

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
Richmond Division

JEROME SKOCHIN, SUSAN  
SKOCHIN, and LARRY HUBER,  
*individually and on behalf of all  
others similarly situated,*

Plaintiffs,

v.

GENWORTH LIFE INSURANCE  
COMPANY and GENWORTH LIFE  
INSURANCE COMPANY OF NEW  
YORK,

Defendants.

Civil Action No.: 3:19-CV-49-REP

**JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE**

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This Joint Stipulation of Class Action Settlement and Release (the “Settlement Agreement”) is made and entered into by Plaintiffs Jerome Skochin, Susan Skochin, and Larry Huber (“Named Plaintiffs”), individually and on behalf of the putative class of other allegedly similarly situated individuals on whose behalf Named Plaintiffs filed a putative class action in this Court (the “Settlement Class” as defined below), on the one hand, and Defendants Genworth Life Insurance Company (“GLIC”) and Genworth Life Insurance Company of New York (“GLICNY”) (collectively, GLIC and GLICNY are referred to herein as “Genworth” or “Defendants”), on the other hand. Collectively, Named Plaintiffs, the Settlement Class and Genworth are referred to herein as the “Parties,” and individually, each as a “Party.” The Parties, together with their respective counsel of record, hereby agree as follows, subject to the approval of this Court:

### I. RECITALS

1. WHEREAS on or about January 18, 2019, Named Plaintiffs filed a complaint (the “Original Complaint”) against GLIC and Genworth Financial, Inc. (“GFI”) for alleged failures to disclose material information and alleged misrepresentations in the premium rate increase letters sent for certain long-term care insurance policies (defined below with certain other long-term care insurance policies as “Class Policies”) issued by GLIC in the action styled as *Skochin et al. v. Genworth Life Insurance Company et al.*, Civil Action No. 3:19-CV-49-REP in the United States District Court of the Eastern District of Virginia (the “Action”). Named Plaintiffs sought to represent a class of all Policyholders (defined below) who had received such letters since 2012 in Arkansas, Arizona, Colorado, Connecticut, the District of Columbia, Georgia, Louisiana, Maryland, Mississippi, Montana, North Dakota, Oklahoma, Oregon, Pennsylvania, and South Carolina, and Named Plaintiffs asserted claims for Breach of the Implied Covenant of Good Faith and Fair Dealing, Fraudulent Inducement, Fraudulent Omission, and, on behalf of a

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putative Pennsylvania subclass, violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Law;

2. WHEREAS Named Plaintiffs sought relief including injunctive relief, compensatory, consequential, and general damages, statutory damages, attorneys' fees and costs, and other relief as appropriate;

3. WHEREAS on March 12, 2019, GLIC and GFI filed a Motion to Dismiss the Original Complaint in its entirety pursuant to Fed. R. Civ. P. 12(b)(6) for failure to state a claim upon which relief can be granted;

4. WHEREAS on April 29, 2019, following the first pre-trial conference with the Court on April 24, 2019, Named Plaintiffs filed an Amended Class Action Complaint ("Amended Complaint"), which replaced a claim for the Breach of the Implied Covenant of Good Faith and Fair Dealing in the Original Complaint with a claim for Breach of Contract;

5. WHEREAS on May 13, 2019, GLIC and GFI filed a Motion to Dismiss the Amended Complaint ("Motion to Dismiss the Amended Complaint") in its entirety pursuant to Fed. R. Civ. P. 12(b)(6) for failure to state a claim upon which relief can be granted;

6. WHEREAS on May 22, 2019, Named Plaintiffs' filed their Memorandum of Law in Opposition to the Motion to Dismiss the Amended Complaint;

7. WHEREAS on May 31, 2019, GLIC and GFI filed a Reply Memorandum of Law in Further Support of the Motion to Dismiss the Amended Complaint;

8. WHEREAS on July 3, 2019, Named Plaintiffs, GLIC, and GFI entered into and filed a stipulation pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii) to dismiss the Action against GFI (while dismissing GFI from the Action entirely, the dismissal was with prejudice as to the Named Plaintiffs only);

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9. WHEREAS on August 29, 2019, the Court granted GLIC's motion to dismiss the breach of contract claim, denied the motion as to the remaining claims, and directed Plaintiffs to file a second amended complaint combining the Fraudulent Inducement and Fraudulent Omission Counts into a single cause of action;

10. WHEREAS on September 20, 2019, Named Plaintiffs filed a Second Amended Class Action Complaint ("Second Amended Complaint") on behalf of the same putative class against GLIC only, and the Second Amended Complaint alleged one count for Fraudulent Inducement by Omissions and one count for violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Law (on behalf of the Pennsylvania sub-class only);

