Genworth Life Insurance Company
Address: 11011 W. Broad St, Glen Allen, VA 23060
Company NAIC No: 70025

Actuarial Memorandum
July 2024

Policy Form 7046MD

1. Scope of this Filing

This filing applies to employer groups of the referenced policy forms issued in your state. These forms are also referred to by Genworth Life Insurance Company (GLIC) as “Employer Group 7046” and are no longer being sold.

Genworth North America, an insurance holding company which includes GLIC among its affiliated insurers, sponsors a long-term care benefit for all employees, most of whom were written under these policy forms and are included in this rate increase.

This filing does not apply to coverages issued under policy form 7046 to members of affinity associations, which were sold through individual licensed insurance agents.

For all the certificates issued in your state to which the current filing applies, refer to the Supplement for state and nationwide information on issue dates, number of in-force lives, total and average premium, average issue and attained age, distributions and history of prior approved rate increases.

2. Purpose of this Filing

This actuarial memorandum has been prepared to request and support the approval of a premium rate increase in your state.

We demonstrate that the requested premium rate increase satisfies the minimum requirements and all applicable regulations in your state. This actuarial memorandum may not be suitable for other purposes.

In this filing, GLIC is requesting a premium rate increase of 51.5%, applicable to the base rates and associated riders of all in-force policies referenced in Section 1 of this actuarial memorandum. The requested rate increase reflects updated assumptions and experience, and any remainder of the rate increase not approved in prior filings if applicable to your state.

Please note that approvals less than the requested amount will ultimately increase the cumulative rate increase need on this block, due to the delay in full approval.

GLIC does recognize the limitations prescribed in regulation COMAR 31.14.01.04(5) and is prepared to implement a phased rate increase of 15% for 3 years and 7.6% in the last year.

Certificate holders with transfer certificates (see Section 9.2) were given a transfer credit that was proportional to their statutory reserves under the previous employer group plan. Premiums for transfer certificates were calculated at the individual’s attained age at the time of the transfer and then the transfer credit was applied. The requested rate increase will only apply to the original premium and the transfer credit will remain the same.

3. Justification of the Premium Rate Increase

GLIC actively monitors the impact of its experience on the projections and lifetime loss ratios. GLIC has observed that emerging experience continues to unfold unfavorably, and assumptions have been adjusted to that effect. Emerging experience had continued to deteriorate, but several of the groups had contractual rate guarantees for ten years or less, which were considered; a rate increase request is being filed after these rate guarantees have expired. Actual historical experience combined with revised best estimate assumptions have resulted in Lifetime Loss Ratios (LLR) with margin for MAE significantly greater than what was anticipated at pricing. Two key drivers of the increased LLRs have been increased claim costs and lower than expected healthy life terminations. These have impacted both historical experience and assumption development of future expectations. More detailed information is presented in Section 8 of this actuarial memorandum.

If experience emerges as currently expected, timely implementation of the requested premium rate increase may lessen the need for future premium rate increases. However, if rate increases are delayed, less future premium capacity will remain in these blocks to absorb the rate increase. As a result, a higher percentage future premium rate increase would need to be applied to fewer policyholders in order to protect claims paying ability. It is our intent to act in a timely manner, work diligently with regulators to obtain approval for the requested rate increase, and seek to avoid more significant premium rate increases when the average policyholder's attained age is higher.

Since your state has not approved the prior requested rate increase in full, demonstration that the margin for MAE included in the prior filing has been exceeded is not applicable to this filing.

4. Marketing Method and Underwriting Description

Group policies were established with employer policyholders, by GLIC, either directly with the employer and/or through a benefit administrator or employee benefit broker. Eligible individuals under the auspices of the employer's benefit plan enrolled directly with GLIC, primarily through an enrollment website, and were issued a certificate of coverage. This form was initially marketed to employers in 2005, but no new employer policies have been placed since 2015. New employees of employer group plans issued prior to 2015, could enroll in many of these plans through December of 2016, and some certificates were not issued until 2017. Employees were issued certificates on a guaranteed issue or modified guaranteed issue basis.

Other eligible individuals, such as employee spouses/partners, parents, adult children and retirees (as defined by the group policyholder) primarily enrolled with full medical underwriting. The underwriting process for these individuals included an assessment of functional and cognitive abilities at issue ages considered to be appropriate. Various underwriting tools were used, in accordance with our underwriting requirements, including an application, medical records, an attending physician's statement, paramedical exam, telephone interview and/or face-to-face assessment.

5. Description of Benefits

This plan is a Guaranteed Renewable, tax-qualified group long-term care insurance policy. This is a comprehensive product with benefits payable on a daily or monthly basis. These forms require an insured to meet benefit eligibility requirements that are triggered by Activities of Daily Living (ADL) deficiencies or severe cognitive impairment. This plan was offered to employers with both contributory (voluntary) and non-contributory (core) premium options. The range of available daily or monthly benefits, benefit periods, and elimination period and certain benefits and riders were determined by the employer, and the plan design was detailed in the employer's policy. Eligible participants chose amongst the employer's pre-determined available coverage amounts and benefit periods.

