



BULLETIN:

In-Force Rate Action Announcement: Texas: Choice 1 with Stable Premium Option

June 21, 2021

Effective – 06/21/2021

States – TX

Contact – If you have any questions about these changes, please contact our Customer Service Team at 800.880.3977.

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.

Texas has allowed the following increases.

Texas		
Product Series	Increase for Policies with Limited Benefit Periods	Increase for Policies with Lifetime Benefit Periods
Choice 1	38% phased 20%, 15% compounded	50% phased 25%, 20% compounded

Special Settlement Options Resulting from the *Skochin* Class Action Lawsuit

As part of the letter communicating their approved premium rate increase, Choice 1 policyholders who are Class Members in the settlement of *Skochin v. Genworth Life Insurance Company, et al.*, No. 3:19-CV-49-REP, will receive special settlement options available to them. Most of the *Skochin* special settlement options will provide a cash damages payment. The notification letter also will contain specific disclosures about Genworth's plans for future rate increases and its financial condition as part of the *Skochin* settlement's requirements.

Additional Policyholder Options

Choice 1 policyholders, including but not limited to *Skochin* Class Members, may also be eligible for additional reduced benefit options. These additional options will not include the opportunity for a cash damages payment.

For example, eligible Choice 1 policyholders may consider the Stable Premium Option to adjust coverage to help mitigate both the current and already planned future increases and to lock in the new premium until at least 2028. This option includes a specific set of benefits shown in their premium increase notification. Please see the Stable Premium Option bulletin dated April 9, 2018 for details.

continued –

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.

FOR PRODUCER/AGENT USE ONLY. NOT TO BE REPRODUCED OR SHOWN TO THE PUBLIC.

©2021 Genworth Financial, Inc. All rights reserved.

673301 06/14/21

Policyholders who are not part of the *Skochin* settlement Class will still be subject to the approved premium rate increase and will receive a notification prior to their billing anniversary date, without the special settlement options.

As with any premium rate increase, policyholders are not required to select any of the options (including those offered as part of the *Skochin* settlement) and can keep their coverage as is by paying the new increased premium. Additionally, there may be other ways for policyholders to adjust their benefits and minimize their required premiums. Policyholders can call our Customer Service Team at 800 880.3977 to obtain quotes for other benefit reduction options.

Note that electing a *Skochin* special settlement offer is not reversible. Policyholders should be advised to carefully consider their options relative to their long term care insurance benefits. Benefit changes made that do not involve a *Skochin* special settlement offer can be reversed within 60 days.

Policyholders are encouraged to call our Customer Service Team at **800 880.3977**. Our team will be able to answer questions and provide policyholders with information on available options.

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:	June 21, 2021
Policyholder Notifications Begin:	June 28, 2021

*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). 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.

Additional Information

Policyholders currently on claim will still receive a rate increase notification, including the *Skochin* special election offers, if available. However, if they are on waiver of premium, the rate increase will not apply until the premium is no longer waived and becomes due.

When reducing the maximum daily 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 their elimination period.

Inforce Rate Action Producer Quote Tool

This quote tool is accessible within individual policies on the LTC policy notification section of Genworth PRO (genworth.com/pro). In addition, an online User Guide is available on PRO to help you learn how to use the quote tool. Please note, the *Skochin* special settlement options cannot be quoted using 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 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.

Policy Prefixes:

Choice 1: UDG