

Genworth Life Insurance Company
April 26, 2016

SERFF #s: GEFA-130373045, GEFA-130373076, GEFA-130373044, and GEFA-130373053

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.

Effective date of rate change: Renewals on and after 4/26/2016.

Genworth is requesting different rate increases on each of the four blocks of policies. They are requesting larger increases on policies with lifetime benefits and smaller increases on policies with limited benefits. Genworth is requesting 83% on Pre-PCS policies with lifetime benefits and 33% on policies with limited benefits. Genworth is requesting 103% on PCS policies with lifetime benefits and 67% on policies with limited benefits. Genworth is requesting 130% on PCS II policies with lifetime benefits and 111% on policies with limited benefits. Genworth is requesting 78% on PCS III policies with lifetime benefits and 60% on policies with limited benefits.

The Pre-PCS block has 4,018 PA policyholders, the PCS block has 3,090 PA policyholders, the PCS II block has 6,316 PA policyholders, and the PCS III block has 14,127 PA policyholders. In total, 27,551 policies are affected in Pennsylvania.

The Department approved a 30% increase for all policies with lifetime benefits and 15% for all policies with limited benefits.

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 either completely avoid or limit the rate increase by reducing benefits. The company will let you know your options when they contact you directly about this premium increase.

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.