The following benefits are included in the certificate:

- Nursing Facility Benefit
- Assisted Living Facility Benefit
- Home and Community Care Benefit
- Home Assistance Benefit
- Hospice Care Benefit
- Respite Care Benefit
- Alternate Care Benefit
- International Coverage Benefit
- Waiver of Premium Benefit
- Contingent Nonforfeiture
- Future Purchase Options Benefit
- Care Coordination Services
- Bed Reservation Benefit

The following benefits and riders are optional:

- Informal Care Benefit -- determined by the employer
- Return of Premium on Death Benefit -- determined by the employer
- Automatic Inflation Protection – Compound Annual Increases
- Automatic Inflation Protection – Compound Annual Increases to Age 70 or Age 75
- Automatic Inflation Protection – Simple Annual Increases
- Automatic Benefit Increase Rider – Age Adjusted Protection: Compound through Age 65 and Simple Thereafter
- Automatic Benefit Increases – Age Adjusted Protection: Ages 61 and 76
- Automatic Benefit Increases – Compound Annual Increases to Age 76 Rider
- Nonforfeiture Benefit Rider -- determined by the employer or offered as an option to the certificate holder

If an optional Benefit Increase Rider was selected by an eligible individual, the provisions of that rider superseded the Future Purchase Options Benefit.

6. Alternatives to the Requested Rate Increase

GLIC offers insureds impacted by rate filings several options, where available, for mitigating the impact of the rate increase while still providing meaningful coverage. These options will be provided in the certificate holder notification letter. In addition, insureds will have the ability to call a dedicated team of customer service representatives that can assist with providing customized quotes for any number of other benefit adjustments.

Reduced Benefit Options. Insureds can change benefit features or coverage limits, within the scope of the employer's benefit plan design, in order to maintain reasonably equivalent pre- and post-rate increase premium levels or insureds can target a premium level they choose, and the optimal balance of coverage and cost based on their specific needs. The available benefit and rate combinations are consistent with the combinations presented in the rate tables approved as part of the original filing. To balance coverage and cost considerations, GLIC will offer insureds in their certificate holder notification letter, subject to rate increases on their long-term care certificates, up to two customized options to adjust their benefits. These options will reduce the Daily/Monthly Maximum (Facility Care Maximum) amount to 1) fully mitigate the premium increase and 2) mitigate the premium increase by half, unless the existing coverage levels are too low to meet state minimum coverage requirements.

Other Options. GLIC will continue to offer one of the following nonforfeiture options (NFO), where applicable, in the certificate holder notification letter. Each option provides the certificate holder a limited paid-up benefit should they choose to stop paying premiums as a result of the rate increase. Certificate holders that have a nonforfeiture rider with their policy may elect that option (this benefit is also available outside of a rate increase). Certificate holders eligible for the Contingent Nonforfeiture (CNF) Benefit will be presented with that option. The limited paid-up benefit for both the NFO rider and the CNF are equivalent to premium paid. For those certificate holders not eligible for either the NFO rider or the CNF Contingent Nonforfeiture Benefit, GLIC will continue to offer its Optional Limited Benefit. This NFO is offered as a courtesy and provides a paid-up benefit equal to the total of premium paid, less any claims paid.

7. Premiums

a. These certificates are guaranteed renewable for life, subject to the terms and conditions of the certificates and the group policy;
b. Geographic area factors may have been used in rating these certificates;
c. No modal factors were applied to applicable contributions;
d. For a history of previous rate revisions refer to the Supplement;
e. This rate increase will apply to certificates as soon as administratively possible following a rate increase approval. Certificate holders will be given at least 60-day advance notification of any rate increase. In addition, rate increases will not overlap a group’s Future Purchase Options Benefit (“FPO”) window. Premium rate increase implementation dates will occur after the FPO window has closed. The rate increase requested in this filing will not be implemented until the implementation of previously approved rate increases (including increases that were approved to be implemented in phases over a multi-year period) have been completed, as well as the expiration of any other time period during which applicable state law or the terms of a prior rate increase approval precluded implementation of a subsequent rate increase;
f. Premium rates are unisex, level (with the exception of approved rate increases) and payable for life. Premiums generally vary by issue age, daily benefit, benefit period, elimination period, inflation protection option, enrollment/marketing strategy, case level underwriting, commissions, employee/employer paid, rate guarantee period and any applicable riders selected; and
g. Rate tables reflecting any prior approved and the requested rate increase have been included in the Proposed Rate Schedule, attached separately. Note that actual rates implemented may vary slightly from those being submitted in this filing due to implementation rounding algorithms.

8. Actuarial Assumptions

Genworth reviews experience and assumptions every year in connection with Cash Flow Testing (CFT). Both healthy life assumptions (lapse, mortality, incidence) and claim severity assumptions (benefit utilization, claim termination, claim situs mix) are based on Genworth nationwide experience. The assumptions include adjustments as considered appropriate for future projections and based on expected differences in experience due to either policyholder characteristics or underwriting criteria.

Beginning with 2017 CFT, GLIC converted from a total life model to a first principles model in which the experience is split between healthy lives and disabled lives.

The Best Estimate (BE) assumptions described below for lapse, mortality, and morbidity are consistent with those used for GLIC’s 2023 CFT prior to any provision for contingency, adverse deviation, or risk margin. With the exception of benefit utilization rate base assumptions, incurred experience for 2020+ was not used in our 2023 studies due to the uncertain long-term impact of COVID-19.

The assumptions were developed by Genworth's Long-Term Care Experience Studies team in collaboration with other Genworth actuaries. Genworth's Assumption Review Committee approved these assumptions.

In general, the GLIC Employer Group 7046 data is limited, especially at the longest durations and oldest ages. Lapse experience is credible, and the lapse assumptions for this product are based on experience for the Genworth Employer Group block. Mortality, incidence, and claim severity experience tends to gain credibility more slowly, so the assumptions for this product are based on experience from GLIC's large individual LTC block, with appropriate adjustments to reflect group differences as discussed below.

A. Lapse:

Original: Original assumptions varied by duration and issue age. In addition, lapse rates were increased to reflect claimants that exhaust limited benefit periods.

