MetLife

Spousal Lifetime Access Trust

PRODUCER GUIDE

Transferring wealth

and retaining

spousal access

IMPORTANT INFORMATION REGARDING RECENT TAX LAW CHANGES INCLUDED.

Life. your way[SM]

MetLife

IMPORTANT NOTICE

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 ("Act") was signed into law on December 17, 2010. For gift, estate and generation skipping transfer ("GST") tax purposes (together referred to as "transfer tax"), this Act has changed, among other things, the exemption amounts and rates for 2011 and 2012.

Please note, material accompanied by this Notice was prepared prior to this change in the law. The material is designed to provide general information regarding an estate or life insurance planning concept. However, it may also include tax calculations that were based on the law in effect prior to the passage of the Act. Therefore, specific examples and illustrations of tax calculations set forth in the material do not reflect the changes made by the Act and should not be relied upon. Nevertheless, the general planning concept described in this material may still be valid based upon an individual's particular circumstances.

In light of the recent transfer tax changes, you should speak with your qualified legal and tax counsel prior to implementing any estate planning strategy.

Some of the more relevant changes, albeit temporary, under the Act include:

- 35% top tax rate for transfer tax purposes in 2011 and 2012 (prior to the Act, the top tax rate was scheduled to be generally 55% for 2011 and thereafter);
- $5,000,000 per person exemption for gift, estate and GST tax purposes in 2011 and 2012 (prior to the Act, these exemptions were scheduled to be $1,000,000 for 2011 and thereafter);
- Ability for the executor to transfer to the surviving spouse any unused estate tax exemption remaining upon the death of the first spouse (referred to as "portability") in 2011 and 2012 (prior to the Act, the law did not provide for portability of the estate tax exemption between spouses).

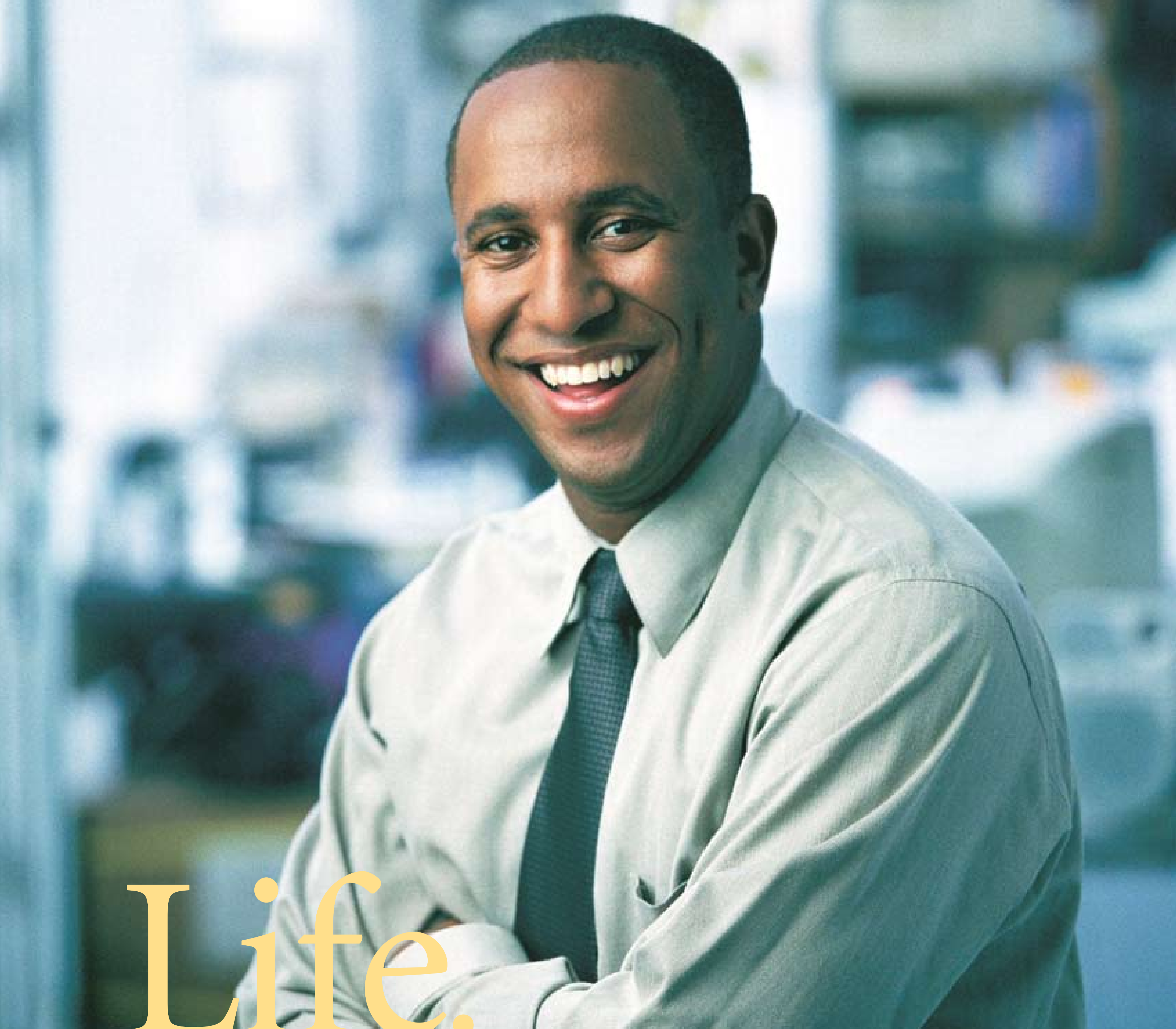
It is also important to note that unless Congress enacts new legislation, on January 1, 2013, the transfer tax laws will revert back to the laws (e.g. exemption amounts of $1,000,000 and 55% maximum tax rates) that were in effect in 2001.