11. WHEREAS on November 22, 2019, Named Plaintiffs filed a Third Amended Class Action Complaint ("Third Amended Complaint") (together the Complaint, First Amended Complaint, Second Amended Complaint, and the Third Amended Complaint, the "Complaints"), and the Third Amended Complaint included the same claims as in the Second Amended Complaint, on behalf of a putative class including Policyholders of Class Policies (defined below) from all 50 states and the District of Columbia and added GLICNY as a defendant;

12. WHEREAS the Parties have engaged in significant discovery including Genworth producing hundreds of thousands of pages of documents and depositions of Genworth employees and the Named Plaintiffs;

13. WHEREAS Genworth denies and continues to deny any wrongdoing or legal liability for any alleged wrongdoing, does not admit or concede any actual or potential fault, wrongdoing, or legal liability in connection with any facts or claims that have been or could have been alleged in the Action (including all Complaints), and contends that neither Named Plaintiffs nor the putative classes have been injured or are entitled to any relief;

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14. WHEREAS Genworth denies that this case is suitable for class treatment other than in the context of a settlement or that Named Plaintiffs would be able to demonstrate on a contested motion that any class should be certified;

15. WHEREAS Named Plaintiffs believe all their claims alleged in the Action have merit and that the Action would be certified as a class action for trial under Rules 23(b)(2) and (b)(3) of the Federal Rules of Civil Procedure;

16. WHEREAS the Parties have engaged in significant settlement efforts including three days of in-person mediation sessions, two of which were with an experienced and highly qualified mediator, and engaged in numerous additional discussions involving their counsel and the mediator, and this Settlement Agreement is a result of those significant, arms-length negotiations;

17. WHEREAS the Parties reached this Settlement Agreement as a compromise of the disputed matters described herein and due to the uncertainties, risks, expenses, and business disruptions of continued litigation;

18. WHEREAS on October 29, 2019, the Parties entered into a Memorandum of Understanding for Class-Action Settlement (the “Memorandum of Understanding”);

19. WHEREAS on October 30, 2019, the Parties filed a Notice of Settlement with the Court;

20. WHEREAS this Settlement Agreement supersedes and replaces the Memorandum of Understanding;

21. WHEREAS nothing in the Memorandum of Understanding, this Settlement Agreement, or in the settlement process should be construed as an admission of any liability fault, or wrongdoing by Genworth; and

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22. WHEREAS the Parties have agreed and concluded that the Settlement Agreement is fair, reasonable, and adequate, and in the best interests of Named Plaintiffs and the Settlement Class (defined below), and have agreed to settle the Action taking into account the strengths and weaknesses of their respective claims and defenses and the risks of uncertainty absent settlement;

NOW THEREFORE, in consideration of the foregoing facts and of the agreements and consideration set forth below, the Parties mutually agree as follows:

### II. DEFINITIONS

23. Class Counsel: “Class Counsel” means Brian Penny of Goldman Scarlato & Penny, P.C., Stuart Davidson of Robbins Geller Rudman & Dowd LLP, Jonathan Petty of Phelan Petty PLC, and Shanon Carson of Berger Montague PC.

24. Class Notice: “Class Notice” means Court directed appropriate notice pursuant to Federal Rule of Civil Procedure 23(e), the form of which is in Appendix E.

25. Class Period: The “Class Period” means any time on or between January 1, 2012 and the date the Class Notice is mailed.

26. Class Policies: “Class Policies” means Genworth long-term care insurance policies, or, for group policies, certificate forms identified in Appendix A to this Settlement Agreement in force at any time during the Class Period and issued in any of the fifty (50) states of the United States or the District of Columbia (the “States”).

27. Court: “Court” means the United States District Court for the Eastern District of Virginia.

28. Fee Award: “Fee Award” means the attorneys’ fees, costs, and/or expenses approved and awarded by the Court to Class Counsel, not to exceed the amounts stated in paragraphs 52 and 53 below.

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29. Final Approval Hearing: “Final Approval Hearing” means the hearing at or after which the Court will make its decision whether to finally approve the settlement as fair, reasonable, and adequate under Fed. R. Civ. P. 23(e)(2).

30. Final Fee Award: “Final Fee Award” means the date on which the Fee Award becomes “Final.” For purposes of this provision: (1) if no appeal has been taken from the Fee Award, “Final” means that the time to appeal or seek any review therefrom has expired; or (2) if there is either an appeal or review of the Fee Award, “Final” means that all available appeals or review, including any petition for rehearing or reargument, petition for rehearing *en banc*, further appeals at any level, petition for certiorari, or any other form of review, have been finalized.

