

Rate Increase Narrative

The decision to implement a premium increase was based on recent in-depth analysis of our Long-Term Care Insurance business. The predictions we use to calculate premiums, including persistency (how many policyholders keep their policies), morbidity (the number of policyholders who become chronically ill) and mortality (how long policyholders live) affect the decision for a rate increase. Actuarial pricing assumptions were changed to reflect new expectations such as a larger number of claims and claims that lasted longer than initially expected. MetLife reserves the right to request additional rate increases based on future reviews of the policies as experience continues to emerge. MetLife will also continue to consider product affordability, the anticipated lifetime loss ratio, changes in the assumptions underlying the pricing, and the impact on performance of the business.