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COMPETING ON A NEW PLAYING FIELD: LIFE INSURANCE COMPANIES

Leo T. Rasmussen

**Proceedings of a Seminar sponsored by
North Central Regional Project NC-207
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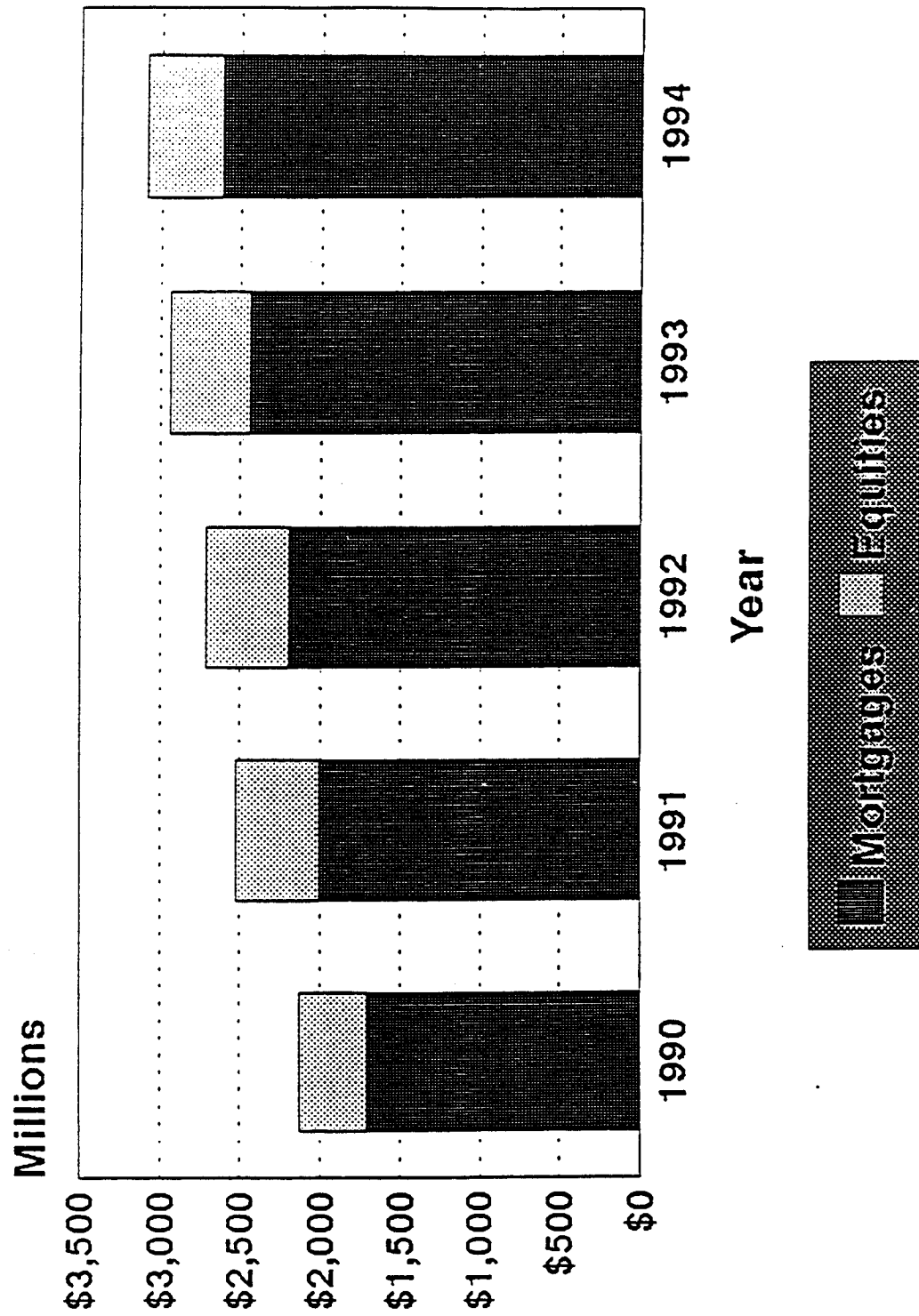
Competing on a New Playing Field: Life Insurance Companies

