

TEMPLATE

## IMPORTANT SETTLEMENT INFORMATION

You could get a cash payment up to \$[X.XX] and reduce or eliminate your premiums by adjusting your policy's coverage offered below.

To elect a Special Election Option, your response is required by [], 202[.]. No response is required if you wish to maintain your policy as is.

Dear[Name],

Your long term care insurance policy is part of the class action settlement in *Haney et al. v. Genworth Life Insurance Company et al.*, Case No. 3:22-CV-00055-REP pending in the United States District Court for the Eastern District of Virginia. This letter includes information about your rights under the settlement. It is not a rate increase notice.

### <if inforce with NFO >

[You have previously elected a paid-up option that required no further premium payments. As part of this settlement, you can elect a cash payment of \$1,000, and retain your current paid-up benefit. Nothing about your current coverage will change if you elect to receive the payment.]

### <if in Fully Paid-Up Status>

[Your policy is fully paid-up and requires no further premium payments. As part of this settlement, we are making options available to you that allow you to reduce your current level of benefits in return for a damages payment. **Please keep in mind that you are not required to choose any of these options to reduce your benefits, and you may keep your policy as is and not be required to make any further premium payments.** Before making an election or deciding to keep your policy as is, we strongly encourage you to discuss the settlement options and the valuable coverage offered by your fully paid-up policy with your financial advisor, family members, or a member of our Customer Service Team by calling [800 883.1127].]

### <if inforce, NOT with NFO>

[As a result of the settlement, we are making special settlement options available for you to reduce or eliminate future premiums in return for adjusting your policy's benefits, while still providing meaningful coverage. Most options also provide for a one-time cash payment to you. You are not required to choose any of these options, and you may instead keep your policy as is. Before making an election or deciding to keep your policy as is, we strongly encourage you to discuss the settlement options and the valuable coverage offered by your policy with your financial advisor, family members, or a member of our Customer Service Team by calling [800 883.1127].]

### <if additional increases planned>

[As you evaluate these choices, please be aware that as of [mm/dd/yyyy], we plan to seek cumulative rate increases of (1) approximately [%] on policies with lifetime benefits and an Inflation Benefit (other than 1% compound), (2) approximately [%] on policies with lifetime benefits and 1% compound or no Inflation Benefit, (3) approximately [%] on policies with limited benefits and an Inflation Benefit (other than 1% compound), and (4) approximately [%] on policies with limited benefits and 1% compound or no Inflation Benefit in the State where your policy was issued. <Policies in a category for which no increases are planned but are planned in other categories> [We do not have immediate plans to seek premium rate increases on Your policy, though future increases are possible.] [Any future premium rate increase will be subject to approval by the State in which the [policy] was issued and, if approved,

may be approved for less than the amount requested by Genworth. If you decide to keep your existing coverage, or if you decide to select a settlement option that requires you to continue paying premium, your policy will be subject to premium rate increases in the future. Please also review the important disclosures provided as part of the settlement about our premium rate increase plans and our reasons for seeking such increases later in this letter.]

**<if no additional increases planned or SPO or FBO>**

[As you evaluate these choices, please be aware that we do not have immediate plans to seek premium rate increases on your [policy] and policies like yours <if SPO> [that have a Stable Premium Option] <if FBO> [that have a Flexible Benefit Option] in the State where your [policy] was issued, although future premium rate increases are possible <if SPO or FBO> [after the expiration of your premium rate guarantee period]. Any future premium rate increase will be subject to approval by the State in which the policy was issued and, if approved, may be approved for less than the amount requested by Genworth. If you decide to keep your existing coverage or if you decide to select a settlement option that requires you to continue paying premium, your policy may be subject to premium rate increases in the future.]

**<if Class Member has not already been notified of a new approved scheduled rate increase and one is pending and/or if a previous increase is being phased>**

[In addition to the future rate increase plans, you should also consider that a new XX% premium rate increase is scheduled to take effect on your policy on XX/XX/XXXX [and will be phased in over X years].] [You should note that future rate increase plans are in addition to any previous increase that has already taken effect and is currently being phased in over a number of years for your policy.]

**<if a paid-up option available>**

[Any future premium rate increases would not be applicable if you choose a settlement option with a reduced paid-up benefit (Option 1 [or [Option 2]]).]

