



Genworth®
Financial

Long Term Care Claims

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Our Experience

Over 102,000 Claims Paid

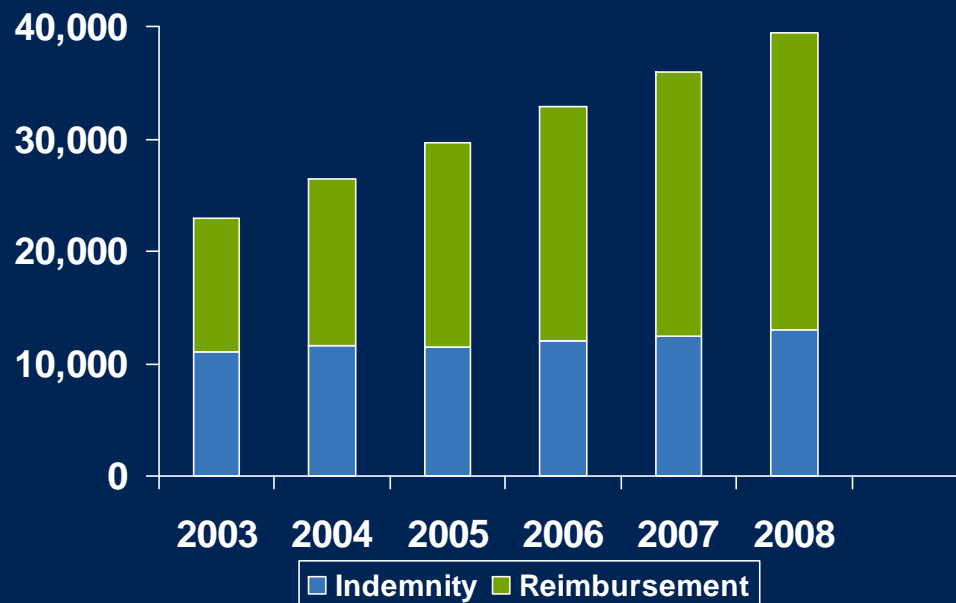
- Over \$4.3 Billion dollars in Benefits Paid Through June 2008
- Genworth Pays Out Over \$3 Million in Benefits Each Day
- Youngest Claimant: 32, Oldest Claimant: 103
- Longest Claim: 15.2 years
- \$1M Is Largest Single Claim
- 71% Of Claim Dollars Have Been Paid to Female Claimants
- 47% of All Claim Dollars are Paid To Claimants With Mental Disorders including Dementia

As of 6/30/2008, all GNW products

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LTC Claims Statistics

Active Claims At Year-End



Over \$3 Million Benefits Paid
Each Business Day
To Our Insureds

2007

- Reimbursement – 65%
- Indemnity – 35%
- Dementia – 47% of Benefit \$
- Single Women – 43%
- Facility Benefit \$ – 72%
- New HC Claims – 44%
- Calls Received – 383,000

GNW Reimbursement Claims

Benefit Usage

	<i>First Benefit</i>	<i>Last Benefit</i>
Home Health Care	74%	66%
Assisted Care Facility	12%	17%
Nursing Home	14%	17%

Claim Close Reason

	<i>Death</i>	<i>Recovery</i>	<i>Exhaust</i>
Home Health Care	48%	41%	4%
Assisted Care Facility	60%	10%	25%
Nursing Home	75%	8%	15%
All Claims	54%	32%	9%

Data as of 06/30/2008

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GNW Reimbursement Claims

Claim Duration

46% of claims last less than one year due to:

- short recoverable illness
- sudden terminal illness
- Single use of non-caregiving benefits (equip, training, etc)