31. Final Order and Judgment: “Final Order and Judgment” means the order issued by the Court finally approving the Settlement Agreement in all material respects and the judgment entered pursuant to that order after the Final Approval Hearing.

32. Final Settlement Date: “Final Settlement Date” means the date on which the Final Order and Judgment becomes “Final.” For purposes of this provision: (1) if no appeal has been taken from the Final Order and Judgment, “Final” means that the time to appeal or seek any review therefrom has expired; or (2) if any appeal or review has been taken from the Final Order and Judgment, “Final” means that all available appeals or review therefrom, including any petition for rehearing or reargument, petition for rehearing *en banc*, further appeals at any level, petition for certiorari, or any other form of review, have been finally disposed of in a manner that fully affirms the Final Order and Judgment.

33. Fully Paid-Up Status: “Fully Paid-Up Status” means a status whereby a policy is continued in full force and effect and no more premiums are due. A policy in Fully Paid-Up Status does not include a policy that is in a Non-Forfeiture Status.

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34. Genworth Released Parties: “Genworth Released Parties” means Defendants and each of Defendants’ respective affiliates, predecessors, successors, parents, subsidiaries, and, for each of the foregoing, their current, former, and future directors, officers, direct and indirect owners, members, managers, attorneys, representatives, employees, and agents.

35. Non-Forfeiture Status: “Non-Forfeiture Status” means the exercise of a “Non-Forfeiture Option.” Non-Forfeiture Options include benefits under an optional Non-Forfeiture Benefit Rider, the Limited Benefits Upon Lapse Due to a Substantial Premium Increase (also called a Contingent Non-forfeiture Benefit), and the Optional Limited Benefit Endorsement.

36. Policyholder(s): “Policyholder(s)” means the policy owner, except:

- (a) where a single policy insures both a policy owner and another insured person, “Policyholder(s)” means both the policy owner and the other insured person jointly;
- (b) where the Class Policy at issue is certificate 7035CRT, “Policyholder(s)” means the certificate holder.

37. Publication Notice: “Publication Notice” means the notice of the Settlement Agreement to be published for one business day chosen by the Settlement Administrator subject to approval from the Parties in the national edition of *The New York Times*, *The Wall Street Journal*, and *USA Today*, no later than 40 days before the Final Approval Hearing in the form attached hereto as Appendix F.

38. Quarter(s): “Quarters” mean the following time periods within a calendar year, (where each time period is one “Quarter”): January 1 to March 31, April 1 to June 30, July 1 to September 30, and October 1 to December 31.

39. Settlement Class: The “Settlement Class” means all Policyholders of Class Policies excluding: (1) those Policyholders of Class Policies whose policies went into Non-Forfeiture Status prior to January 1, 2014; (2) those Policyholders of Class Policies that entered a

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Fully Paid-Up Status at any time up to the date the Class Notice is mailed; (3) Genworth's current officers, directors, and employees as of the date Class Notice is mailed; and (4) Judge Robert E. Payne and his immediate family and staff.

40. State Regulator(s): "State Regulator(s)" means the applicable insurance regulator(s) with authority for regulating long-term care insurance products in the State(s) in which Settlement Class members' Class Policies were issued.

41. Other capitalized terms used in this Settlement Agreement but not defined in Section I shall have the meanings ascribed to them elsewhere in this Settlement Agreement.

### III. TERMS OF SETTLEMENT

42. Class Certification:

(a) For purposes of settlement only, Genworth will not oppose Named Plaintiffs' motion seeking certification of the Settlement Class under Rules 23(b)(3) and 23(e) of the Federal Rules of Civil Procedure, while reserving its rights to oppose class certification if the Settlement Agreement is not approved or is terminated, and without admitting that a class could otherwise be certified for trial. If this Settlement Agreement is not completed for any reason, Named Plaintiffs will not offer or use as evidence in this Action or in any other proceeding for any reason the fact that Genworth has agreed not to oppose a class for purposes of this Settlement Agreement.

(b) Genworth and its counsel shall have the right to review and comment on the draft motion to approve Class Notice and for preliminary approval of this settlement, in advance of its filing. Plaintiffs will cooperate in good faith with Genworth and not unreasonably refuse to accept and implement Genworth's suggestions or changes to the draft motion.

