

States – NY

**Effective:
September 28, 2015**

**Contact: Questions?
Please contact your
Genworth LTCI Sales
Team.**

This Bulletin updates and replaces the New York In Force Rate Action Announcement Bulletin numbered 158635NY 06/15/2015 and dated June 15, 2015. It clarifies protocols regarding selecting tailored options and custom reduced benefit options (RBOs).

Summary of new information

- Policyholders who have tailored options (i.e. landing spots) available may now select an expanded array of custom RBOs at any time after receiving their premium change notification.

REMINDER: A policyholder can either accept a tailored option without other policy benefit changes or select a custom RBO. Custom RBOs include any benefit options that were available to the policyholder at the time of original policy purchase.

- We will be sending letters to those who have already elected a tailored option.
- If desired, policyholders who have already accepted a tailored option may call our NY Rate Action consumer number (888-703-4488) to receive additional quotes, reverse their tailored option selection and choose a custom RBO. Once requested, custom RBO quotes will be faxed or mailed to policyholders. Requests to reverse a tailored option and choose a custom RBO must be made within 60 days after the date of the original tailored option confirmation letter sent to the policyholder.

For ease of identifying and understanding what information has been updated, we have highlighted the revisions and additions in the attached comprehensive Bulletin.

Continued...

Genworth companies include:

Genworth Life and Annuity Insurance Company, Richmond, VA

Genworth Life Insurance Company, Richmond, VA

Genworth Life Insurance Company of New York, New York, NY

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Approvals for a rate increase in New York are indicated in the chart on the following page.

Communications Timeline

Servicing agents received a list of their impacted policyholders one week prior to the start of policyholder notifications. Policyholder notifications will continue throughout the next year. Impacted policyholders will be notified at least 60 days in advance of their billing anniversary dates.

Agent Notifications Began:	June 16, 2015
Policyholder Notifications Began:	June 23, 2015

In the notification letter, policyholders are encouraged to call our Customer Service Team at 888-703-4488. Our team will be able to answer questions and provide policyholders with information about how they may be able to reduce premiums.

Product Series	Increase Percentage for Policies with both Lifetime and Limited Benefit Periods
Pre-PCS	60% on policies with issue age of 74 or less; 0% on policies with issue age of 75 or greater
PCS I	60% on policies with issue age of 74 or less; 0% on policies with issue age of 75 or greater
PCS II	60% on policies with issue age of 74 or less; 0% on policies with issue age of 75 or greater
PCS III	60% on policies with issue age of 74 or less; 0% on policies with issue age of 75 or greater
Choice 2	60% on policies with issue age less than or equal to 64; 54% on policies with issue age 65-74; 0% on policies with issue age of 75 or greater
Choice 2.1	60% on policies with issue age less than or equal to 64 54% on policies with issue age 65-74; 0% on policies with issue age of 75 or greater

Please note: Policyholders of an issue age of 75 or greater will not receive notification of the rate increase.

Policyholder Options

We understand a premium rate increase can be difficult in some situations, and policyholders in New York have several options to avoid or reduce the premium increase. Several of these options will, however, result in decreased benefits. Each option will be outlined in the policyholder notification letter.

Policyholders will be notified at least 60 days in advance of the billing anniversary date and will have 60 days to make their decision.

The notification letter will include up to 5 Options for policyholders to consider:

Option 1: Keep the current coverage by paying the new premium

If a policyholder selects this option, no further action is required.

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Option 2: A tailored option TO AVOID THE ENTIRE RATE INCREASE based on current benefit selection

This allows the policyholder to avoid the premium increase completely by changing the benefit period and reducing the inflation protection rate. If this option is selected, the policyholder will receive benefits for a shorter period and the benefit will be less protected from inflation.

Current Benefits		Tailored Option to Avoid the Full Increase	
Benefit Period	BIO	Benefit Period	BIO
Lifetime or greater than 48 months	5% Compound	48 months	1% Compound
48 months or less	5% Compound	BP will not change	1% Compound
Lifetime or greater than 48 months	5% Simple	48 months	1% Simple
48 months or less	5% Simple	BP will not change	1% Simple
Lifetime or greater than 48 months	3% Compound	48 Months	1% Compound
48 months or less	3% Compound	BP will not change	1% Compound
Lifetime or greater than 48 months	3% Simple	48 months	1% Simple
48 months or less	3% Simple	BP will not change	1% Simple
48 months or less	No BIO	Tailored option to avoid the full rate increase is not available. Policyholder or agent may call our Customer Service Team to discuss other options.	

Please note: This option is not available for NYS Partnership policyholders since NYS Partnership requires a minimum 3½% Compound BIO.

