STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

JUL 06 2020

FILED

CERTIFICATION

July 6, 2020

I, Bruce R. Ramge, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of the Financial Examination Report of

METROPOLITAN TOWER LIFE INSURANCE COMPANY

AS OF

DECEMBER 31, 2018

The report is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.

GREAT SEAL OF THE STATE OF NEBRASKA
EQUALITY BEFORE THE LAW
MARCH 1ST 1867

Bruce R. Ramge

DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

METROPOLITAN TOWER LIFE INSURANCE COMPANY

5601 SOUTH 59TH ST

LINCOLN, NEBRASKA 68516

dated as of December 31, 2018, verified under oath by the examiner-in-charge on June 5, 2020 and received by the company on June 5, 2020, has been adopted with modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 1st day of July, 2020.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Justin C. Schrader, CFE
Chief Financial Examiner

STATE OF NEBRASKA

Department of Insurance

EXAMINATION REPORT

OF

METROPOLITAN TOWER LIFE INSURANCE COMPANY

as of

December 31, 2018

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Tampa, FL
June 3, 2020

Honorable Bruce R. Ramge
Director of Insurance
Nebraska Department of Insurance
1135 M Street, Suite 300
Lincoln, Nebraska 68508

Dear Sir:

Pursuant to your instruction and authorizations, and in accordance with statutory requirements, an examination has been conducted of the financial condition and business affairs of:

METROPOLITAN TOWER LIFE INSURANCE COMPANY

which has its Statutory Home Office located at

5601 South 59th Street
Lincoln, NE 68516

with its Main Administrative Office located at

200 Park Avenue
New York, NY 10166

(hereinafter also referred to as the "Company") and the report of such examination is respectfully presented herein.

INTRODUCTION

The Company was last examined as of December 31, 2014 by the State of Delaware. The current financial condition examination covers the intervening period to, and including, the close of business on December 31, 2018, and includes such subsequent events and transactions as were considered pertinent to this report. The States of Nebraska, California, Delaware, New York, South Carolina and Texas participated in this examination and assisted in the preparation of this report.

The same examination staff conducted concurrent financial condition examinations of the Company's affiliates, MetLife, Inc., Metropolitan Life Insurance Company, American Life Insurance Company, Delaware American Life Insurance Company, SafeHealth Life Insurance Company, SafeGuard Health Plans, Inc. and MetLife Reinsurance Company of Charleston.

SCOPE OF EXAMINATION

This examination was conducted pursuant to and in accordance with both the NAIC Financial Condition Examiners Handbook (Handbook) and Section §44-5904(1) of the Nebraska Insurance Statutes. The Handbook requires that examiners plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including, but not limited to: corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles and Annual Statement Instructions, when applicable to domestic state regulations.

The examination was completed under coordination of the holding company group approach with the New York State Department of Financial Services as the coordinating state, and the Delaware Department of Insurance, California Department of Insurance, South Carolina Department of Insurance, Texas Department of Insurance and the Nebraska Department of Insurance. The companies examined under this approach benefit to a large degree from common management, systems and processes, and internal control and risk management functions that are administered at the consolidated or business unit level.

The coordinated examination applies procedures sufficient to comprise a full scope financial examination of each of the companies in accordance with the examination procedures and standards promulgated by the NAIC and by the respective state insurance departments where the companies are domiciled. The objective is to enable each domestic state to report on their respective companies' financial condition and to summarize key results of examination procedures.

A general review was made of the Company's operations and the manner in which its business has been conducted in order to determine compliance with statutory and charter provisions. The Company's history was traced and has been set out in this report under the caption "Description of Company". All items pertaining to management and control were reviewed, including provisions for disclosure of conflicts of interest to the Board of Directors and the departmental organization of the Company. The Articles of Incorporation and By-Laws were reviewed, including appropriate filings of any changes or amendments thereto. The minutes of the meetings of the Shareholder, Board of Directors and committees, held during the examination period, were read and noted. Attendance at meetings, proxy information, election of Directors and Officers, approval of investment transactions, and authorizations of salaries were also noted.

The fidelity bond and other insurance coverages protecting the Company's property and interests were reviewed, as were plans for employee welfare and pension. Certificates of Authority to conduct the business of insurance in the various states were inspected and a survey was made of the Company's general plan of operation.

Data reflecting the Company's growth during the period under review, as developed from the Company's filed annual statements, is reflected in the financial section of this report under the caption "Body of Report".

The Company's reinsurance facilities were ascertained and noted, and have been commented upon in this report under the caption "Reinsurance". Accounting records and procedures were tested to the extent deemed necessary through the risk-focused examination process. The Company's method of claims handling and procedures pertaining to the adjustment and payment of incurred losses were also noted.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This included a review of workpapers prepared by Deloitte & Touche, LLP, the Company's external auditors, during their audit of the Company's accounts for the years ended December 31, 2017 and 2018. Portions of the auditor's workpapers have been incorporated into the workpapers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination. This utilization was performed pursuant to Title 210 (Rules of the Nebraska Department of Insurance), Chapter 56, Section 013.

