

# Separate Account Guaranteed Interest Contracts (GICs)

Offer retirement plan sponsors a strong rate of return while smoothing out market volatility



## What is a Separate Account GIC (Guaranteed Interest Contract)?

Our Separate Account GIC provides an alternative to more traditional general account products. First introduced by Metropolitan Life Insurance Company (MLIC) in 1989, Separate Account stable value products combine the best features of traditional general account products — guarantee of principal and interest for retirement plan participants<sup>1</sup> — with added investment flexibility, control, transparency, and security in one comprehensive package.

Separate Account GICs are not held in the insurer's general account, but instead are invested in one or more individual or commingled (pooled with other assets) separate accounts, sub-advised by a variety of best-in-class asset managers. This insulates those assets from the general account of the insurer and provides transparency into the underlying investment portfolio.

## The many benefits of a Separate Account GIC

Along with offering plan participants the guarantee of principal and interest, plan sponsors can take advantage of a broad range of benefits designed to accommodate plans of varying sizes, providing solutions to meet individual plan needs.

### Guaranteed principal and interest<sup>1</sup>

Participant balances are guaranteed, up to the contract value, by the claims-paying ability of the issuer.<sup>1</sup>

### Predictable interest rates

Guaranteed rates are reset periodically (quarterly, semiannually, annually), as provided in the contract, to reflect the account's investment performance and the plan's cash flow experience. Our credited rate reset methodology smooths out market volatility, so plan participants experience steady returns.

### Interest rate transparency

All components of the credited rate calculation are communicated to plan sponsors before the rate is set.

### Asset insulation

Because Separate Account GICs are segregated from MetLife's general account, their assets are insulated from the claims of general creditors and our general account policyholders, under New York State Insurance Law.

### **Investment Diversification**

To meet a plan's specific requirements, individually managed accounts, using one or more investment strategies, can be created. For larger plans, we can tailor portfolios to achieve specific investment objectives. For smaller plans that may not be eligible for an individually managed account, we offer a family of commingled funds sub-advised by well-known asset management firms, which are designed to meet a variety of investment goals.

### **Reduced reinvestment risk**

Since MetLife Separate Account GICs are managed around a duration target, the reinvestment risks typically encountered with buy-and-hold funding vehicles are mitigated.

### **Individual interest rate**

Each Separate Account GIC receives its own interest rate. This is true for both individually managed and commingled separate account options.

### **Investment transparency**

Transparency of fees, portfolio, and crediting rate methodology.

### **Easy integration and funding flexibility**

A Separate Account GIC can be seamlessly integrated into a retirement plan as a low-risk, capital preservation option. It can accommodate both lump sum contributions and ongoing cash flows. Plus, plan sponsors are not locked into a fixed maturity date. Additionally, the separate account GIC is available on a unitized basis and can trade through the NSCC.

### **Regulatory oversight**

We test each Separate Account GIC to measure adequacy of reserves as required by the New York State Department of Financial Services.

### **Fees**

There are no minimum fee requirements.

## **Offer plan sponsors the potential for better returns with Stable Value**

These income-producing, low-risk investment offerings consistently outperform money market funds — and inflation — while providing a guarantee of principal and interest.<sup>1</sup> Including a Separate Account GIC as a capital preservation option in retirement plans empowers employees to build more diverse retirement portfolios and potentially reduce market risk.



## The MetLife advantage

### Expertise

Stable value is a core competency of MetLife. Our extensive knowledge and experience enable us to respond with creative and tailored stable value solutions.

### Financial strength

Metropolitan Life Insurance Company's financial strength ratings are among the highest in the industry.<sup>2</sup>

### Flexibility

To better meet the specific needs of plan sponsors, we work with our customers to create customized stable value solutions.

### Superior service

Clients benefit from our ready accessibility and our commitment to accountability.

We are an industry leader in stable value. Our extensive expertise managing both assets and liabilities, and our over 150-year heritage of financial stability and strength, make us the preferred provider for many stable value managers and retirement plan sponsors.



**To learn more about our stable value solutions  
please contact our stable value team at (833) 948-2275**

1. All guarantees are subject to the financial strength and claims-paying ability of the issuing MetLife company.

2. For current ratings information, visit [www.metlife.com](http://www.metlife.com) and click on "About Us" and then "Company Ratings."

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