Your options are outlined below and are only available to you in this settlement. These options are separate and different from any reduced benefit options that may be available in connection with a premium rate increase. As you evaluate these options, you should consider if your circumstances have changed since you purchased your policy and review the Important Information about Your Settlement Options included with this letter.

**<representative template options to be shown, if available>**

**<for Class Members with Class Policies that are not in Non-Forfeiture or Fully Paid-up Status>  
[Options 1 and 2:**

Pay no more premiums and receive a reduced paid-up benefit amount, which would be available for future claim payments. **Option 1** provides a lower *basic* paid-up benefit (consisting of 100% of your paid-in premiums less \$10,000 and less any claims payments made to you to date), **plus a one-time cash payment of \$10,000**. **Option 2** includes an *enhanced* paid-up benefit equal to 1.5 times the difference between the total amount of premiums you have paid and the amount of claims payments made to you, if any. For details on these paid-up benefits, see the Important Information about your Settlement Options included with this letter. If you choose either of these paid-up benefit options, you will not be subject to any future premium payments or rate increases.]

**Options [3, 4 and 5]:**

**<For Class Members who have not previously elected a SPO or FBO, have BIO, and whose benefits are above the level of benefits in the following defined options >**

These options provide for a **one-time \$6,000 cash payment** to you. They may also provide for reduced premiums in return for certain reductions to your policy's current benefits. Although your premiums and benefits will be reduced under these options, your new reduced premiums would still be subject to future rate increases.

**[Option [3]** provides a change in your policy that removes your inflation benefit and reduces your [Daily][Monthly] Benefit Amount ("[D][M]BA") to your original ("[D][M]BA (i.e., the "[D][M]BA that you had prior to any BIO increases)<sup>1</sup> for a reduced annual premium, **plus** a cash payment of \$6,000. **Option [4]** provides a change to your policy that reduces your BIO benefit to 1% compound inflation and recalculates your ("[D][M]BA by applying 1% compound inflation to your original benefit amount,<sup>2</sup> **plus** a cash payment of \$6,000. **Option [5]** provides a change to your policy that removes BIO, retains your current ("[D][M]BA, and reduces your existing benefit to [three (3) years] <if shared policy> [four (4) years], **plus** a cash payment of \$6,000.]

**<For Class Members who have not previously elected a SPO or FBO, do not have BIO, and whose level of benefits are above the level of benefits in following defined option>**

**[Option 3** provides a change to your policy that retains your current [Daily][Monthly] Benefit Amount and reduces your existing benefit to [three (3) years] <if shared policy> [four (4) years], **plus** a cash payment of \$6,000.]

**<For Class Members who previously elected a SPO and/or Class Members whose level benefits are below the level of benefits in the defined options, except for Class Members with FBO Policies>**

**[Option 3** will provide a reduction of your [Daily][Monthly] Benefit Amount by 25%, <if SPO> [allow you to maintain your Stable Premium Option status], **plus** a cash payment of \$1,000.]

**<For Class Members in Fully Paid-Up Status>**

**[Option 1** provides a *basic* paid-up benefit equivalent to 100% of your premiums paid to date, less \$10,000 and less any claims payments made to you to date, if any, **plus a one-time cash payment of \$10,000**. For details on this paid-up benefit, see the Important Information about your Settlement Options included with this letter. If you choose this option, you will remain in paid-up status and not be subject to any future premium payments or rate increases.

**Option 2** provides a change to your policy that reduces your existing benefit period to <for Class Members with limited benefit period policies> [the next lowest benefit option available] <for Class Members with unlimited benefit period policies> [a six (6) year benefit period] and reduces your current [D][M]BA (after any benefit inflation) by 25%, **plus** a cash payment of \$6,000.]

If you wish to choose one of the special settlement options you **MUST** sign and return by mail (postmarked by the return deadline), fax, or email the completed enclosed form indicating your choice by: [MONTH DAY, YEAR]. Once you send us a signed request to select a settlement option, you cannot reverse your selection. If you want to keep your policy as is, you need not do anything. Please note that if we don't hear from you by

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<sup>1</sup> If you have made changes to your policy that resulted in a recalculated original Daily Benefit Amount, the recalculated original Daily Benefit Amount will be used in connection with this Special Election Option.

