



## **PRODUCER COMPLIANCE MANUAL**

Genworth Life Insurance Company  
Genworth Life and Annuity Insurance Company, Richmond, VA  
Genworth Life Insurance Company of New York, New York, NY  
Administrative Office: Richmond, VA

Only Genworth Life Insurance Company of New York is admitted in and conducts business in New York.

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# INTRODUCTION

All employees, producers, general agents and sales and marketing management of Genworth Financial companies (Genworth) share responsibility for proper business conduct and compliance with all applicable laws and regulations. This Producer Sales Compliance Manual (“Manual”) contains compliance guidelines that outline the current compliance policies for Producers selling Genworth insurance products.

This Manual is intended to be a helpful guide and not a comprehensive summary of all the operating procedures or laws and regulations that relate to the sale of insurance. Additionally, some of the material contained within this Manual is intended to provide a general understanding about certain laws but is not intended to be legal advice. Laws and regulations may change with time and may be modified or limited by court or legislative action. As such, this Manual is periodically revised and updated by the Company as laws, regulations, and Company policies change, and will be primarily available to Producers as an on-line document available on the “Genworth Financial Pro” website (see “Financial Professionals” link at [genworth.com](http://genworth.com) or go to [Genworth.com/PRO](http://Genworth.com/PRO)). While we will make efforts to notify Producers of significant changes in laws, regulations and Company policy that affect the sale of our products, it is the Producer’s responsibility to stay apprised of applicable laws and regulations and Company communications affecting their role as a licensed agent or broker selling and/or servicing Genworth products. Contact a Genworth Compliance Department representative (see below) if you have any questions about the content of this Manual or other compliance related questions or concerns.

## Definitions for Purposes of this Manual:

“Genworth Financial,” “Genworth,” and/or the “Company” mean those Genworth Financial, Inc.’s insurance affiliates for which you may be appointed.

“Producer” means a licensed person or entity who has been appointed with the Company pursuant to state insurance law to act as an agent of the Company.

“Firm” means those entities that are contracted with Genworth to distribute its products.

“Genworth Business” means all Genworth Financial business operations related to the sale, marketing, solicitation of applications for, or servicing of products of the Company.

## Compliance Questions or Concerns – Contacts

If you have Compliance related questions or concerns please contact either of the following representatives of the Genworth Compliance Department: *All inquiries are considered confidential.*

### **Mark Grimmatt – Sales, Product & Marketing Compliance Officer**

804 662.2564

[Mark.Grimmett@genworth.com](mailto:Mark.Grimmett@genworth.com)

### **Garway Bright – Distribution and Monitoring Compliance Leader**

804 662 2573

[Garway.bright@genworth.com](mailto:Garway.bright@genworth.com)

To report complaints, please contact:

**Office of Consumer Affairs** 434-522-2009

[ConsumerAffairs@genworth.com](mailto:ConsumerAffairs@genworth.com)

For questions related to Producer or Firm licensing, appointments or training, please contact:

**Producer Services – Licensing and Appointments**

800 991.5684

[ProducerServices@genworth.com](mailto:ProducerServices@genworth.com)

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### Code of Ethical Market Conduct

Genworth is committed to promoting high ethical standards in the sale and servicing of its products and services. We expect all Producers and Genworth representatives to adhere to the following Code of Ethical Market Conduct:

- Make recommendations and present products based on an analysis of the insurable needs or financial objectives of the customer.
- Strive to provide each customer with an understanding of the nature of any recommended product and its features, and to provide honest and accurate disclosure for an informed customer purchasing decision.
- Treat each customer with respect and dignity and protect the privacy of each customer's personal information.
- Establish and maintain the trust and confidence of every customer by delivering high quality service.
- Present the Company, its products and the industry in a fair and professional manner.
- Improve professional skills through continuing education and increased knowledge of industry issues and products.
- Keep informed of and comply with applicable laws, regulations and Company requirements.
- Communicate concerns about activities or conditions that may be in violation of this code.
- Adhere, to the extent applicable, to the Genworth Code of Ethics, "Integrity First" (available under the "Values & Integrity" link in the Investors Section of [www.genworth.com](http://www.genworth.com) at <http://phx.corporate-ir.net/phoenix.zhtml?c=175970&p=irol-govconduct>

# PRODUCER LICENSING, APPOINTMENT AND TRAINING REQUIREMENTS

## Acting as a Producer

Although different state jurisdictions can define the acts of a Producer somewhat differently, all states would consider solicitation, negotiation and effectuation of insurance (including the “sale” of insurance) as activities that require a Producer to be licensed and, where required, appointed.

These activities may take the form of face-to-face contact, telephone contact, and distribution of marketing or sales collateral or direct correspondence such as e-mail, letter or fax and are generally defined as follows:

**Solicitation** – any activity that seeks or attempts to ask, persuade or urge an individual to purchase, or consider the purchase of, an insurance policy.

For example, sending marketing material to a prospect regarding an insurance product.

**Negotiating** – conferring with or offering advice to a customer, or any other action, which brings about an understanding or agreement to a transaction that is designated to settle or arrive at a resolution of the terms or features of the policy.

For example, reviewing specific policy features or benefits or asking questions provided in an application for insurance for purposes of determining coverage or eligibility.

**Effecting** – any action designed to complete, bring about, put into effect, bind, eliminate or cancel a policy.

For example, accepting payment with an application of insurance and binding the Company to Conditional Insurance.

## Licensing, Appointment and Training Requirements

A Producer must be properly licensed and appointed prior to any solicitation or sale of insurance.

For long term care insurance (“LTCI”) and Medicare supplement insurance, Producers must be licensed and appointed in both an applicant’s resident state as well as the solicitation state (if different). Policies are issued based on the applicant’s state of residence. The residence address is considered any address where the applicant has a residential relationship such as a primary or secondary home or a vacation home where the applicant lives, pays taxes, etc. A residence address is not the address where the applicant is staying temporarily while on a vacation or visiting.

For annuities and life insurance, Producers must be licensed and appointed in the state of solicitation and policy delivery. Policies are issued based on the policy delivery state.

For linked benefit products (products that combine annuities or life insurance with long term care benefits), policies must be delivered in, and are based on, the applicant’s state of residence in order to comply with both the life/annuity rules, as well as the LTCI rules.

The “solicitation state” is the state in which the applicant is physically located at the time the solicitation occurs. Note that in New York State, solicitation can only be for a New York approved product (i.e., Producers cannot sell a New Jersey product to a New Jersey applicant/resident in New York).

In addition, many states require Producers to complete either a one-time course or ongoing coursework relating to certain insurance products in order to sell them. Producers are responsible for knowing and complying with both their resident state and non-resident state training requirements, as applicable.