Sample Voluntary Termination Rate Original Assumption			
Policy Duration	**Issue Ages**		
	42	**52**	**62**
1	7.5%	6.0%	6.0%
5	6.5%	5.5%	2.5%
10	2.0%	1.5%	1.0%
15	1.5%	1.5%	1.0%
20	1.5%	1.0%	1.0%

Current Filing: The lapse assumptions were not updated in 2023.The current best estimate assumptions for expected lapse rates for healthy lives were derived from actual nationwide Genworth Employer Group long-term care lapse data as of December 31, 2019, for incurred experience through June 30, 2019. Lapse rates vary by issue age, duration, marital status, benefit inflation, group type (employer paid or employee paid), transfer indicator, and underwriting method.

The assumptions setting process involves credibility weighting actual historical experience for the product with a long-term baseline assumption. This methodology reduces volatility in the assumption from year-to-year, especially in policy durations with limited experience.

The Actual/Expected ratio of 100.3% shows a very good fit of the assumption to the historical experience through 2019.

The following table is a sample of the healthy lives current lapse rates for cells with guaranteed issue underwriting, no benefit inflation, employee paid coverage, and a non-transfer case:

Sample Lapse Rate Assumption						
Marital Status	**Married**			**Single**		
Issue Age	**45**	**55**	**65**	**45**	**55**	**65**
Duration						
1	7.00%	4.71%	4.09%	9.15%	6.17%	5.35%
5	3.15%	1.67%	1.11%	4.13%	2.19%	1.46%
10	2.10%	0.79%	0.72%	2.18%	0.81%	0.74%
15	1.23%	0.60%	0.57%	1.23%	0.60%	0.57%
20+	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

B. Mortality:

Original: Original product pricing used the 1994 Group Annuitant Mortality ("GAM") with selection factors. Mortality rates were increased to recognize claimants that die while on claim.

Current Filing: The mortality assumptions were not updated in 2023. The current best estimate assumptions for expected mortality rates for healthy lives are derived from actual experience from individual products sold during the same time period due to these products having more mortality experience than the Genworth Employer Group block. Adjustments for underwriting type and attained age were developed to better fit group experience. Data as of December 31, 2019, for incurred experience through June 30, 2019, was used to evaluate the fit of the assumption to the group experience. Healthy life mortality rates vary by issue age, policy duration, gender and underwriting.

The Actual/Expected ratio of 100.5% shows a very good fit of the assumption to the historical experience through 2019.

The following table below is a sample of the healthy lives current mortality rates for cells with guaranteed issue underwriting, and issue age 65:

Sample Mortality Rate Assumption		
Gender	**M**	**F**
Duration		
1	0.39%	0.20%
5	0.70%	0.38%
10	1.19%	0.70%
15	2.21%	1.50%
20	5.29%	4.11%
25	7.25%	6.79%

C. Morbidity:

The morbidity assumption is composed of the following components: incidence, benefit utilization, claim termination (sometimes referred to as claim continuance), and claim situs mix. Incidence rates measure the likelihood of a policyholder going on claim. Utilization rates measure the proportion of contractually available benefits that a policyholder uses while on claim, once eligibility requirements have been met. Claim termination rates refers to the length of time until a claimant leaves their claim status once benefit eligibility requirements have been met and are applied from the loss date of the claim. Claim termination rates consist of two components – disabled life mortality and claim recoveries. Because the benefit utilization and claim termination assumptions vary by original care situs, the morbidity assumption also includes a claim situs mix assumption to split newly incurred claims among Nursing Home (NH), Assisted Living Facility (ALF) and Home Care (HC) settings.

Original Filing: GLIC did not have significant experience on group long-term care before developing this policy. Therefore, original claims costs were developed using industry experience from group policies provided by consultants at illumifin, combined with company LTC data, and actuarial judgment where anticipated benefits and underwriting were different than industry experience.

Current Filing: The main components of morbidity - incidence, benefit utilization, claim termination and claim situs mix - are described below.

1. Incidence:

The incidence assumptions were not updated in 2023. The current best estimate assumptions for expected incidence rates are derived from actual nationwide individual experience from policies sold during the same time period. Using the individual experience significantly increases the claims experience. Modifiers for differences related to underwriting type and elimination periods were developed to better fit group experience. Data as of December 31, 2019, for incurred experience through June 30, 2019, was used to evaluate the fit of the assumption. Healthy lives incidence rates vary by issue age, policy duration, gender, marital status, and underwriting type.

The Actual/Expected ratio of 93.4% shows reasonable fit of the assumption to the historical experience, considering there are only 690 actual claims through December 31, 2019.

The following table is a sample of claim incidence rate assumptions for insureds with a married status, issue ages 45, 55 and 65, and guaranteed issue:

Sample Claim Incidence Rate Assumption						
Gender	**F**			**M**		
Issue Age	**45**	**55**	**65**	**45**	**55**	**65**
Duration						
1	0.02%	0.03%	0.08%	0.02%	0.03%	0.08%
5	0.03%	0.06%	0.25%	0.03%	0.06%	0.22%
10	0.04%	0.13%	0.90%	0.05%	0.12%	0.70%
15	0.07%	0.35%	2.37%	0.06%	0.28%	1.80%
20	0.15%	0.93%	4.66%	0.13%	0.69%	3.78%
25	0.36%	2.35%	8.05%	0.28%	1.80%	7.53%
30	0.93%	5.09%	11.89%	0.69%	4.09%	11.18%

2. Benefit Utilization:

The current best estimate assumptions for benefit utilization rates (BUR) were updated from the prior year's assumption to use the 3-year period that includes 2019, 2021, and 2022. 2020 was excluded due to perceived abnormally low BURs from the COVID-19 pandemic.

