

Genworth Life Insurance Company (GLIC)

Maine Public Forum FAQs

How do I find out what form number and what filing applies to my policy?

Requests vary by policy form and benefits. Your policy form number is located on the first page of your policy in the lower left corner. Instructions for accessing the individual filings are provided in the Bureau's FAQs. Each current pending filing is listed below:

Form Number	Insurance Product Name	SERFF Number
7000, 7020	PCS I	GEFA-134261116
7030, 7031, 7032	PCS II	GEFA-134261084
7035	Choice I	GEFA-134261126
7044 Rev (issued on or after 10/1/2004)	Choice 2 & 2.1 – AARP – RS	GEFA-134261149
7042, 7044 (issued before 10/1/2004)	Choice 2 & 2.1 – nAARP – LR	GEFA-134261155
7042, 7044, 7042 Rev, 7044 Rev (issued on or after 10/1/2004)	Choice 2 & 2.1 – nAARP – RS	GEFA-134261149
7052	Flex 1	GEFA-134261146
7046, 7050, 7053	AARP Association Group	GEFA-134298052

Why is GLIC requesting these increases?

Since these policy forms were priced, claim information, which informs our assumptions, has increased significantly for GLIC. We have seen that claims continue to cost more and occur with higher frequency than originally anticipated.

Why are some requests higher than others?

Our actual and projected experience justifies higher rate increases for policies with the richest benefit features, including the unlimited benefit periods (common on our older policy series) and the compound benefit increase option (common on our newer policy series). As a result, GLIC requests higher increases on these richer policies to align to the projected experience.

Why are newer blocks getting increases?

As claims experience has emerged across our entire book of LTC business, that experience has been used to inform our assumptions and the projected experience for all blocks, including our newer blocks.

What are the benefit reduction or paid-up options?

We are mindful of the difficulty that some of our policyholders might face in paying a higher premium. As such, we offer policyholders several available options to adjust their coverage to meet their needs. Should the Maine Bureau of Insurance approve a rate increase, many of the choices available will be explained in the premium increase notice that is mailed to each impacted policyholder prior to the implementation of the premium rate increase. Generally, policyholders may be able to adjust their premium by choosing one of several options to change their benefits, including, for example, reducing the policy's Daily/Monthly and/or Maximum Benefits Amounts, increasing the Elimination Period, or changing the policy's Benefit Inflation Option. In addition, policyholders may be able to elect a paid-up option, which would provide them with a paid-up policy with reduced benefits and no further premiums will be due.

What if I choose not to pay any more premiums going forward?

All policyholders who elect to stop paying future premiums when faced with a rate increase may be able to maintain some level of coverage through a paid-up policy. Paid-up policies may be available through a Non-forfeiture rider that could have been purchased when the policy was first issued, a Contingent Non-forfeiture Benefit Option (if qualified based on issue age and cumulative increase), or the Optional Limited Benefit (OLB) that GLIC makes available. With these options, if the policyholder becomes claim eligible, GLIC will reimburse eligible expenses, up to the amount of premium paid (for OLB, the benefit is reduced by any claims previously paid; if claims exceed premiums paid, eligibility for OLB will have been exhausted). In addition, policyholders continue to have access to the care coordination services available through their policy.

What is the Stable Premium Option?

Most PCS II and Choice I policyholders are eligible to elect our Stable Premium Option. This option offers a reduced, but still meaningful, set of benefits along with the stability of a premium rate guarantee. As approved in prior filings, the option had a rate guarantee until 2028. However, as part of these pending filings, this option has been enhanced to include a lifetime rate guarantee that means premium rates will not increase for the remaining life of the policy. This option is subject to the Bureau's approval.

What is the Flexible Benefit Option?

Choice II policyholders have the option to elect our Flexible Benefit Option. This option is designed to have a reduced, but still meaningful, set of benefits providing flexibility in how benefits are used with a simplified claims process no longer requiring receipts for reimbursement. Once claim eligible, benefits can be used for care, including by a family member or friend, for equipment, transportation or whatever is needed. GLIC has included an enhanced version with a premium rate guarantee until 2030 in the current filings for the Bureau's review.

What is the 1% Compound Benefit Increase Option?