The average length of claims that last more than a year is 3.8 years

13% of claims will last more than 5 years

Type of Care

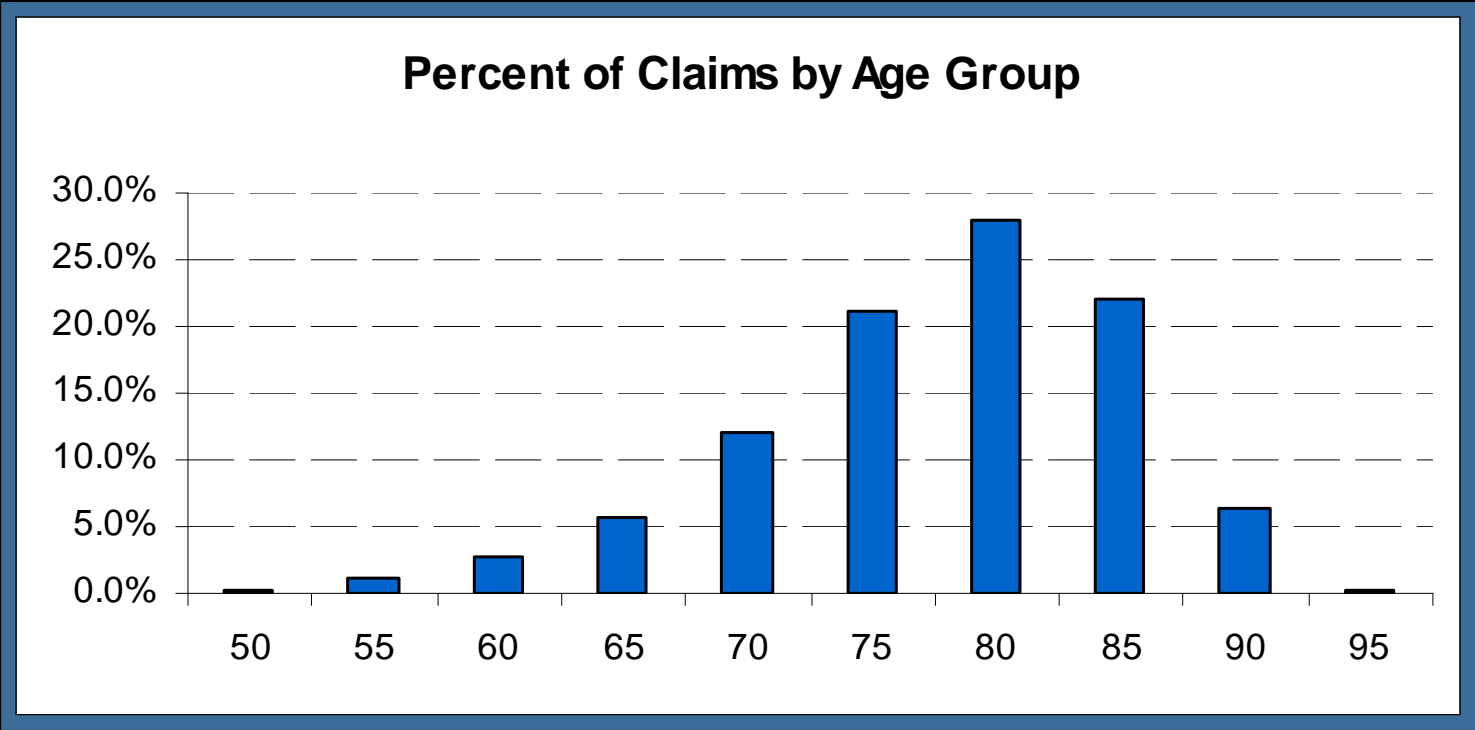
	< 1 year	> 1 year
Home Care	86%	50%
Nursing Home	10%	23%
Assisted Living	5%	27%

Diagnosis

	< 1 year	> 1 year
Musculoskeletal	30%	15%
Cancer	30%	5%
Cardiovascular	15%	18%
Dementia	10%	43%
Respiratory	5%	5%
Brain/CNS	4%	9%

