BULLETIN:

In-Force Rate Action Announcement UPDATE: Texas: PCS I and PCS II

March 10, 2025

Effective – 03/03/25

State – TX

Contact – If you have any questions about these changes, please contact our Customer Service Team at 888-274-6124.

Alternative Included:
Lifetime Stable Premium Option for PCS II

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

Texas has allowed the following increases.

Product Series	Increase for Policies with Lifetime Benefit Periods	Increase for Policies with Limited Benefit Periods
PCS I	**12.1%**	**0%**
PCS II	Policies with no or 1% Inflation Protection: **0%** Policies with greater than 1% Inflation Protection: **77.3% phased (25%, 25%,13.5% compounded)**	Policies with no or 1% Inflation Protection: **0%** Policies with greater than 1% Inflation Protection: **56% phased (25%, 24.8% compounded)**

NOTE: Genworth has agreed it will not seek additional future premium rate increases on both PCS I and PCS II policies in the state of Texas. PCS I and PCS II policyholders will receive a Limitation On The Right To Increase Premiums Endorsement that should be kept with their policy.

Alternative Included

Eligible PCS II policyholders with policy form 7030M may consider the **Lifetime Stable Premium Option.** This option provides a guarantee that the new premium associated with the Lifetime Stable Premium Option will not increase for the life of the policy, along with a specific set of benefits shown in their Premium Increase Notice. As referenced above, Genworth has agreed it will not seek additional future premium rate increases on PCS II policies in the state of Texas. While the policy is not subject to future premium rate increases, the other benefits that make up the Lifetime Stable Premium Option and the associated premium remain valid options for consideration.

continued –

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Communications Timeline

Servicing agents will receive a list of their impacted policyholders one week prior to the start of policyholder notifications. If we have your email address on file, you will receive an agent notification through email notifying you that your list of impacted policyholders is available on Genworth PRO (genworth.com/pro). You will not receive a hardcopy notification in the mail unless we do not have your email address on file.

Agent Notifications Began:	March 4, 2025
Policyholder Notifications Begin:	March 11, 2025

Policyholder notifications will continue throughout the next year. Impacted policyholders will be notified at least 60 days in advance of their billing anniversary dates. Policyholders currently on claim will still receive a Premium Increase Notice. 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.

Policyholder Options

Policyholders may have the ability to reduce their benefits in order to help maintain premium at approximate current levels. Generally, they may:

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

Based on individual policies, if the policyholder chooses to stop paying premiums, one of the following nonforfeiture options may be available. Nonforfeiture options result in a paid-up policy that, while still providing coverage, greatly reduces the total amount of benefits available:

- Nonforfeiture Rider: A policyholder is determined to be eligible for this option if a Nonforfeiture Rider was purchased with the policy. This benefit provides coverage generally equal to the total premium paid, excluding waived premium. Lapse or cancellation at any time will be deemed an election of this benefit. If applicable, policyholders should review the Nonforfeiture Rider that was included with their policy for more detailed information.
- Contingent Nonforfeiture Benefit: A policyholder is determined to be eligible for this option when they meet a combination of issue age and size of the cumulative rate increases. This benefit provides coverage generally equal to the greater of total premium paid, excluding waived premium or 30 times the Nursing Home Daily benefit. The Contingent Nonforfeiture Benefit is only available to policyholders at the time of a premium rate increase for up to 120 days after their next Billing Anniversary Date on which this premium increase is effective.
- Optional Limited Benefit: A policyholder is determined to be eligible for the Optional Limited Benefit when neither the Nonforfeiture Rider nor Contingent Nonforfeiture Benefit is available. This benefit provides coverage generally equal to the total premiums paid on the policy, excluding waived premium, less any claims paid. The Optional Limited Benefit is only available to policyholders at the time of a premium rate increase for up to 120 days after their next Billing Anniversary Date on which this premium increase is effective.

The Coverage Options page in the Premium Increase Notice shows the current benefits and new premium. If the policyholder is comfortable with their current coverage, no further action is needed except to pay the increased premium. If the policyholder chooses to adjust 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.

Policyholders are encouraged to call our Customer Service Team at 888-274-6124. Our team will be able to answer questions and provide them with information regarding the Lifetime Stable Premium Option and other ways they may be able to reduce their premiums.

Other Considerations

- When reducing the maximum daily/monthly benefit or benefit period, the lifetime maximum will also be reduced.
- If a person has previously been on claim, it may not be appropriate for this person to adjust his or her elimination period.

Quote Availability

Quotes to include the premium rate increase are not available until after the policyholder's Premium Increase Notice has been mailed. The mailing date is approximately 68 days prior to the policyholder's rate action effective date. Once a premium rate increase has been added to a policy, any quotes provided prior to the policyholder's Premium Increase Notice being mailed will not include the new increased premium.

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).

Find premium rate 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
- **PCS II:** UCG, CFG, HFN, PFN, PSN, MFG, UCO, UCN, UCK, UWP, VCG