



BULLETIN:

## Genworth to Enhance Privileged Choice<sup>®</sup> Flex 3 for In-Force Policyholders

genworth.com

June 22, 2015

### Effective: 07/20/15

**States:** AK, AL, AR, CO, GA, IA, ID, IL, KS, KY, LA, ME, MI, MS, MO, MN, NC, NE, NM, NV, OR, PA, OH, OK, RI, SC, TN, TX, UT, VA, WA, WI, WV and WY

**Contact:** If you have any questions about these changes, please contact your Genworth representative.

On July 20, 2015, Genworth Life Insurance Company will enhance Privileged Choice<sup>®</sup> Flex 3 (Flex 3) in 35 states. We will transition in-force Flex 3 policies to the enhanced product.

Policyholders will be notified via a letter outlining specific changes to their policies. The following describes this process and what you and your clients can expect.

### Process Overview

The transition process will begin approximately three weeks after the launch and will be done in phases every other week until all of the in-force Flex 3 policies have been updated.

Policyholders are not required to take action; however, they will have the option to make changes. If the Policyholder returns a signed Benefit Election form requesting changes, the request will be processed and the policyholder will receive a letter of confirmation along with applicable rider and/or endorsement page(s).

Producers with pending Flex 3 applications at the time of this launch will have the option of either submitting a new Coverage Selection form for the enhanced benefits or let the policy be issued as submitted. If issued as submitted, the policyholder will be converted as described in the process above.

### Producer Communication

Producers with clients that have Flex 3 policies will receive the following documents prior to the transition:

- Report of clients receiving the Flex 3 enhancements
- Sample of Policyholder Letter
- Rider and Endorsement Pages
- Benefit Election Form
- Beneficiary Designation Form for Return of Premium

Producers will receive a copy of their clients' letters for reference.

*continued*

Genworth companies include:

**Genworth Life and Annuity Insurance Company**, Richmond, VA

**Genworth Life Insurance Company**, Richmond, VA

**Genworth Life Insurance Company of New York**, New York, NY

Only Genworth Life Insurance Company of New York is admitted in and conducts business in New York.

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## **Policyholder Communication**

A letter with applicable forms will be sent to current Flex 3 policyholders with specific information about the changes we made to their policies. Current policyholders will not have to do anything to keep the changes. They will have options to make additional changes if they choose. To make changes, they will complete and return a Benefit Election form within 60 days of the date on their letter. Any benefits adjusted during this process will assume the policy's original effective date.

Each letter will let policyholders know about the premium reduction, the addition of the Increase Coverage Option and variations applicable to their policy. The variable messages are described below.

- **Shared Benefit** – If the policyholder and their Spouse/Partner have shared benefits, there is a message that the couple needs to make the same choices to maintain their shared benefits.
- **Refund of Premium Up to Age 65** – If the policyholder is age 65 or older, they will not receive information about the Refund of Premium as it will no longer be an applicable benefit.
- **Couple's Discount** – If the policyholder applied as an individual and indicated that they were married or in a legal partnership in their paperwork, they will receive a 15% discount off of their individual rate.

**There are two options policyholders can select.**

**Informal Care** – Policyholders have the option to enhance their policy by adding the new Informal Care benefit for Homemaker and Chore Care.

**Waiver of Premium** – Policyholders have the option to remove the Waiver of Premium from their policy. The removal of this benefit would result in a premium reduction.

**If Flex 3 policyholders elect to change their benefits, there will not be an impact on agent commissions already paid. Commission paid in the future will reflect any updates in premiums.**

## **Transition Timeline**

Please carefully review the transition timeline and rules below. **No exceptions will be available.**

The transition of in-force policies will begin three weeks after the enhanced Flex 3 product launches. Policies will be grouped and processed in waves every other week until the transition of all in-force policies is complete.

Prior to the transition start, letters will be sent to producers that includes a report of their clients with in-force Flex 3 policies and samples of the transition materials.

Process for each wave:

- In-force Flex 3 policyholders will receive a letter about the changes to their policy. If the policyholder wants to make additional changes, they can do so within 60 days of the date of this letter. Any change made within 60 days of the date of the letter will be effective on the policy's original effective date.
- Producers will receive a copy of their clients' letters.
- A 30 day reminder letter will be sent to the in-force policyholders.
- The last day policyholders can make changes to their policies is 60 days after the date of their initial letter.

This process will repeat for each wave and continue until complete.

**For additional information on the Flex 3 transition process, access [Privileged Choice® Flex 3 Transition Q&A](#).**

**For details on the Flex 3 enhancements, access [Privileged Choice® Flex 3 Enhancement Launch in 35 States bulletin](#).**