GNW Reimbursement Claims

Age at Claim

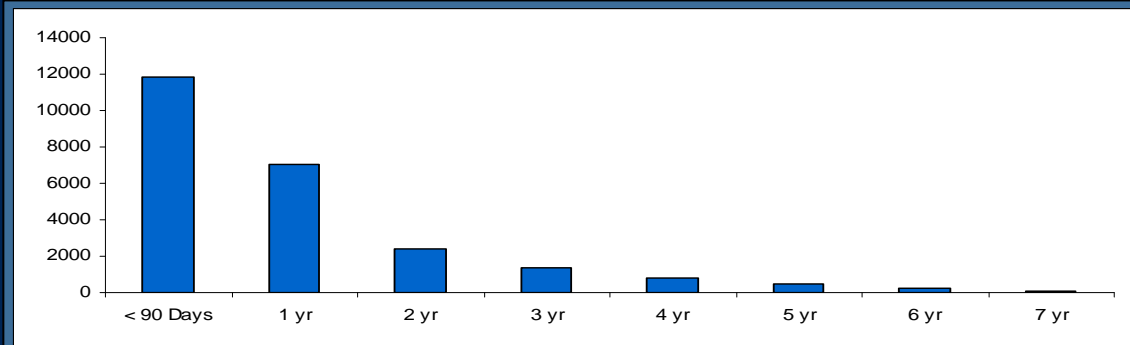


Married women tend to claim at an earlier age than single women and men

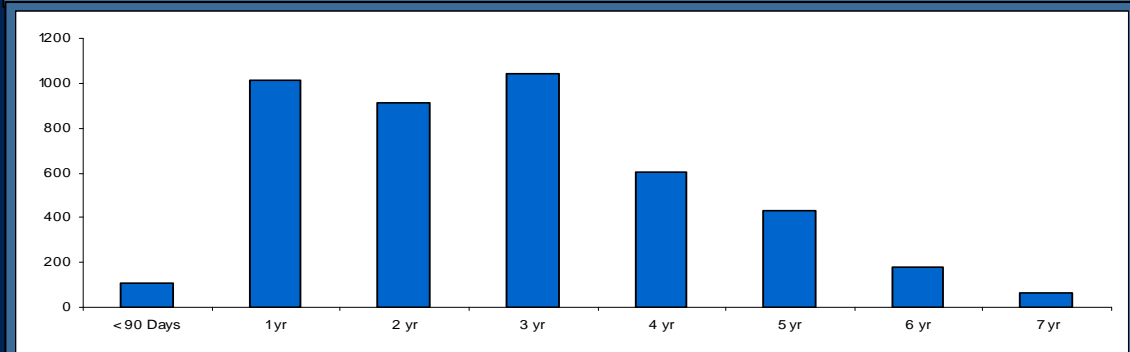
GNW Reimbursement Claims

Duration / Type of Benefit – Closed Claims

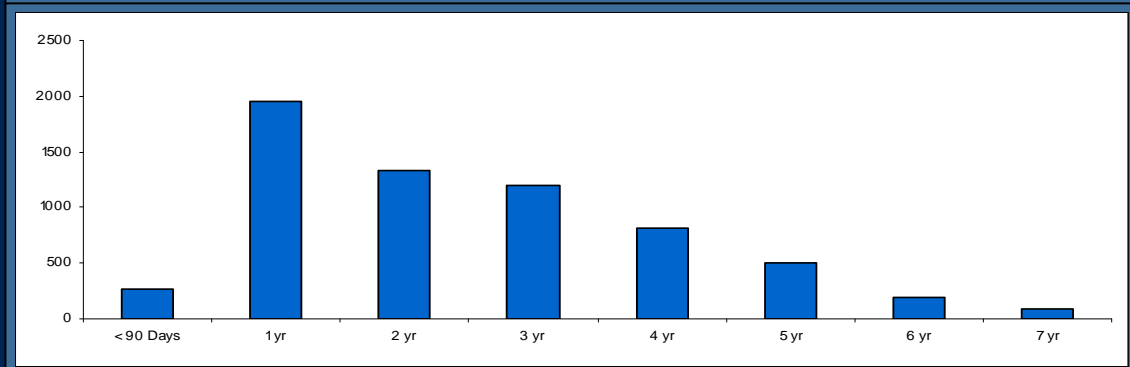
Home Health
Care



Assisted Living
Facility



Skilled Nursing
Facility



GNW Reimbursement Claims

Transition Analysis

NO TRANSITION	79 %
HC – NH	6.0 %
NH – HC	4.4 %
AL – NH	1.3 %
HC – AL	1.2 %
NH – AL – NH	1.0 %
HC – NH – HC	1.0 %
NH – AL	0.7 %
AL – NH – AL	0.7 %
HC – AL – HC	0.6 %
HC – AL – NH	0.5 %