<sup>2</sup> If you have made changes to your policy that resulted in a recalculated original Daily Benefit Amount, the recalculated original Daily Benefit Amount will be used in connection with this Special Election Option.

[MONTH DAY, YEAR], your policy will stay the same and you will no longer be entitled to these special settlement options, including those that result in a payment to you.

The chart below shows how each of these options compares to your current premiums and benefits.\* For additional definitions of terms in the chart, please see the included Important Information about Your Settlement Options.

	Your Current Benefits	Option 1 Basic Reduced Paid-Up Benefit Plus Cash Payment	Option 2 Enhanced Reduced Paid-Up Benefit	Option 3 Remove Inflation Benefit & Revert to Original [Daily][Monthly] Benefit Amount, Plus Cash Payment	Option 4 Reduce Inflation Benefit to 1% Compound Inflation & Recalculates [Daily][Monthly] Benefit Amount, Plus Cash Payment	Option 5 Remove Inflation Benefit & Reduce Benefit Period, Plus Cash Payment
Cash Payment	N/A	\$10,000	None	\$6,000	\$6,000	\$6,000
[Daily][Monthly] Benefit Amount**	[\$295.21]	[\$295.21]	[\$295.21]	[\$164.38]	[\$185.23]	[\$295.21]
Inflation Benefit	[Compound [5]%	None	None	None	Compound 1%	None
Elimination Period	[0] Days Home Care or [90] Days Facility Care	[0] Days Home Care or [90] Days Facility Care	[0] Days Home Care or [90] Days Facility Care	[0] Days Home Care or [90] Days Facility Care	[0] Days Home Care or [90] Days Facility Care	[0] Days Home Care or [90] Days Facility Care
Benefit** Period	[6] years	[N/A]	[N/A]	[6] years	[6] years	[3] years
Total Lifetime Benefit	[\$646,510]	[\$29,422] [****]	[\$59,133] [****]	[\$359,992][***]	[\$405,654][***]	[\$323,255][****]
[Annual Premium]	[\$3,607.44]	Pay no further premiums.	Pay no further premiums.	[\$1,825.37]	[\$1,960.71]	[\$2,458.72]

\*Benefits, premiums and payment amounts in this chart are subject to confirmation and may change based on changes you make to your policy, including, for example, your receipt of any claim payments, your payment of any additional premium, or changes you make to your benefits. For more details, see the Important Information about your Settlement Options included with this letter.

\*\*Applicable to facility care benefits. Other benefits may also be subject to and/or based on the [Daily][Monthly] Benefit Amount.

\*\*\*This is the amount available to you for future claim payments. It is the Total Lifetime Benefit less past claims paid under the policy.

\*\*\*\*We will refund any premiums you have paid on your Class Policy that correspond to the time period after your new reduced paid-up benefit becomes effective, if any. Such refunded premium will not be used to calculate your new reduced paid-up benefit, and, as a result, your actual reduced paid-up benefit may be less than the reduced paid-up benefit amount stated above.

[Reducing benefits is an important decision that affects the amount of benefits available to you to pay for future

care. This is particularly true with respect to the Paid-Up Benefit Options, which may significantly reduce available benefits.]

Settlement options are only available to you if your policy is still in force or in non-forfeiture status at the time your election is postmarked for mailing or sent to us by fax or email. If your policy lapses but is still in the period during which your policy can be automatically reinstated by paying any past-due premium, you will need to reinstate your policy by paying the past-due premium before you may select one of these options.

**We encourage you to discuss the options with your financial advisor, family members, or a member of our Customer Service Team by calling [800.883.1127].**

## IMPORTANT SETTLEMENT INFORMATION

### [Genworth Life Insurance Company's ("GLIC's")] [Genworth Life Insurance Company of New York's ("GLICNY's")] Plans for Significant Additional Future Rate Increases