Any failure of items to add to the totals shown in schedules and exhibits appearing throughout this report is due to rounding.

DESCRIPTION OF COMPANY

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, Metropolitan Life Insurance Company (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 was authorized as a stock insurer to transact the business of life insurance, including annuities, variable annuities, and credit health insurance. 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.

On April 27, 2018, the Company merged with General American Life Insurance Company (GALIC), with the Company surviving the merger and re-domesticating to Nebraska.

MANAGEMENT AND CONTROL

Holding Company

The Company is a member of an insurance holding company system as defined by Nebraska Statute. A partial organizational listing flowing from the "Ultimate Controlling Person", as reported in the 2018 Annual Statement, is represented by the following (subsidiaries are denoted through the use of indentations):

Company	Domicile	% own
MetLife Inc.	Delaware	
Metropolitan Life Insurance Company	New York	100%
Metropolitan Property and Casualty Insurance Company	Rhode Island	100%
Metropolitan Tower Life Insurance Company	**Nebraska**	**100%**
SafeGuard Health Enterprises, Inc.	Delaware	100%
MetLife Investment Advisors, LLC	Delaware	100%
MetLife Investment Management Holdings, LLC	Delaware	100%
MetLife Chile Inversiones Limitda (1)	Chile	72.351%
MetLife Global, Inc.	Delaware	100%
Newbury Insurance Company, Limited	Delaware	100%
MetLife Reinsurance Company of Charleston	South Carolina	100%
MetLife Reinsurance Company of Vermont	Vermont	100%
MetLife European Holdings, LLC	Delaware	100%
MetLife Group, Inc.	New York	100%
MetLife Services and Solutions, LLC	Delaware	100%
MetLife Investors Group, LLC	Delaware	100%
Delaware American Life Insurance Company	Delaware	100%
American Life Insurance Company	Delaware	100%
MetLife Life Insurance K.K.	Japan	100%
Communication One Kabushiki Kaisha	Japan	100%
International Investment Holding Company Limited	Russia	100%
Borderland Investments Limited	Delaware	100%
ALICO Hellas Single Member Limited Liability Company	Greece	100%
International Technical and Advisory Services Limited	Delaware	100%
MetLife, American International Group and Arab National Bank Cooperative Insurance Company (2, 3)	Saudi Arabia	30%
ALICO Properties, Inc. (4)	Delaware	51%
Global Properties, Inc.	Delaware	100%
MetLife Global Holding Company I GmbH	Switzerland	100%
MetLife, Life Insurance Company (5)	Egypt	84.125%
MetLife Global Holding Company II GmbH	Switzerland	100%
ALICO European Holdings Limited	Ireland	100%
MetLife Emeklilik ve Hayat A.S. (6)	Turkey	99.98%
MetLife Reinsurance Company of Bermuda Ltd.	Bermuda	100%
MM Global Operations Support Center, S.A. de C.V. (7)	Mexico	99.999%
PJSC MetLife (8)	Ukraine	99.998%
MetLife International Holdings, LLC	Delaware	100%
MetLife Investments Management Limited	United Kingdom	100%
MetLife Innovation Centre Limited	Ireland	100%
MetLife Asia Holding Company Pte. Ltd.	Singapore	100%
MetLife Columbia Seguros de Vida S.A. (9)	Colombia	89.999%
ALICO Operations LLC.	Delaware	100%
MetLife EU Holding Company Limited	Ireland	100%
MetLife Investment Management Holdings Limited	Ireland	100%
MetLife Investment Asia Limited	Hong Kong	100%
MetLife Investments Limited (10)	United Kingdom	99.9%
MetLife Latin America Asesorias e Inversiones Limitada (11)	Chile	99.9%
MetLife Global Infrastructure LUX GP, S.a.r.l	Luxembourg	100%