Most people have a good idea of where they can maintain their care for the duration of a claim

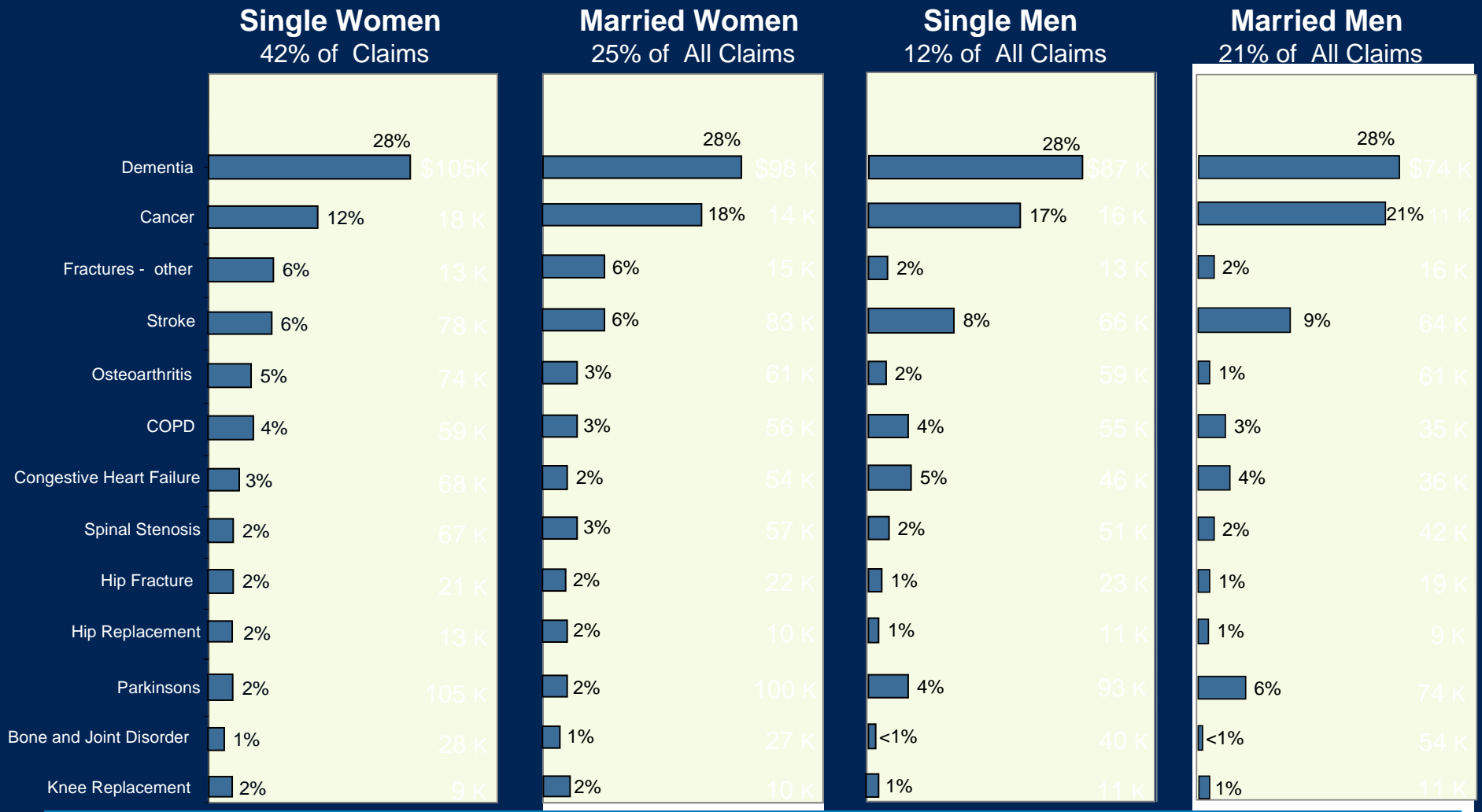
Many claimants stay at home past the point where they are able to transition to Assisted Living

