

Reminder: Restricted Compensation for Long Term Care Insurance

June 29, 2023

Effective – June 29, 2023

**States – AL, CA, DE, IN, KY,
MI, NC, NV, NY, PA, SD, WI**

Contact – If you have any questions, please contact your licensing representative at, 800-991-5684 or email LC@genworth.com

***Genworth may not be issuing policies in all states.**

Based on state regulations, Genworth uses the following guidelines to determine compensation on LTC issued policies in certain states*.

Not a Replacement

- DE – Compensation shall not exceed 35% of the total premium paid for the policy.
- IN – Insurer shall pay for at least 6 years an annual commission for selling or servicing the policy. The amount of commission provided in years after the first year must be determined based on the premium charged for the LTC policy during the first year.
- MI – Compensation must be level for the first 3 policy years.
- NY – First year compensation may be higher than second year, but the rate in second and subsequent years must be level and be paid for a reasonable number of renewal years.
- PA – First year compensation may not be higher than 50% of premium. Compensation in the subsequent 5 years may not be more than 10% of premium.

Replacements – Replacement Review Form Required

In the following states only (AL, IN, NC, SD, and WI) there are regulatory requirements that restrict how Genworth can pay commissions on replacements. The replacing policy must be suitable and significantly improve the position of the client(s) to pay first year compensation. Therefore, Genworth requires the Policy Replacement Review form prior to issue on external replacements.

Replacements – Other States

- CA, PA, NY, and NV – Renewal compensation rates are paid on all replacements.
- DE – First year compensation cannot exceed 25% of the total premiums paid for the policy.
- KY – First year compensation cannot exceed 200% of the renewal rate.

Note – Internal Genworth Replacements: Genworth will pay renewal compensation on internal replacements that occur after the first year of the policy.

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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