

LAWSUITS

The 10 Biggest MetLife Lawsuits in Company History

By Joey Callo Posted on April 14, 2025



MetLife is a leader in protection planning, [retirement savings](#), annuities, insurance, and employee benefit programs. It operates through its affiliates and subsidiaries to provide global services to clients around the world. It's one of the largest companies of its kind with more than 150 years of experience in providing services. Although MetLife is generally viewed as a stable and reliable provider, the business has endured its share of legal troubles. MetLife has settled billions in claims for allegations of wrongdoing. It's also paid hundreds of millions in penalties and legal fees throughout its history. Here are the ten biggest MetLife [lawsuits in company history](#) to underscore its history of legal complications.

10. Creighton v. Metlife Securities, Inc. et al Settlement amount: \$32,500,000

Metlife was accused of exhibiting racial discrimination 2017. The Southern District of New York investigated allegation tht MetLife discriminated against candidates for work and employees based on their race. Upon completion of the investigation, the Southern District of New York court ruled that MetLife would be penalized in the amount of #32.5 million for allegations of racial discrimination. The case was settled on June 27, 2017.



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9. MetLife Sued for misleading policy information Settlement amount: \$55 million

[The New York Times reported](#) that plaintiffs filed a lawsuit against GenAmerican Financial Corporation, a MetLife unit, alleging that the company misled them when they purchased life insurance policies. The plaintiffs were policyholders asserting the policies did not yield the expected dividends. Policyholders were required to pay more in premiums than previously estimated for the life of the policies. GenAmerica was required to make restitution on whole life and universal life insurance policies issued between 1982 and 1996, in a settlement that cost the company \$55 million.

8. MetLife Bank accused of banking violations Settlement amount: \$7,8536,455

MetLife Bank was accused of committing financial offenses with a primary offense of banking violation and a second offense of mortgage abuses. the Office of the Comptroller of the Currency, along with the Federal Reserve Board and MetLife agreed to discuss the allegations. MetLife was brought up on charges of engaging in deficient practices in mortgage loan servicing and additionally issues in their foreclosure processing. MetLife was one of ten mortgage servicing companies in trouble for these practices. The entire amount of cash payments required to help borrowers after the debacle ended was over \$8.5 billion. the penalty assessed for MetLife bank was \$78,536,455. MetLife agreed to the terms of the settlement and to pay the penalty on January 7, 2013.

7. MetLife Settles in ERISA Case in Georgia Settlement amount: \$80 million

[Think Advisor reports](#) that a Cleveland woman filed a class-action lawsuit against MetLife, claiming the company mishandled her husband's insurance claim after he died two years before. Her husband had a group policy under ERISA with his employer. Mrs. Owens was entitled to \$95,000 in death benefits. MetLife allowed her to withdraw funds with blank bank drafts of at least \$250 or more, putting an RRA in her name. She complained that MetLife Held ERISA benefits in its general account until the TCA account requested funds. MetLife continued to invest beneficiary funds and keep the difference from interest. this happened after MetLife sent a notice stating they would pay the Life Insurance in one sum. They noted that she could request other modes of payment. The claimant accused the insurer of violating Georgia law and ERISA duties by not paying the postmortem interest on the claim. Other claims added to the growing number of plaintiffs. It evolved into [a class action](#). MetLife was required to pay a settlement amount of \$80 million in restitution to the families affected by its mishandling of beneficiary claims. They defended their actions and admitted no wrongdoing in the matter. They explained that MetLife agreed to settle the lawsuit rather than spend more of

MetLife's time and money fighting the \$80 million legal action. It was faster and less expensive to pay the ordered amount without further litigation. Both sides agreed to the settlement amount of \$80 million to fully resolve the issue.

6. MetLife is Penalized by the Federal Government for contracting offenses

Settlement amount: \$123,500.00

The Department of Justice Civil Division filed a civil case in federal court against MetLife Home Loans, LLC, a subsidiary of MetLife, Inc, for government contracting related offenses. The DOJ investigated allegations that MetLife Home Loans LLC made False Claims by originating and underwriting mortgage loans with full knowledge that the loans did not meet established requirements for eligibility. The loans were insured by the Federal Housing Administration, which sets standards for loan approval. Investigation of the civil case revealed that MetLife Home Loans LLC committed violations of the False Claims Act with their sanctions. The case settlement happened on February 25, 2015, with MetLife Home Loans LLC agreeing to pay the penalty amount of \$123.5 million to settle the case. Underwriting the loans showed that MetLife Home Loans willingly engaged in illegal practices. Their actions were fraudulent and put the applicants receiving the loans in a vulnerable position for defaulting on the loans. The violations damaged the trust that the Federal Housing Administration had once held in the mortgage provider.

5. MetLife Home Loans LLC settles Mortgage Fraud Case Settlement Amount: \$125 million

MetLife was accused of making loans between 2008 and 2012 that fell short of meeting regulatory standards. The loans did not meet government requirements, yet the financial provider moved forward with underwriting the loans willingly, with the knowledge they didn't meet qualifications. MetLife misrepresented the number of loans found deficient during a Department of Justice investigation. As a Direct Endorsement Lender, MetLife was responsible for reviewing all loan applications to ensure quality and verify eligibility. Berger Montague confirms that MetLife Home Loans LLC is hit with yet another violation of violating regulatory standards on mortgage loans. Investigators discovered more than a thousand loans with outstanding deficiencies that signaled ineligibility for approval. Mortgage fraud is a serious problem that emerged during the 2008 housing crisis. It continued to worsen until regulators and investigators started cracking down on lenders violating the rules. Some companies faced criminal charges for issuing loans when applicants lacked requirements for eligibility. Another issue they battled was the approval of subprime loans, which ended with a massive number of defaults, taking a devastating toll on the economy, the government, and families.