Leo T. Rasmussen

Senior Vice President, Metropolitan Life Insurance Company

AGRICULTURAL INVESTMENTS

Portfolio Size

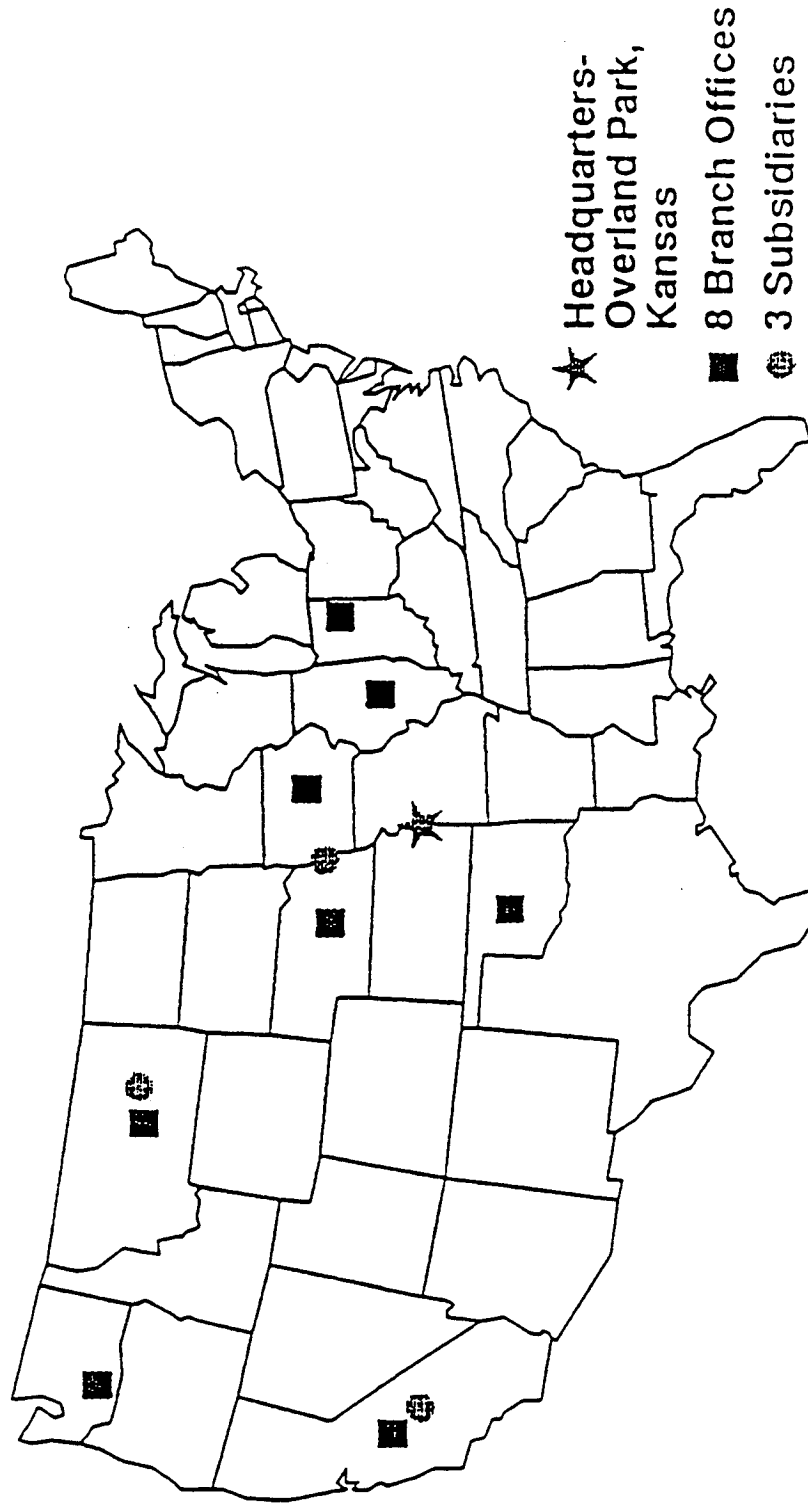


MORTGAGE PORTFOLIO