### **Partnership Plan Requirements**

Producers selling LTC Partnership Plans are required to meet their individual state requirements for certification prior to the marketing, selling and in some cases even discussing Partnership Plans with the public. Certification generally consists of completion of a certain number of hours of Continuing Education (“CE”) specific to Partnership Plans but requirements can vary by state. Check with your state Department of Insurance (“DOI”) or your Firm for information specific to your state.

### **License Renewals**

Producers are responsible for their state license renewal(s), and completion of continuing education and/or other requirements necessary for license renewal.

### **Appointment Renewals**

The Company generally takes responsibility for filing Producer appointment renewals with state DOIs that have renewal requirements. In those instances, the Company will generally pay for appointment renewals.

**For questions relating to licensing and appointments, contact Producer Services at 800 991.5684 or [ProducerServicesLicensingSalesSuppo.Genworth@genworth.com](mailto:ProducerServicesLicensingSalesSuppo.Genworth@genworth.com)**

# THE VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT & PROHIBITED PERSONS POLICY

The Violent Crime Control and Law Enforcement Act (“Act”) pertains to all companies in the business of insurance. As a Producer, we ask you to help ensure our compliance by reading the following information and responding appropriately.

The Act prohibits certain individuals from working within the insurance industry (“Prohibited Persons”). In this context, “working” includes getting appointed by an insurer to sell its insurance products. The Act imposes significant penalties for violations of the Act and provides insurers no discretion. Genworth and its Producers must comply with federal law. This document explains the law and the policies we have adopted to comply with the law.

The Act is extremely broad and governs the following:

- Insurers, reinsurers, third party administrators, consultants;
- Officers, directors, representatives, including Producers and other distributors of an insurer or employees of the above;
- “Insurance activities,” which include all acts necessary or incidental to the writing of insurance.

Federal law prohibits an individual from engaging in the business of insurance if the individual has been convicted of certain felonies. The Act makes it a felony for a Prohibited Person to begin to work in the business of insurance or to continue to work in the business of insurance. The Act also makes it a felony for any individual in the business of insurance to willfully permit a Prohibited Person to be engaged in the business of insurance.

The Act contains no grandfather clause. Unlike some laws that do not consider convictions more than 7 years old, the Act considers all convictions, regardless of age. Although the Act, in effect, prohibits certain felons from ever working in the insurance business, it also provides a mechanism whereby a prohibited individual may apply to the appropriate insurance commissioner for written consent to work in the business of insurance. It is important to note that the mechanism does not allow a person to work in the business of insurance while applying for relief from the prohibition.

Federal law imposes severe penalties for violations of the Act. Penalties include criminal fines and 5 years imprisonment, plus civil penalties of \$50,000 or more for each violation. In addition, failure to comply with this policy may result in immediate disciplinary action, including termination of a Producer’s appointment with Genworth.

## Responsibilities of Genworth Producers:

You should contact the Genworth Compliance Department in the following situations:

- If you have been convicted of a felony that was not previously disclosed in connection with your initial appointment with Genworth or was not subsequently disclosed to the Genworth Compliance Department. Your conviction may or may not prevent you from representing Genworth – it depends upon the facts and requires a legal analysis.
- If you are convicted of a felony in the future.
- If you are aware of any Prohibited Person performing services for any Genworth Company.

Information about an individual’s personal history, gathered in accordance with this policy, shall be confidential. Such confidential information shall not be discussed or disclosed except as reasonably required to comply with the law or this policy.

**For questions relating to this topic, contact a Compliance representative listed in the Introduction section of this manual.**

## COMPLAINT HANDLING

Genworth takes all complaints seriously. Customers expect and deserve ethical treatment. When a customer communicates a complaint, we will open an investigation and make every attempt to resolve the complaint in a timely and objective manner.

Written complaints may be initiated by the consumer/policyholder or an attorney or any other person acting on behalf of a policyholder.

We recognize a complaint as "a communication expressing a grievance or dissatisfaction with an insurance product, the sale of the product, the producer who sold the product or the service provided by the insurer." A grievance generally suggests unfair treatment or alleges inappropriate action by the Producer or Company. The following list provides some examples of potential complaint allegations:

<u>Producer</u>	<u>Company</u>
Misrepresentation	Delays in service
Lack of disclosure	Lack of disclosure
Misunderstood product	Grievances related to underwriting/rating
Product unsuitable	Grievances related to premium/rate increases
Poor service by Producer	Grievances related to Claim Denial
Forgery, Theft, Fraud	Policy Replacement/Churning
Rescission of policy	Failure to respond
Failure to respond	Poor service
Misleading/aggressive sales presentation	

Although examples are provided in these lists, reportable grievances are not limited to them. If you are unsure of whether a communication should be considered a Genworth related complaint, please consult with the Genworth Compliance Department.

### Producer Statements

If the complaint involves an allegation against the Producer, whether it is point of sale or service related, we will request a written statement from the Producer. An outline of the allegations made in the complaint will be provided to the Producer who will be asked to respond to specific questions. Producer statements must be clear, concise and factual and should not contain personal opinions regarding the complainants or suggestions on how the complaint should be resolved. The Producer Statement should include any documentation that the Producer may have maintained in the client file that could assist Genworth's Office of Consumer Affairs in their review of the allegations.

The Producer will be required to provide the written statement to the Office of Consumer Affairs **within 7 days of the date of the request unless otherwise noted**. If the Producer needs an extension of the 7-day response time, it can be requested by contacting the Office of Consumer Affairs. Failure to cooperate with an investigation or to respond to a request for a statement may result in termination of the Producer's appointment.

Producers should not:

- Indicate or imply that Genworth or any of its affiliates, will settle a complaint.
- Offer to settle a complaint themselves.
- Attempt to compensate the client in order to resolve the complaint.
- Ignore the complaint in the hope that it will "eventually go away."

For questions relating to complaint handling or to report a complaint, contact the Genworth Office of Consumer Affairs at [ConsumerAffairs@genworth.com](mailto:ConsumerAffairs@genworth.com) (phone: 434-522-2009; fax: 804-662-7858). Mailing Address: Office of Consumer Affairs, 3100 Albert Lankford Drive, Lynchburg, VA 24501).



# ADVERTISING AND SALES MATERIALS

Materials used in conjunction with selling or soliciting a Genworth product must be approved by Genworth before use, *whether or not they refer to Genworth*. Other communications, materials (including social media content), domain names and URLs that use the Genworth name, trademarks and/or brand or that refer to Genworth products must also be approved by Genworth prior to use.

Check with your Firm regarding approved pieces for use and for additional information regarding submitting advertising and sales materials to Genworth for review and approval. If you have questions or need additional assistance, please contact the Internal Sales Desk at 866 498.7151.