Products are issued by MetLife Investors USA Insurance Company, Irvine, CA, Metropolitan Life Insurance Company, New York, NY, and in New York only by First MetLife Investors Insurance Company, New York, NY. All guarantees are based on the claims-paying ability and financial strength of the issuing insurance company. Variable products are distributed by MetLife Investors Distribution Company, Irvine, CA. All are MetLife companies. January 2011

MetLife Investors USA Insurance Company
5 Park Plaza, Suite 1900
Irvine, CA 92614

Metropolitan Life Insurance Company
200 Park Avenue
New York, NY 10166

CLVL21491 L0111151555[0311]



Life. your way

MetLife understands your business. We respect your entrepreneurial spirit as you help guide clients toward financial freedom. We want to be your partner of choice as you grow your business the only way that matters, *your way*.

What is a Spousal Lifetime ACCESS TRUST?

A Spousal Lifetime Access Trust (SLAT) is a specially designed Irrevocable Life Insurance Trust (ILIT) for married clients. The trust keeps life insurance death benefit outside of both spouses' estate and allows the trustee to access the policy's cash value and death benefit for the benefit of the non-donor spouse.

A **SLAT** CAN HELP:

- Transfer assets and allow future appreciation to be free from gift and estate taxes.
- Provide a readily available income source for your spouse.[1]
- Accumulate cash on a tax-favored basis.
- Potentially protect assets from creditors and potential liabilities.

Clients who may want to consider a SLAT include married clients with wealth transfer goals, but reservations about giving their assets away during their lifetimes. The trust is an ILIT with special provisions to provide for the non-donor spouse. It enables a donor spouse to make gifts to the trust, which in turn purchases a life insurance policy that will be held outside of the donor's estate for federal estate tax purposes.

A SLAT contains an additional provision allowing the trustee to distribute trust income for the benefit of the non-donor spouse under certain conditions. This provision can facilitate wealth transfer planning with clients who otherwise might delay action for fear of needing additional income in the future.