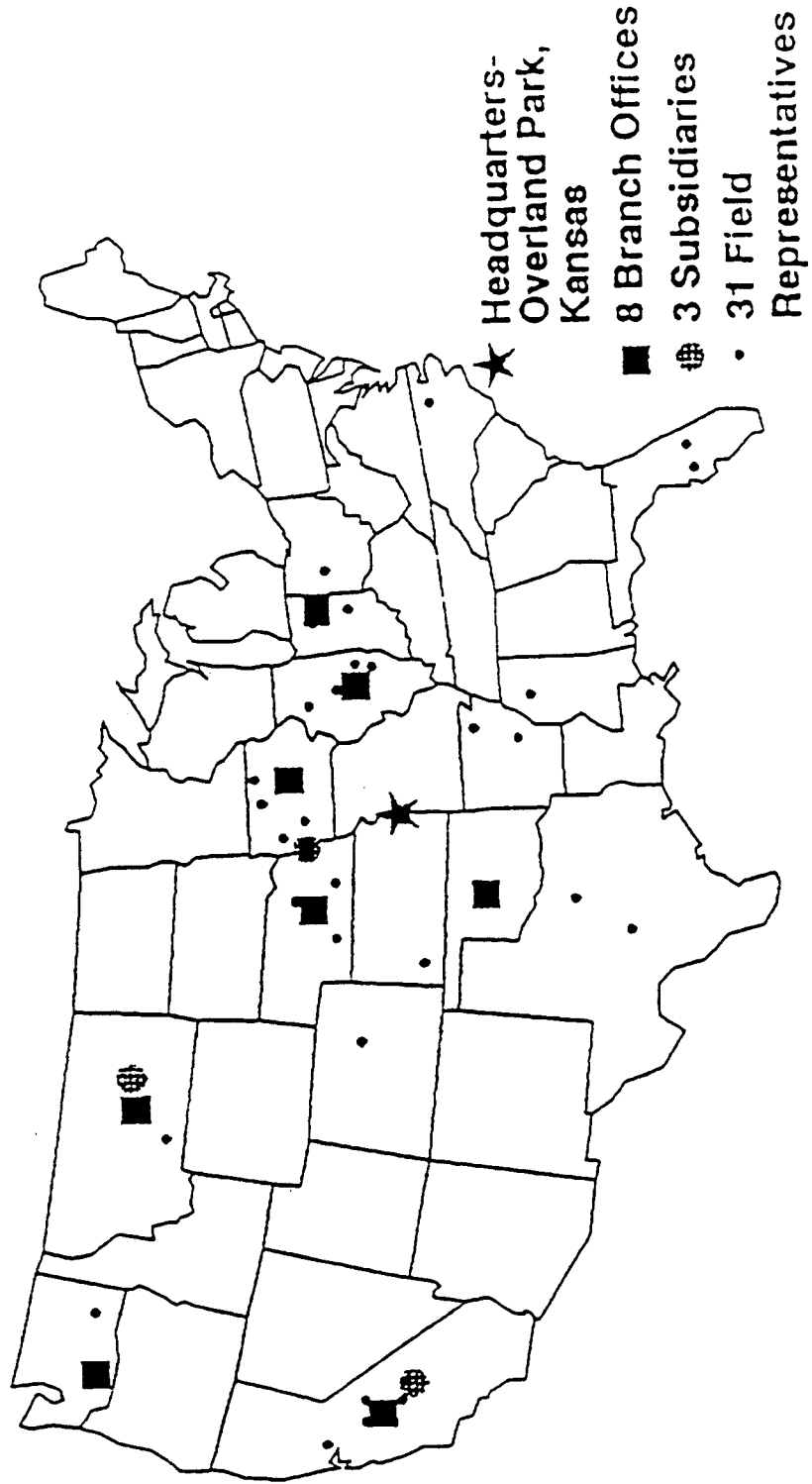
(\$ Millions)

	Book Value	Percent of Total
Farm and Ranch Mortgages	\$2,202	84%
Agribusiness Loans	\$421	16%
As of December 31, 1994	\$2,623	100%

