

**Long Term Care Insurance Rate Request Summary  
Part 2 –To Be Completed By Bureau of Insurance**

**Company Name and NAIC Number:** Genworth Life Insurance Company 70025

**SERFF Tracking Number:** GEFA-129136848

**Disposition:** Approve

**Approval Date:** 12/22/2016

**Revised Rates**

**Average Annual Premium Per Member:** \$2,736

**Average Requested Percentage Rate Change Per Member:** 29%

**Minimum Requested Percentage Rate Change Per Member:** 29%

**Maximum Requested Percentage Rate Change Per Member:** 29%

**Number of Policy Holders Affected:** 18719

Summary of the Bureau of Insurance's review of the rate request:

Genworth Life Insurance Company (the Company) submitted a rate increase for 12.8%, which it later revised to 50.1%. This was later revised to 29% based on the Bureau's analysis which indicated that is the maximum amount actuarially justified under current regulations.

This is an individual, closed block of business issued between May 2003 and November 2012. The increase applies only to post stability policies issued on or after October 1, 2003 and is subject to the requirements of 14VAC5-200-153. This is the first rate increase requested for this form and impacts approximately 18,719 policies that were issued on or after October 1, 2003 in Virginia.

The primary driver of the rate increase is to enhance premium adequacy as expected loss ratios would not be sustainable under current premiums. With no future rate increase and best estimate assumptions in regards to future premium and claim costs, the Company projected a lifetime loss ratio of 70% which exceeds the original 64.3% loss ratio. It also indicated that the original margins for moderately adverse experience have been exhausted.

The Bureau's review, using actuarially accepted and justified assumptions, indicated that a 29% rate increase is justified under Virginia law and regulation, while is consistent with the 68.1% original pricing loss ratio, serves to reestablish the margins in the product but not increase the Company's original expected profit margin, and is consistent with the goals of 14VAC5-200-153.

***This document is intended to help explain the rate filing and it is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.***

The Company is offering all policyholders options to reduce the premium increase by reducing their coverage. These reductions could be in the form of lower daily benefits, a shorter benefit period, a longer elimination period, the termination of riders or any combination of these reductions.

The filing can be reviewed on the Bureau's webpage under the [Rate/Policy Form Search](#) at: <http://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>.

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