(1) 72.35109659% of MetLife Chile Inversiones Limitada is owned by MetLife, Inc., 24.8823628% is owned by American Life Insurance Company, 2.76654057% is owned by Inversiones MetLife Holdco Dos Limitada and 0.00000004% is owned by Natiloportem Holdings, LLC
(2) The Delaware Department of Insurance approved a disclaimer of affiliation and therefore, this company is not considered an affiliate under Delaware Law.
(3) 30% of MetLife American International Group and Arab National Bank Cooperative Insurance Company is owned by American Life Insurance Company and the remaining interest by third parties.
(4) 51% of ALICO Properties, Inc. is owned by American Life Insurance Company and the remaining by third parties.
(5) 84.125% of MetLife, Life Insurance Company (Egypt) is owned by MetLife Global Holding Company I GmbH and the remaining interest by third parties.
(6) 99.98% of MetLife Emeklilik ve Hayat A.S. is owned by MetLife Global Holding Company II GmbH (Swiss) and the remaining by third parties.
(7) 99.999509% of MM Global Operations Support Center S.A. de C.V. (Mexico) is held by MetLife Global Holding Company II GmbH (Swiss) and 0.00049095% is held by MetLife Global Holding Company I GmbH (Swiss).
(8) 99.9988% of PJSC MetLife is owned by MetLife Global Holding Company II GmbH, .0006% is owned by International Technical and Advisory Services Limited and the remaining .0006% is owned by Borderland Investments Limited.
(9) 89.9999657134583% of MetLife Colombia Seguros de Vida S.A. is owned by MetLife Global Holding Company II GmbH, 10.0000315938813% is owned by MetLife Global Holding Company I GmbH and International Technical and Advisory Services Limited, Borderland Investments Limited and Natiloportem Holdings, LLC each own 0.0000008975534470190 09%.
(10) 99.9% of MetLife Investments Limited (UK) is owned by MetLife Investment Management Holdings (Ireland) Limited and .1% is owned by MetLife Global Holding Company II GmbH (Swiss).
(11) 99.99% of MetLife Latin American Asesorias e Inversiones Limitada is owned by MetLife Investment Management Holdings (Ireland) Limited and .01% is owned by MetLife Global Holding Company II GmbH (Swiss).

Shareholder

Per Article III of the Amended and Restated Articles of Incorporation, "the aggregate number of shares which the Corporation shall have authority to issue is 6,000 shares of stock consisting of Preferred Stock and Common Stock. The total number of shares of Preferred Stock that this Corporation shall have authority to issue is 2,000 shares, each with a par value of $1.00. The total number of shares of Common Stock that this Corporation shall have authority to issue is 4,000 shares, each with a par value of $2,000.00." There are no shares issued and outstanding of Preferred Stock. There are 1,000 shares issued and outstanding Common Stock, all of which are owned by MetLife, Inc. There were no changes to authorized, issued and outstanding stock during the examination period.

There were no capital contributions during the examination period. The following dividends were paid during the examination period:

December 22, 2015	$102,000,000
December 27, 2016	$ 60,000,000
December 29, 2017	$ 625,092
December 17, 2018	$ 73,077,296
December 17, 2018	$117,722,704*

*Denotes extraordinary dividend, all other amounts were ordinary dividends.

Article I, Section 1 of the By-Laws states that the Shareholders "…shall meet annually on or before the 30th day of June in each and every calendar year… The place of the meeting shall be the principal office of the Corporation, or such other place, within or without the State of Nebraska, as may be fixed by the Board of Directors and stated in the notice of the meeting."

Surplus Note

The Company had the following surplus note as of December 31, 2018:

Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note	Interest and/or Principal Paid Current Year	Total Interest and/or Principal Paid	Unapproved Interest and/or Principal	Date of Maturity
1/14/1994	7.625%	$ 107,000,000	$107,000,000	$ 8,158,750	$ 199,889,375	—	1/15/2024

The surplus note was issued pursuant to Rule 144A under the Securities Act of 1933 in exchange for cash. The surplus note is registered in the name of a nominee, CEDE & Co., of the Depository Trust Company. As of December 31, 2018, the surplus note had $4,079,375 of approved interest, all of which was accrued in the current reporting period, and no unapproved interest.

The surplus note is subordinate in right of payment to policy claims, prior claims and senior indebtedness, but are senior to the claims of shareholders. The surplus note has the following restrictions on payment:

Each payment of principal and interest on the surplus note may be made only with the prior written approval of the Director of the Nebraska Department of Insurance. In addition, pursuant to the terms of the surplus note, any payment of principal or interest on the surplus note must be deducted from the Company's unassigned funds. In accordance with the terms of the approval of the surplus note issuance, the Company has established and maintained a liability since inception of the surplus note, separate from the semi-annual interest payments, equal to the amount of interest expected to accrue annually on the surplus note.

Board of Directors

Article II, Section I of the By-Laws states that, "the Board of Directors shall consist of not less than five Directors…not less than one of the Directors shall be a resident of Nebraska. The Board of Directors shall be elected at the annual meeting of the Shareholders…for a term of one year each until the next annual meeting of the Shareholders. The Directors shall hold office until their successors are elected and qualified, or until their death, resignation or removal."

Per Article III, Section 1 of the By-Laws, “the annual meeting of the Board of Directors shall be held immediately following the adjournment of the annual meeting of the Shareholders or as soon thereafter as practicable.”