MetLife Agricultural Investments Operations



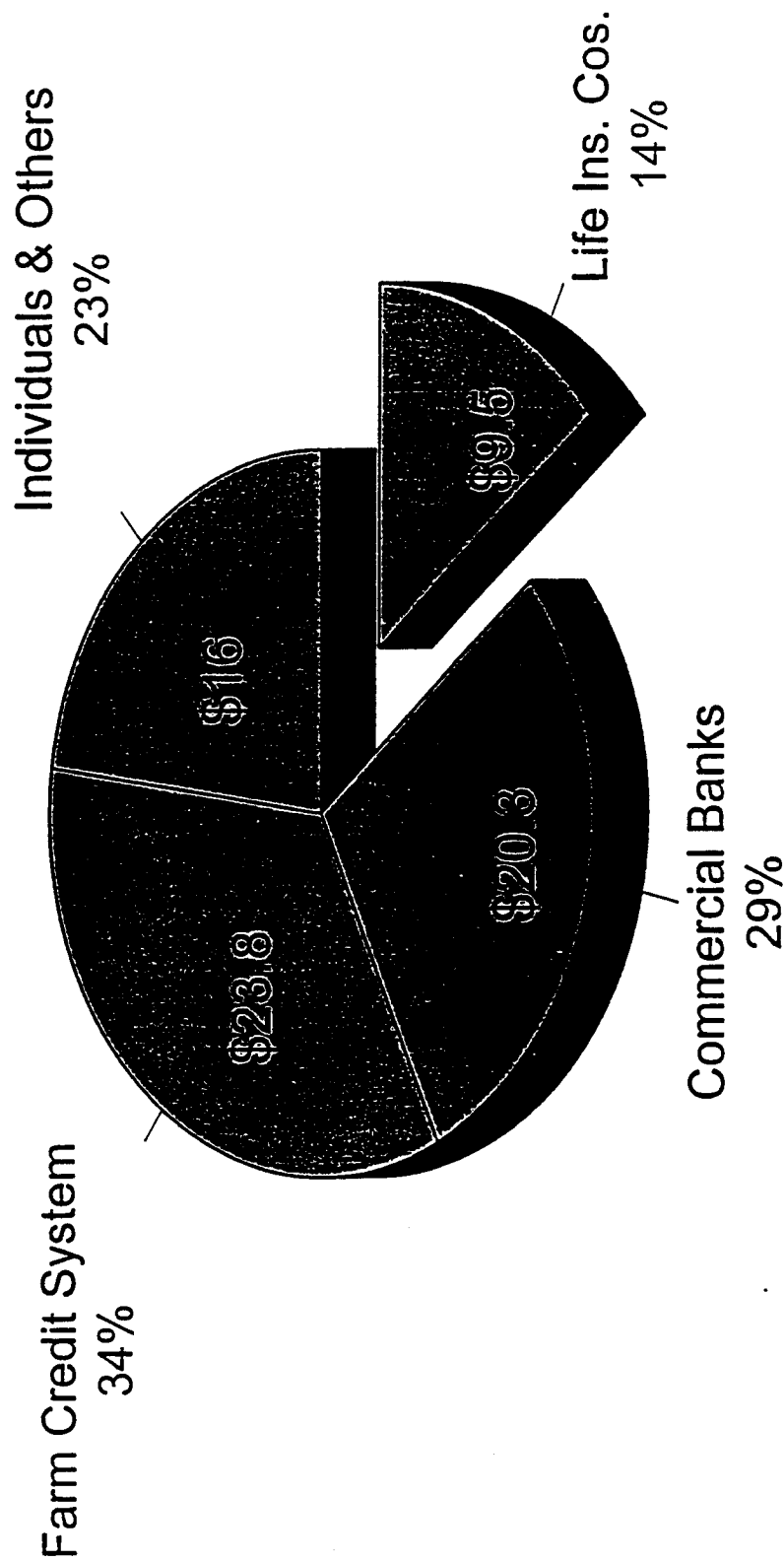
MetLife Agricultural Investments Operations