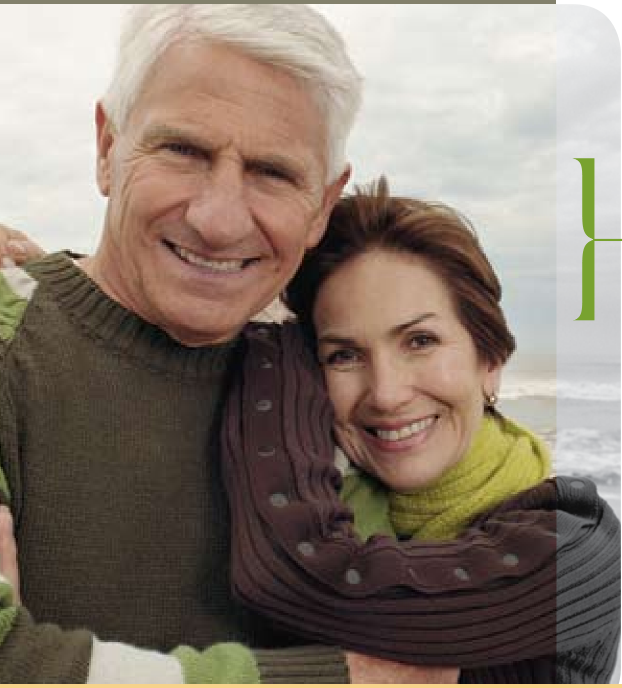
We have been trying to find a way to earmark assets for our children, but the fear that we may need more money than we had planned always prevented us from acting. Now we are more confident that we won't run out of money and that high estate taxes won't completely reduce what our children receive after we're gone.

WHO IS THE **IDEAL** CLIENT?

For this strategy you will want to identify clients with the following characteristics:

- Married couples with solid relationships
- Typically age 45 and older
- Significant assets for retirement
- Insurable Donor
- Shared wealth transfer goals between spouses

[1] Restrictions to access may apply. The level of access available to the non-donor spouse needs to be drafted with care to avoid unintended tax consequences. It is important to confer with your independent tax and legal advisors regarding the use of this technique.



CASE STUDY

Steve & Meghan

Now I can begin transferring our wealth and also help make sure Meghan will have enough income during her life.

the concern

Steve and Meghan, both age 55, have had successful careers and planned well for their retirement. Together, they have about $2.5 million in assets. They are both still working and feel confident they will have enough income for their retirements.

In addition, Steve has inherited about $1 million from his family which he does not plan on using during his lifetime and he would like to pass down to their daughter, Lauren. Lauren is married with two children of her own. Steve and Meghan know they should implement a wealth transfer plan to minimize taxes, but Steve wants to ensure his wife has access to the funds if she needs them.

the solution

One possible solution is a SLAT funded with life insurance. Steve's financial professional uses an Equity Advantage Variable Universal Life℠ (VUL) insurance policy to show him how this strategy may work to meet their needs. He suggests that Steve utilize his $1 million lifetime gift tax exclusion amount to make gifts of $100,000 per year from his inheritance to the trust for a purchase of the Equity Advantage VUL policy on Steve's life.

Assuming the policy's sub-accounts earn an average rate of return of 8% (7.27% after policy fees and expenses), the death benefit on the policy would be $3,703,751 if Steve lives until age 84. This example uses hypothetical sub-accounts; actual results will vary.

Steve names an independant as the trustee[2], to access the policy's cash value through tax-advantaged withdrawals and loans during Meghan's lifetime in the event she finds herself needing additional income. Loans and withdrawals decrease the policy's cash value and may cause the policy to lapse.

[2] The non-insured spouse should not be the trustee. Distribution standards should be drafted carefully to avoid unintended tax consequences. Generally, full discretion is preferable. It is important to confer with your independent tax and legal advisors regarding the use of this technique.

the benefit

Here is what the hypothetical Equity Advantage VUL policy might look like over the next 20 years.

In this scenario, Steve was able to use a SLAT to purchase an Equity Advantage VUL policy in order to leverage the inheritance he received from his family. The VUL's death benefit enabled the trust to transfer his inheritance to his daughter, Lauren, income and estate tax free. In the event that his wife, Meghan, should need additional income during her lifetime, she may still be able to access the policy's cash value on a tax-advantaged basis. In this case, the SLAT provided a solution to both of Steve's goals.

