



BULLETIN:

In-Force Rate Action Announcement: New **Lifetime Stable Premium Option** for PCS II and Choice 1 Policyholders

August 17, 2020

Effective: August 17, 2020

States: Where Approved

Contact: If you have any questions about these changes, please contact our Customer Service Team at 800 883.1127.

To help mitigate the impact of current and future planned premium increases, we are providing an additional coverage option for most of our PCS II and Choice 1 policyholders to consider when faced with a premium increase. Beginning on August 17, 2020, the new **Lifetime Stable Premium Option** Endorsement will be available in states where it's allowed.

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 the following specific set of benefits:*

- A three-year benefit period for individual policies and a six-year benefit period for shared policies
- Retention of any increased maximum daily/monthly benefit
- Automatic compound 1% benefit increases going forward
- The choice of:
 1. An extended Elimination Period of 180 days for facility care and 90 days for home care, or
 2. A combination of 10% coinsurance (policyholder pays 10% of covered expenses) and a 100-day facility Elimination Period

Both choices continue to offer a home care benefit

The Lifetime Stable Premium Option will be initially available in Michigan.

The Lifetime Stable Premium Option will be shown on eligible PSC II and Choice 1 policyholders' premium increase notification letters as an additional coverage option choice.

NOTE: With the election of the Lifetime Stable Premium option, the policy changes from guaranteed renewable to non-cancellable, meaning that, subject to the terms of the policy, customers have the right to continue the policy as long as they pay the required premium on time, we cannot change any terms of the policy on our own, and the new premium will never change as the result of a future premium rate increase.

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 Lifetime Stable Premium Option and other ways they may be able to reduce premiums.

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Please see the following page for additional information.

*The benefits shown here are the baseline structure. States variations may apply.

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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Lifetime Stable Premium Option additional information

1. Who is eligible for the Lifetime Stable Premium Option?

The Lifetime Stable Premium Option will only be available to eligible PCS II and Choice 1 policyholders in approved states receiving a premium increase notification on and after August 17, 2020. The Lifetime Stable Premium Option will be shown on eligible policyholders' premium increase notification letters.

2. Which PCS II and Choice 1 policyholders are not eligible for the Lifetime Stable Premium Option?

The Lifetime Stable Premium Option will not be available to:

- Policyholders currently on claim
- Policyholders who have less than a year left in their total benefit amount
- Limited pay policies
- Policyholders in states where the Lifetime Stable Premium Option is not available

3. Can policyholders who currently have a two-year benefit period elect the Lifetime Stable Premium Option?

Yes. We will allow policyholders who currently have a two-year benefit period to elect this option, even though they will be increasing their benefits.

4. Can policyholders who do not currently have a Benefit Increase Option (BIO) elect the Lifetime Stable Premium Option?

Yes. The BIO percentage for everyone that elects the Lifetime Stable Premium Option will be 1% compound, which is a new option for Choice 1. It is only available as part of the Stable Premium Option. We will be allowing policyholders to increase their benefit (from no BIO) if they elect this option.

5. Will the Lifetime Stable Premium Option cost more or less than current premiums?

Based on current policy benefits, selecting the Lifetime Stable Premium Option may increase premium for some policyholders and decrease premium for others.

6. Is a policyholder able to change benefits in the future if they elect the Lifetime Stable Premium Option?

Once a policyholder elects the Lifetime Stable Premium Option, the only opportunity in the future to further reduce benefits is to change their current daily/monthly benefit amount to an available level, or drop any applicable riders.

7. Can a policyholder change their mind after selecting the Lifetime Stable Premium Option?

Policyholders have the standard 60 days from the date we confirm their benefit change to change their mind once they have made their election.

8. Can producers quote the Lifetime Stable Premium Option?

No. Producers will not be able to quote the Lifetime Stable Premium Option. The initial quote will be provided on the policyholder's premium increase notification. Additional quotes can be obtained by calling our Customer Service Team at 800-883-1127.