

In-Force Rate Action Announcement: Missouri: PCS I, Choice1 with Stable Premium Option

May 20, 2019

Effective: 5/20/2019

States: MO

Contact: If you have any questions about these changes, please contact your Genworth LTCI Sales Team.

As part of the strategy for our long term care insurance business, we continue pursuing initiatives to improve the risk and profitability profile of our business, including premium increases on in-force policies, as needed.

Missouri has allowed the following increases.

Missouri		
Product Series	Increase for Policies with Limited Benefit Periods	Increase for Policies with Lifetime Benefit Periods
PCS I	55%	72%
Choice 1	55%	72%

This rate increase applies to non-AARP, non-partnership policies only

Communications Timeline

Servicing agents will receive a list of their impacted policyholders in this state 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* Begin: May 21, 2019
Policyholder Notifications Begin: May 28, 2019

*If we have your email address on file, you will receive an agent notification through email. If you do not receive an email, you will receive a hardcopy notification in the mail.

NOTE: Policyholders currently on claim will still receive a rate increase notification. However, if they are on waiver of premium, the rate increase will not apply until the premium is no longer waived and becomes due.

Policyholders are encouraged to call our Customer Service Team at **800 883.1127**. Our team will be able to answer questions and provide policyholders with information regarding the Stable Premium Option and other ways they may be able to reduce premiums.

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Policyholder Options

As a reminder, policyholders may have the ability to reduce their benefits in order to help maintain premium at approximate current levels. A policyholder may:

- (1) Choose to lower their current maximum daily benefit;
- (2) Adjust the benefit period, inflation option (if included with their coverage) or elimination period or
- (3) Where applicable, terminate Riders.

Based on individual policies, one of the following options may be available to policyholders up to 120 days after the Billing Anniversary Date on which the rate increase is effective:

- Optional limited benefits: The new coverage maximum will be equal to the total premiums paid on the policy, excluding waived premium, minus any benefits paid.
- Contingent nonforfeiture: The new coverage maximum will be either 30 times the Nursing Home Daily benefit or equal to the total premiums paid on the policy excluding waived premium, whichever is greater.
- Nonforfeiture Rider: If purchased with the policy; a paid-up policy according to the contract provisions, minus any benefits paid (not subject to the 120-day limitation).

In addition, with this premium increase, **eligible Choice 1 policyholders** may consider the **Stable Premium Option** to ensure no additional rate increases until at least 2028. This option includes a specific set of benefits shown in their premium increase notification. See the Stable Premium Option bulletin dated *April 9, 2018* for details.

This premium increase also includes the **Limited Benefit with Payment for Partial Policy Disposition** option as an additional choice for eligible policyholders to consider if they choose to pay nothing more. It allows the policyholder to keep benefits equal to 50% of their premiums paid (to include care coordination) and receive a payment equal to the remaining 50% of their premiums paid. Any claims paid to date are subtracted from the total premiums paid prior to calculating the remaining benefits and refund.

Please note: when reducing the maximum daily benefit or benefit period, the lifetime maximum will also be reduced.

IMPORTANT: If policyholders choose to decrease their benefits, they may change their decision in writing within 60 days of our written confirmation of the benefits reduction. Following this, they cannot increase their benefits or go back to the original benefits.

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

Reminder: The Inforce Rate Action Producer Quote Tool is accessible within individual policies on the LTC policy notification section of Genworth PRO (genworth.com/pro). In addition, an online User Guide is available on PRO to help you learn how to use the quote tool.

Quotes to include the premium increase are not available until after the policyholder's rate increase notification has been mailed. The mailing date is 61 days prior to the policyholder's rate action effective date. Once a rate increase has been added to a policy, any quotes provided prior to the policyholder's rate increase notification being mailed will not include the new increased premium.

Policyholders who have been mailed a premium increase notification letter will be able to review their letter and choose one of their coverage options online. Once selected, policyholders can electronically sign and submit their choice. Policyholders can go to genworth.com to register for or log-on to their web account to view their policy information

Find premium increase information you can share directly with your clients at genworth.com/LTCpremiums.

Policy Prefixes:

- **PCS I:** AFG, ASF, CFG, CSG, DFG, DSG, ESG, EFG, FFG, FSG, IBG, IFG, ISG, JFG, JSG, LFG, LSG, MFG, MSG, NFG, NSG, OFG, OSG, RFG, RSG, TFG
- **Choice 1:** UDG, VDG, NDG, ODG, KDG, HDG, URP