 2000 September 30, 2002**

As discussed at its 2002 Investor Day, MetLife, Inc. will be changing its capital allocation methodology beginning in 2003 from one utilizing risk based capital to one based on economic capital. Such a change in the capital allocation methodology will affect investment income and operating earnings by segment prospectively. The following tables are provided to reflect the impact this change would have had on these results for the historical periods presented. The financial results presented below on a risk based capital basis were previously reported in the Company's Quarterly Financial Supplements for the applicable periods. The economic capital-based results in the tables reflect the change in the capital allocated to each segment and the resulting changes in investment income.

The tables are provided for the convenience of the users of our financial information and are for illustrative purposes only. They do not reflect, nor does the Company intend in the future to effect, a restatement of its results for such historical periods on an economic capital basis.

FOR INFORMATIONAL PURPOSES ONLY
2000 Operating earnings presented on Economic Capital Basis
(Changes investment income and operating earnings by segment)
(\$Millions)

| | First Quarter | | Second Quarter | | Third Quarter | | Fourth Quarter | |
|--|---------------|--------------|----------------|--------------|---------------|--------------|----------------|--------------|
| | RBC | EC | RBC | EC | RBC | EC | RBC | EC |
| Individual Business | | | | | | | | |
| Traditional Life | \$101 | \$ 79 | \$ 98 | \$ 76 | \$105 | \$ 83 | \$155 | \$132 |
| Variable & Universal Life | 32 | 28 | 23 | 19 | 35 | 31 | 21 | 16 |
| Annuities | 60 | 53 | 69 | 62 | 48 | 42 | 25 | 18 |
| Other | 3 | 3 | 4 | 5 | 6 | 6 | (3) | (4) |
| Total Individual Business | <u>196</u> | <u>163</u> | <u>194</u> | <u>162</u> | <u>194</u> | <u>162</u> | <u>198</u> | <u>162</u> |
| Institutional Business | | | | | | | | |
| Group Life | 62 | 68 | 61 | 67 | 63 | 69 | 48 | 55 |
| Retirement & Savings | 45 | 54 | 47 | 56 | 58 | 67 | 71 | 80 |
| Non-Medical Health & Other | 33 | 40 | 40 | 47 | 38 | 45 | 44 | 51 |
| Total Institutional Business | <u>140</u> | <u>162</u> | <u>148</u> | <u>170</u> | <u>159</u> | <u>181</u> | <u>163</u> | <u>186</u> |
| Auto & Home | | | | | | | | |
| Auto | 8 | 7 | 10 | 8 | 22 | 20 | 7 | 8 |
| Property | (7) | (6) | (22) | (22) | (17) | (16) | 24 | 24 |
| Other | 7 | 7 | (1) | | 5 | 6 | 6 | 6 |
| Total Auto & Home | <u>8</u> | <u>8</u> | <u>(13)</u> | <u>(14)</u> | <u>10</u> | <u>10</u> | <u>37</u> | <u>38</u> |
| International | 11 | 8 | 7 | 4 | 5 | 2 | 3 | |
| Reinsurance | 22 | 17 | 9 | 4 | 16 | 11 | 25 | 20 |
| Asset Management | 11 | 14 | 10 | 13 | 9 | 12 | 3 | 6 |
| Corporate, Other & Eliminations | (9) | 7 | 19 | 35 | (9) | 6 | (25) | (8) |
| Total Operating Earnings | <u>\$379</u> | <u>\$379</u> | <u>\$374</u> | <u>\$374</u> | <u>\$384</u> | <u>\$384</u> | <u>\$404</u> | <u>\$404</u> |

FOR INFORMATIONAL PURPOSES ONLY
2001 Operating earnings presented on Economic Capital Basis
(Changes investment income and operating earnings by segment)
(\$Millions)

| | First Quarter | | Second Quarter | | Third Quarter* | | Fourth Quarter* | |
|--|---------------|--------------|----------------|--------------|----------------|--------------|-----------------|----------------|
| | RBC | EC | RBC | EC | RBC | EC | RBC | EC |
| Individual Business | | | | | | | | |
| Traditional Life | \$ 98 | \$ 89 | \$ 99 | \$ 90 | \$ 73 | \$ 64 | \$ 61 | \$ 52 |
| Variable & Universal Life | 33 | 30 | 32 | 29 | 23 | 21 | 23 | 20 |
| Annuities | 36 | 33 | 47 | 44 | 57 | 54 | 40 | 37 |
| Other | 16 | 17 | 8 | 9 | 11 | 12 | (72) | (71) |
| Total Individual Business | 183 | 169 | 186 | 172 | 164 | 151 | 52 | 38 |
| Institutional Business | | | | | | | | |
| Group Life | 63 | 68 | 76 | 80 | (16) | (10) | 75 | 80 |
| Retirement & Savings | 94 | 95 | 88 | 89 | 87 | 89 | (155) | (154) |
| Non-Medical Health & Other | 38 | 43 | 40 | 45 | (44) | (38) | 33 | 38 |
| Total Institutional Business | 195 | 206 | 204 | 214 | 27 | 41 | (47) | (36) |
| Auto & Home | | | | | | | | |
| Auto | (7) | (11) | 39 | 35 | 25 | 23 | 24 | 23 |
| Property | (16) | (14) | (25) | (26) | (5) | (5) | 15 | 14 |
| Other | (1) | | (3) | (1) | 2 | 2 | 4 | 4 |
| Total Auto & Home | (24) | (25) | 11 | 8 | 22 | 20 | 43 | 41 |
| International | 18 | 16 | 11 | 9 | 11 | 9 | (8) | (11) |
| Reinsurance | 15 | 9 | 16 | 10 | 16 | 10 | (1) | (7) |
| Asset Management | 6 | 9 | 1 | 4 | 2 | 5 | 2 | 5 |
| Corporate, Other & Eliminations | (9) | | (10) | 2 | (15) | (9) | (165) | (154) |
| Total Operating Earnings | \$384 | \$384 | \$419 | \$419 | \$227 | \$227 | \$(124) | \$(124) |

