

# In-Force Rate Action Announcement: New Jersey: Choice 1 with Stable Premium Option (Alabama Group Trust Certificates)

January 7, 2019

**Effective:** 1/7/2019

**States:** NJ

**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.

**Alabama has now allowed the following increase for New Jersey certificates issued under a group master policy issued to a trust in Alabama:**

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

This rate increase was filed and approved in accordance with the laws and regulations of Alabama in which these certificates were issued. The New Jersey Department of Banking and Insurance does not review rate increase requests in connection with an out of state group policy.

## 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: January 8, 2019  
Policyholder Notifications Begin: January 15, 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, 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.

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](https://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](https://genworth.com/LTCpremiums).**