The BUR for CFT purposes is consistent with our Disabled Life Reserving (DLR) BUR assumption. The CFT BUR assumption variables are product, benefit period, company, BIO, claim age, claim duration and original claim situs. The DLR BUR assumptions also vary by diagnosis and daily maximum benefit amount. The less-granular CFT BUR assumptions are due to modeling constraints.

The assumption is derived from actual Genworth nationwide long-term care paid claim experience on individual reimbursement business. The assumptions from the individual block of business are modified to fit the Genworth Employer Group experience. The Actual/Expected ratio of 100.0% shows a very good fit of the assumption.

The following table is a sample of base benefit utilization rate assumptions for a medium length benefit period and with Future Purchase Option inflation coverage:

Sample Benefit Utilization Rate Assumption						
Age at Disability	**70**	**75**	**70**	**75**	**70**	**75**
Care Situs	**NH**		**ALF**		**HC**	
Claim Duration						
Month 1-6	80.80%	78.98%	80.29%	76.48%	29.49%	29.13%
Month 7-12	74.10%	72.56%	77.38%	73.84%	39.81%	39.38%
Year 2	74.15%	72.90%	80.18%	76.83%	48.53%	48.20%
Year 3	68.10%	67.32%	76.54%	73.74%	53.07%	52.99%
Year 4	65.09%	64.77%	74.51%	72.28%	55.15%	55.46%
Year 5	61.08%	61.28%	70.62%	69.05%	54.27%	55.02%
Year 6	57.00%	57.72%	66.03%	65.17%	51.25%	52.44%
Year 7+	53.65%	54.91%	61.73%	61.57%	47.08%	48.68%

3. Claim Termination:

The claim termination rates (CTR) assumptions were not updated in 2023. The current best estimate assumptions for CTRs were derived from actual Genworth nationwide long-term care data from inception through December 31, 2017 for incurred experience through June 30, 2017. The CTR assumption variables are product group, gender, benefit period, claim age, claim duration, company, and original claim situs. Our experience suggests high terminations in early claim durations are the result of acute disabilities terminating due to death or recovery. The remaining lives are permanent, long-term disabilities where recovery is less likely. Claim terminations at these longer durations are driven by disabled life mortality rates.

We modify the assumptions from the individual block of business to better fit the group experience. Adjustment factors differed between disabled life deaths and recoveries and varied by claim duration.

In 2023, a COVID-19 topside was introduced to disabled life mortality to reflect medium-term expectations of the projected ongoing impact of COVID-19.

The Actual/Expected ratio is 94.7% measured on experience prior to 2020.

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The following table is a sample of monthly disabled life mortality assumptions for ALF, male, non-lifetime benefit period, disability age 82, for the first 324 monthly claim durations:

Sample Monthly Disabled Life Mortality Assumption							
Duration	**Rate**	**Duration**	**Rate**	**Duration**	**Rate**	**Duration**	**Rate**
1	1.62%	**16**	2.20%	**31**	2.51%	**145-156**	4.01%
2	0.66%	**17**	2.20%	**32**	2.52%	**157-168**	4.22%
3	0.49%	**18**	2.20%	**33**	2.51%	**169-180**	4.43%
4	1.15%	**19**	2.20%	**34**	2.52%	**181-192**	4.64%
5	1.80%	**20**	2.21%	**35**	2.52%	**193-204**	4.79%
6	1.77%	**21**	2.21%	**36**	2.52%	**205-216**	4.96%
7	1.76%	**22**	2.21%	**37-48**	2.75%	**217-228**	5.15%
8	1.63%	**23**	2.21%	**49-60**	2.79%	**229-240**	5.36%
9	1.71%	**24**	2.21%	**61-72**	2.85%	**241-252**	5.48%
10	1.72%	**25**	2.52%	**73-84**	2.29%	**253-264**	5.93%
11	1.65%	**26**	2.52%	**85-96**	2.84%	**265-276**	6.47%
12	1.84%	**27**	2.52%	**97-108**	3.12%	**277-288**	7.11%
13	2.20%	**28**	2.52%	**109-120**	3.54%	**289-300**	7.88%
14	2.20%	**29**	2.51%	**121-132**	3.59%	**301-312**	8.82%
15	2.20%	**30**	2.52%	**133-144**	3.80%	**313-324**	9.74%

The following table is a sample of monthly recovery rate assumptions for ALF, male, non-lifetime benefit period disability age 82, for the first 144 monthly claim durations:

Sample Monthly Recovery Rate Assumption					
Duration	**Rate**	**Duration**	**Rate**	**Duration**	**Rate**
1	0.58%	**16**	0.12%	**31**	0.08%
2	0.20%	**17**	0.12%	**32**	0.08%
3	0.12%	**18**	0.12%	**33**	0.08%
4	0.20%	**19**	0.12%	**34**	0.08%
5	0.25%	**20**	0.12%	**35**	0.08%
6	0.18%	**21**	0.12%	**36**	0.08%
7	0.20%	**22**	0.12%	**37-48**	0.10%
8	0.29%	**23**	0.12%	**49-60**	0.16%
9	0.17%	**24**	0.12%	**61-72**	0.08%
10	0.19%	**25**	0.08%	**73-84**	0.31%
11	0.16%	**26**	0.08%	**85-96**	0.00%
12	0.17%	**27**	0.08%	**97-108**	0.00%
13	0.12%	**28**	0.08%	**109-120**	0.00%
14	0.12%	**29**	0.08%	**121-132**	0.00%
15	0.12%	**30**	0.08%	**133-144**	0.00%

4. Claim Situs Mix:

A claim situs mix assumption is used to split the incidence rates among the original claim situses: Nursing Home (NH), Assisted Living Facility (ALF) and Home Care (HC). The situs assumption varies by age at disability and original claim situs.

