

Genworth Life Insurance Company
Dec 27, 2018

SERFF #s: GEFA-131601679, GEFA-131601709, GEFA-131601681, and GEFA-131601710

Policy forms affected:

- The Pre-PCS block includes forms 6484, 50000, 50001, 50003N, 50003P, 60394, 60407, 50020, 50021, 50022, 60491, 60494, 7021, 62100D, and 62100R.
- The PCS block includes forms 7000 and 7020.
- The PCS II block includes forms 7030 and 7032.
- The PCS III block includes form 7035 (this is sometimes called the Choice I block).

Genworth is requesting larger increases on policies with lifetime benefits and smaller increases on policies with limited benefits. Genworth is requesting 82% on Pre-PCS policies with lifetime benefits and 24% on policies with limited benefits. Genworth is requesting 49% on PCS policies with lifetime benefits and 45% on policies with limited benefits. Genworth is requesting 43% on PCS II policies with lifetime benefits and 29% on policies with limited benefits. Genworth is requesting 43% on PCS III policies with lifetime benefits and 29% on policies with limited benefits.

The Pre-PCS block has 2,939 PA policyholders, the PCS block has 2,475 PA policyholders, the PCS II block has 5,602 PA policyholders, and the PCS III block has 13,450 PA policyholders. In total, 24,466 policies are affected in Pennsylvania.

- Genworth requested an average increase of 57.7% on the Pre-PCS block. The Department approved no increase on policies from the Pre-PCS block.
- Genworth requested an average increase of 46.9% on the PCS block. The Department approved an average increase of 5.8% on PCS policies. The actual range of increase approved was from 0% to 20%.
- Genworth requested an average increase of 34.2% on the PCS II block. The Department approved an average increase of 3.9% on PCS II policies. The actual range of increase approved was from 0% to 20%.
- Genworth requested an average increase of 34.8% on the PCS III block. The Department approved an average increase of 16.8% on PCS III policies. The actual range of increase approved was from 0% to 20%.

Effective date of rate change: Renewals on and after 12/27/2018.

The current policies in place are not generating sufficient premium to pay future claims to policyholders. This is a common problem for a number of insurers nationwide because policyholders are keeping their policies longer than expected and are living longer than projected. As a result, policyholders are using more benefits on average than the company anticipated when the policies were originally sold. This means the company has to pay out more for benefits than it originally projected.

In making this decision, the Department considered the projected loss ratio for each block of policy forms, that is, the projected total amount of benefits paid out versus the total amount of premium collected, the reasonableness of the assumptions the company used in its projections, and the company's financial situation. The Department also considered the financial impact this rate increase would pose to consumers, the past rate increases policyholders have faced, and the availability of options to limit the rate increase by reducing benefits.

Although the rate increase is significant, the company is offering ways for policyholders to limit the rate increase by reducing benefits. The company will let you know your options when they contact you directly about this premium increase.



Long-Term Care Insurance Rate Decision
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This Rate Filing Decision Summary is a tool to help explain the rate filing and does not describe all the factors considered as part of the Department's rate review.