As part of the *Haney* class action settlement, we are providing additional information on our current plans to seek future rate increases on your policy and policies like yours to assist you in evaluating which of the elections best meets your needs going forward. **We plan to seek rate increases in most States over the next few years, and [we plan to seek cumulative rate increases of: (1) approximately [%] on policies with lifetime benefits and an Inflation Benefit (other than 1% compound), (2) approximately [%] on policies with lifetime benefits and 1% compound or no Inflation Benefit, (3) approximately [%] on policies with limited benefits and an Inflation Benefit (other than 1% compound), and (4) approximately [%] on policies with limited benefits and 1% compound or no Inflation Benefit in the State where your policy was issued.] <Policies in a category for which no increases are planned but are planned in other categories> [We do not have immediate plans to seek premium rate increases on Your policy, though future increases are possible.].** *or* [While we do not have immediate plans to seek rate increases on your policy and policies like yours [that previously elected a [Stable Premium Option] [Flexible Benefit Option]] in the State where your policy was issued, future premium increases are possible [after the expiration of your premium rate guarantee period.] Future rate increases are important to our ability to pay future claims. The inability to obtain future rate increases may impair our ability to do so.

As explained further below, it is possible the actual rate increases we seek will be larger or more numerous than currently planned. As you review your election options, you should know that [A.M. Best, a global credit rating agency focused on evaluating the claims paying ability of insurance companies currently rates [GLIC's] [GLICNY's] financial strength as C++, indicating A.M. Best's view that GLIC[NY] has a "marginal ability to meet [its] ongoing insurance obligations."]

These planned rate increases will only take effect as permitted by applicable State insurance regulators. Based on our experience, we expect that most States will continue to grant some portion or all of the requested rate increases. However, some States may not grant all or a portion of a requested rate increase and some cap the allowable annual increase on policies issued in their States. In States that do not grant the full increases requested, our current plan is to continue to file for rate increases, which may exceed the full amount of our original request. [Again, these rate increases will not affect your policy as your policy is fully paid-up and no more premiums are due.]

<if future rate increases planned> [Importantly, if either the performance of policies and/or economic conditions differ from our projections, our requested rate increases may be higher or lower than our current plans or we may also seek additional future rate increases which are not contemplated in our current plans.]

Sincerely,



Genworth Life  
Genworth Life of New York  
Administrative Office:  
3100 Albert Lankford Drive  
Lynchburg, VA 24501

## Important Information about Your Settlement Options

from Genworth Life Insurance Company and  
Genworth Life Insurance Company of New York

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### Definitions

These are summary definitions of terms used in the accompanying *Haney* class action settlement letter, the Coverage Options Form, and this important information document. Please see your policy for complete definitions and details.

<b>Cash Payment</b>	The payment you will receive as a result of selecting a special Settlement Option that provides for a cash payment. The payment arises from the class action settlement and is not a policy benefit.
<b>[Annual] Premium</b>	This is the amount you must pay [every year], [twice a year], [each quarter], or [each month] in a timely manner to keep your policy in effect. If you select a settlement option with reduced premiums, your new premium will generally take effect as of the beginning of the next policy month after we receive your signed selection. Each policy month generally begins on the same day of the month as your policy anniversary date. Any future rate increases will be based on your new reduced premium amount. <if Policy is in a Fully Paid-up or Non-forfeiture Status> [Since your policy is paid-up [under a non-forfeiture benefit], premiums are not required and future increases will not apply to your policy.]
<b>[Daily][Monthly]Benefit Amount [(DBA)][(MBA)]</b>	The [daily][monthly] limit on the combined total for all benefit payments subject to the [Daily][Monthly] Benefit Amount. [It is called the "Daily Maximum" or "Daily Payment Maximum" in the policy.][It is called the "Monthly Maximum" in the policy.]
<b>Inflation Benefit</b>	A benefit that increases your policy's benefits each year as shown in your policy. In the policy, it is called a "Benefit Increases" provision.
<b>Insured Person</b>	The policyholder named in the policy schedule, and another insured person, if any, who is also named in the policy schedule.
<b>Elimination Period</b>	This is generally the number of days for which each Insured Person must incur expenses that qualify for payments under [policy] benefits subject to the Elimination Period, before we will commence paying benefits. [ See your [policy] for complete details on the Elimination Period.]
<b>Benefit Period</b>	This is generally the minimum period of years your policy will provide coverage. While the Benefit Period is not a policy definition, it is used to determine your policy's Total Lifetime Benefit.
<b>Total Lifetime Benefit</b>	The combined total amount we will pay as benefits under this policy. It is called the "Lifetime Maximum" or "Lifetime Payment Maximum" in the policy.