Agricultural Mtg. Market

Total Market: \$70 Billion

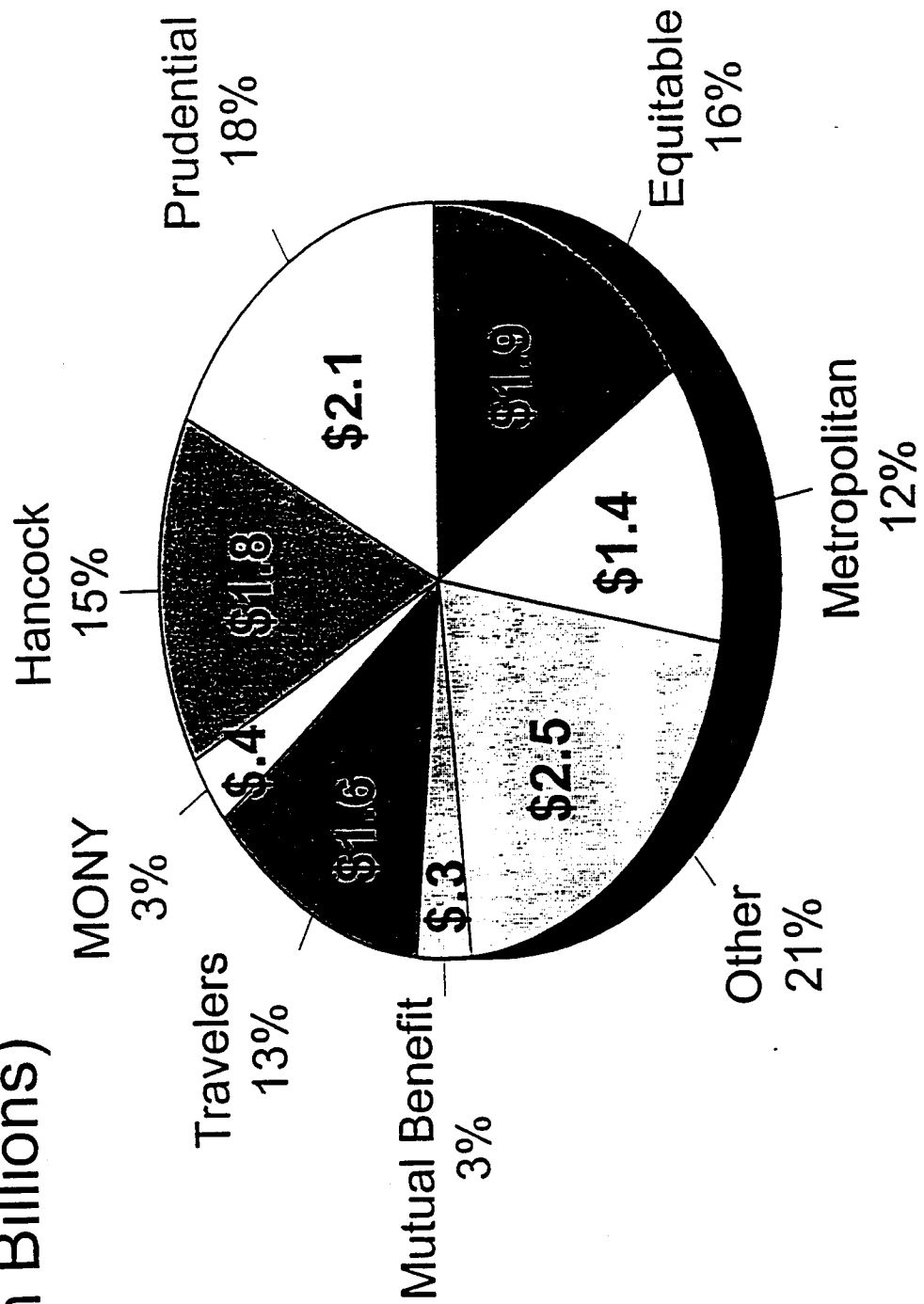
(\$ in Billions)