(c) Named Plaintiffs' motion to approve Class Notice and for preliminary approval of this settlement shall seek approval that Class Notice be provided to the Settlement

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Class under Rule 23(c)(2) in the form and manner described in paragraph 57 below. Class Notice will be provided to the Settlement Class Members in the manner approved by the Court. Settlement Class members will be afforded an opportunity to object to the settlement or opt-out of the Settlement Class.

43. Consideration to Settlement Class: In consideration for the Releases (paragraph 47 below), Genworth will provide Settlement Class members with certain disclosures and settlement options (described in Paragraph 43(a)-(e) below) as approved by the Court, subject to review and/or approval by State Regulators as set forth in Paragraph 46 below.

(a) Genworth will send a special election letter (“Special Election Letter”) to all Settlement Class members providing the disclosures and offering settlement options that will be available to each Settlement Class member.

(b) The disclosures in the Special Election Letter will be in the form and substance attached as Appendix B (the “Disclosures”). The options offered to Settlement Class members in the Special Election Letter will include maintaining their current benefits at their existing filed rates (subject to any and all future rate increases that may be approved or otherwise permitted) or to elect from a selection of paid-up reduced benefit options or reduced benefit options (also subject to any and all future rate increases that may be approved or otherwise permitted), described in Appendix C (the “Special Election Options”), some of which also entitle Settlement Class members to damages payments.

(c) One Special Election Option may be elected per individual Class Policy and, where a Class Policy insures a policy owner and another insured person, both the policy owner and another insured person shall sign off on the election.

(d) A template of the Special Election Letter, which will be customized for each Settlement Class member’s circumstances, is attached as Appendix D. Customization includes

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situations where not all Special Election Options will be offered to each Settlement Class member, as described in paragraph 43(e) below.

(e) The specific Special Election Options offered to each Settlement Class Member will differ because they will be subject to the availability of those options based on each Settlement Class member's current policy terms and benefits, and any State limitations concerning Partnership Plan<sup>1</sup> requirements, and subject to State Regulator(s)' review as described in paragraph 46 below.

### 44. Mailing of the Special Election Letter(s):

(a) The Special Election Letter shall be a mailing separate from the Class Notice, but shall reference the Settlement Agreement, and the Action.

(b) The Special Election Letter shall be sent after the Final Settlement Date and is subject to paragraph 46 below.

(c) The Special Election Letter will be sent after GLIC and GLICNY have had sufficient time to properly prepare their administration systems for the mailing, processing, and servicing of Special Election Letters and elections, after the Final Settlement Date.

(d) Once the preparation of the administration systems is complete ("Systems Administration Completion") and subject to Genworth's right to delay the mailing of the Special Election Letters to communicate with any State Regulator(s) in paragraph 46(b), Special Election Letters will be mailed approximately six (6) to nine (9) months prior to each Settlement Class member's next billing anniversary date for his or her Class Policy following Systems Administration Completion.

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<sup>1</sup> Partnership Plans issued under the Long-Term Care Partnership Program are part of a federally-supported, state-operated initiative that allows individuals who purchase a qualified long term care insurance policy or coverage to protect a portion of their assets that they would typically need to spend down prior to qualifying for Medicaid coverage.

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45. Return of the Special Election Letter(s):

(a) Settlement Class members shall have ninety (90) calendar days after the date of the mailing of the Special Election Letter to choose a Special Election Option by contacting Genworth by completed Special Election Option form postmarked for return mailing by that date or, in the alternative, by fax or email received by that date.

(b) Settlement Class members who do not communicate their Special Election Option selection to Genworth (by Special Election Option form postmarked for return mailing or, in the alternative, by fax or email) within ninety (90) calendar days forever waive their ability to make those elections and shall still be members of the Settlement Class for purposes of this Settlement Agreement, including, but not limited to, the Release. However, Genworth may, at its option, process late Special Election Option forms and shall have no obligation to audit postmark return dates.

(c) Once a Settlement Class member communicates their Special Election Option selection to Genworth, he or she will not be allowed to select any other Special Election Option or reverse or change his or her decision.

46. State Regulatory Review and Conflict Carve-Out:

(a) Genworth shall have the option to provide the form of the Special Election Letter approved by the Court to each state's State Regulator for review prior to a Special Election Letter being sent to any Settlement Class member whose Class Policy was issued in that State. This submission may, at Genworth's option, be a separate submission from the requirements of 28 USC § 1715(b).