### Benefit values are approximate

Benefit values presented in the accompanying letter and Coverage Options Form are approximate due to rounding and certain timing considerations. If you select one of the settlement options, you will receive a written confirmation from us showing your new benefit values. Covered benefits payable at the time of a claim will be calculated in accordance with your policy.

### Considerations related to adjusting your coverage

All of the settlement options available to you may not be of equal value.

<If Partnership State> [If you have a Partnership policy, reducing your coverage may affect your Partnership Status. For example, it may result in a change in your asset protection type and may reduce your overall protection.] <Where applicable >[We understand that electing any of the available settlement options will result in the loss of Partnership status[.]], except for the settlement option that includes a reduction of your Inflation Benefit to 1% compound, which we understand will to continue to qualify for Partnership Status.] You can contact your Partnership Plan for additional information.

Benefits are payable only when you meet the terms and conditions for receiving benefits under your policy.

If you remove an Inflation Benefit from your policy, your [Daily][Monthly] Benefit Amount and Total Lifetime Benefit will not increase.

Your Benefit Period is the period of time that is used to calculate the Total Lifetime Benefit. Your coverage is based on this Total Lifetime Benefit, not a certain period of time. If your



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[Daily][Monthly] Benefit Amount and/or the Benefit Period are reduced, the Total Lifetime Benefit payable under your policy will automatically be reduced because the policy maximum is a function of the [Daily][Monthly] Benefit Amount and the Benefit Period. In addition, other benefit amounts may be reduced.

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### **Adjustment to premium**

If you select a settlement option that eliminates an Inflation Benefit or otherwise reduces your coverage, for all options other than a reduced paid-up benefit option, your new premium will be determined as follows: Your new premium will be the same as what it would have been (at the time your settlement option becomes effective and including all premium increases) if your policy had included the reduced benefits since it first took effect. This premium is subject to change in accordance with the terms of your policy.

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### **Premium payments by automatic withdrawal/third-party account/online banking**

If you are using automatic withdrawals, the new required premium will be automatically deducted from your bank checking account. If you are using a third-party account, or online banking to pay your premiums, please be sure to make the proper adjustments and arrangements for paying the new required premium amount.

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### **Total Lifetime Benefit is reduced by benefit payments**

Any benefits paid or payable are deducted from the reduced Total Lifetime Benefit. This means the combined maximum policy benefits available for all insureds under the policy will be the new Total Lifetime Benefit less claims paid under the policy. Therefore, if you have previously been on claim, carefully consider whether reducing your benefits is appropriate for your circumstances. [(Note that the new Total Lifetime Benefit for any reduced paid-up option will already reflect the reduction of past claims.)]

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### **<if in premium paying status> Selecting a Paid-up Benefit**

If you select a settlement option with a reduced paid-up benefit, your Total Lifetime Benefit will be reduced, any Inflation Benefit provision will be removed from your policy, and you will no longer have to pay policy premiums. Both the enhanced and basic reduced paid-up benefit options are types of Nonforfeiture Benefits, and will be treated as such under the terms of your policy or policies.

For the settlement option that includes the enhanced reduced paid-up benefit, and no cash payout, the new Total Lifetime Benefit will equal 150% of the difference between the sum of all premiums paid under the policy (excluding any waived premium), and the amount of all benefits paid or payable under the policy for expenses incurred prior to the date the settlement option takes effect. The total paid-up benefit available under this option shall not exceed the Class Member's actual lifetime benefit at the time the election is processed.

[For the settlement option that includes the basic reduced paid-up benefit, as well as a cash payout, the new Total Lifetime Benefit will equal 100% of the sum of all premiums paid under the policy (excluding any waived premium) minus \$10,000.00, minus the amount of all benefits paid or payable under the policy for expenses incurred prior to the date the settlement option takes effect]. The total paid-up benefit amount available under this option is capped at the Class Member's current actual lifetime benefit at the time the election is processed less the Class Member's damages payment under this option. This option will include a \$10,000 cash payment.