Genworth has created the following guidelines to provide Producers and Firms with some general principles and procedures to follow when using Genworth related names, brands, logos and/or trademarks in materials and/or written communications (including website and social media content). These guidelines address four key types of content:

- Use of the Genworth Logo on a Website
- Producer Use Only Communications/Marketing Materials
- Public Use Communications/Marketing Materials
- Use of a Lead Generation Website

## Genworth Guidelines for Use of Producer Generated Materials

These guidelines have been prepared to assist Producers with the creation of communications to other Producers and to the general public in accordance with regulatory requirements and Genworth policy. Materials indicated below that require Genworth's review and approval should be submitted to your internal wholesaler. Regulatory filing and approval may also be required, which will be handled by the Company, if applicable. If you have questions concerning these guidelines, please contact the Internal Sales Desk at 866 498.7151.

### Types of Content

#### I. Use of the Genworth Logo on a Website

##### A) When Not Using Genworth Company Ratings (i.e., A.M. Best, Standard & Poor's, Moody's, Fitch)

- Complete the Advertising/Logo Request Form (Form 129546) and sign the License Agreement for Use of Service Marks ("License Agreement") (Form 129545). Included on the form will be a request to provide the URL where the logo and related content will be presented.
- Submit form to your internal wholesaler.
- Upon submission, an e-mail containing a digital logo and guidelines for logo use will be sent to your Firm
- A compliance review will occur within 30-60 days after your Firm obtains the logo to ensure compliance with the logo guidelines and License Agreement.
  - If there are no compliance concerns after the review is complete, no further communication will occur.
  - If the compliance review finds that the logo or other Genworth related material are being used improperly, your Firm will receive a communication from the Company outlining the steps needed to properly display the logo and/or use the Genworth related materials.

##### B) When Using Genworth Company Ratings

- Follow the steps above to obtain approval for use of the Genworth logo.
- Request on the Advertising/Logo Request Form in the provided field that your Firm would like to link to Genworth's ratings webpage.
- The logo that will be sent to your Firm will include a link to post on your website directing the user to the Genworth.com webpage that lists ratings information. Because of the regulatory disclosure required when using Company ratings and the need to ensure accuracy and prompt revision in the event of changes, Genworth strongly encourages linking to its ratings webpage if Company ratings are used.

### C) When Using Genworth Company Ratings – Hard Coded on Producer Website

- If your Firm chooses to provide ratings directly on your website, complete the Advertising/Logo Request Form, sign the License Agreement and attach a screen shot of your webpage(s) where the Company ratings will be posted.
- Once submitted to Genworth, the screen shot will receive a formal compliance review and any necessary changes will be provided to your Firm.
  - Once the required changes have been incorporated into your website, an e-mail containing a digital logo and guidelines for logo use will be sent to your Firm.
- An additional compliance review will occur within 30-60 days after your Firm obtains the logo to ensure compliance with the logo guidelines and License Agreement.
  - If there are no compliance concerns after the review is complete, no further communication will occur
  - If the compliance review finds the logo or other Genworth related material are being used improperly, your Firm will receive a communication from the Company outlining steps needed to properly display the logo and/or use the Genworth related materials.

## II. "Producer Use Only" Communications

- If "Producer Use Only" content meets the following guidelines, the material **would not** require review and approval by Genworth.
  - Distributed from the Producer directly to other Producers via e-mail and the material is clearly marked "For Producer Use Only – Not to be Reproduced or Shown to the Public" (or comparable wording limiting the use of such materials to licensed Producers only).
  - The material is hosted on a "Producer Use Only" website that is behind a password protected firewall (e.g., not accessible by the general public, including access via a search engine or social media site).
  - Any communications created by you or your Firm that use the Genworth name or brand may only be used without prior review if they are created in such a manner that they do not imply or mislead readers to believe that the content was prepared by Genworth. Such communications must also not misrepresent or mischaracterize information regarding any Genworth product.
- If "Producer Use Only" content does not meet the guidelines listed above (for example, it is available on the Internet and is not behind a password protected firewall that limits access by the general public), the material **must be** submitted to Genworth for review and approval prior to use.
  - It is important to understand that regulations maintain a "reasonableness" standard regarding the distinction between "public use" and "Producer Use Only" materials.
  - The guidelines listed above meet Genworth's requirement for what constitutes "Producer Use Only" material.
  - Materials that fall outside of these guidelines would be considered "public use" and would need to be reviewed and approved by Genworth prior to use.

## III. "Public Use" Communications

Any Producer wanting to create "Public Use" materials must submit the materials to Genworth for review and approval prior to use. For these purposes, we are defining "Public Use" materials as content provided or available to the general public (including social media content) that may be used in conjunction with selling or soliciting a Genworth product and/or content that uses the Genworth name, trademarks and/or brand or that refer to Genworth products.

## IV. Lead Generation Website

- Any Firm wanting to use a lead generation website using Genworth's name, logo or trademarks must submit the website to Genworth for review and approval prior to use.
- An additional compliance review will occur within 30-60 days after your Firm obtains approval
  - If there are no compliance concerns after the review is complete, no further communication will occur
  - If the compliance review finds the lead generation site is being used improperly, your Firm will receive a communication from the Company outlining the steps needed to correct the deficiency

**For compliance related questions pertaining to advertising and sales materials, contact a Compliance representative listed in the Introduction section of this manual.**

## SUITABILITY REVIEW AND ANALYSIS

A Producer appointed with Genworth should have reasonable grounds to believe that his or her recommendation to purchase or exchange an insurance product is suitable for the consumer's insurance needs and objectives. Each consumer's circumstances should be discussed, including relevant financial information. The consumer's need for insurance products should be thoroughly reviewed, and values, benefits and costs of existing coverage and products should be considered when making recommendations.

For **fixed annuity products**, a Producer shall establish suitability on the basis of the facts disclosed by the consumer as to his or her investments and other insurance products and as to his or her financial situation and needs, including the consumer's suitability information, which consists of the following:

- (1) Age;
- (2) Annual income;
- (3) Financial situation and needs, including the financial resources used for the funding of the annuity;
- (4) Financial experience;
- (5) Financial objectives;
- (6) Intended use of the annuity;
- (7) Financial time horizon;
- (8) Existing assets, including investment and life insurance holdings;
- (9) Liquidity needs;
- (10) Liquid net worth;
- (11) Risk tolerance; and
- (12) Tax status.