The following persons were serving as Directors at December 31, 2018:

Name and Residence	**Principal Occupation**
Michael Dan Borowski Kearney, NE	Assistant Vice President MetLife Agricultural Finance
Frank Cassandra Staten Island, NJ	Senior Vice President MetLife Group, Inc.
Marlene Beverly Debel Woodbury, NY	Executive Vice President, Retirement & Income Solutions MetLife Group, Inc.
Andrew Kaniuk Branchburg, NJ	Senior Vice President and Actuary MetLife Group, Inc.
Richard Jay Leist Edison, NJ	Executive Vice President and Executive Investment Officer MetLife Group, Inc.
Alessandro Papa Jersey City, NJ	Senior Vice President, Risk Management MetLife Group, Inc.
Edward Allen Spehar, Jr. Montclair, NJ	Executive Vice President and Treasurer MetLife Group, Inc.
Michael Zarcone Loudonville, NY	Executive Vice President, Corporate Affairs MetLife Group, Inc.

Subsequently, as of December 31, 2019, Marlene Debel, Alessandro Papa and Edward Spehar, Jr., no longer served as Directors. Steven Douglas Caldwell, Jr. and Graham Scott Cox were added to the Board.

Officers

Article IV, Section 1 of the By-Laws states, “the Board of Directors may elect such officers as are necessary to conduct the business of the Corporation and perform the duties usually incident to such office, including a President, Secretary, and Treasurer, and employ such other officers and employees as may be required to carry on the business of the Corporation."

Article IV, Section 2 of the By-Laws states, "terms of office shall be fixed at the time of appointment, which shall not extend beyond the date set for the next annual meeting of the Corporation."

The following is a partial listing of Senior Officers elected and serving the Company at December 31, 2018:

Name	**Office**
Marlene Beverly Debel	President and Presiding Officer of the Board
Edward Allen Spehar, Jr.	Executive Vice President and Treasurer
Anne Marie Belden	Vice President and Chief Financial Officer
Jeannette Naomi Pina	Vice President and Secretary
William Charles O'Donnell	Executive Vice President and Chief Accounting Officer
Damian Brian Cranwell	Senior Vice President
Linda Hope Woodward	Assistant Vice President and Appointed Actuary
Richard Andrew Stevens	Vice President

Subsequently, Graham Scott Cox replaced Marlene Beverly Debel as President and Presiding Officer of the Board, Michael Sakoulas replaced Anne Marie Belden as Senior Vice President and Chief Financial Officer, and Edward Allen Spehar, Jr. no longer serves as an Officer of the Company.

Committees

Article II, Section 3 of the By-Laws states that, "from time to time, the Board of Directors may create such committees as they may see fit and may designate the duties and powers of such committees." The following persons were serving on the Audit Committee at December 31, 2018:

Frank Cassandra	Marlene Debel
Andrew Kaniuk	Edward Allen Spehar, Jr.

TRANSACTIONS WITH AFFILIATES

Service Agreements

The Company is a party to a service agreement with MLIC that provides for a broad range of services to be rendered and facilities and equipment to be provided to the Company. Services, facilities and equipment are requested by the Company as deemed necessary to its operations. The agreement provides that the Company is to pay MLIC a charge equal to all expenses, direct and indirect, reasonably and equitably determined to be attributable to the services, facilities and equipment provided. A total of $47,798,202 was paid, or payable, by the Company for services and facilities under this agreement for the year ended December 31, 2018.

The Company entered into an Administrative Services Agreement with MLIC effective January 1, 2001. This agreement provides that MLIC serves as administrator for the Company's retained asset account supplemental contract liabilities (each a "TCA"). The TCA liabilities are the subject of a Reinsurance Agreement between the parties. There are no charges under this agreement because MLIC, as administrator, performs the TCA-related services without any additional compensation or reimbursement for its general expenses. While there are no payables under this agreement, it sets out the substance of the TCA-related services and cross-references the Reinsurance Agreement for payment purposes (see the Reinsurance Agreement of the same date in this report under the caption "Ceded").

Master Services and Facilities Agreement

Effective October 1, 2018, the Company entered into a Master Services and Facilities Agreement with MetLife Services and Solutions, LLC (MSS) that provides for a broad range of services to be rendered and facilities and equipment to be provided to the Company. Services, facilities and equipment are requested by the recipient as deemed necessary to its operations.

The agreement provides that the Company is to pay MSS a charge equal to all expenses, direct and indirect, reasonably and equitably determined to be attributable to the services, facilities and equipment provided. A total of $13,144,970 was paid or payable by the Company for services and facilities under this agreement for the year ended December 31, 2018.

