BULLETIN:

In-Force Rate Action Announcement:

Vermont: Pre-PCS, PCS I, PCS II with Stable Premium Option and Choice 1 with Stable Premium Option

February 3, 2020

Effective: 2/3/2020

States: VT

Contact: If you have any questions about these changes, please contact our Customer Service Team at 800 883.1127.

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. Vermont has allowed the following increases.

Vermont		
Product Series	**Increase for Policies with Limited Benefit Periods**	**Increase for Policies with Lifetime Benefit Periods**
Pre-PCS	69.78% phased 30.3%, 30.3% cumulative	69.78% phased 30.3%, 30.3% cumulative
PCS I	125.5% phased 31.2%, 31.2%, 31% cumulative	125.5% phased 31.2%, 31.2%, 31% cumulative
PCS II	136.68% phased 33.3%, 33.3%, 33.2% cumulative	136.68% phased 33.3%, 33.3%, 33.2% cumulative
Choice 1	113.51% phased 28.8%, 28.8%, 28.7% cumulative	113.51% phased 28.8%, 28.8%, 28.7% cumulative

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: February 4, 2020
Policyholder Notifications Begin: February 11, 2020

*If we have your email address on file, you will receive an agent notification through email stating your list of impacted policyholders is on Genworth PRO (genworth.com/pro). You will not receive a hardcopy notification in the mail. 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.

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

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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.

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*** **PCS II policyholders** may consider the **Stable Premium Option** to adjust coverage to help mitigate both the current and already planned future increases and to lock in the new premium until at least 2028. This option includes a specific set of benefits shown in their premium increase notification. See the PCS II Stable Premium Option bulletin dated *November 12, 2018* for details.

Also, with this premium increase, ***eligible*** **Choice 1 policyholders** may consider the **Stable Premium Option** to adjust coverage to help mitigate both the current and already planned future increases and to lock in the new premium 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.

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.

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

Policy Prefixes:

- **Pre-PCS:** AFG, ASG, EFG, ESG, FFG, FSG, GFG, GSG, KFG, KSG, KSN, PAN, KFN, YFN, PFN, PSN, NXN, QFN, IFN, ZFN
- **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
- **PCS II:** UCG, CFG, HFN, PFN, PSN, MFG, UCO, UCN, UCK, UWP, VCG
  (Note: Stable Premium Option will be available primarily to PCS II policies with a UCG prefix)
- **Choice 1**: UDG, VDG, NDG, ODG, KDG, HDG, URP