* Third quarter 2001 includes costs associated with September 11 tragedies. By segment, these costs (after-tax) were as follows: Traditional Life \$8 million; Variable & Universal Life \$7 million; Group Life \$99 million; Non-Medical Health & Other \$83 million; Auto \$1 million; Property \$3 million; and Reinsurance \$7 million.

* Fourth quarter 2001 includes business realignment costs, costs associated with the establishment of a policyholder liability for New England Financial and costs associated with the anticipated resolution of race-conscious underwriting claims. By segment, these costs (after-tax) were as follows: Traditional Life \$24 million; Variable & Universal Life \$12 million; Annuities \$22 million; Individual Business Other \$77 million; Group Life \$1 million; Retirement & Savings \$264 million; Non-Medical Health & Other \$2 million; Auto \$1 million; Property \$1 million; and Corporate, Other & Eliminations \$159 million.

FOR INFORMATIONAL PURPOSES ONLY
2002 Operating earnings presented on Economic Capital Basis
(Changes investment income and operating earnings by segment)
(\$Millions)

| | First Quarter | | Second Quarter* | | Third Quarter* | | Fourth Quarter | |
|--|---------------|---------------|-----------------|---------------|----------------|---------------|----------------|----|
| | RBC | EC | RBC | EC | RBC | EC | RBC | EC |
| Individual Business | | | | | | | | |
| Traditional Life | \$ 98 | \$ 92 | \$ 97 | \$ 91 | \$ 127 | \$ 121 | | |
| Variable & Universal Life | 25 | 20 | 36 | 32 | 40 | 35 | | |
| Annuities | 40 | 35 | 50 | 45 | 44 | 39 | | |
| Other | 11 | 12 | 13 | 14 | 15 | 16 | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | | |
| Total Individual Business | 174 | 159 | 196 | 182 | 226 | 211 | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | | |
| Institutional Business | | | | | | | | |
| Group Life | 68 | 70 | 74 | 76 | 84 | 86 | | |
| Retirement & Savings | 114 | 118 | 135 | 137 | 103 | 106 | | |
| Non-Medical Health & Other | 53 | 58 | 41 | 46 | 47 | 52 | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | | |
| Total Institutional Business | 235 | 246 | 250 | 259 | 234 | 244 | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | | |
| Auto & Home | | | | | | | | |
| Auto | 15 | 12 | 17 | 14 | 41 | 37 | | |
| Property | 11 | 12 | 15 | 15 | 6 | 6 | | |
| Other | 4 | 4 | 4 | 4 | 1 | 2 | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | | |
| Total Auto & Home | 30 | 28 | 36 | 33 | 48 | 45 | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | | |
| International | 14 | 8 | 2 | (4) | 40 | 34 | | |
| Reinsurance | 22 | 16 | 19 | 13 | 23 | 17 | | |
| Asset Management | 1 | 3 | 5 | 7 | 1 | 3 | | |
| Corporate, Other & Eliminations | (76) | (60) | (4) | 14 | (70) | (52) | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | | |
| Total Operating Earnings | \$ 400 | \$ 400 | \$ 504 | \$ 504 | \$ 502 | \$ 502 | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | | |

* First quarter 2002 includes a \$48 million after-tax charge to cover costs associated with the resolution of a federal government investigation of General American Life Insurance Company's former medicare business. This charge impacted the Corporate, Other & Eliminations segment.

* Second quarter 2002 includes a \$30 million after-tax reduction of a previously established reserve related to the Company's sales practice class action settlement in 1999. This reserve reduction impacted the Corporate, Other & Eliminations segment.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

METLIFE, INC.

By: /s/ Gwenn L. Carr

Name: Gwenn L. Carr
Title: Vice-President and Secretary

Date: December 11, 2002

Exhibit Index

**Exhibit
Number**

Exhibit

99.1

Press Release, dated December 11, 2002.