(b) If any State Regulator raises a concern about, objects to, or prohibits all or part of the Special Election Letter or the Disclosures, Genworth may, after conferring with Class Counsel, make reasonable efforts to address the State Regulator's concern or objection including

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editing or omitting part or all of the objected to language including changes to or removal of all or part of the Disclosures language. If any State Regulator objects to or prohibits all or part of a particular Special Election Option being offered to Settlement Class members whose Class Policies were issued in that state, after conferring with Class Counsel, Genworth shall have the right to (1) remove that Special Election Option as a choice available to Settlement Class members in that State; or (2) modify the Special Election Option in response to the State Regulator's stated concern or objection. To allow Genworth to conclude its communications with State Regulator(s), Genworth shall also have the option to delay the mailing of the Special Election Letters to Class Members whose Class Policies were issued in any state(s) whose State Regulator(s) has/have raised a concern about or objected to all or part of the Special Election Letter or the Disclosures or whose State Regulator(s) have not responded to the Special Election Letter or Disclosures.

(c) Genworth and Class Counsel shall confer about and make good faith efforts to agree upon any modification to the Disclosures, the Special Election Letter or the Special Election Options before final resolution of those issues with any State Regulator(s).

(d) If Genworth concludes that a State Regulator's objection(s), lack of approval, or other response or non-response prevents Genworth from (1) providing certain or any form of the Disclosures contained in Appendix B and/or (2) offering any acceptable form of the Special Election Options, then Genworth, in consultation with Class Counsel, may elect not to send the Special Election Letter, and will offer the impacted Settlement Class members an election to obtain:

(i) For Settlement Class members whose policies are still premium paying status, a \$100 credit against future Class Policy premiums; or

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(ii) For Settlement Class members whose Class Policies are in Non-Forfeiture Status only, a \$100 one-time addition to the Settlement Class members' Non-Forfeiture Option benefit pool.

47. Release by Named Plaintiffs and the Settlement Class:

(a) Upon the Final Settlement Date, each Settlement Class member, as well as Named Plaintiffs, releases and discharges the Genworth Released Parties of and from any and all known or unknown, contingent or absolute, matured or unmatured, suspected or unsuspected, disclosed or undisclosed, foreseeable or unforeseeable, liquidated or unliquidated, existing or arising in the future, and accrued or unaccrued claims, demands, interest, penalties, fines, and causes of action, that the Named Plaintiffs and Settlement Class members may have from the beginning of time through and including the Final Settlement Date that relate to claims alleged, or that have a reasonable connection with any matter of fact set forth in the Action including, but not limited to, any claims relating to rate increases on Class Policies. This release specifically includes any legal or equitable claim arising from or related to any election or policy change made or not made by any Settlement Class member to his or her policy benefits prior to the Final Settlement Date. Named Plaintiffs and Settlement Class members will further release the Genworth Released Parties and Class Counsel from any future claims, on any legal or equitable basis, relating to or arising out of the Special Election Options and/or statements and representations provided in connection with the Special Election Options including (but not limited to) any claim specifically relating to any decision, or non-decision, to maintain, modify, or give up coverage. Collectively, the claims described in this Paragraph shall be referred to as the "Released Claims."

(b) Upon the Final Settlement Date, each Settlement Class member and Named Plaintiffs expressly waives and releases any and all provisions, rights and benefits conferred by Section 1542 of the California Civil Code, which reads:

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**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

Each Named Plaintiff and each Settlement Class member similarly waives any and all rights and benefits conferred by any law of any state or territory of the United States or any other jurisdiction or principle of common law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code. Each Named Plaintiff and each Settlement Class member may hereafter discover facts other than or different from those which he or she knows or believes to be true with respect to the Released Claims, but each Named Plaintiff and each Settlement Class member hereby expressly waives and fully, finally, and forever settles and releases, upon the Final Settlement Date, any known or unknown, suspected or unsuspected, contingent or non-contingent claim that would otherwise fall within the definition of Released Claims, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts.

48. Covenant Not to Sue by Named Plaintiffs and the Settlement Class: Settlement Class members and Named Plaintiffs covenant not to sue, directly or indirectly, any of the Genworth Released Parties or Class Counsel with respect to any of the Released Claims. Settlement Class members and Named Plaintiffs shall forever be barred and enjoined from directly or indirectly filing, commencing, instituting, prosecuting, maintaining, joining, or intervening in any action, suit, cause of action, arbitration, claim, demand, or other proceeding in any jurisdiction, or before any tribunal or administrative body (including any State Regulator, state Department of Insurance or other regulatory entity) whether in the United States or elsewhere, on their own behalf or in a representative capacity, that is based upon or arises out of

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any of the Released Claims. If any Settlement Class member or Named Plaintiff breaches this covenant not to sue, the Genworth Released Parties or Class Counsel, as the case may be, shall be entitled to all damages resulting from that breach including but not limited to attorneys' fees and costs in defending such an action or enforcing the covenant not to sue.

