



BULLETIN:

# In-Force Rate Action Announcement: North Dakota: Privileged Choice® & Classic Select® with Flexible Benefit Option and 1% Benefit Increase Option

November 14, 2022

**Effective:** 11/14/2022

**States:** ND

**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. North Dakota has allowed the following increases.

Product Series	Increase Percentage
Privileged Choice	<b>Policies with <u>greater than 1% Inflation Protection:</u></b> 103.9% phased 19.5%, 19.5%, 19.5%, 19.5% compounded
Classic Select	<b>Policies with <u>greater than 1% Inflation Protection:</u></b> 103.9% phased 19.5%, 19.5%, 19.5%, 19.5% compounded

### 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: November 15, 2022  
Policyholder Notifications Begin: November 22, 2022

\*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](http://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, they will not have to pay the increased premium 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 Flexible Benefit option, 1% Benefit Increase option and other ways they may be able to reduce premiums.

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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### 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).

With this premium increase *eligible* Privileged Choice and Classic Select policyholders may consider the **Flexible Benefit option** to adjust coverage and help mitigate both the current and planned future increases and to lock in the new premium until at least **January 1, 2030**. With this option benefits are paid on an indemnity basis which means instead of submitting receipts and getting reimbursed for covered care, we simply pay a monthly benefit determined primarily by where covered care is provided (nursing home, assisted care facility and/or home) as well as if the policyholder is eligible for benefits for only part of a month and when more than one type of benefit may apply in a month. This option includes a specific set of benefits shown in the policyholder premium increase notification.

This premium increase also includes the **1% Benefit Increase option** as an additional choice for Privileged Choice and Classic Select policyholders who currently have a benefit increase option as part of their policy. If this option is selected, policyholders will retain their increased Daily Benefit Amount (DBA). The increased DBA and Total Lifetime Benefit will increase at 1% compound going forward.

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

### Policy Prefixes:

**Privileged Choice and Classic Select: AAA, VAA, VBA, KAA, OAA, LAA, HAA, ARP, VAP, VOD, VOE**