

Expanding Access to Annuities Through Simple Digital Tools

Sponsors of 401(k), 403(b) and 457 plans can offer simple, easy-to-administer and easy-to-understand solutions that provide guaranteed retirement income for participants.

Annuities present the promise of a stable financial future. Not only can they be an effective tool for retirees to ensure a guaranteed income stream that will last their lifetime, but plan sponsors can also use annuities as a strategic lever to more efficiently manage pension obligations. Beyond retirement, structured settlement annuities allow claimants to enjoy financial security by receiving their settlement as a stream of payments rather than a one-time lump sum.

As a leader in annuities, MetLife has unique insight into the power of these solutions and how they can provide certainty to both annuitants and institutional plan sponsors. Along with its strong financial reputation and ratings¹, MetLife takes a customer-centric approach to provide access to innovative solutions that are easy to use and enable the company to tailor its products and services to its participants' needs.

Addressing the Need for Retirement Income Solutions and Education

As the retirement landscape has shifted from an employer-funded defined benefit system to an employee-funded defined contribution model, many Americans, especially among younger generations, can no longer count on income from DB pension plans in retirement. They now face the challenge of creating their own reliable stream of income to last through retirement.

MetLife is stepping up to help them meet that challenge. As the leading provider of institutional income annuities to DC plans with over 45 years in the industry, MetLife is working with sponsors of 401(k), 403(b) and 457 plans to offer simple, easy-to-administer and easy-to-understand solutions that provide guaranteed retirement income to ensure successful retirement outcomes for participants.

This means embracing innovation. MetLife's Institutional Income Annuities business is well known for its innovation and history

of firsts. MetLife introduced the first longevity insurance product and first in-plan income annuity accumulation product in 2004 and followed this in 2015 with the first institutional qualified longevity annuity contract.

Today, MetLife is focused on enhancing the digital customer experience for both plan sponsors and participants by leveraging technology to create simple, streamlined tools and resources. In 2023, MetLife introduced its Retirement Income Tool to help employees address their retirement concerns. The simple tool looks at employee current monthly 'take home' pay and savings habits. This information provides employees a thorough snapshot of how much income they may have at retirement and whether it will be enough to maintain their current standard of living. Based on the snapshot, employees can adjust their current retirement plans to reduce or close the gap, as well as understand potential resources that can help them better prepare for living in retirement.

In early 2024, MetLife teamed up with Fidelity Investments® to offer the MetLife Guaranteed Income Program®, a fixed immediate income annuity, through Fidelity's retirement income solution, Guaranteed Income Direct. The solution is designed to help expand access to immediate income annuities by allowing plan sponsors to offer retirement income options within their DC plans. This solution enables participants at all savings levels to purchase an immediate income annuity through an insurer selected by their employer and annuitize any portion of their savings.

MetLife is also engaged in an exciting collaboration with data infrastructure company Micruity to enhance the online user experience. This platform offers a simple solution for plan sponsors who want to offer income annuities as a distribution option for their DC plans. It is also focused on supporting plan participants as they plan for their retirement by providing robust educational resources, as well as an annuity purchasing tool that seamlessly and securely connects to existing employment benefit, third-party administrator and record-keeping systems.

¹ For current ratings information and a more complete analysis of the financial strength of Metropolitan Tower Life Insurance Company and Metropolitan Life Insurance Company, please go to www.metlife.com and click on "About Us," "Corporate Profile," "Ratings."

Helping Plan Sponsors Keep Their Promises

Not only can annuities ensure a secure future for retirees; they can also help plan sponsors keep their promises to employees. As the pension risk transfer market continues to break records and DB pension plans continue to see high funded statuses amidst elevated interest rates, PRT transactions continue to be an attractive means of helping plan sponsors efficiently mitigate the risks associated with their DB plan.