Marketing Agreement

MLIC is a party to Marketing and Servicing Agreements with the Company, under which MLIC agreed to distribute and service certain of the Company's fixed life insurance products. Under the agreements, the Company reimburses MLIC for its direct and indirect costs and expenses associated with sales and servicing such products. Currently, no new sales are occurring and MLIC is only servicing previously issued products. For the year ended December 31, 2018, $1,329,784 was paid by the Company to MLIC under the agreement.

Loan Participation Agreements

The Company entered into a Loan Participation Agreement with MLIC as of December 1, 2005, under which the Company can participate in loans originated or acquired by MLIC which may be secured by agricultural or commercial real and/or personal property. In addition, GALIC and MLIC entered into a Loan Participation Agreement, dated as of December 1, 2005, under which GALIC could participate in loans originated or acquired by MLIC which may be secured by agricultural or commercial real and/or personal property. This agreement succeeded to the Company as a result of GALIC's merger into the Company in 2018. The agreements set forth the terms and conditions of the sale, assignment and transfer to the Company of participation interests in a loan and of the rights and obligations of the Company and MLIC with respect to such participation interest. The net aggregate amount of participation interests acquired by the Company in 2018 was $125,901,166. In 2018, $149,812,457 in principal and interest was paid or payable to the Company in connection with all outstanding participations under these agreements.

Investment Management Agreement

Effective April 1, 2018, the Company entered into a new Investment Management Agreement with its affiliate, MetLife Investment Advisers, LLC (now known as MetLife Investment Management, LLC) (MLIA), under which MLIA provides investment management services on a market-based fee basis. A total of $12,691,452 was paid, or payable, by the Company for services under this agreement for the year ended December 31, 2018.

TERRITORY AND PLAN OF OPERATION

As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact business in all states, the District of Columbia, and Canada.

The Company is currently actively selling MetLife's Retirement and Income Solutions (RIS) products, which include a broad range of annuity and investment products, including guaranteed investment contracts and other stable value products, pension risk transfer products and structured settlements and certain products to fund company-, bank- or trust owned life insurance used to finance nonqualified benefit programs for executives. While the Company is not actively selling individual annuities, variable and universal life insurance, and traditional life insurance, including whole life, to individuals, this business has a significant impact on the financial statements of the Company. Products and services are sold through dedicated sales teams and relationship managers primarily comprised of Company employees. Additionally, sales professionals work with individual and group distribution areas to better reach and service customers, brokers, consultants and other intermediaries.

Prior to the merger, the Company and GALIC had not issued new products since 2004 and 2008 respectively, thus the Company also has a large block of business that is currently in run-off.

REINSURANCE

As of December 31, 2018, the Company was party to the following significant reinsurance agreements:

Assumed

Affiliates

The Company succeeded, by operation of law upon merger to GALIC, the rights and obligations under a Reinsurance Agreement with MLIC, effective as of January 1, 2011. Pursuant to this agreement, the Company reinsures, on a coinsurance basis, 90% of MLIC's liabilities on certain participating whole life insurance policies issued on or after January 1, 2011.

Non-affiliates

Under an agreement that became effective July 1, 1990, the Company assumes individual life business from RGA Life Reinsurance Company of Canada on a yearly renewable term (YRT) basis. The Company retrocedes this business to RGA Reinsurance Company, an affiliate of RGA Life Reinsurance Company of Canada. At the time the treaty became effective, RGA Reinsurance Company was a subsidiary of the Company; the agreement supported the development of RGA Reinsurance Company's Canadian business.

The Company succeeded, by operation of law upon merger to GALIC, the rights and obligations under a Reinsurance Agreement with former affiliate Brighthouse Life Insurance Company, effective as of January 1, 2011. Pursuant to this agreement, the Company reinsures, on a coinsurance basis, 90% of Brighthouse Life Insurance Company's liabilities on certain participating whole life insurance policies issued on or after January 1, 2011.

Ceded

Affiliates

The Company entered into an Indemnity Reinsurance Agreement with MLIC as of July 1, 1995. Pursuant to this agreement, MLIC reinsures, on a coinsurance basis, 100% of the Company's liabilities related to certain deferred annuity and supplemental contracts issued by the Company on and after July 1, 1995. The agreement has an unlimited term, provided that parties may terminate the agreement as to new business upon ninety (90) days prior written notice.

The Company entered into a Reinsurance Agreement with MLIC as of January 1, 2001. In addition, the Company succeeded, by operation of law upon merger to GALIC, the rights and obligations under a Reinsurance Agreement with MLIC, dated January 1, 2001. Under both agreements, the Company has certain issued and outstanding life insurance policies and annuity contracts that provide for payment of benefits using supplemental insurance contracts, including retained asset accounts (each a "TCA") that the Company cedes on a 100% coinsurance basis to MLIC. The Company also engaged MLIC to administer the TCA liabilities (see the Administrative Services Agreement of the same date in this report under the caption "Transactions with Affiliates").