More specifically, the Producer should have a reasonable basis to believe all of the following:

- (1) The consumer has been reasonably informed of various features of the annuity, such as the potential surrender period and surrender charge, potential tax penalty if the consumer sells, exchanges, surrenders or annuitizes the annuity, mortality and expense fees, investment advisory fees, potential charges for and features of riders, limitations on interest returns, insurance and investment components and market risk;
- (2) The consumer would benefit from certain features of the annuity, such as tax-deferred growth, annuitization or death or living benefit;
- (3) The particular annuity as a whole and riders and similar product enhancements, if any, are suitable (and in the case of an exchange or replacement, the transaction as a whole is suitable) for the particular consumer based on his or her suitability information; and
- (4) In the case of an exchange or replacement of an annuity, the exchange or replacement is suitable including taking into consideration whether:
  - (a) The consumer will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits (such as death, living or other contractual benefits), or be subject to increased fees, investment advisory fees or charges for riders and similar product enhancements;
  - (b) The consumer would benefit from product enhancements and improvements; and
  - (c) The consumer has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 60 months.

Further, at the time of the sale, the Producer should do the following:

- (1) Make a record of any recommendation;
- (2) Obtain a customer signed statement documenting a customer's refusal to provide suitability information, if any; and
- (3) Obtain a customer signed statement acknowledging that an annuity transaction is not recommended if a customer decides to enter into an annuity transaction that is not based on the insurance producer's recommendation.

For **fixed annuity products**, Genworth has created an Annuity Suitability Profile ("Profile"). Please note that for the Profile (Form 49655 and Form 48958FL in Florida):

- Producers and consumers must complete the Profile for each recommended annuity product.
- The Producer must submit the Profile to Genworth as part of the application process.

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- The Producer should retain a copy of the Profile as part of the Producer's files and be able to provide it to Genworth upon request.

For **LTC and Linked Benefit products**, additional LTC suitability requirements will apply. Genworth requires a LTC Suitability Personal Worksheet to be completed in all states to help ensure that a needs analysis is done and the sale is suitable.

We strongly encourage the use of fact finding and needs analysis tools to assist Producers in determining customers' needs and objectives. Check with your Firm for a list of recommended financial analysis tools and available training on needs-based selling or contact the Genworth Compliance Department if you need additional assistance.

We believe Producers should have an understanding of the products they present and should provide customers with information that is consistent with making appropriate buying decisions. Our Producers should clearly identify the product being sold and provide balanced, complete information on features, benefits, costs, limitations and contract terms.

**For questions relating to suitability review and analysis, contact a Genworth Compliance representative listed in the Introduction section of this Manual.**

# REPLACEMENTS

Before recommending a replacement, as with any other sale, Producers should consider the customer's need(s) and financial objectives. A replacement should only occur after a fair comparison of the existing and proposed policies or contracts. All Producers must comply with Genworth's policies and procedures for soliciting, completing and submitting applications as well as the replacement regulations of the state where the policy is written. You should not recommend termination of existing coverage until the new policy/contract has been delivered and the free look period has expired.

We believe that a replacement should be appropriate for the customer and meet his or her needs or financial objectives. From a customer's perspective, an appropriate replacement is also one that is justified from either an economic or personal standpoint. The provisions, features and benefits of both the current or proposed product should be considered in relation to the client's needs, circumstances and goals. Some examples of the types of provisions that should be considered are: premium rate differences; differences in suicide and incontestability provisions for individual life insurance; and pre-existing conditions, waiting periods, elimination periods, and probationary periods for health insurance policies. In addition, factors such as the age and health of the customer must be considered. Producers are expected to provide all material information that the customer needs in order to ascertain whether replacement of an existing policy or contract is appropriate.

All replacements must be in compliance with applicable regulations and Company rules. Many states require accurate written comparisons of existing and proposed contracts to be provided to the customer when proposing a replacement. Producers are expected to know and comply with these requirements.

For life insurance and annuities, a replacement is a transaction where a new policy is purchased and the Producer knows that existing coverage will be:

- Lapsed, forfeited or surrendered.
- Borrowed against to help pay for a new policy.
- Changed to reduced paid-up or extended term coverage.
- Changed in amount of coverage, values, guaranteed benefits or benefit periods.

Depending on the requirements of the state in which the application is solicited and delivered, the definition of replacements and your duties regarding replacements may also include additional transactions such as financed purchases and partial surrenders.

The following information about the replacement should be disclosed to your customer, if applicable, and may be required to be disclosed in some states:

- Any changes in premiums, cash values, surrender charges, death benefits, riders, guaranteed and non-guaranteed benefits.
- Whether new contestability and suicide provision periods will apply to the new policy. (In some states, credit is given on replacements between the same insurer and affiliate insurers).
- Whether evidence of insurability will be required on the new policy. Underwriting the new policy may result in a higher or lower premium or rate than the original policy. If possible, you should encourage the policyholder to obtain an inforce illustration for the original policy to compare with the proposed policy illustration.
- If surrender charges will be paid on the old policy or contract.

Based on regulatory requirements, the insurer must receive a completed replacement form with the application for coverage. This applies to **both** internal (an existing Genworth related policy or contract) and external replacements (a non Genworth policy or contract). Replacement forms can be found as part of the application package. For external replacements, there is an additional regulatory requirement for the insurer to notify the prior carrier of the intent to replace coverage (generally within a specified time period). Therefore the Producer is required to promptly deliver the replacement form to the Company in order for the Company to comply with regulatory requirements.

**For questions relating to replacements, contact a Genworth Compliance representative listed in the Introduction section of this manual.**

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# PROHIBITED OR UNFAIR MARKETING PRACTICES

All Producers dealing with the public should be aware of and avoid unfair trade practices when dealing with prospective and current customers.

Generally, a prohibited or unfair act or deceptive marketing practice involves a representation or omission that is likely to mislead a reasonable consumer in some material way. Whether particular conduct constitutes an unfair act or practice would depend on the particular facts and circumstances of the situation, but generally it would involve acts or practices that are dishonest and that harm consumers.

The consequences of engaging in practices that may be unfair or deceptive under federal or state law can include litigation, enforcement actions, monetary fines, and harm to the Company and Producer reputation.

The following is a list of activities considered to be prohibited or unfair and deceptive acts. It should not be considered an all-inclusive list. Other acts and practices not listed may be prohibited as well. **Engaging in any of these Practices could result in regulatory fines, disciplinary actions and/or termination of your Producer contract/appointment.** If you have any questions about any act that you believe may be a prohibited or unfair act or practice, please contact the Genworth Compliance Department.

## Misrepresentation

Misrepresentation involves communicating (or neglecting to communicate) information that may cause the customer or prospective customer to have a false understanding of the benefits, conditions, advantages or terms of the policy or contract. Some examples of misrepresentation include:

- Making guarantees about non-guaranteed policy or contract elements.
- Leading the customer or prospective customer to believe that future policy performance may be based on historical performance.
- Making incorrect statements about the financial condition of an insurer.
- Misstating the facts in order to close a sale or cause a change, replacement, conversion or surrender of an existing policy or contract.