Nursing Home stays are often a short period of time at the beginning or end of a Home Care Claim

A misconception that this is a common transition ←

GNW Reimbursement Claims

Diagnosis – Percentage of Claims and Average Cost





Genworth®
Financial

Total Living Coverage®

Advanced Sales Ideas

Long Term Care Solutions Questions

Advisor: *“If you were to have a Long Term Care need, What is your written plan?”*

Advisor: *“Let me ask you if you had an Extended Health Care need tomorrow, What is the first Asset you would liquidate?”*

Client: *“My retirement portfolio, I guess.”*

Advisor: *“I was afraid you might say that. Because this event can have such a devastating impact on your family, as well as your retirement portfolio, we should investigate some alternatives.”*

LTCI versus TLC: You Make the Call

<u>Client Profile</u>	<u>LTCI</u>	<u>TLC</u>	<u>Product Rationale</u>
Already said “no” to long term care insurance (LTCI)			Opportunity to present Total Living Coverage® (TLC) as a viable option
Business owner			Deductibility of premiums
History of family cognitive issues			Greater likelihood of using first-dollar coverage
Client has difficulty seeing themselves needing care			Linked-benefit product pays benefit even if LTC is not needed
Pre-retirement			Insufficient non-qualified assets to purchase a linked-benefit product
Highly liquid assets readily available			Seen as an asset transfer
Client concerned about “paying premiums and never using benefits”			Return of premium for 15 years, or death benefit, or LTC claim
Client considers himself a self-insurer			Wants to exercise control, a smarter self-insurer with TLC

Products underwritten by Genworth Life Insurance Company, Lynchburg, VA. Not all products available in all states.

Total Living Coverage® (TLC) universal life insurance with long term care benefits is subject to the terms, issue limitations and conditions of Policy Form No. ULPLTCIPGLI (11/05) et al. and Rider Form Nos. ULRABRIPGLI (11/05) et al., ULREBRIPGLI (11/05) et al., ULRROPIPGLI (11/05) et al. and ULRGMBRIPGLI (11/05) et al. Policy, benefits and riders may not all be available in all states.

Terms and conditions may vary by state.