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Option 3: A tailored option TO AVOID HALF THE RATE INCREASE based on the current benefit selection

This allows the policyholder to avoid half of the premium increase by changing the benefit period and reducing the inflation protection. If this option is selected, the policyholder will receive benefits for a shorter period and the benefit will be less protected from inflation.

Current Benefits		Tailored Option to Avoid Half the Increase	
Benefit Period	BIO	Benefit Period	BIO
Lifetime or greater than 48 months	5% Compound	48 months	3% Compound **
48 months or less	5% Compound	BP will not change	3% Compound **
Lifetime or greater than 48 months	5% Simple	48 months	3% Simple **
48 months or less	5% Simple	BP will not change	3% Simple **
Lifetime or greater than 48 months	3% Compound	48 months	BIO will not change
Lifetime or greater than 48 months	3% Simple	48 months	BIO will not change
Lifetime or greater than 48 months	No BIO	Tailored option to avoid half the rate increase is not available. Policyholder or agent may call our Customer Service Team to discuss other options.	
48 months or less	3% Compound		
48 months or less	3% Simple		
48 months or less	No BIO		

**For NYS Partnership policies the tailored option to avoid half the increase will be 3½% Compound BIO in order to comply with NYS Partnership minimum standards.

Option 3 is NOT available on policies without BIO or for policies with less than or equal to 4 year benefit period and less than or equal to 3% BIO.

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Option 4: Reduce Benefits to maintain premium at approximately the current levels

As allowed by his or her policy, a policyholder may:

- Change or drop BIO
- Reduce the benefit period
- Reduce the daily or monthly benefit
- Extend the elimination period
- Reduce the benefit maximum
- Delete a rider from the policy, where applicable

Please note: when reducing the maximum daily benefit or benefit period, the lifetime maximum will also be reduced. In addition, once benefits are decreased, they cannot be increased or changed back to the benefits that were originally selected.

If a person has previously been on claim, it may not be appropriate for this person to adjust his or her elimination period.

PLEASE NOTE: A policyholder may not elect both a tailored option AND an RBO at the same time.

Option 5: Limited Non-Forfeiture Options or Contingent Non-Forfeiture, where applicable

These options provide for a limited benefit and require no further premium payments.

Q&A for Producers

Q: If a policyholder elects a tailored option, what is the effective date of the BIO change?

A: The change to a lower BIO percentage will be applied on the policy anniversary that coincides with the rate increase effective date.

Q: Is a policyholder able to elect to keep the lifetime maximum but change to a 1% BIO?

A: No. The benefit maximum reduction and the 1% BIO are only available together as a tailored option. The 1% BIO is also not available as a stand-alone RBO option for policyholders who do not have a landing spot.

Q: How does accepting a tailored option impact a Non-Forfeiture Option?

A: Policyholders who qualify for either a contingent or the optional limited benefit will maintain their eligibility for the option initially offered to them for the period of time defined for that option (i.e. 270 days for Contingent NFO), regardless of their acceptance of a tailored option or other RBO.

Q: Will policyholders on claim be notified of the rate increase?

A: Yes. Policyholders who are on claim will be notified of the rate increase.

Q: Will policyholders with tailored options be able to reduce benefits in another way?

A: Yes, custom RBOs (as allowed by the policy) are available as an additional option to reduce benefits.

Q: Can policyholders select a custom RBO in conjunction with selecting a tailored option?

A: No. Policyholders may select a tailored option or a custom RBO. Policyholders may not select a tailored option and custom RBO at the same time. Policyholders who ultimately decide on a tailored option can make additional benefit changes, as their policy allows, 61 days or more after the rate increase effective date.

Q: Can a policyholder who has already chosen a tailored option, reverse the decision and select a custom RBO?

A: Yes. Requests to reverse a tailored option and choose a custom RBO need to be made within 60 days after the date of the *original tailored option confirmation letter* sent to the policyholder.

Note: To meet this deadline, policyholders who received the initial round of letters which began mailing on June 23, 2015, will generally have until near the end of October to reverse a tailored option and select a custom RBO if desired.

Q: If a policyholder reverses a tailored option, can he/she re-select a tailored option at a later date?

A: Tailored options are only available within 60 days after the Rate Increase Effective Date. If a policyholder reverses a tailored option, he/she cannot re-select that option or select another tailored option once that 60-day period has expired.

Additional Notes:

1. If choosing a custom RBO, policyholders can only reduce or drop their BIO percentage as allowed by their policy. Reminder: Only Choice 2.1 has both a 3% and a 5% BIO option.
2. Policyholders maintain their accrued BIO for both tailored options and custom RBOs.