The situs mix assumptions were not updated in 2023.The current best estimate assumptions for claim situs mix were derived from actual Genworth nationwide long-term care experience, using data as of December 31, 2020, for incurred experience from 2011 through 2019.

At the lower attained ages, the original situs is more likely to be in home health care. At the higher attained ages, the original situs is more evenly distributed between home care and facility.

The following table is the situs mix assumption for GLIC Employer Group 7046 for selected ages:

Sample Claim Situs Mix Rate Assumption			
Age at Disability	**HC**	**ALF**	**NH**
65	75.46%	7.26%	17.29%
70	78.93%	8.92%	12.14%
75	72.11%	13.73%	14.16%
80	65.78%	19.22%	15.00%
85	64.87%	19.04%	16.10%
90	61.03%	19.98%	18.99%

D. Expenses:

Expenses do not affect the Lifetime Loss Ratio projections or the rate increase requested in this memorandum. Expenses have not been explicitly projected.

E. Interest:

A 4.0% interest rate assumption is used to calculate historical, future and lifetime loss ratios. This is the average statutory valuation interest rate for all GLIC policies issued on this form nationwide.

9. Development of the Requested Rate Increase

In developing the requested premium rate increase, the following has been considered:

a. In order to ensure maximum credibility, exhibits are based on GLIC nationwide experience through December 31, 2023, for all Employer Group 7046, excluding the transfer certificates. Projected earned premiums and incurred claims are based on the assumptions described in Section 8 of this actuarial memorandum;
b. This rate action is considered to be subject to the Rate Stability regulation;
c. In order to avoid subsidization among states, the nationwide premium has been restated at your state level, and only reflects your state's approved rate increases;
d. For the projections the rate increase planned for this filing has been assumed to be implemented on September 30, 2025, however GLIC plans to implement the rate increase as soon as possible after the filing is dispositioned, recognizing completion of any prior approved actions and/or system constraints;
e. The rate increase has been calculated to bring the MAE lifetime loss ratio closer to the lifetime loss ratio at pricing, which complies with the 58%/85% test defined in the Rate Stability regulation as demonstrated in the Supplement;
f. Lifetime projections of earned premiums and incurred claims reflecting all the prior approved rate increases in your state are set forth in Exhibit I. Lifetime projections of earned premiums and incurred claims reflecting all the prior approved rate increases in your state and the requested rate increase are set forth in Exhibit II;
g. Historical and projected earned premiums and incurred claims include provisions for waiver of premium; and
h. Refer to the Supplement for contingent benefit upon lapse information.

9.1 New Business Premium Rate Comparison

GLIC has compared premium rates on the referenced policy forms to the new business rates where the policy characteristics are similar. There are differences in benefits, underwriting and other product features between the Employer Group 7046 products and the product form series GLIC currently offers for sale to employees in existing groups, Policy Form Number 7053CRT. Where possible, adjustments have been made so that new business comparisons are meaningful. These differences affect the rate comparison in the following ways:

<u>Benefit Differences</u>: Benefit periods of five (5) years or longer were available in Employer Group 7046, are not offered in Policy Form Number 7053CRT (no longer marketed). Policies with these benefit differences are not considered to exceed new business rates.
<u>Underwriting:</u> Product Form Number 7053CRT is subject to several underwriting enhancements that did not apply to Employer Group 7046. While these underwriting enhancements are not directly reflected in benefits, they impact both original and new business pricing. GLIC has made a good faith effort to compare these policies and with an adjustment to reflect the differences in underwriting.

<u>Marketing and Distribution:</u> Employer Group 7046 were sold during the peak years of LTC production when sales and distribution channels were in a growing stage; the current environment is the exact

opposite, with decreasing sales and distribution outlets. GLIC's lower ratings today also impact the current distribution and the amount of production of the currently marketed product is an insignificant fraction of the Employer Group 7046 business sold.

The current product that GLIC offers has three Inflation Protection Options (No Benefit Increase Option with FPO, 3% Compound and 5% Compound) and 3 Benefit Periods (2-year, 3-year and 4-year). Approximately 65% of Employer Group 7046 certificates fall within these categories and less than 5% of these certificates would have higher premiums than the current product if the rate increase is approved in full. Policy form series 7053CRT was priced with a 5-year benefit period, but marketing of this feature and all longer benefit periods were discontinued in 2016. If we compare premiums on certificates with a 5-year benefit period to the 7053CRT 5-year benefit premiums, 95% of Employer Group 7046 certificates would be included, and approximately 9% of Employer Group 7046 certificates would have higher premium rates than the 7053CRT rates.

In accordance with the Rate Stability regulation and the Long-Term Care Rate Stability Practice Note issued by the American Academy of Actuaries in 2012, we believe the differences noted above sufficiently justify a rate level greater than the new business rates for some of the Employer Group 7046 in-force certificates in your state. Since GLIC prioritizes rate sufficiency and company solvency, the greater rate level is required in order to certify that, if experience emerges as expected, no further rate increases are anticipated.