49. Release by Genworth: Upon the Final Settlement Date, Genworth releases and discharges Named Plaintiffs, the Settlement Class, and Class Counsel from any and all claims that arise out of or relate to the institution, prosecution, or settlement of the claims against Genworth in the Action, except for claims relating to the breach or enforcement of this Settlement Agreement.

50. No Admission Of Liability: This Settlement Agreement is a compromise of disputed claims and the consideration provided for herein is not to be construed as an admission on the part of any Party hereto. Genworth denies any liability or wrongdoing of any kind associated with the claims alleged in this lawsuit and further denies, for any purpose other than that of settling the Action, that this lawsuit is appropriate for class treatment. Genworth shall not make any allegation that this lawsuit was filed in bad faith or was frivolous. Named Plaintiffs and Genworth are settling this case voluntarily after consultation with competent legal counsel. Throughout the course of the litigation, the Parties and their counsel complied with the provisions of Federal Rule of Civil Procedure 11. This Settlement Agreement shall not be used for any purpose, including as evidence by any of the Parties in any judicial, administrative, arbitration, or other proceeding, except for this current proceeding and for the purpose of enforcing the rights and obligations created hereby.

51. Potential Tax and Partnership Plan Consequences: Payments made in connection with this Settlement Agreement, any Special Election Option, and/or any decision by a Settlement Class member to modify his or her benefits may have tax consequences and/or

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consequences on his or her Partnership Plan status, for which Settlement Class members are solely responsible.

(a) Each Settlement Class Member is solely responsible for assessing his or her potential tax and Partnership Plan consequences, and each Settlement Class member's tax obligation is the sole responsibility of the Settlement Class Member.

(b) Neither Genworth nor Class Counsel shall be responsible or liable for any tax, Partnership Plan, or any other financial consequences of any Special Election Option selected by any Settlement Class member.

(c) Neither Genworth nor Class Counsel express any opinion concerning tax or economic consequences of settlement or receipt of damages by Settlement Class Members and make no warranties or other assurances regarding tax or economic consequences.

(d) Genworth reserves the right to report to federal or state tax authorities including the IRS payments made in connection with this Settlement Agreement and the Special Election Options.

52. Payment of Class Counsel's Common-Benefit Attorneys' Fees: If approved by the Court, Genworth shall pay Class Counsel reasonable attorneys' fees and litigation expenses, without reducing the benefits to any Settlement Class member, as follows:

(a) \$2,000,000.00 relating to the injunctive relief that is substantially in the form of the Disclosures ("Injunctive Relief Fee") within five (5) business days of the Final Settlement Date or the Final Fee Award, whichever is later.

(b) A payment equivalent to 15% or, if the Court orders a lower percentage to be paid to Class Counsel as attorneys' fees, the lower percentage, of the following amounts (the "Contingency Fees"):

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(i) Damages payments actually paid to Settlement Class members who elect a Paid-up Benefit Option as described in Appendix C, Option I.A.1 or Option III.A.1;

(ii) Damages payments actually paid to Settlement Class members who elect a form of Reduced Benefit Option as described in Appendix C, Option I.B.1, Option I.B.2, Option I.B.3, Option III.B.1, or Option III.B.2;

(iii) Damages payments actually paid to Settlement Class members described in Appendix C, Option II.2; and

(iv) An amount equivalent to the Settlement Class member's paid-in premiums during the time period beginning January 1, 2016 through December 31, 2019 for Settlement Class members who elect a Paid-up Benefit Option described in Appendix C, Option I.A.2, II.1, or Option III.A.2.

(c) The amount of the Contingency Fees shall be no less than \$10,000,000.00 and no greater than \$24,500,000.00.

(d) The Contingency Fees shall be paid as follows:

(i) \$5,000,000.00 within five (5) business days of receipt of the first election of a Special Election Option from a Settlement Class member.

(ii) \$2,500,000.00 within ninety (90) calendar days of the date the first election was received.

(iii) \$2,500,000.00 within one-hundred eighty (180) calendar days of the date the first election was received.

(iv) Any further payments for Contingency Fees shall be calculated every ninety (90) days following the first one-hundred eighty (180) calendar days of the date the first election was received and paid within thirty (30) calendar days of that calculation.

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(e) If the Court or any reviewing court awards Class Counsel Injunctive Relief Fees or Contingency Fees less than the amount specified in paragraphs 52 or 53 below, or requested by Class Counsel, then Genworth shall pay such lesser amounts and not be responsible for or liable to Class Counsel for any amount exceeding the amount awarded by the Court, and the above payment amounts and schedule will be prorated accordingly.