The Company succeeded, by operation of law upon merger to GALIC, the rights and obligations under a Reinsurance Agreement with MLIC, dated December 31, 1999. Pursuant to this agreement, MLIC reinsures, on a modified coinsurance basis, 100% of the Company's liabilities on individual life and annuity insurance policies and group retirement plans issued on and after July 25, 1999, and group and health insurance policies issued or renewed on and after

July 25, 1999. The agreement was terminated as to new business issued on or after January 6, 2000. In addition, under the agreement, GALIC recaptured the group life and health policies on January 6, 2000.

The Company succeeded, by operation of law upon merger to GALIC, the rights and obligations under a Reinsurance Agreement with MLIC dated May 2, 2000. Pursuant to this Agreement, MLIC reinsures, on a coinsurance basis, 100% of GALIC's liabilities on non-participating annuities issued on and after May 2, 2000.

The Company succeeded by operation of law upon merger to GALIC, the rights and obligations under a YRT Agreement with MLIC, effective January 1, 2001. Pursuant to this agreement, the Company has the option to cede to MLIC, on a facultative basis, some or all of the mortality risk associated with certain single life and joint life policies and associated riders. The agreement has an unlimited term, providing that parties may terminate the agreement as to new business upon ninety (90) days prior notice.

The Company succeeded, by operation of law upon merger to GALIC, the rights and obligations under a Coinsurance Agreement, dated as of July 1, 2001, with MLIC. Pursuant to this agreement, MLIC reinsures 100% of the Company's liabilities on group life and group health insurance policies issued on and after July 1, 2001.

Non-affiliates

Under an agreement that became effective January 1, 1993, the Company cedes 100% of the individual life business it assumes from RGA Life Reinsurance Company of Canada to RGA Reinsurance Company. The business is assumed on a YRT basis and retroceded on a coinsurance with funds withheld basis.

Under an agreement that became effective April 1, 2002, the Company cedes a portion of its liabilities associated with certain permanent single life policies to Security Life of Denver Insurance Company.

Under an agreement that became effective April 1, 2002, the Company cedes a portion of its liabilities associated with certain permanent single life policies to Swiss Re Life & Health America, Inc.

Under an agreement that became effective January 1, 1993, the Company cedes 80% of its liabilities associated with individual disability policies to Paul Revere Life Insurance Company. All claims administration functions are performed by the reinsurer.

The Company succeeded, by operation of law upon merger to GALIC, the rights and obligations under a Reinsurance Agreement with former affiliate Brighthouse Life Insurance Company, effective as of January 1, 2005. Pursuant to this agreement, the Company cedes on a conisurance basis, 100% of the liabilities on certain universal life insurance policies with secondary guarantees, certain joint survivorship policies, and certain term insurance policies issued on or after January 1, 2000.

General

All contracts reviewed contained standard insolvency, arbitration, errors and omissions, and termination clauses where applicable. All contracts contained the clauses necessary to assure reinsurance credits could be taken.

BODY OF REPORT

GROWTH

The following comparative data reflects the growth of the Company during the period covered by this examination:

	2015	2016	2017	2018*
Bonds	$3,084,278,324	$2,909,201,086	$3,402,053,925	$11,950,582,785
Admitted assets	4,665,594,898	4,403,664,879	4,921,847,116	20,617,233,327
Aggregate reserves for life contracts	2,833,599,394	2,748,253,625	2,843,022,398	11,847,613,652
Total liabilities	3,955,822,583	3,735,008,496	4,188,574,148	19,067,797,342
Capital and surplus	709,772,315	668,656,383	733,272,968	1,549,435,985
Premium income	20,454,971	19,409,748	200,337,293	1,868,568,853
Net investment income	233,622,063	193,038,254	178,552,495	741,107,042
Death benefits	146,123,513	138,403,276	326,670,163	576,935,861
Net income	(41,525,026)	8,459,273	73,894,187	76,322,138
Life insurance in-force (in thousands)	15,532,165	14,545,721	14,284,906	104,334,758

*2018 information reflects restated amounts resulting from the Company's merger with GALIC.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the State of Nebraska Department of Insurance and present the financial condition of the Company for the period ending December 31, 2018. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statements and should be considered an integral part of the financial statements. A reconciliation of the capital and surplus account for the period under review is also included.