Policy Year	Insured Age	Cash Value 0% Rate of Return and Max Charges (-.68% RoR)	Death Benefit 0% Rate of Return and Max Charges (-.68% RoR)	Cash Value (Assuming 8% Rate of Return and Current Charges = net 7.27%)	Death Benefit (Assuming 8% Rate of Return and Current Charges = net 7.27%)
1	56	$58,949	$3,703,751	$78,438	$3,703,751
5	60	$267,098	$3,703,751	$448,232	$3,703,751
15	70	$40,831	$3,703,751	$1,286,565	$3,703,751
29	84	Lapse at age 73 *without additional premium*	Lapse at age 73 *without additional premium*	$2,297,180	$3,703,751

Under the 0% and max charges scenario, the policy would lapse or require additional premium in year 17, at Steve's age 73.
This hypothetical example is illustrative only and should not be considered a representation of past or future investment results. Actual investment results may be more or less than those shown and will depend on a number of factors. Please request a full product illustration for additional details.

A note about life insurance distributions: Tax-free distributions assume that the life insurance policy is properly structured, is not a Modified Endowment Contract (MEC) and distributions are made up to the cost basis and policy loans thereafter. Should the policy lapse or be surrendered prior to the death of the insured, there may be tax consequences. Loans and withdrawals will decrease the cash value and death benefit.

How does a SLAT work?

STEP 1: The trust is drafted by client's legal counsel and the couple determines which individual will be the grantor of the trust.

STEP 2: The grantor will make gifts to the trust using his or her annual lifetime gift exclusion amounts.

STEP 3: The trust purchases a single life policy on the life of the grantor or a survivorship life policy on the couple.

STEP 4: The trustee may take distributions from the trust for the non-donor spouse or the other trust beneficiaries through tax-advantaged withdrawals and loans from the policy's cash value. Policy loans and withdrawals will decrease the cash value and may cause the policy to lapse.

STEP 5: At the death of the insured(s), the policy's death benefit is paid to the trust income tax-free less any outstanding policy loans or withdrawals.

STEP 6: The trust distributes the death benefit to the trust beneficiaries free from income and estate taxes.

What QUESTIONS Will My CLIENTS ASK?

WHY WOULD I USE LIFE INSURANCE? MY ADVISORS TELL ME IT IS NOT AS EFFECTIVE AS OTHER TYPES OF ASSETS. Life insurance should not be considered an investment, even though the cash value portion of a life insurance policy has investment-like attributes. Life insurance policies are designed primarily to provide an income tax-free death benefit. Permanent life insurance policies also have a cash value, which if variable, subject to additional asset management fees. In many situations the cash value appreciation will not compare with alternate investments of similar risk because of the cost of insurance fees. However, depending on the time of death of the insured in relation to the premium dollars contributed, the life insurance may actually outperform other investment options for the beneficiary.

In addition, life insurance offers the following features which may be appealing as a potential option for trust assets:

- Income tax-free death benefit for policy beneficiaries.
- Self-completing funding option; the policy's full death benefit will be paid even if death occurs before all premiums have been paid.
- Income tax-free accumulation of cash value.
- Tax-advantaged access to the policy's cash value through withdrawals and loans. Policy loans and withdrawals will decrease the cash value and may cause the policy to lapse.
- Variable contracts offer professionally managed subaccounts which may be exchanged or rebalanced without triggering capital gains taxes, subject to certain restrictions.[3]

WHAT ARE THE INSURANCE CHOICES? With a SLAT, VUL insurance policies are generally most common for their potential to build a substantial cash value, which may be accessed through withdrawals or policy loans. Whole Life is also common for clients with more conservative risk tolerance. Other types of life insurance policies may also be used depending on client's risk tolerance and other factors.

[3] Variable life products are subject to market risk and may lose value.

Sales **SUPPORT**

MetLife has designed a variety of tools to help you present this strategy to your clients.

ePresentations[4]

A supplemental illustration designed to clarify complex strategies for your clients. Through the use of charts and examples, ePresentations offers a personalized way to help explain how a life insurance policy fits into a client's specific financial situation.

Client Brochure

Provides clients with better understanding of the Spousal Lifetime Access Trust strategy and how it can work for them.