MetLife is a leading PRT provider in the U.S. and paved the way for today's PRT market when it issued its first group annuity contract in 1921 to a sponsor of a DB plan to fund a DB plan. Leveraging its long history in this space, its financial stability and experience in risk management, MetLife continues to offer differentiated solutions. Since 2018, MetLife has assumed more than \$40 billion in DB plan liabilities to help secure the futures of retirees and continues to demonstrate leadership in the PRT space in recent transactions with 3M and IBM.

For plan sponsors considering a PRT, an essential first step is understanding the potential cost of this type of transaction. MetLife recently launched its Pension Risk Transfer Estimator Tool, which helps plan sponsors estimate the cost of transferring certain pension liabilities to an insurance provider. By answering a few questions, plan sponsors can get a high-level projection of what a buyout may cost, giving them access to valuable information as they start their pension de-risking journey.

Securing the Future Beyond Retirement

MetLife's expertise in risk management extends beyond the retirement space to offer solutions that help secure financial futures in other markets. Similar to the PRT market, structured settlements experienced a strong year in 2023, and that momentum continues in 2024. During the COVID-19 pandemic, the structured settlements market slowed significantly as courts closed. It rebounded substantially in 2023 as cases began to move through the courts and rising interest rates made these annuities more attractive. Throughout, MetLife was able to meet the market's demand by consistently offering its solutions to brokers and maintain attractive pricing. As a result, MetLife is the leading provider of structured settlements and enjoyed a record year in 2023.

Structured settlements allow claimants to receive their settlement as a stream of payments—either for a certain period of time or for the rest of the individual's life—from a life insurance company. A similar solution, structured installment sales offer individuals the opportunity to defer their tax liability for eligible property sales, including small businesses as well as agricultural, residential and commercial properties.

MetLife has been focused on leveraging technology to improve the customer experience and making it easy for structured settlement brokers to do business with the company. MetLife's Structured Settlement Broker Portal is a platform designed to assist brokers in interacting with MetLife throughout the sales journey. The portal

was refreshed to allow brokers to upload required documents for their cases directly into the system, providing real-time confirmation of delivery, the ability to check the status of documents and the ability to download the final contract once all the documents have been received and approved.

In addition to these improvements, MetLife is also collaborating with Accenture to enhance its desktop annuity quoting application for structured settlements. The updated application will be a cloud-based SaaS solution, offering an improved experience for both business and technology users.

Putting the Customer at the Center

The customer experience is the center of everything MetLife does, and this is especially true across its annuities products, where the relationship with customers last decades. The company is focused on providing the highest quality service to those who depend on annuities, including institutional income annuities, pension risk transfer and structured settlements, with the understanding that these payments are extremely important to an individual's everyday needs.

To help better serve its customers, MetLife launched its new annuitant portal, a digital service platform which provides annuity customers with the ability to view account information and manage their benefits in real time. The portal is a significant step in improving the digital service experience for customers, allowing them to perform tasks that were previously not possible online. The portal is part of MetLife's broader effort to enhance its digital tools and improve the overall customer service experience.

In recognition of MetLife's industry-leading customer service, MetLife's Retirement & Income Solutions has been recognized by J.D. Power for providing "an outstanding customer service experience" for phone support. This recognition is based on the successful completion of an evaluation and exceeding a customer satisfaction benchmark through a survey of recent servicing interactions. MetLife has received this recognition five years in a row.

Delivering on Promises

MetLife remains committed to continuing as a market leader across all of its annuities businesses, using its strong financial reputation and ratings to give customers confidence in its ability to fulfill its obligations.

Through the years, MetLife has worked with companies to provide for the financial security of these retirees and their beneficiaries. MetLife's expertise in managing benefit liabilities helps its clients feel secure that their risks are well managed and retirees' benefits are protected. MetLife's long history, experience in managing risk and focus on innovation allow the company to offer differentiated solutions, delivering on its promises and creating a secure future for its customers.

ERISA and non-ERISA plan sponsors interested in learning about MetLife's solutions can visit www.metlife.com/ris or contact the team.