53. Payment of Class Counsel's Reasonable Expenses:

(a) Genworth shall pay Class Counsel's litigation expenses approved by the Court not to exceed \$75,000.00.

(b) None of the expenses shall be deducted from the payments to Settlement Class members.

(c) These payments shall be made within five (5) business days of the Final Settlement Date, or the Final Fee Award, whichever is later.

54. Named Plaintiffs' Service Payments:

(a) Genworth will pay within five (5) business days of the Final Settlement Date a service payment to each of the Named Plaintiffs in an amount awarded by the Court, not to exceed \$25,000.00 to each Named Plaintiff.

(b) None of these service payments shall be deducted from the payments to Settlement Class members.

55. Non-Disparagement, Confidentiality, and Public Statements:

(a) Named Plaintiffs, Genworth, Class Counsel, and Genworth's Counsel shall not make any statements, orally or in writing, to third parties that disparage, are inimical to, or damage the reputation of the Parties. Disparaging remarks, comments, or statements are those that impugn the character, honesty, integrity, morality, business acumen, or abilities of the Parties.

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(b) Named Plaintiffs, Genworth, Class Counsel, and Genworth's Counsel, except to the extent otherwise agreed, shall keep confidential and shall make no public statements about the existence and contents of this Settlement Agreement and all settlement and mediation discussions and related negotiations until the date on which the motion for preliminary approval is filed. However, this provision shall not prevent the disclosure, prior to the date on which the motion to notice the Settlement Class is filed, of the contents of the Settlement, or the Settlement Agreement (a) by Genworth to its regulators, reinsurers, rating agencies, financial analysts, securities underwriters, auditors, accountants, counsel, and/or any entity to which Genworth has a legal or other mandatory reporting requirement, or (b) to any other person or entity (such as experts) to which these parties agree disclosure must be made in order to effectuate the terms and conditions of the Settlement Agreement.

(c) Named Plaintiffs, Genworth, Class Counsel, and Genworth's Counsel shall not make public statements regarding the Settlement Agreement at any time except as required by law or with the prior approval of the other Party, except that Class Counsel, Genworth, and Genworth's counsel may make any statements necessary to communicate with Settlement Class members in response to questions they raise after receipt of Class Notice or the Special Elections Letter, including, but not limited to, through a call center and/or website maintained by Genworth.

(d) Named Plaintiffs and Class Counsel shall not advertise, promote, or share news or information concerning or related to the Settlement Agreement at any time with the media or others who are not necessary to effectuate the terms of the Settlement Agreement, except that Class Counsel may, subject to Genworth's prior approval, publish the Settlement Agreement on their law firms' respective websites along with a brief, accurate statement regarding the Settlement Agreement and a link to the settlement website for additional information.

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(e) If, at any time, either Genworth, Named Plaintiffs, Class Counsel, or the Settlement Administrator receives any subpoena or other request for information or documents concerning this Settlement or Settlement Agreement, the recipient of such subpoena or request shall provide within three (3) business days of receipt of such subpoena or request, notice to Class Counsel and Genworth's Counsel and shall not disclose or produce any information or documents to the subpoenaing or requesting person or entity unless (i) Class Counsel and Genworth's Counsel have approved disclosure or production, (ii) Class Counsel, Genworth, and Genworth's Counsel have not objected to the subpoena or request within the applicable time to do so, or (iii) the Court or other tribunal with jurisdiction over the subpoena or request has authorized or directed production of such information or documents.

56. Settlement Administrator: Subject to the Court's approval, the Parties shall utilize Epiq Class Action & Mass Tort Solutions, Inc., a neutral third party, as the "Settlement Administrator." The Settlement Administrator shall be responsible for mailing Class Notices (as further described below), maintaining a settlement website (as to which Genworth and Named Plaintiffs shall agree in good faith on form and substance), receiving and reviewing Requests for Exclusion, providing regular reports on the administration of the settlement to Class Counsel and Genworth's counsel, and auditing Special Election Options on a quarterly basis. Genworth shall pay all costs and expenses relating to the notice and settlement administration plan approved by the Court.

57. Class Notice:

(a) Within sixty (60) calendar days after the Court grants approval to provide the Class Notice, Genworth shall provide to the Settlement Administrator a list of all known Settlement Class members with each Settlement Class member's last-known mailing address from Genworth's records (the "Settlement Class List"). Within thirty (30) calendar days of

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receiving the Settlement Class List from Genworth, the Settlement Administrator shall send out the Class Notice by direct mail. There shall not be a claim form included with the Class Notice. The Class Notice is attached as Appendix E.