## Defamation

Defamation is to knowingly communicate disparaging information that harms the reputation of a person or entity and may cause an individual to avoid conducting business with that person or entity. You may not knowingly make such untruthful remarks or statements regarding another Producer, Company or product while conducting business on behalf of Genworth.

## Rebating

Rebating involves offering an incentive or inducement to purchase insurance. This includes, but is not limited to, an agent providing a cash payment or gift to a purchaser as an inducement. Genworth prohibits the practice of rebating in all states (even in states where it may be allowed). Producers involved in the practice of rebating will be terminated.

## Twisting

Twisting involves making inaccurate or incomplete comparisons or misrepresentations -- knowingly or unknowingly -- to cause someone to replace an existing policy or contract.

## Churning

Churning is a form of twisting in which the policyholder surrenders, borrows, or withdraws cash values from a policy or contract to pay for a new or existing policy or contract with the same insurer. Churning may result in an increase to the Producer's compensation with no measurable advantage to the policyholder.

## Forgery

Forgery involves the unauthorized signing of an individual's name with the intent to present it as authentic. Signing another person's name, even with their permission, is strictly prohibited.

### **Altering Applications**

Making any changes to a completed application after the applicant has signed it, unless the changes are approved, and clearly initialed, by the applicant (never use “white out”).

### **Commingling of Premiums**

Commingling of client funds with the Producer’s own funds. This practice is illegal and unethical and could result in serious consequences to the Producer. Premiums can only be accepted in the form of checks payable to a Genworth entity (examples: Genworth Life Insurance Company, Genworth Life and Annuity Insurance Company or Genworth Life Insurance Company of New York) or other acceptable forms of payment described in the Anti-Money Laundering section of this Manual. A Producer should never accept cash or checks payable to them.

### **Unfair and Inaccurate Comparisons**

Making false, deceptive, or misleading statements about other insurers or their products.

### **High Pressure Sales Tactics**

Creating anxiety or using fear, force or threats to make a sale.

### **Unauthorized Use of Sales Materials**

Using advertising or sales materials not approved or that have been discontinued by the Company. Your Firm may also have additional review and approval requirements.

### **Unlicensed or Unappointed Selling**

Selling or soliciting a policy or contract without being properly licensed and/or appointed at the time of sales/solicitation.

### **Conflicts of Interest**

Putting your personal interests above your professional obligations to the client or putting yourself in a situation that may compromise your objectivity to properly serve the client and/or fulfill your contractual obligations to Genworth.

Examples of Conflicts of Interest that must be avoided include:

- Charging a fee for your service in addition to your commission.
- Acting as a trustee or holding power of attorney for a client. (Note: There may be some circumstances, such as with a close relative, where this might be appropriate. Check with your Firm’s Compliance department before proceeding.)

### **Inadequate Disclosure of Material Information**

Intentionally not providing adequate information to enable a client to make an informed purchasing decision.

### **Material Omissions or Misstatements on Application**

The intentional act of omitting or falsifying information on an application. Asking another Producer to sign as “Producer of record” when that Producer was not present and/or did not solicit or sell the business is also prohibited.

### **Misrepresenting Policy Benefits or Features**

Includes making stated or implied guarantees about the products unless the guarantees are specifically made in the policy or contract language.

### **Money Laundering**

Creating the appearance that money obtained from criminal activity, such as drug trafficking or terrorist activity, originated from a legitimate source.

### **Selling Excessive Insurance Amounts or Duplicating Existing Coverage**

**Inappropriate Replacement**

Replacing one policy or contract for another (that is not in the best interests of the customer) in order to receive a new commission.

**Referral Fees**

Paying referral fees or finder's fees to unlicensed individuals in any way that might violate state or federal regulations.

**Theft of Funds**

The wrongful, illegal act of stealing from a client or Genworth.

**Giving Legal or Tax Advice When Not Properly Credentialed**

**For questions relating to prohibited or unfair marketing practices, contact a Compliance representative listed in the Introduction section of this Manual.**



## CONTRACT DELIVERY

If your Firm has agreed to accept responsibility for delivery of the policy or contract, it is the Firm's contractual responsibility to ensure that a prompt delivery to the owner is accomplished as soon as possible upon receipt of the policy or contract by the Producer.

Failure or delay in delivering the policy or contract may extend the free look period. If it is determined that the Producer failed to act appropriately, Genworth may look to the Producer and Firm for restitution of any losses or damages resulting from the failure to deliver the policy or contract in a timely manner.

**For questions relating to contract delivery, contact a Compliance representative listed in the Introduction section of this manual.**

## ANTI-FRAUD

Genworth continues to take a strong stance against insurance fraud. Insurance fraud has an adverse impact on Producers and Firms appointed to sell our products, as well as our customers and employees. In addition, fraud can negatively affect our reputation and the reputation of the entire insurance industry. Insurance is based upon an equitable sharing of risks. Fraudulent activities increase the cost of insurance and can eliminate availability. Good business practices and regulatory requirements dictate that we identify and eliminate insurance fraud whenever possible.

We want to encourage all Producers and Firms to assist in detecting and reporting suspicious or fraudulent activity. When insurance fraud is suspected, you should report the activity directly and immediately to the Genworth Compliance Department or the Genworth Fraud Response Team at [FraudResponseTeam@genworth.com](mailto:FraudResponseTeam@genworth.com).

# ANTI-MONEY LAUNDERING

## What is Money Laundering?

Money laundering schemes are processes that disguise the existence, nature or source of drug money, or other illegally obtained funds, to make them appear legitimate.

Money laundering has increased in sophistication and scope. Instruments such as money orders, cashier's checks, travelers checks, wire transfers and currency are regularly manipulated to launder money in every financial sector. Increasingly, insurance products are being used as a mechanism for "laundering money".

The United States has enacted laws that prohibit money laundering. Under these laws, it is a crime to engage knowingly in a financial transaction of any amount involving the proceeds from a criminal activity.

- 'Knowledge' may be established by proving that the person was 'willfully blind' or 'deliberately indifferent' to the existence of the criminal activity or the source of the funds.
- Severe criminal and civil penalties may be imposed against corporations and their officers, employees, agents and customers for violating anti-money laundering statutes and currency reporting requirements.
- Financial institutions selling covered products (mainly cash-value life insurance and annuity contracts) must establish anti-money laundering programs to prevent the company's covered products from being used in money laundering or terrorist activity financing.

