Genworth

BULLETIN:

Revised In-Force Rate Action Announcement:

California Partnership (CAP): Choice 1, Choice 1 Reprice AARP®, Choice 1 Unbundled AARP®

August 9, 2021

Effective: 7/19/2021

States: CA

Contact: If you have any questions about these changes, please contact our Customer Service Team at 877 710.0817.

This bulletin provides clarifying information regarding the below **California Partnership (CAP)** in-force rate actions initially communicated in a bulletin dated July 19, 2021.

Premium rate increases for CAP Choice 1, Choice 1 Reprice AARP®, and Choice 1 Unbundled AARP® were previously approved in 2015. However, Genworth recently discovered that a portion of Choice 1 policyholders did not receive the correct rate increase percentage and AARP policyholders were inadvertently omitted from the rate increase. These increases, along with the most recently approved 40% increase, will be phased in over multiple years, with no more than a 13.3% increase in any one year. Policyholders will receive an explanation in their premium increase notice.

Genworth Life Insurance Company worked with the California Department of Insurance to correct this oversight that impacts approximately 2,700 policyholders. The following rate increase schedules have been approved by the California Department of Insurance:

Product Series	Increases for Policies with Lifetime and Limited Benefit Periods
Choice 1*	**Two rate increases totaling 57.4%** phased over five years: 13.3%, 13.3%, 13.3%, 13.3%, 4.2% simple *These increases include a 12.4% rate increase, which is the remainder of a 26% increase that was approved in 2015 but was not fully implemented. These increases also include the 40% increase that was approved in 2020.*
Choice 1 Reprice AARP**	**Two rate increases totaling 56.9%** phased over six years: **Years 1-3:** 4.1%, 4%, 4% simple (12.1%) *compounded with* **Years 4-6:** 13.3%, 13.3%, 13.4% simple (40%) *These increases begin with a 12.1% rate increase that was approved in 2015 but was inadvertently not implemented, followed by the 40% increase that was approved in 2020.*
Choice 1 Unbundled AARP**	**Two rate increases totaling 81.7%** phased over six years: **Years 1-3:** 10%, 9.9%, 9.9% simple (29.8%) *compounded with* **Years 4-6:** 13.3%, 13.3%, 13.4% simple (40%) *These increases begin with a 29.8% rate increase that was approved in 2015 but was inadvertently not implemented, followed by the 40% increase that was approved in 2020.*

*** This increase applies to policies issued on or after 8/21/2006.**
**** This increase applies to AARP policies issued on or after 7/1/2002.**

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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* Began:	July 20, 2021
Policyholder Notifications Began:	July 27, 2021

*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 **877 710.0817**. Our team will be able to answer questions and provide policyholders with information about how 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, 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).

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 68 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.