9.2 Calculation of the Lifetime Loss Ratios

These policy forms were sold to over 200 employer groups with varying premiums and original pricing loss ratios due to differing Employer Features Factors, also known as Case Factors, that are applied to their premiums. Variations within the Case Factors exist due to underwriting and other factors. To ensure equitable handling of this block and to maximize the credibility, GLIC calculated the original pricing loss ratio for this block by using the weighted average of premium at issue for all employer groups together. The original pricing loss ratio for all certificates is 88.6% before any pads.

Some certificates sold are transfer certificates, i.e., the certificate holders had certificates under a previous employer group plan issued by another carrier that were transferred to GLIC. The history of these policies along with the other policies that were part of the original group prior to the point of transfer was not transferred to GLIC. Therefore, GLIC has excluded these transfer certificates when calculating the current best estimate loss ratio. Including transfer certificates in the current best-estimate loss ratio would only increase the loss ratio leading to a higher justified rate increase.

10. Active Life Reserves and Claim Liability Reserves

Active life reserves have not been used in this rate increase analysis. Claim reserves as of December 31, 2023, have been discounted to the date of incurral of each respective claim and included in historical incurred claims. Incurred but not reported reserve balances as of December 31, 2023, have been allocated to a calendar year of incurral and included in historic incurred claims.

11. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

12. Future Rate Increases

Certificates to which this premium rate increase filing applies may also be subject to future additional rate increases if the full amount of the rate increase requested in this filing is not approved or if underlying assumptions are not realized.

13. Actuarial Certification

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the American Academy of Actuaries' qualification standards for rendering this opinion and am familiar with the requirements for filing for increases in long-term care insurance premiums.

This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 18, 23, 25, 41 and 56. Policy design, underwriting, and claims adjudication practices have been considered.

I have relied on exhibits completed by illumifin which were peer reviewed by other members of their firm using data, assumptions and methodologies provided by Genworth. All future projections included in this memorandum, while based on GLIC's best estimates, are uncertain and may not emerge as expected.

I have relied on statutory valuations as of December 31, 2023, for Claim Reserves (i.e., Disabled Life Reserves, Pending Claims reserves, Incurred But Not Reported reserves, and Dead But Not Reported reserves) provided by Genworth's Long-Term Care Valuation team reporting & analysis team, which is part of Actuarial team.

I have also relied on assumptions developed by Genworth's Long-Term Care assumptions team, which is part of Actuarial team in collaboration with other Genworth actuaries, which assumptions were approved by Genworth's Assumption Review Committee. The assumptions present the actuaries' best judgement and are consistent with the issuer's business plan at the time of the filing.

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws of your state, in particular the Premium Rate Schedule Increases section of your long-term care insurance regulations. If the requested premium rate schedule increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized, no further premium rate schedule increases are anticipated.

Mark Press, F.S.A, M.A.A.A.
Assistant Vice President & Actuary
Genworth Life Insurance Company
July 2024

Genworth Life Insurance Company
Address: 11011 West Broad Street, Glen Allen, VA 23060
Company NAIC No: 70025

Actuarial Memorandum
July 2024

Supplement
Data as of 12/31/2023

Section 1	In-force policies counts and distribution	State	Nationwide
	First issued date	October 2000	September 2000
	Last issued date	October 2016	December 2017
	In-force Lives - Premium Paying	323	41,515
	Total In-force Annualized Premium	$476,343	$62,386,236
	Average Premium Before the Requested RI	$1,475	$1,503
	Average Premium After the Requested RI	$2,234	N/A
	Average Issue Age	51	52
	Average Attained Age	63	64
	Issue Age		
	<55		56.6%
	55-59		23.6%
	60-64		15.2%
	65-69		3.8%
	70-74		0.6%
	75-79		0.1%
	80+		0.0%
	Attained Age		
	<55		15.7%
	55-59		11.7%
	60-64		18.7%
	65-69		23.1%
	70-74		20.1%
	75+		10.7%
	Benefit Period in Years		
	1		10.6%
	2		7.5%
	3		51.2%
	4		0.4%
	5		28.2%
	6		0.4%
	7		0.4%
	8		1.4%
	10		0.0%
	12		0.0%
	16		0.0%
	20		0.0%
	Lifetime		0.0%
	Benefit Increase		
	None		77.6%
	Simple		2.2%
	Compound		20.2%

Section 7	Date of Approval	Approved Rate Increase*
	3/23/2021	21%**
	Cumulative RI	21%

Section 9	Nationwide 58/85 Test	
	(1) PV of Future Premiums and Accumulated Past Premiums on Original Rate Basis	1,008,567,513
	(2) PV of Future Premiums and Accumulated Past Premiums Attributable to Rate Increase	294,633,982
	(3) PV of Future Incurred Claims and Accumulated Past Incurred Claims	1,270,928,555
	0.58 x (1) + 0.85 x (2) < (3)	TRUE
	Contingent Benefit Upon Lapse* **	
	(1) PV of Future Premiums and Accumulated Past Premiums on Original Rate Basis	1,008,567,513
	(2) PV of Future Premiums and Accumulated Past Premiums Attributable to Rate Increase	294,633,982
	(3) PV of Future Incurred Claims and Accumulated Past Incurred Claims	1,270,928,555
	0.975 x (1) + 0.85 x (2) < (3)	TRUE

*Approved Rate Increases may vary by Benefit Inflation Option, Benefit Period, Issue Age, etc.
**Excludes policies Issue Age 65+ and 2-year BP.
***Includes all rate increases approved in your state applied to all policies nationwide, and a 51.5% rate increase.