1995

Life Insurance Market Share 1980

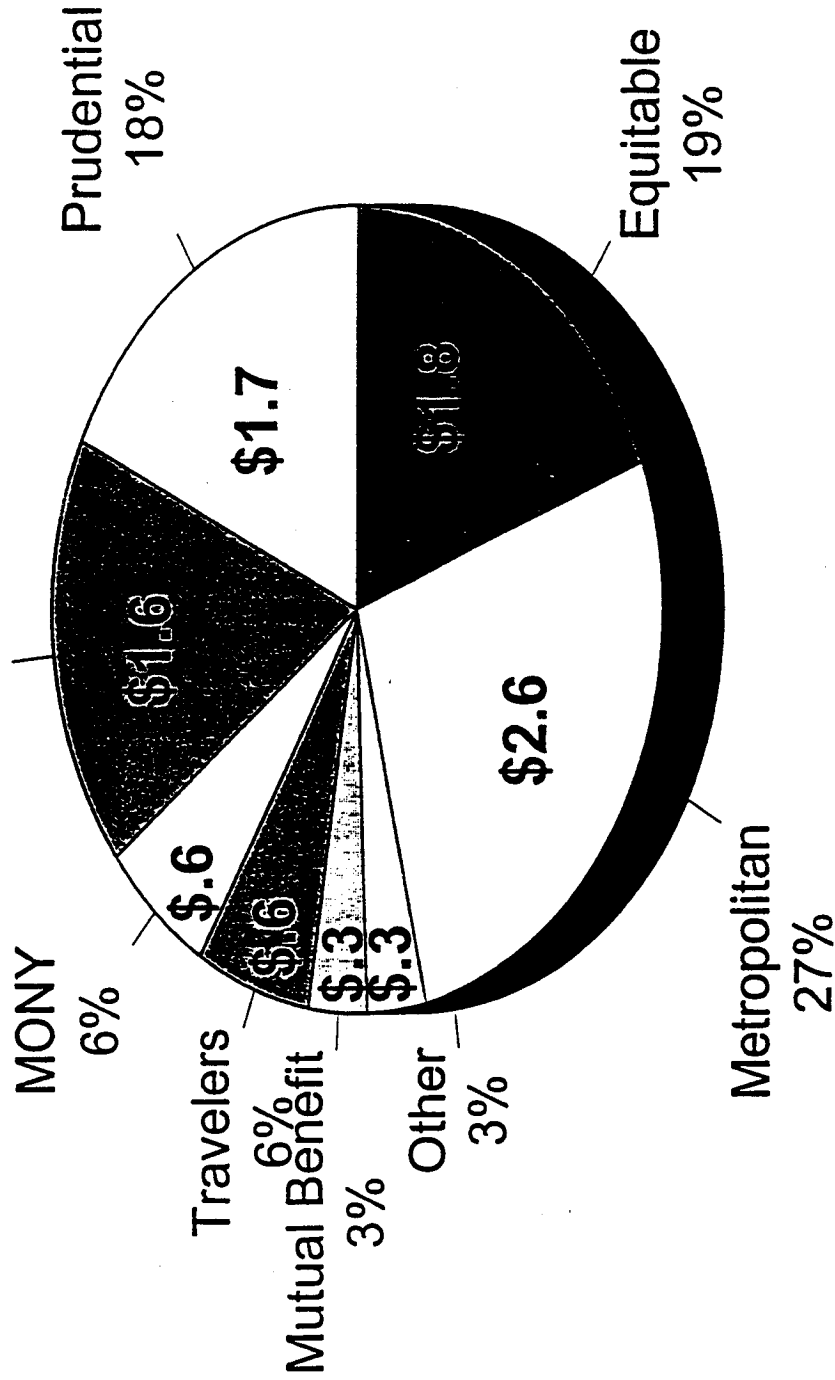
(\$ in Billions)



\$12 Billion

Life Insurance Market Share 1995

(\$ in Billions)



\$9.5 Billion

Attributes of Players Increasing Their Market Share

- ◆ Consistent Presence in the Market
- ◆ Direct Origination System
- ◆ Understand the Business

Competing on a New Playing Field: Non-traditional Lenders

William Bennett

Corporate Credit Manager, MFA Incorporated, Columbia, Missouri

**AGMO organized
February 18, 1965**

Ownership:

MFA Incorporated 94%
MFA Local Exchanges 6%

Criteria For Doing Business With AGMO

- Board President and Secretary must sign a Membership and Discounting Agreement.
- Location must purchase stock in AGMO. Stock is \$100.00 a share. One share is needed for each \$1,000.00 of loan value (10% investment).

Criteria For Doing Business With AGMO

- Location must be an affiliate of MFA Incorporated.
- Location Board of Directors must pass a resolution to do business.

Total Loc with CoBank

\$25,000,000

Total Dollar Amount of Applications Received Last Year

\$38,952,295

Largest Loan Approved

\$3,280,000

Average Size of Approved Loan

\$ 17,708

AGMO Corporation				
	No.	%	Dollar Volume	%
Acceptable	30	71	\$4,393,507	86.0
OAEM	7	17	403,105	7.9
Substandard	5	12	309,700	6.1
Doubtful	----	----	----	----
Loss	----	----	----	----
Total Loans	42	100	\$5,106,312	100