Continuation of the policy under the enhanced reduced paid-up benefit [or the basic reduced paid-up benefit] is subject to the following conditions: (a) the policy will be continued under a paid-up status (with no further premium becoming due), subject to all of the terms and conditions of the policy; (b) except as stated below, and subject to the reduced Total Lifetime Benefit, the policy will have the same benefits, Elimination Period, and other policy limits in effect on the date the settlement option takes effect, (c) any Inflation Benefit that was in effect under the policy will no longer apply, which means Daily/Monthly Benefit Amounts and the new Total Lifetime Benefit will not increase, (d) any survivorship benefit, restoration of benefits, or return of premium benefit will no longer apply to the policy and (e) coverage will end and the policy will terminate when the total benefits paid under the policy after the settlement option takes effect equals the Total Lifetime Benefit for the reduced paid-up benefit as of the date the settlement option takes effect.

**Please note: selecting a reduced paid-up benefit will reduce the policy benefits available to you.**

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### **<if in Fully Paid-Up Status> Selecting a Basic Reduced Paid-up Benefit**

**If you select a settlement option with a paid-up benefit, your Total Lifetime Benefit will be reduced and any Inflation Benefit provision will be removed from your policy. The reduced paid-up benefit option is a type of Nonforfeiture Benefit, and will be treated as such under the terms of your policy or policies. . If you select a settlement option with a reduced paid-up benefit, other Nonforfeiture Benefits or similar benefits in your policy will no longer be available to you.**

**The new Total Lifetime Benefit** will equal 100% of the sum of all premiums paid under the policy (excluding any waived premium) minus \$10,000.00, minus the amount of all benefits paid or payable under the policy for expenses incurred prior to the date the settlement option takes effect The total paid-up benefit amount available under this option is capped at the Class Member's current actual lifetime benefit at the time the election is processed less the Class Member's damages payment under this option. This option will include a \$10,000 cash payment.

Continuation of the policy under the basic reduced paid-up benefit is subject to the following conditions: (a) the policy will be continued under a paid-up status (with no further premium becoming due), subject to all of the terms and conditions of the policy; (b) except as stated below, and subject to the reduced Total Lifetime Benefit, the policy will have the same benefits, Elimination Period, and other policy limits in effect on the date the settlement option takes effect, (c) any Inflation Benefit that was in effect under the policy will no longer apply, which means



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Daily/Monthly Benefit Amounts and the new Total Lifetime Benefit will not increase, (d) because the policy will be in a Nonforfeiture Benefit status, any survivorship benefits, restoration of benefits, or return of premium benefit provisions that were a part of your policy will no longer apply to the policy, and (e) coverage will end and the policy will terminate when the total benefits paid under the policy after the settlement option takes effect equals the Total Lifetime Benefit for the reduced paid-up benefit as of the date the settlement option takes effect.

### **Selections of a special settlement option cannot be reversed**

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**Once you send us a signed request to select a settlement option, you cannot reverse your selection.** This means we will process any premium and/or benefit reductions for the settlement option and you will not be able to revert back to the premium and benefits you had before your selection. For policies that insure both the policyowner and another Insured Person, the selection of a settlement option cannot be reversed once both the policyowner and other Insured Person send us a signed request to select the settlement option. Because a settlement option cannot be reversed once selected, please carefully consider whether it is right for you before you send us your selection.

### **Taxes**

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Your policy, including any reduced benefits associated with the selection of a settlement option, is intended to be a federally tax qualified long term care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.

It is your responsibility to assess any potential tax consequences of selecting a settlement option, including, for example, whether any cash payment you receive is taxable. Please consult with your tax advisors. Genworth cannot provide tax advice.

### **Unearned Premium**

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We will refund any premiums you have paid on your Class Policy that corresponds to the time period after your new reduced paid-up benefit becomes effective, if any. Such refunded premium will not be used to calculate your new reduced paid-up benefit, and, as a result, your actual reduced paid-up benefit may be less than the reduced paid-up benefits in your Special Election Letter.

### **For more information**

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If you have questions for us about the settlement options available to you, you may call our Genworth Customer Service Team at [800-883-1127].

For information about the cost of long term care in your area, and to see how those costs may change in the future, visit our 20[###] Cost of Care Survey at [].