Genworth Life Insurance Company
Address: 11011 W. Broad St., Glen Allen, VA 23060
Company NAIC No: 70025

Actuarial Memorandum
July 2024

Exhibit I: Employer Group 7046 Policy Forms - Nationwide Experience
With Maryland Approved Rate Increase* without MAE

Calendar Year	Earned Premium	Incurred Claims	Loss Ratio	4.00% Discount Factor
2005	210,962	0	0.0%	2.0659
2006	1,213,775	0	0.0%	1.9865
2007	1,566,445	768	0.0%	1.9101
2008	2,860,267	98,803	3.5%	1.8366
2009	4,236,666	131,194	3.1%	1.7660
2010	11,337,525	158,713	1.4%	1.6980
2011	18,301,810	1,232,710	6.7%	1.6327
2012	27,924,894	2,960,655	10.6%	1.5699
2013	35,346,669	2,522,851	7.1%	1.5096
2014	35,989,145	2,036,758	5.7%	1.4515
2015	36,764,063	2,653,544	7.2%	1.3957
2016	37,655,214	3,426,992	9.1%	1.3420
2017	37,665,415	4,180,040	11.1%	1.2904
2018	37,537,487	5,031,614	13.4%	1.2407
2019	37,525,958	4,826,207	12.9%	1.1930
2020	36,829,070	6,079,669	16.5%	1.1471
2021	35,842,370	7,313,869	20.4%	1.1030
2022	36,867,309	7,563,819	20.5%	1.0606
2023	39,522,612	13,796,816	34.9%	1.0198
2024	39,416,593	11,937,855	30.3%	0.9806
2025	38,719,339	14,302,013	36.9%	0.9429
2026	37,999,138	17,158,756	45.2%	0.9066
2027	37,228,020	20,564,224	55.2%	0.8717
2028	36,384,501	24,528,196	67.4%	0.8382
2029	35,452,169	29,016,314	81.8%	0.8060
2030	34,422,643	33,732,130	98.0%	0.7750
2031	33,306,386	38,852,382	116.7%	0.7452
2032	32,104,300	44,089,031	137.3%	0.7165
2033	30,828,503	49,346,735	160.1%	0.6889
2034	29,492,864	54,716,982	185.5%	0.6624
2035	28,106,706	59,884,848	213.1%	0.6370
2036	26,679,205	64,836,241	243.0%	0.6125
2037	25,219,366	69,550,278	275.8%	0.5889
2038	23,735,474	73,843,412	311.1%	0.5663
2039	22,239,449	77,758,698	349.6%	0.5445
2040	20,741,986	81,163,143	391.3%	0.5235
2041	19,252,959	83,827,383	435.4%	0.5034
2042	17,782,162	85,761,585	482.3%	0.4840
2043	16,340,032	86,700,632	530.6%	0.4654
2044	14,938,137	86,973,804	582.2%	0.4475
2045	13,586,966	86,713,483	638.2%	0.4303
2046	12,295,163	85,704,457	697.1%	0.4138
2047	11,069,046	84,035,856	759.2%	0.3978
2048	9,913,040	81,446,781	821.6%	0.3825
2049	8,831,683	78,199,803	885.4%	0.3678
2050	7,828,799	74,623,632	953.2%	0.3537
2051	6,905,485	70,845,073	1025.9%	0.3401
2052	6,061,347	67,014,404	1105.6%	0.3270
2053	5,294,796	62,948,654	1188.9%	0.3144
2054	4,603,835	58,694,188	1274.9%	0.3023
2055	3,985,485	54,326,455	1363.1%	0.2907
2056	3,435,998	49,985,822	1454.8%	0.2795
2057	2,950,435	45,732,262	1550.0%	0.2688
2058	2,523,189	41,744,869	1654.4%	0.2584
2059	2,148,999	38,148,348	1775.2%	0.2485
2060	1,823,164	34,752,639	1906.2%	0.2389
2061	1,540,749	31,528,447	2046.3%	0.2297
2062	1,297,073	28,514,901	2198.4%	0.2209
2063	1,087,670	25,649,632	2358.2%	0.2124
2064	908,522	22,971,751	2528.5%	0.2042
2065	755,711	20,472,918	2709.1%	0.1964
2066	625,824	18,110,890	2893.9%	0.1888
2067	515,779	15,863,985	3075.7%	0.1816
2068	422,847	13,808,160	3265.5%	0.1746
2069	344,531	11,939,206	3465.4%	0.1679
2070	278,693	10,187,685	3655.5%	0.1614
2071	223,550	8,579,943	3838.0%	0.1552
2072	177,679	7,121,810	4008.2%	0.1492
2073	139,861	5,816,369	4158.7%	0.1435
2074	109,037	4,696,347	4307.1%	0.1380
2075	84,146	3,748,483	4454.7%	0.1327
2076	64,276	2,949,624	4589.0%	0.1276
2077	48,618	2,277,266	4684.0%	0.1227
2078	36,411	1,729,222	4749.2%	0.1179
2079	26,983	1,293,771	4794.8%	0.1134
2080	19,772	950,851	4809.0%	0.1090
2081	14,324	687,962	4803.0%	0.1049
2082	10,243	490,404	4787.6%	0.1008
2083	7,215	345,567	4789.3%	0.0969
2084	5,003	240,779	4812.7%	0.0932
Accumulated and Present Values as of 12/31/2023				
Past:	620,124,068	76,940,448	12.4%	
Future:	473,297,045	1,060,412,961	224.0%	
Lifetime:	1,093,421,113	1,137,353,408	104.0%	
Lifetime with MAE:	1,093,421,113	1,250,655,626	114.4%	

*Includes all rate increases approved in your state applied to all policies nationwide, but excludes the rate increase requested in this filing