FINANCIAL STATEMENT

December 31, 2018

Assets	Assets	Assets Not Admitted	Net Admitted Assets
Bonds	$11,950,582,785		$11,950,582,785
Preferred stocks	11,003,310		11,003,310
Common stocks	53,283,860	$3,343,469	49,940,391
Mortgage loans – First liens	1,873,614,494		1,873,614,494
Mortgage loans – Other than first liens	8,850,000		8,850,000
Properties occupied by the company	170,295		170,295
Properties held for the production of income	247,293,322		247,293,322
Cash, cash equivalents, and short term investments	403,224,106		403,224,106
Contract loans	1,817,538,960		1,817,538,960
Derivatives	148,649,646		148,649,646
Other invested assets	759,122,117		759,122,117
Receivables for securities	672,981		672,981
Receivables for investments other than securities	1,119,497		1,119,497
Cash collateral pledged on derivatives	173,895		173,895
Subtotal, cash and invested assets	$17,275,299,268	$3,343,469	$17,271,955,799
Investment income due and accrued	159,245,100	9,097	159,236,003
Uncollected premiums and agents' balances in the course of collection	148,616,326	2,362,741	146,253,585

	Assets	Assets Not Admitted	Net Admitted Assets
Deferred premiums, agents' balances and installments booked but deferred and not yet due	84,544,928		84,544,928
Amounts recoverable from reinsurers	143,448,282		143,448,282
Other amounts receivable under reinsurance contracts	37,715,531		37,715,531
Current federal income tax recoverable	6,742,869		6,742,869
Net deferred tax asset	98,949,807	34,101,367	64,848,440
Guaranty funds receivable or on deposit	5,011,257		5,011,257
Electronic data processing equipment and software	1,242,358	1,242,358	
Furniture and equipment	6,324,761	6,324,761	
Receivables from parent, subsidiaries and affiliates	13,381,430		13,381,430
Cash surrender value of company insured deferred compensation	132,290,445		132,290,445
Administrative service fees due and accrued	2,345,000		2,345,000
Miscellaneous	432,470	83,661	348,809
Total assets excluding Separate Accounts	$18,115,589,832	$47,467,454	$18,068,122,378
From Separate Accounts	2,549,110,949		2,549,110,949
Totals	$20,664,700,781	$47,467,454	$20,617,233,327

Liabilities, Surplus, and Other Funds

Aggregate reserve for life contracts	$11,847,613,652
Aggregate reserves for accident and health contracts	33,134,187
Liability for deposit-type contracts	1,877,581,223
Life contract claims	117,460,332
Accident and health contract claims	29,618
Policyholders' dividends	11,539,504
Dividends apportioned for payment	159,064,226
Premiums and annuity considerations for life and accident and health premiums	5,567,862
Provision for experience rating funds	391,177
Other amounts payable on reinsurance	127,418,233
Interest maintenance reserve (IMR)	16,523,025
Commissions to agents due or accrued	6,600,954
Commissions and expense allowance payable on reinsurance assumed	15,387,040

General expenses due or accrued	159,997
Transfers to separate accounts due or accrued	(14,743,205)
Taxes, licenses and fees due or accrued, excluding federal income taxes	9,580,056
Unearned investment income	24,974,478
Amounts withheld or retained by company as agent or trustee	6,103,390
Amounts held for agents' account	821,548
Remittances and items not allocated	4,955,969
Net adjustment in assets and liabilities due to foreign exchange rates	153,745,111
Liability for benefits for employees and agents	22,171,289
Borrowed money and interest thereon	12,238,125
Asset valuation reserve (AVR)	173,036,463
Reinsurance in unauthorized companies	280,092
Payable to parent, subsidiaries and affiliates	3,949,797
Funds held under coinsurance	709,518,499
Derivatives	13,402,447
Payable for securities	85,778,084
Payable for securities lending	958,881,902
Cash collateral received on derivatives	104,850,479
Miscellaneous	23,135,869
Claim stabilization reserve	7,221,635
Liability for real estate capital improvements	313,335
Total liabilities excluding separate accounts business	$16,518,686,393
From Separate Accounts statement	2,549,110,949
Total liabilities	$19,067,797,342
Common capital stock	$ 2,500,000
Surplus notes	107,000,000
Gross paid in and contributed surplus	924,435,880
Unassigned funds	515,500,105
Surplus	1,546,935,985
Total capital and surplus	$ 1,549,435,985
Totals	$20,617,233,327