Fact Finder

This tool allows you to gather necessary information from your client so you are able to build a customized illustration and presentation to show them.

[4] For more information about this strategy or to request an ePresentation contact your MetLife Regional Sales Vice President today.

Your clients may choose between a single life policy or a survivorship life policy.

1. A single life policy is generally more expensive but will preserve the ability of the non-donor spouse to be the trustee.
2. A survivorship life policy is generally less expensive because it pays the death benefit at the death of the second spouse. There are two primary considerations for using a survivorship life policy with a SLAT.
   a. First, the non-grantor spouse should retain no incidents of ownership to prevent the policy from reverting back to the estate of the owner. For this reason, an independent trustee is recommended for survivorship life policies.
   b. Secondly, only one spouse can make contributions to the trust. If a survivorship life policy is used a plan should be considered in the event the donor spouse dies first and policy premiums still need to be paid. This is often accomplished by an additional term policy on the donor's life.

HOW MUCH CAN WE CONTRIBUTE TO A SLAT? Only one person can make contributions to a SLAT. The grantor may use their lifetime gift tax exclusion amount of $1 million. In addition, annual gift tax exclusions may be used, currently $13,000 per year, per beneficiary. One spouse may be able to "split gifts" with the non-donor spouse to also contribute the annual gift tax exclusion to the trust. The rules regarding the use of split gifts into a SLAT are complex and subject to additional risks, professional legal and tax counsel should be consulted.

DO I HAVE TO MEET CERTAIN CRITERIA TO MAKE DISTRIBUTIONS FROM THE TRUST? It really depends on how the trust is drafted, who the trustee is and the applicable laws in the state it was created. The language regarding distributions to the non-donor spouse needs to be drafted with care to avoid unintended tax consequences. It is important to confer with an independent tax and legal advisors regarding the use of this technique; again, professional legal counsel needs to be consulted.

Pursuant to IRS Circular 230, MetLife is providing you with the following notification: The information contained in this document is not intended to (and cannot) be used by anyone to avoid IRS penalties. This document supports the promotion and marketing of insurance products. Your clients should seek advice based on their particular circumstances from an independent tax advisor.

MetLife, its agents and representatives may not give legal or tax advice. Any discussion of taxes herein or related tothis document is for general information purposes only and does not purport to be complete or cover every situation. Tax law is subject to interpretation and legislative change. Tax results and the appropriateness of any product for any specific taxpayer may vary depending on the facts and circumstances. You clients should consult with and rely on their own independent legal and tax advisers regarding their particular set of facts and circumstances.

Prospectuses for Equity Advantage Variable Universal Life and for the investment portfolios offered thereunder, are available from MetLife. The policy prospectus contains information about the policies features, risks, charges and expenses. Investors should consider the investment objectives, contract features, risks, charges and expenses of the investment company carefully before investing. The investment objectives, risks and policies ofthe investment options, as well as other information about the investment options, are described in their respective prospectuses. Clients should read the prospectuses and consider this information carefully before investing. Product availability and features may vary by state.

MetLife life insurance policies have limitations, exclusions, charges, termination provisions and terms for keeping them in force. There is no guarantee that any of the variable investment options in this product will meet their stated goals or objectives. The account value is subject to market fluctuations so that, when withdrawn, it may be worth more or less than its original value. Guarantees are based on the claims-paying ability and financial strength of the issuing insurance company.

Life insurance products are issued by MetLife Investors USA Insurance Company, Irvine, CA; Metropolitan Life Insurance Company, NY, NY; and in New York only, by First MetLife Investors Insurance Company, NY, NY. All guarantees are based on the claims-paying ability and financial strength of the issuing insurance company. Variable products are distributed by MetLife Investors Distribution Company (MetLife Investors), Irvine, CA. July 2010

Insurance Products Are:
• Not A Deposit • Not FDIC Insured • Not Insured By Any Federal Government Agency
• Not Guaranteed By Any Bank Or Credit Union • May Go Down In Value

MetLife

MetLife Investors Distribution Company
5 Park Plaza, Suite 1900
Irvine, CA 92614
metlife.com

1006-2014
BDVL21251 L0111151287[0211] 07-4000A