4. Met Life Settles in non-employment discrimination practices lawsuit

Settlement amount: \$160 million

MetLife faced legal consequences for allegations of discriminatory practices. In 2002, the New York Department of Financial Services claimed that MetLife engaged in non-employment discriminatory practices through racial profiling. The company engaged in race-based underwriting, violating consumer protection and anti-discrimination laws. [The New York State Insurance Department reported](#) that investigations

concluded MetLife engaged in the illegal practices with non-Caucasian policyholders from 1901 through 1964, committing further policy infractions from 1960 through 1972 involving racial discrimination in policy writing. MetLife is responsible for paying compensation to each policyholder in various amounts as determined by calculations of the damage. MetLife is required by law to provide settlement benefits for those who currently have policies in force and to the families of those who died within the past seven years. MetLife conducted a \$6 million campaign to notify all affected parties in print, television, mail, and radio. The total amount of the settlement is estimated between \$140 million to \$160 million. Settlement for the case occurred on August 29, 2002.

3. MetLife settles lawsuit over Restitution to Policyholders Settlement amount: \$208,750,000

[The DFS of New York reports](#) that the Department of Financial Services of New York alleged that MetLife failed to live up to its obligations for pension benefit transfers for policyholders. MetLife is accused of failing to settle group annuity pension claims, causing financial damage to policyholders. A DFS examination of MetLife's business transactions revealed that MetLife failed to locate and pay benefits to thousands of beneficiaries of insured parties in New York. MetLife previously paid \$123 million, however, up to \$180 million in group annuity benefits were either lost or delayed. MetLife must pay retroactive benefits to policyholders as restitution. MetLife must also pay an additional \$19,750,000 in penalties from the violations.

2. MetLife in Long-haul payback over failed payments Settlement amount: \$478 million

MetLife Inc was accused by over thirty states of failing to provide life insurance benefits for some policyholders. Regulators for the State of California availed themselves of the Death Master File of the Social Security Administration to investigate deaths and compare them with life insurance policyholders. They determined that MetLife failed to make payments to some policyholders' beneficiaries after the death of the insured policyholders. MetLife violated the law because it failed to make payments as required. They agreed to a settlement of nearly a half-billion to settle the claims. MetLife is paying the amounts ordered in increments of \$188 million. Payments are scheduled to occur over seventeen years. They're making the payments as required on the previous defaults. MetLife's executive branch made a statement explaining that the company has paid ninety-nine percent of its obligations in an attempt to maintain its credibility as a reputable insurance provider. As one of the [largest in the nation](#), it handles copious amounts of policies. It's assumed that the individuals in charge of the accounts were at fault for the misjudgments, however, the parent company is held liable for any mistakes made by its employees or management divisions.

1. Met Life settles lawsuits on Policy Sales deceptions Settlement amount: \$1.7 billion-plus

Metropolitan Life Company agreed to settle various lawsuits brought against the company on Policy Sales. In August of 1999, MetLife agreed to pay a minimum of \$1.7 billion in a settlement that was the largest of its kind in company history. Allegations that MetLife engaged in deceptive sales practices to sell insurance policies were investigated. Over the last five years, discoveries of seven million former and current

policyholders were damaged by MetLife's deceptive practices in policy sales. MetLife is the second-largest life insurance provider in the United States. The insurance company was accused by consumers of misleading them into buying policies that were either more expensive or did not perform as MetLife representatives have promised. The policyholders filed complaints with state and federal regulators sparking an investigation into their complaints. They discovered that MetLife was liable for damages received from being misled. The serious charges lodged against MetLife are similar to the complaints about other well-known insurance providers in the country. This kind of thing is nothing new. Although the settlement is the largest in MetLife history, Prudential Insurance Company of America, the largest insurer in the USA is also in the process of settling policyholder lawsuits with \$2.6 billion set aside to settle the legal issues. These insurance companies pay millions and into the billions to settle similar lawsuits. Prudential has settled 40 percent of its claims. Other Insurance companies including State Farm Mutual Automobile Insurance Co. and New York Life Insurance Co are dealing with similar legal issues. MetLife offered policyholders the opportunity to trade their old policies in for new ones in the 1980s, allegedly promising that premiums would be paid by investment returns, however, some of those customers ended up paying large premiums or letting coverage lapse because of their inability to pay. The list of complaints goes on for volumes of court documents and complaints filed with regulators, resulting in investigations and lawsuit settlements.

Final thoughts

MetLife is trusted by millions to provide various life insurance policies and services. Most customers receive the products and services they pay for, but as we've seen in the litigation reports, not everyone has been so fortunate. Most of MetLife's customer base was treated fairly, however, instances of deceptive business practices and violations of local, state, and federal laws were alleged. MetLife settles most lawsuits because the legal fees to fight them would be prohibitive in cost. An insurance company rarely admits wrongdoing, even when evidence strongly suggests it has happened. If you feel that you've been treated unfairly by MetLife or any other insurance provider, you have the right to seek legal advice and pursue a lawsuit to recover the damages.

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Having spent 16 years as a personal injury lawyer, Joey eventually decided that writing about the law was more fun than practicing it. Now he enjoys focusing on the latest news about the law, changes in policy, significant lawsuits, and the future of how law is shaped in the United States.

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