## AML Training Requirements

Producers that sell cash-value life insurance or annuity products must complete an AML training course at least every 2 years. Independent producers representing Genworth companies will be able to satisfy this requirement through the use of Genworth's newly developed on-line AML training that is simple, fast and free of charge.

In order to access and complete this training, a producer must follow the steps below:

1. Access the training using our website: <http://www.genworth.com/aml>
2. Complete the training prior to soliciting any cash-value life insurance or annuity products.
3. The training will then be passed to our Licensing system that same day.

If a producer is affiliated with a federally regulated entity that is already subject to the training program rule (e.g. broker dealer, bank, wirehouse, etc.), you may submit a copy of your AML training certificate through that entity to Genworth. Applications received for cash-value life insurance or annuity products submitted by producers without AML Training will be rejected.

Genworth is committed to complying fully with all applicable anti-money laundering laws throughout the world.

Genworth will conduct business only with reputable customers who are involved in legitimate business activities and whose funds are derived from reputable sources. Each Genworth Business is required to implement a "Know Your Customer" procedure and to take reasonable steps to ensure that the Company does not accept forms of payment that have been identified as a means of laundering money.

## Know Your Customer

You must ensure that all customer information on the product application and associated documentation is complete and accurate and that you have obtained sufficient information about the client in order to mitigate risks of doing business with anyone associated with money laundering or terrorist activity. The following types of information should be obtained for sales of all individual cash-value life insurance or annuity products.

- Name
- Tax Identification Number
- Individual Address (P.O. Box is acceptable if a street address is also provided)
- Date of Birth (Individual account)
- Occupation (Individual)
- For Business, mailing address of business or principal place of business
- Type of Business Organization (Business)

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- Ownership Information about the business (Business)

Information that is required to be included in the application for insurance, however, may vary by product. In addition, if you are a FINRA registered representative, your Broker/Dealer may require you to obtain, verify and document additional information in order to comply with FINRA and FinCEN regulations related to anti-money laundering.

### Payment from Customers

The following types of payments are acceptable:

- Checks from a U.S. Bank (or foreign branch of a U.S. Bank) written from an individual or corporate account payable to the appropriate Genworth issuing Company.
- Wire transfers from an approved financial institution.
- Single money orders for the amount of the premium.
- Single bank check or official check for the amount of premium.

The following types of payments should be carefully considered by the Producer to obtain reasonable assurance that they are not being used in an attempt to launder money. Such payments are always subject to Genworth's review and approval, which could cause a delay in the processing of your application and potentially a rejection of the payment.

Therefore use of these types of payments is not recommended:

- Multiple money orders
- Multiple cashier's checks
- Multiple bank checks
- Starter checks
- Unrelated third party checks
- Foreign bank check drawn on a foreign bank
- Other cash equivalents

The appropriateness of the payor of funds is also subject to review and approval. Payments may be rejected if it is determined that there is an inappropriate relationship between the payor and the applicant, or if there is no discernible relationship between the two parties.

The following types of payments will not be accepted:

- An individual producer's check for payment of a client's policy or contract
- Traveler's Checks
- Cash

### Money Laundering Red Flags

You must notify Genworth if you detect any money laundering red flags, such as:

- The purchase of a product that appears to be unusual or inconsistent with a customer's needs or that is far beyond their apparent means,
- A purchase that utilizes a suspicious source or combination of funds,
- The customer exhibiting a lack of concern regarding investment risk(if applicable),
- Little or no concern by a customer for the performance of an insurance product, but much concern about the early termination features of the product,
- Customer reluctance to provide identifying information, or the provision of information that seems fictitious ,
- A customer that is unusually curious about compliance procedures,
- Policy/Contract owner and/or insured focus on the administrative aspects of procedures (such as compliance, etc.) versus the purchase itself,
- A customer seeking to make payment with numerous money orders, cashier's and/or bank checks purchased from different financial institutions or from the same institution at different times,
- Policy/Contract owner and/or insured purchase of multiple policies/contracts where insured differs on each of the policies/contracts,
- Policy/Contract owner and/or insured with a recent substantial change in financial history, or

- Any other activity that you reasonably believe may be suspicious.

There are certain types of customers who may pose a higher risk of engaging in money laundering activities, and for whom additional due diligence is required. You or your Firm may be contacted if the issuing Company requires additional information. These types of customers include but are not limited to:

- Non-resident aliens or foreign customers,
- Customers who resist providing identifying information,
- Senior foreign political figures and their immediate family members, and
- Non-governmental organizations or charities.

**For questions relating to anti-money laundering, contact a Compliance representative listed in the Introduction section of this manual.**

## PRIVACY POLICY

Financial institutions, which include insurance companies, are regulated in the ways they can use customer information. The most commonly referred to regulations are the Gramm–Leach–Bliley Act (“GLB”), also known as the Financial Services Modernization Act, and the National Association of Insurance Commissioners (“NAIC”) Privacy Model Regulation. In addition, the Fair Credit Reporting Act (“FCRA”) applies to the use of consumer credit reporting information.

### Key provisions of these regulations require:

- that all financial institutions have policies and practices in place to protect the privacy of their customer’s “non public personal information” (“NPI”).
- that customers are provided with a statement of the financial institution’s policies and practices, commonly referred to as a “Privacy Policy,” as it relates to the collection and use of non public personal information at the start of their business relationship with the customer and once a year during the course of the relationship.
- restrictions on working with and/or sharing non public information with nonaffiliated third parties.

All Producers are required to understand and comply with Genworth’s Privacy Policy and all privacy laws, regulations and contractual obligations that protect the confidentiality of customer information. The greatest risk involving privacy laws and regulations is the sharing of non public personal information with individuals or companies contrary to Genworth’s Privacy Policy. Fines, penalties, and litigation can result from improper disclosure and use of non- public personal information.

**Genworth has established a “No Share” Privacy Policy meaning that it does not share or sell its non public personal information with non affiliated third parties for marketing purposes.** Some of the ways that Genworth may use non public information include:

- processing transactions or claims,
- determining eligibility for coverage,
- preventing fraud,
- complying with regulatory requirements,
- providing information to customers about related products and services offered by Genworth or its affiliates.

Health Insurance Portability and Accountability Act (“HIPAA”) rules also apply, however, to the sale of health related insurance products such as Long Term Care Insurance and Medicare Supplement Insurance, and generally prohibit the Producer from contacting clients who have such products in order to sell them unrelated products not covered by HIPAA. See the Health Insurance Portability and Accountability Act (“HIPAA”) section for more information.