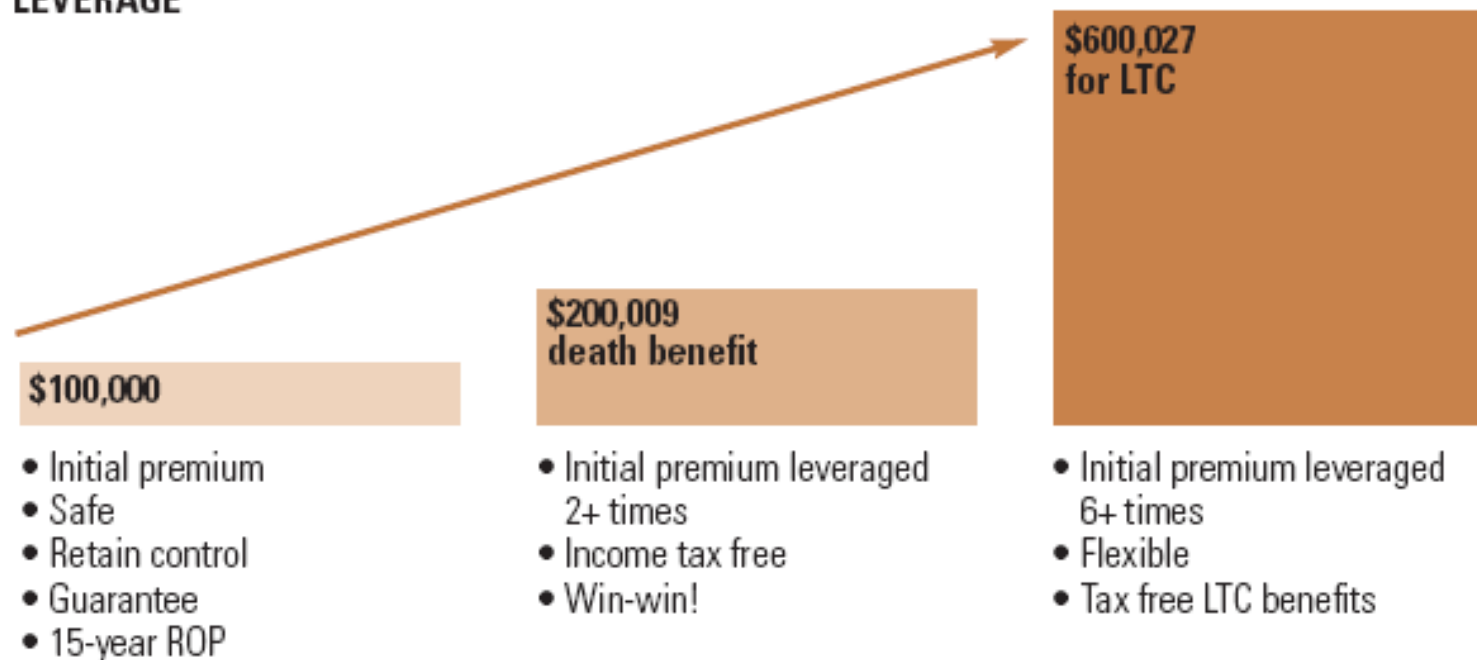
TLC

- Linked Benefit
- 2 x Specified Amount / 6 x LTCI
- Leveraging and Tax Free Benefits
- Privilege Choice[®]
- ROP, 15 years+

Hypothetical example:

65 year old woman based on 2-year Accelerated Benefit Rider (ABR) + 4-year Extension of Benefits Rider (EBR) scenario with preferred health discount, couples discount and Return of Premium (ROP). Example assumes a 4% interest crediting rate, compounded annually.

LEVERAGE



TLC Key Advantages

Return of Premium

Residual Death Benefit

Informal Care Givers

International Care

Discounts

Inflation Protection

Waiver of Monthly Deduction

Guaranteed Minimum Benefit

One-time Elimination Period

Privileged Care[®] coordination services

LTCi / TLC Multiple Sales

True Case – Broker in NH

55 year old Divorced Male

Typical Sale

Privilege Choice

\$4,500 monthly *LTCi*

60 months

5% Compound Inflation

Cost \$2,300 Annual premium

Enhanced Sale using TLC

Privilege Choice

\$4,500 monthly *LTCi*

60 months

5% Compound Inflation

Cost \$2,300 Annual premium

FACT FIND

Cash Value Life Insurance

Policy 1 - \$24,000

Policy 2 - \$23,000

CDs - \$144,000

PLUS

TLC (Total Living Coverage)

1035 Cash Value Life Insurance Policy 1

\$2,300 monthly *LTCi* benefit

\$200,000 *LTCi* Pool – 72 Months

\$66,000 DB

ADDITIONAL SALE

Genworth SPIA – SecureLiving Income Provider

1035 Cash Value Life Insurance Policy 2

PLUS

\$14,000 from CDs

\$37,000 Total Deposit

\$2,300 Annual lifetime payment

**Broker made
3 SALES**

Total initial *LTCi* coverage of \$6,800 monthly for only \$14,000 out of pocket.

Husband: “Just Say No”

Husband and Wife, Both 65 Years Old

- Wife Wants LTCI Due Family History
- Husband Thinks He Will Never Need It

Financial Planner Recommendation:

- Privileged Choice for the Wife
- TLC for the Husband
 - If he is correct and never has a LTC claim, his beneficiary gets more than his money back in the form of a death benefit.

Husband: “Just Say Yes”

Husband

TLC

\$100,000 Initial Premium

\$200,000 Specified Amount

\$600,000 LTCL

Wife

Privileged Choice

\$3,000 Annual Premium

25 Years

\$75,000 in Premium Payments

If he dies and never needs LTCL, his TLC death benefit will have more than covered her Total LTCL premium payments

TLC - Summary

- TLC Allows Clients to Leverage Premium and Control Assets
- Superior LTCI Benefits
 - Privilege Choice – 0 day Elimination, Informal Caregiver, etc.
- Standard Design
 - 2 Year ABR / 4 Year EBR / ROP
- Consider Inflation on Younger Clients
- Flexibility with TLC *and* Individual LTCI