Genworth Life Insurance Company
Address: 11011 W. Broad St., Glen Allen, VA 23060
Company NAIC No: 70025

Actuarial Memorandum
July 2024

Exhibit II: Employer Group 7046 Policy Forms - Nationwide Experience
With Requested 51.5% Rate Increase* with MAE

Calendar Year	Earned Premium	Incurred Claims	Loss Ratio	4.00% Discount Factor
2005	210,962	0	0.0%	2.0659
2006	1,213,775	0	0.0%	1.9865
2007	1,566,445	768	0.0%	1.9101
2008	2,860,267	98,803	3.5%	1.8366
2009	4,236,666	131,194	3.1%	1.7660
2010	11,337,525	158,713	1.4%	1.6980
2011	18,301,810	1,232,710	6.7%	1.6327
2012	27,924,894	2,960,655	10.6%	1.5699
2013	35,346,669	2,522,851	7.1%	1.5096
2014	35,989,145	2,036,758	5.7%	1.4515
2015	36,764,063	2,653,544	7.2%	1.3957
2016	37,655,214	3,426,992	9.1%	1.3420
2017	37,665,415	4,180,040	11.1%	1.2904
2018	37,537,487	5,031,614	13.4%	1.2407
2019	37,525,958	4,826,207	12.9%	1.1930
2020	36,829,070	6,079,669	16.5%	1.1471
2021	35,842,370	7,313,869	20.4%	1.1030
2022	36,867,309	7,563,819	20.5%	1.0606
2023	39,522,612	13,796,816	34.9%	1.0198
2024	39,416,593	13,213,382	33.5%	0.9806
2025	43,745,428	15,958,018	36.5%	0.9429
2026	57,568,694	19,577,981	34.0%	0.9066
2027	56,400,451	23,440,763	41.6%	0.8717
2028	55,122,518	27,934,660	50.7%	0.8382
2029	53,710,036	33,018,643	61.5%	0.8060
2030	52,150,303	38,354,494	73.5%	0.7750
2031	50,459,175	44,140,693	87.5%	0.7452
2032	48,638,014	50,046,320	102.9%	0.7165
2033	46,705,182	55,963,853	119.8%	0.6889
2034	44,681,689	61,998,597	138.8%	0.6624
2035	42,581,660	67,794,913	159.2%	0.6370
2036	40,418,995	73,338,199	181.4%	0.6125
2037	38,207,339	78,605,459	205.7%	0.5889
2038	35,959,244	83,389,493	231.9%	0.5663
2039	33,692,765	87,739,911	260.4%	0.5445
2040	31,424,109	91,508,320	291.2%	0.5235
2041	29,168,232	94,437,898	323.8%	0.5034
2042	26,939,976	96,542,420	358.4%	0.4840
2043	24,755,148	97,525,908	394.0%	0.4654
2044	22,631,278	97,761,183	432.0%	0.4475
2045	20,584,254	97,398,562	473.2%	0.4303
2046	18,627,173	96,197,684	516.4%	0.4138
2047	16,769,604	94,260,588	562.1%	0.3978
2048	15,018,255	91,296,263	607.9%	0.3825
2049	13,379,999	87,600,977	654.7%	0.3678
2050	11,860,630	83,543,845	704.4%	0.3537
2051	10,461,810	79,266,912	757.7%	0.3401
2052	9,182,940	74,938,359	816.1%	0.3270
2053	8,021,616	70,353,473	877.0%	0.3144
2054	6,974,810	65,564,254	940.0%	0.3023
2055	6,038,010	60,655,081	1004.6%	0.2907
2056	5,205,538	55,782,643	1071.6%	0.2795
2057	4,469,909	51,013,392	1141.3%	0.2688
2058	3,822,631	46,546,321	1217.7%	0.2584
2059	3,255,734	42,519,570	1306.0%	0.2485
2060	2,762,094	38,720,482	1401.9%	0.2389
2061	2,334,235	35,115,964	1504.4%	0.2297
2062	1,965,066	31,749,136	1615.7%	0.2209
2063	1,647,820	28,550,093	1732.6%	0.2124
2064	1,376,410	25,562,023	1857.2%	0.2042
2065	1,144,902	22,775,277	1989.3%	0.1964
2066	948,124	20,142,549	2124.5%	0.1888
2067	781,405	17,639,428	2257.4%	0.1816
2068	640,613	15,350,134	2396.2%	0.1746
2069	521,964	13,269,716	2542.3%	0.1679
2070	422,220	11,320,809	2681.3%	0.1614
2071	338,678	9,532,508	2814.6%	0.1552
2072	269,183	7,911,126	2938.9%	0.1492
2073	211,890	6,459,954	3048.7%	0.1435
2074	165,190	5,215,214	3157.1%	0.1380
2075	127,482	4,162,047	3264.8%	0.1327
2076	97,378	3,274,627	3362.8%	0.1276
2077	73,656	2,527,876	3432.0%	0.1227
2078	55,162	1,919,299	3479.4%	0.1179
2079	40,879	1,435,827	3512.4%	0.1134
2080	29,955	1,055,146	3522.5%	0.1090
2081	21,700	763,347	3517.7%	0.1049
2082	15,519	544,089	3506.1%	0.1008
2083	10,931	383,362	3507.0%	0.0969
2084	7,580	267,114	3524.1%	0.0932

Accumulated and Present Values as of 12/31/2023

Past:	620,124,068	76,940,448	12.4%
Future:	683,077,427	1,193,988,107	174.8%
Lifetime:	1,303,201,495	1,270,928,555	97.5%

*Includes all rate increases approved in your state applied to all policies in nationwide, and the rate increase requested in this filing