SOUND PRICING FOR THE LONG TERM

Long Term Care Insurance underwritten by Genworth Life Insurance Company (Genworth Life)

At Genworth Life, we believe that purchasing long term care insurance is an important step consumers can take to ensure their future long term care needs are covered without having to spend all of their hard-earned savings. Likewise, we believe it is important for producers, consultants and their employer clients to select a conservative, trusted leader in the industry who will be around when it's time to provide those benefits.

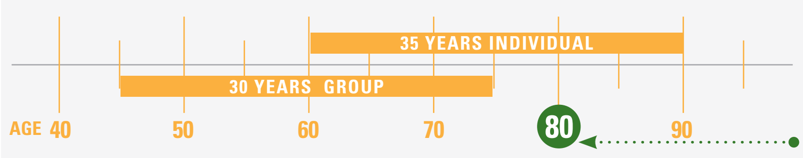
Sound pricing takes discipline and experience – at Genworth Life, we have both. With 35 years of long term care insurance experience and claims paid to over 124,000 insureds, we have more experience than any other long term care insurance company. Our disciplined approach has helped us achieve a leading industry position. It's also this approach that will help ensure we're here when your clients need us most… at time of claim.

There are many factors used to determine rates; Genworth Life employs a uniquely conservative approach to the following:

Claims Experience

Over time, insurance companies that administer and pay claims accrue knowledge about the types of people who need care – as well as how and where they receive it. This knowledge is critical in assessing potential underwriting risks and, in turn, helps deliver a sound, consistent pricing model.

Ask other long term care insurance carriers about their claims experience and what insights they've gained to help improve the accuracy of assumptions used in their pricing models.



Genworth Life's group long term care insurance program leverages the company's 35 years of individual claims-paying experience.

Does it matter whether experience is gained in the group or individual marketplace? We believe it does. Let's look at a few statistics from Genworth Life's 35 years of experience:

- The average age most claims begin is age 80.
- The average purchase age for group certificates is age 45.
- The average purchase age for individual policies is age 60.

Now, let's assume you have two long term care insurance carriers:

- Company A: 30 years of group insurance experience.
- Company B: 30 years of individual insurance experience.

Those 45-year olds with Company A are now turning age 75, while the 60-year olds with Company B are now turning 90. Since most claims begin around age 80, this means Company B has had 10 years to accrue significant claims experience and optimize their pricing models. Company A, on the other hand, is still several years away from gaining insight into the claim behavior of its insureds.

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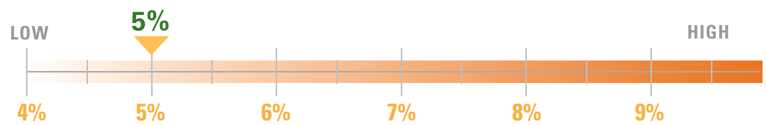
Interest Rate Assumptions

In today's challenging financial markets, it has become increasingly difficult to consistently obtain a high return on investments. That's true for the portfolios of insurance companies, as well.

Ask other long term care insurance carriers about their interest rate assumptions used to assess long-term rate stability.



Genworth Life uses a conservative interest rate assumption of 5.0%.

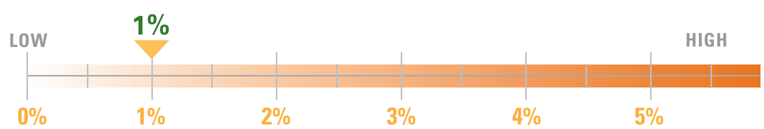
A critical factor in determining and maintaining pricing is the interest rate the insurance carrier expects to receive on its portfolio.

- If a carrier assumes interest at a modest rate it may have slightly higher prices; however, it will likely be able to sustain long-term price stability.
- If, on the other hand, a carrier is aggressive with its interest rate assumptions, it may fall short of achieving target returns and, as a result, may raise rates in order to remain profitable.

Lapse Rate Assumptions

How many insureds keep their coverage for the long-term? The larger the number of insureds who keep coverage may mean a larger sustained flow of premium – but it also means an increased likelihood of paying claims to a greater number of people.

Ask other long term care insurance carriers about the lapse rate assumptions used to establish pricing models and how those assumptions impact claims-paying ability.



Genworth Life uses its years of lapse rate experience to set a conservative ultimate lapse rate assumption of 1.0%.

Will other carriers be prepared? Lapse rate assumptions are another critical factor in determining and maintaining rates.

- If a carrier makes a conservative, low lapse rate assumption, it will be well-prepared to pay for a larger number of claims filed.
- If a carrier prices its product aggressively by assuming a high lapse rate, it may actually have more policy holders than anticipated and therefore unprepared for the volume of claims payments in the future.

The Bottom Line

Our experience, leadership and conservative pricing assumptions make Genworth Life a carrier you can be secure in recommending to clients. We're committed to the long term care insurance industry for the long haul and are dedicated to maintaining the integral strength of our LTCI products for the future through disciplined pricing.

Forward-looking projections are made recognizing the possibility of unforeseen changes, as no past record regardless of historical stability can provide an absolute assurance of future results.