SUMMARY OF OPERATIONS – 2018

Premiums and annuity considerations for life and accident and health contracts	$1,868,568,893
Considerations for supplementary contracts with life contingencies	8,049,450
Net investment income	741,107,042
Amortization of interest maintenance reserve (IMR)	(2,342,408)
Commissions and expense allowances on reinsurance ceded	71,099,460
Reserve adjustments on reinsurance ceded	(800,519)
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	8,284,436
Charges and fees for deposit-type contracts	28,157,447
Miscellaneous	17,526,260
Management and service fee income	10,813,961
Reinsurance risk fees	3,027,092
Totals	$2,753,491,074
Death benefits	576,935,361
Matured endowments (excluding guaranteed annual pure endowments)	13,096,934
Annuity benefits	28,393,296
Disability benefits and benefits under accident and health contracts	10,943,567
Surrender benefits and withdrawals for life contracts	363,611,408
Interest and adjustments on contract or deposit-type contract funds	48,848,972
Payments on supplementary contracts with life contingencies	10,365,348
Increase in aggregate reserves for life and accident and health contracts	486,053,464
Totals	$1,538,248,350
Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	52,866,811
Commissions and expense allowances on reinsurance assumed	95,673,262
General insurance expenses	84,232,648
Insurance taxes, license and fees, excluding federal income taxes	19,068,100
Increase in loading on deferred and uncollected premiums	(3,092,935)
Net transfers to or (from) separate accounts net of reinsurance	708,987,872
Interest credited to reinsurer	29,430,882
Miscellaneous	197,619
Totals	$2,525,612,609
Net gain from operations before dividends, federal income taxes and net realized capital gains	227,878,465
Dividends to policyholders	160,796,802
Federal income taxes incurred	14,178,509
Net realized capital losses	23,418,984
Net income	$ 76,322,138

CAPITAL AND SURPLUS ACCOUNT

	2015	2016	2017	2018*
Capital and surplus, beginning	$ 767,199,584	$709,772,315	$668,656,383	$1,751,079,152
Net income	$ (41,525,026)	$ 8,459,273	$ 73,894,187	$ 76,322,138
Change in net unrealized capital gains	(18,153,067)	(10,485,352)	(15,456,815)	7,515,919
Change in net unrealized foreign exchange capital gain	(568,670)	2,374,747	(1,637,194)	(5,180,480)
Change in net deferred income tax	77,180,312	1,857,684	25,714,232	11,973,594
Change in nonadmitted assets	189,851	734,597	(5,796,245)	(36,380,172)
Change in liability for reinsurance in Unauthorized and certified companies				(74,632)
Change in asset valuation reserve	27,928,085	16,034,720	(12,101,580)	(47,840,488)
Change in surplus notes				(3,739,427)
Change in surplus as a result of reinsurance				(13,293,429)
Dividends to stockholders	(102,000,000)	(60,000,000)		(190,800,000)
Net gain (loss) on pension plans			106,600	2,533,531
Prior period adjustment	(478,754)	(91,601)		(2,679,721)
Net change for the year	$ (57,427,269)	$ (41,115,932)	$ 64,616,585	$ (201,643,167)
Capital and surplus, ending	$ 709,772,315	$668,656,383	$733,272,968	$1,549,435,985

*2018 reflects restated amounts resulting from the Company's merger with GALIC.

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of $515,500,105, as reported in the Company's 2018 Annual Statement, has been accepted for examination purposes. Examination findings, in the aggregate, were considered to have no material effect on the Company's financial condition.

COMPLIANCE WITH PREVIOUS RECOMMENDATIONS

No recommendations were made as a result of the previous examination.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

There are no comments or recommendations that have been made as a result of this examination.

SUBSEQUENT EVENT

Material Weakness

The 2019 Annual Statement Correction of Errors disclosure includes an error related to reinsurance which was adjusted through surplus the 2019 Financial Statements. In the first quarter of 2020, the Company discovered an additional error related to reinsurance. This error has resulted in a material weakness in internal controls over financial reporting as of December 31, 2019. It was disclosed in conjunction with the issuance of the 2019 Statutory Audited Financial Statements and the company, in consultation with its outside auditor, will devise and implement a plan to remediate the control deficiency.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

There are no comments or recommendations that have been made as a result of this examination.

ACKNOWLEDGMENT

The courteous cooperation extended by the Officers and employees of the Company during this examination is hereby acknowledged.

In addition to the undersigned, Financial Examiners, Information Systems Specialists, and Actuarial Specialists with or contracted by the New York Department of Financial Services, California Department of Insurance, Delaware Department of Insurance, South Carolina Department of Insurance, and Texas Department of Insurance, participated in this examination and assisted in the preparation of this report.

Respectfully submitted,

Andrea Johnson, CFE
Assistant Chief Examiner - Field
Department of Insurance
State of Nebraska

Clarissa Crisp, CFE
Risk & Regulatory Consulting, LLC
Representing the Department of Insurance
State of Nebraska

State of Utah,

County of Salt Lake,

Clarissa Crisp, being duly sworn, states as follows:

1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of Metropolitan Tower Life Insurance Company.

2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.

3. I have reviewed the examination work papers and examination report, and the examination of Metropolitan Tower Life Insurance Company was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

The affiant says nothing further.

Examiner-in-Charge's Signature

Subscribed and sworn before me by Clarissa Lynn Crisp on this 5 day of June, 2020.

MARY U ILOA
Notary Public – State of Utah
Comm. No. 695263
My Commission Expires on
Jun 9, 2021

(SEAL)

Notary Public

My commission expires June 9, 2021 [date].