### Privacy Policy Terms

To further understand regulatory requirements and the provisions of Genworth’s Privacy Policy, the following key terms are important to understand:

- **Consumer:** A consumer is any individual who seeks to obtain any financial product or service from a financial institution that is to be used primarily for personal, family, or household purposes. Examples of a consumer include:
  - An individual who has completed an application for insurance but has not submitted money as the application is awaiting approval.
  - An individual policyholder who has exercised the right to cancel his or her policy.
  - A client whose status is Not Taken Out (“NTO”) or who has surrendered his or her policy.
  - A client who has withdrawn his or her application.
- **Customer:** A customer is any consumer who has a “customer relationship” with the financial institution. A “customer relationship” is defined as a continuing relationship between a financial institution and a consumer for the purpose of providing a financial product or service. Examples of a Customer include:
  - An individual who has submitted an application, paid the premium, and accepted the policy.

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- **Personal Information:** Personal Information, also referred to as “non public personal information” (“NPI”), is any information provided by a consumer to a financial institution to obtain a financial product or service. This would include name, address, social security number and medical or health information, age, and occupation.

**Examples of “NPI” include:**

- Non-public personally identifiable financial information. (Note: Aggregated information that protects a consumer’s personal identity is not considered NPI).
- The fact that an individual is the customer of a particular financial institution.
- Any information a consumer provides on an application including the consumer’s name, address, social security number and/or account number.

### **Producer Responsibilities – Consumer Confidentiality**

All Producers must conduct themselves in accordance with all laws, regulations and Company policies as they relate to the use and disclosure of a Consumer’s non-public personal, financial or health information. Producer conduct includes but is not limited to the following guidelines:

- Unless allowed by the Company, not reusing or disclosing non-public, personal financial or health information for any purpose other than to provide services or products on the Company’s behalf.
- Not disclosing non-public information to other people or entities unless: 1) authorized by the client to do so; 2) allowed to do so in accordance with terms of your Producer’s contract/appointment; 3) utilizing subcontractors or vendors to assist in the performance of your Producer operational activities, subject to certain limitations. The limitations include:
  - Not performing acts otherwise prohibited by Genworth’s Privacy Policy, such as using consumer NPI or health information for marketing purposes (see the “Health Insurance Portability and Accountability Act” section of this Manual for additional information).
  - Obtaining a confidentiality agreement, prior to disclosing NPI or Company information, requiring the third party to maintain confidentiality of the NPI and restricting the third party from disclosing NPI or Company information except to perform the specified services or functions.
- Maintaining applicant and service records in their office in a safe and secure manner and out of sight of anyone not authorized to see it.
- Keeping conversations about an individual’s sensitive information to the minimum necessary to service their insurance needs.
- Reporting any suspected or known privacy breach to the Company immediately.

**For questions relating to privacy, contact a Compliance representative listed in the Introduction section of this manual.**

# HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (“HIPAA”)

## Background

The Health Insurance Portability and Accountability Act (“HIPAA”) applies to Producers who sell health insurance. In particular, the Privacy of Health Information Rule (“Privacy Rule”) within the Act protects the information of individuals who have purchased or applied for long term care insurance, Medicare Supplement insurance and/or linked benefit products that include long term care insurance benefits (“Covered Products”). Examples of “Non Covered Products” include: traditional life insurance, annuities, disability insurance and mutual funds.

Entities that the Privacy Rule applies to are referred to as “Covered Entities” which include health insurers, doctors, hospitals, nursing homes and individuals who help health insurers underwrite and service health insurance policies. Sales professionals who sell health products are considered “Business Associates” under the Privacy of Health Information Rule. The health information collected from an individual in relation to a “Covered Product” is called Protected Health Information (“PHI”) under the Privacy Rule.

Producers(Business Associates) selling “Covered Products” must also comply with the provisions of the Health Information Technology for Economic and Clinical Health Act (“HITECH”). The HITECH Act, enacted in 2009 and updated in 2013, added new privacy and data security provisions to the original HIPAA Privacy Rule. Changes resulting from HITECH include the following:

- The HIPAA privacy and security standards now apply directly to Business Associates and are now subject to the direct jurisdiction and enforcement of the Secretary of Health and Human Services.
- Potential penalties for HIPAA violations have increased substantially and may include significant fines and imprisonment.
- New notification rules for breaches involving “unsecured” PHI (information is “unsecured” if it is not “encrypted” or “destroyed” in compliance with federal regulations).
- Business Associates must enter into Business Associate Agreements with their employees, contractors and subcontractors who access PHI on their behalf. For more information, see <http://www.hhs.gov/ocr/privacy/hipaa/understanding/coveridentities/contractprov.html>

Because HITECH provides a potential “safe harbor” if there is a security breach of PHI and the information is encrypted(notification may not be required), it is strongly recommended that Producers equip their electronic devices like PC’s, laptops, netbooks, mobile devices, etc. storing, accessing, and/or transmitting PHI with encryption software.

## Protected Health Information

PHI includes information the Producer gathers as a result of obtaining an application for a health plan or handles during the servicing of the application, policy or claim. Information collected from an applicant would be considered PHI and includes all the information obtained on an application including:

- Name, address, demographics,
- Answers to health questions,
- Medical information and records,
- Any other information supplied as part of the application for insurance,
- All information relating to a claim for benefits and any other information from or about customers in the claim process,
- Virtually any information a Producer collects from an applicant or policyholder.
- HIPAA Requirements also apply to an applicant whose policy is not issued for whatever reason (declined, not taken, etc.)

## Business Associates

As producer/agent, you are a Business Associate of Genworth Life Insurance Company, Genworth Life Insurance Company of New York, and/or Genworth Life and Annuity Insurance Company.

Generally, to be in compliance with the HIPAA Security Rule, a HIPAA Business Associate must:

- Ensure confidentiality, integrity and availability of electronic protected health information created, received, maintained, and transmitted.
- Protect against “reasonably anticipated threats or hazards” to “security or integrity” of this information.
- Protect against “reasonably anticipated uses or disclosures” of personal health information that are not permitted under Privacy Rule.
- Ensure compliance by the BA’s workforce and contractors/subcontractors who access PHI on your behalf.
- You should evaluate your security risks through a “risk assessment” and then implement an appropriate program to manage these risks.

For more information, please see:

<http://www.hhs.gov/ocr/privacy/hipaa/understanding/summary/privacysummary.pdf>

<http://www.hhs.gov/ocr/privacy/hipaa/understanding/index.html>

### **Data Security and Security Breach Notification**

HIPAA requires notification to individuals and, in some circumstances, regulators and even the media, in the event of certain kinds of security breaches involving protected health information. In addition, numerous other privacy and data security laws and regulators require safeguards to protect other types of personal information and may require notification if such personal information is lost, stolen or otherwise compromised.

- Your obligation is to notify Genworth immediately of any potential security breach, so that we may determine whether there is a requirement to notify our insureds or otherwise respond.
- Please make any initial report to the Genworth Fraud and Information Security Referral Team at 1-866-381-2906 or to the Genworth Compliance Department.