For Choice II and Flex I policyholders, GLIC is also including in this filing a 1% Compound Benefit Increase Option that policyholders who already have a benefit increase option can select to reduce benefits to help mitigate a rate increase. Policyholders who elect this option may retain their higher, accumulated daily or monthly maximums, with 1% compound increases going forward.

Can I receive back all the premiums I paid?

No, your premium payments will not be returned to you. The policy under which you have coverage is a contract, which would have required GLIC to pay policy benefits if a covered event had occurred and you had received covered services. Even if you have not yet received benefit payments under your policy, you have had valuable long term care insurance coverage in place for the entire period that your policy has been in force, and you continue to do so. Had your circumstances made you eligible for benefits, you would have received them, up to your policy's maximums, in accordance with its terms. As the premiums you have paid for your Policy already have been earned for the coverage provided, no refund of earned premium is due or payable. We also note that long term care insurance policies do not accumulate cash value.

You may, however, opt for a reduced paid-up policy, which would enable you to pay no additional premium, and you would receive a paid-up benefit equal to all premiums you have paid, though this amount may be reduced by past claims. This paid-up benefit would be available to you to cover eligible long term care expenses you may incur.

How will rate increases be implemented?

Premium increases related to our current filings discussed during the Public Forum have not yet gone into effect. No changes will be made to your current premium until the Maine Bureau of Insurance (1) completes its review, (2) approves a rate increase, and (3) closes the applicable rate filing.

If the Bureau grants a rate increase, your premium rates will not change until your next billing anniversary. This date varies by individual policyholder. You will receive a notification letter from Genworth, ahead of your billing anniversary date, to communicate the amount of any increase approved and to explain the options available to you. If your billing anniversary occurs before a premium rate increase is granted, your premium will not reflect the increased premium rate until the following year's billing anniversary, at the earliest.

Executive Compensation

Several policyholders cited the compensation of Genworth's CEO and other executives in commenting on GLIC's long term care insurance rate action filings.

Our LTC business faces many challenges—and our goal is to attract and retain the best leaders to help us address those challenges. The compensation of our leadership, including our CEO, is performance-based and competitive with the marketplace/peer companies. Performance goals are aligned with the long-term objectives of the overall company, which includes preserving our claims-paying ability for LTC policyholders. Beyond their work to enable the payment of more than \$31 billion in benefits to our LTC policyholders over time, the Executive team is also measured against progress toward other strategic priorities, including creating value through our mortgage insurance subsidiary, Enact; maintaining our self-sustaining, customer-centric legacy insurance companies; and driving future growth through CareScout.

Statements Related to Investor Materials

Some policyholders quoted statements made during recent Genworth investor calls that characterized as positive the financial performance of the LTC business. We've consistently acknowledged to investors the long-term challenges facing our LTC business and the need for rate increases on our in-force blocks. In our quarterly financial accounting for LTC, we report the short-term results achieved in executing our plans to seek justified rate increases. Positive financial performance in our LTC business as a result of rate actions inures solely to the benefit of our policyholders, helping to advance our long-term goal of maintaining our claims-paying ability.

Genworth has lost billions of dollars on our LTC business. Losses will continue to grow without actuarially justified rate increases to account for the claims we expect to pay. This is why we are so focused on obtaining actuarially justified rate increases, which will support Genworth's ability to pay future claims.

As we have publicly informed shareholders and investors, we do not anticipate GLIC will pay future dividends to its parent company. Therefore, our rate actions go directly to support the claims-paying ability and prudent management of the company

Do rate increases benefit shareholders?

All proceeds from approved LTC premium increases will remain in GLIC and be used for the sole purpose of paying LTC claims. None of the benefits from approved LTC premium increases will ever be paid to Genworth Financial, its shareholders or other stakeholders, other than GLIC policyholders. These blocks of business are being managed solely for the benefit of policyholders.

What is the credit rating for Genworth Financial and GLIC?

In August 2024, AM Best upgraded the ratings of our holding companies (including Genworth Financial) and affirmed the ratings of our life companies (including GLIC). The long-term issuer credit ratings on our holding companies were upgraded from "b+" to "bb-", citing recent positive operating results from the operating companies. GLIC's long-term issuer credit and financial strength ratings were affirmed at "b+" and C++", respectively.