1095 Avenue of the Americas
New York, NY 10036

Peter M. Carlson
Executive Vice President and
Chief Accounting Officer
pcarlson@metlife.com

May 31, 2012

Office of Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: Request for Public Comment: ***Proposed Auditing Standard – Related Parties, Proposed Amendments to Certain PCAOB Auditing Standards regarding Significant Unusual Transactions and Other Proposed Amendments to PCAOB Auditing Standards [*****PCAOB Rulemaking Docket No. 38]**

Dear Office of Secretary:

MetLife, Inc. (MetLife) appreciates the opportunity to provide comments to the Public Company Accounting Oversight Board's (PCAOB) Request for Public Comment**:** ***Proposed Auditing Standard – Related Parties, Proposed Amendments to Certain PCAOB Auditing Standards regarding Significant Unusual Transactions and Other Proposed Amendments to PCAOB Auditing Standards*** (the Proposed Standard).

MetLife is a leading global provider of insurance, annuities and employee benefit programs, serving 90 million customers in over 50 countries. Through its subsidiaries and affiliates, MetLife holds leading market positions in the United States, Japan, Latin America, Asia Pacific, Europe and the Middle East.

MetLife supports the objective of the Proposed Standard to improve the auditor's evaluation of, identification of, accounting for, and disclosure about related parties and significant unusual transactions. We generally agree with the Board that improvements in this area are important to the protection of the interests of investors and to the preparation of informative, accurate, and independent audit reports. However, we are concerned about certain aspects of the Proposed Standard, specifically (i) the potential limitations on auditor judgment and use of materiality in deciding on the extent of procedures regarding related party and significant unusual transactions and (ii) the extent of involvement of auditors in reviewing and/or questioning executive compensation contracts.

Additionally, a number of the proposed procedures are currently fulfilled through normal and customary oversight by the board of directors and/or audit committee. We believe that the auditor's involvement in these circumstances could be inappropriate and also would not be cost beneficial in identifying the areas of potential fraud or financial statement misstatement.

The Appendix presents our more specific comments on certain issues raised in the Proposed Standard.

******

We once again thank you for the opportunity to respond to your proposal and your consideration of our observations and comments. If you have any questions regarding the contents of this letter, please do not hesitate to contact me.

Sincerely,

Peter M. Carlson
Executive Vice President and
Chief Accounting Officer

cc: Eric Steigerwalt
Executive Vice President and
Interim Chief Financial Officer

Karl Erhardt
Senior Vice President and
General Auditor

Appendix:

Proposed Auditing Standard, Related Parties and Proposed Amendments Regarding Significant Unusual Transactions

We acknowledge the efforts of the Board to improve auditing standards with respect to related party and significant unusual transactions. However, we believe the Proposed Standard may be too prescriptive, as it does not appear the proposed guidance encourages the application of auditors' judgment (the cornerstone of the audit profession) based on their assessment of risk and the level of assurance needed to render their audit opinion. The Proposed Standard seems to create the presumption that related party and significant unusual transactions are, by default, significant audit risks requiring auditors to perform substantive testing. We believe the auditor should be able to apply judgment based on risk, materiality, evaluation and related testing of controls and then determine how much substantive testing is necessary to achieve the needed level of assurance that the financial statements are free of material misstatement.

We encourage the Board to consider making the final guidance less prescriptive and, instead, provide clearer guidance to auditors on the determination and documentation of risks and their mitigating controls, materiality decisions, and how this should be taken into consideration while determining the appropriate level of control testing and substantive procedures.

Consideration of the Company's Financial Relationships and Transactions with Executive Officers

We agree that the financial relationship of a company with its executive officers and directors can present certain unique risks. However, we also believe that the current auditing literature appropriately conveys the procedures to be performed by auditors relating to these particular risks. Existing laws and regulations, especially those relating to SEC-reporting entities, impose significant obligations to disclose executive compensation arrangements. In our opinion, the extensive disclosure obligations and certain shareholder approval requirements applicable to executive compensation provide ample information to investors and other users of financial statements to allow them to judge risks related to such arrangements. We are further concerned that the proposed amendments could potentially transform the traditional auditor's role from providing assurance on the reliability of financial statements to evaluating appropriateness of the executive compensation and its business purpose and impact. The involvement of auditors in executive compensation discussions could conflict with the responsibility of a board of directors to determine the appropriate levels of compensation to attract the best talent to fulfill the business strategy of the company.

As a final point, the proposed amendments could result in inefficient use of a company's resources. Board of directors and possibly senior management could spend a significant amount of time on providing, explaining, and possibly defending business decisions associated with the level of executive compensation, which may not otherwise be identified as a significant financial statement risk. We suggest that the proposed amendments should require that auditors first ascertain that a significant financial statement risk exists prior to performing extended substantive auditing procedures on compensation arrangements.