### **Security Best Practices**

- Deploy data encryption software
- Use physical and technological security safeguards
- Monitor employee or contractor access to information
- Remove access to information for former employees or contractors.
- Make employees aware of security and privacy policies through ongoing employee training and communications
- Use intrusion detection technology and procedures to detect unauthorized access of personal information.
- Implement an annual review process for all security plans
- Adopt written procedures, including mitigation steps, for internal and external notification of security incidents involving unauthorized access to personal information
- Utilize appropriate disposal practices for sensitive personal information
- Minimize (or better yet, eliminate) data kept on computers and/or mobile devices related to clients’ PHI.
- Keep PHI stored in a paper or other physical locked up and limit access to only authorized personnel.

### **Producer Responsibilities – Confidentiality of Consumer Information**

Producers who sell “Covered Products” must follow certain rules when handling an individual’s Protected Health Information (PHI) received in relation to that product. These rules include:

- Protecting the security and confidentiality of your client’s PHI.
- Limiting the use of PHI to helping your client get and maintain their long term care or Medicare supplemental insurance.
- Restricting the disclosure of the information to other people or entities unless: authorized by the client to do so; allowed to do so in accordance with terms of the Producer’s contract/appointment; utilizing subcontractors or vendors to assist in the performance of your Producer operational activities, subject to certain limitations. See the Privacy Policy section for more information on the limitations.



- Maintaining applicant and service records in your office in a safe and secure manner and out of sight of anyone not authorized to see it. In addition, Producers are strongly encouraged to use encryption software on all personal computers used for Producer business. Use of encryption software improves security and may mitigate damage caused by unauthorized access of confidential information (for example, due to loss or theft of computer).

Remember, when speaking with underwriting companies and others, there will be an increased variety of authorizations required for use of information and you may be asked for additional identification.

### **Health Information Authorization Form**

Producers are required by law to use a HIPAA compliant underwriting authorization form when taking an application. The Company provides the Health Information Authorization Form (“Underwriting Authorization”) for that purpose. A copy of the Underwriting Authorization must be provided to the policyholder and submitted to the Company. Please note that doctors and providers will not provide information without it.

The Authorization describes:

- The health information to be used or disclosed
- The Underwriting Company (for example, Genworth Life Insurance Company)
- Who can disclose the health information (ex. care providers)
- The purpose of using or disclosing the health information
- Statements of Understanding:
  - The period for which the Underwriting Authorization is in effect
  - Enrollment is conditioned on signing the Underwriting Authorization
  - The right to revoke the Underwriting Authorization
  - The potential for re-disclosure

The Underwriting Authorization states “Some information obtained may be disclosed to persons or organizations that are not subject to federal health information privacy laws, resulting in the information no longer being protected under such laws.” Federal privacy law requires this statement to be included in an authorization if information is being used or disclosed to people or entities that are not “Covered Entities.”

Genworth has relationships with service providers who assist the Company in the underwriting process. For example, we may ask a service provider to perform phone or in home health assessments. Service providers that handle health information are not Covered Entities under the federal health privacy laws, but we require them, by contract, to keep our customer’s health information confidential. In addition, and by law, we may be required to disclose information to entities such as State Departments of Insurance, which regulate our activities.

The purpose of this statement in our Underwriting Authorization is to simply inform applicants that the federal health information privacy law does not technically cover these entities. None of the information used or disclosed will be given to consumer reporting agencies or any third party entity for marketing purposes.

Information received as a result of this authorization can only be used for the purpose of underwriting and determining the appropriate premium for their application for insurance. Without the applicant’s acknowledgement of this statement we cannot underwrite their application.

### **Producer Responsibilities When Marketing Under HIPAA**

For purposes of the Privacy Rule, marketing is defined as “a communication that would encourage the recipient to purchase a product or service.” Marketing “Non-Covered Products”, such as traditional life insurance and annuities, to existing Long Term Care, Medicare Supplement and Linked Benefit Insurance policyholders can be complicated under HIPAA as the Privacy Rule protects the information (name, address, etc.) of the individuals who have either applied for or own these products.

Generally, except as provided for below, a Marketing Authorization is needed to market “Non-Covered Products” to existing LTCL, Medicare Supplement and linked benefit insurance clients. The Marketing Authorization documents that the client has given the Producer permission to use their name, address and any demographic information (e.g., age) to contact them about financial services and “Non-Covered Products.” Without a Marketing Authorization on file, a Producer may not use this same information to market “Non-Covered Products” (life insurance, annuities, etc.) to that client. The Marketing Authorization is for the Producer’s protection and is evidence that the client’s information was handled appropriately if a complaint should surface.

#### **Marketing Authorization Overview**

- The Marketing Authorization is a separate signed document that the Producer gets from the client if the Producer wants to potentially market “Non-Covered” Products to the client
  - It is a separate document from the Underwriting Authorization.
  - The Producer keeps the document in his/her records. It does not need to be remitted to the Company.
  - Genworth Form 101920 is available from the Company for use as a Marketing Authorization.
- A signed Marketing Authorization will be required:
  - When contacting current clients who have “Covered Products” about “Non-Covered” (non-health related) Products.
  - When making any communication, other than face-to-face, to encourage the recipient to purchase a “Non-Covered Product.”
- A signed Marketing Authorization will not be required:
  - When making a communication about an upgrade or enhancement of the client’s existing “Covered Product.”
  - When making face-to-face communications. Phone contact is not considered to be face-to-face communication.
  - If a Producer has a prior relationship with the client through the sale of a “Non-Covered Product.”

Compliance Tip: A good Producer practice is to routinely get a Marketing Authorization from each Long Term Care or Medicare Supplement Insurance client. This will facilitate a Producer’s future marketing plans that may include “Non-Covered Products” such as life insurance or annuities.

For questions relating to HIPAA, contact a Compliance representative listed in the Introduction section of this Manual.

## CONSEQUENCES OF NON-COMPLIANCE

Non-compliance with any of the Company's policies as described in this Manual or failure to cooperate with an investigation or request for information may result in sanctions by the Company, up to and including termination of its relationship with the Producer and Firm. Information regarding the appointment and/or termination of a Producer or firm may be shared among all Genworth affiliated companies for review of existing and future appointments and may also be reported to the state insurance departments in the states in which the Producer is licensed.

The Company also reserves all rights available to it under law. Engaging in improper conduct or prohibited acts and practices may also result in additional penalties from regulatory authorities, which can be severe, including substantial fines, suspensions or revocations of licenses.

**For questions relating to any of the policies covered in this Manual, contact a Compliance representative listed in the Introduction section of this Manual.**