

Reducing and removing the Benefit Increase Option

Procedures to help policyholders

When policyholders consider reducing their long term care insurance premiums, they may have the ability to reduce their benefits in order to help keep their coverage in place and within their budget. These options might include lowering their current Daily Benefit Amount (DBA) and reducing their Benefit Increase Option (BIO) percentage to an available level.

Procedures effective August 21, 2017 for the following:¹

All policies issued prior to October 1, 2007

Reducing BIO – We will allow policyholders to retain their increased DBA. The new premium is calculated using original issue age, policy effective date and a new starting DBA that would have been required with the reduced BIO percentage to reach the policyholder's current increased DBA.²

The increased DBA and Total Lifetime Benefit will increase at the reduced BIO percentage going forward – see example on reverse side.

NO CHANGE – Removing BIO – We will allow policyholders to retain their current increased DBA. The new premium is calculated based on the current original DBA at issue age and policy effective date with no BIO option.

Choice[®], Privileged Choice[®] and Classic Select[®] policies issued on/after October 1, 2007

Reducing OR Removing BIO – We will allow policyholders to retain their increased DBA. The new premium is calculated using original issue age, policy effective date and a new starting DBA that would have been required with the reduced (or no) BIO percentage to reach the policyholder's current increased DBA.²

The increased DBA and Total Lifetime Benefit will increase at the reduced BIO percentage going forward – see example on reverse side.

For Privileged Choice Flex[®], Flex 2, Flex 3 and Flex 3 Enhanced

NO CHANGE – Reducing OR Removing BIO – According to the approved policy form in most states, we will recalculate the current DBA and premium, from issue age and policy effective date, using the new (or no) BIO percentage. State exceptions apply. In the future, we may re-evaluate our procedures for these products.

Long Term Care Insurance underwritten by
Genworth Life Insurance Company



Hypothetical example:
Policy with 5% Compound BIO, changing to 5% Simple BIO

Issued 14 years ago:

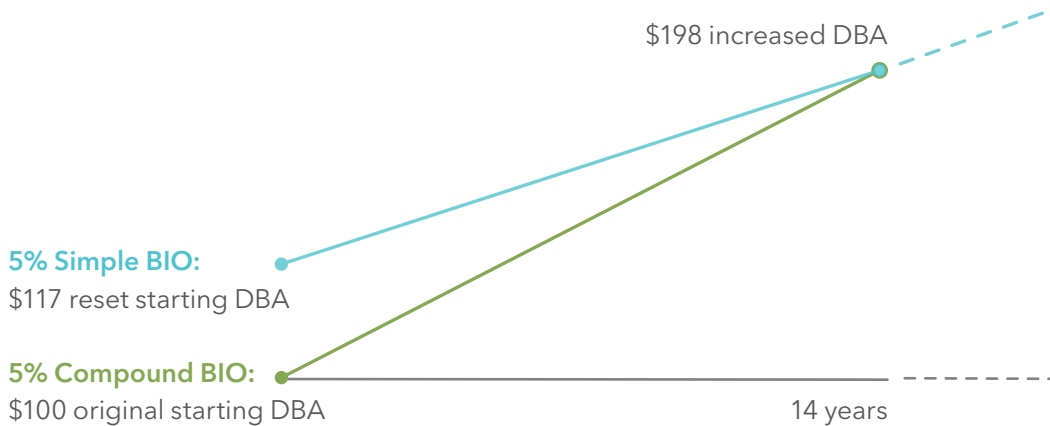
5% Compound BIO

- \$100 original starting DBA
- \$198 increased DBA
- **Annual Premium:**
\$2,534

BIO change after 14 years:

5% Simple BIO

- \$117 reset starting DBA
- \$198 increased DBA
- **New Annual Premium:**
\$2,426



- ✓ After 14 years, the BIO is changed to 5% Simple going forward
- ✓ The starting DBA is reset based on the increased DBA and 5% Simple BIO
- ✓ The new Premium is calculated using the reset starting DBA, original issue age and policy effective date



¹These procedures apply to policies issued through Genworth Life Insurance Company. Different procedures exist for policies issued through Genworth Life Insurance Company of New York.

²In some cases, particularly with longer duration policies that have a high increased DBA amount, reducing or removing BIO may result in the new premium being higher than the current premium.