(b) Subject to Court approval, the Settlement Administrator shall also publish the Publication Notice (attached as Appendix F), which shall be at least an eighth of a page in size.

### 58. Websites:

(a) The contents of the Class Notice shall be reproduced on a website maintained by the Settlement Administrator, with the input and oversight of Genworth's counsel and Class Counsel. The website shall include information regarding the nature of the lawsuit, a summary of the substance of the settlement, the Settlement Class definition, the procedure and time period to request exclusion from and/or object to the settlement, and the date set for the Final Approval Hearing.

(b) Genworth may also maintain a website with information available for Settlement Class members to consult upon receiving the Special Election Letters. Genworth shall provide Class Counsel with an advance opportunity to review, comment, and make suggestions on the website content. Genworth shall cooperate with and not unreasonably refuse to accept such suggestions.

59. Requests for Exclusion: Settlement Class members must submit any requests to be excluded from the Settlement Class ("Requests for Exclusion") to the Settlement Administrator with a postmark on or before sixty (60) calendar days after mailing of the Class Notice, as described in the Class Notice. So-called "mass" or "class" opt outs shall not be allowed. The Settlement Administrator shall promptly provide notice to Class Counsel and Genworth's counsel of any Requests for Exclusion that it receives.

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60. Termination:

(a) If more than 10% of Settlement Class members request exclusion from the Settlement Class or State Regulators representing 10% or more of the Settlement Class members object to the Disclosures and/or Special Election Options, Genworth shall have the right, but not the obligation, to terminate this Settlement Agreement. Genworth may do so by giving written notice to Class Counsel within thirty (30) calendar days of the Settlement Administrator providing its final report of Requests for Exclusion to Genworth's counsel and Class Counsel. Termination shall void all of the rights, obligations, and Releases under this Settlement Agreement, except the provisions that are necessary to effectuate such termination.

(b) Separately and alternatively, Genworth and/or Named Plaintiffs may terminate the settlement if the Court or any appellate court, rejects, modifies, or denies approval of any portion of the Settlement Agreement that the terminating party in its sole judgment and discretion reasonably determines is material, except that Genworth and/or Named Plaintiffs may not terminate because of a reduction in the amount of any award of attorneys' fees, expenses, or Named Plaintiffs' Service Payments authorized by the Court or any appellate court. Genworth may terminate the settlement if the Court or any appellate court awards any attorneys' fees, expenses, or Named Plaintiffs' Service Payment in an amount higher than that specified in this Settlement Agreement, and shall not be responsible for or liable to Class Counsel or Named Plaintiffs for any such higher amount.

61. Objections: Settlement Class members must submit any objections to the settlement in writing to the Court with a postmark on or after sixty (60) calendar days after mailing of Class Notice, as described in the Class Notice.

62. Special Election Letter and Option Questions: Genworth may respond to communications and questions from Settlement Class members regarding the settlement and

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Special Election Options. Genworth will operate a call center and may maintain a website.

Named Plaintiffs and Class Counsel agree that communications between Genworth and Settlement Class members regarding the administration of the settlement and the Special Election Options are expected, appropriate, and not in violation of any rules about communications with Settlement Class members.

63. Audit by Settlement Administrator:

(a) Genworth shall process and track the Special Election Options elected by Settlement Class members and sent by those Settlement Class members to Genworth.

(b) Genworth, or its designee, shall generate quarterly reports to be provided to the Settlement Administrator of Settlement Class member elections that Genworth has recorded in its policy administration system as follows:

(i) Beginning with the first Quarter after Genworth's receipt of the first Settlement Class member election, Genworth, or its designee, will have twenty-one (21) calendar days following the conclusion of the Quarter to generate a report of all elections Genworth has recorded in its policy administration system in the preceding Quarter (the "Audit Report").

(ii) The Audit Report shall include, for each election, the Settlement Class member's Class Policy number, the Special Election Option selected, the amount of any cash damages to be paid as a result of any Special Election Option selected, and the date that Genworth recorded the Settlement Class Member's Special Election Option into its policy administration system. Collectively, this information is referred to as an "Audit Report."

(c) For each Audit Report, the Settlement Administrator will select a random sample of Settlement Class members not to exceed twenty-five (25) if the Audit Report lists one-thousand (1,000) or fewer Special Election Options and not to exceed fifty (50) if the Audit Report lists in excess of 1,000 Special Election Options. With respect to, and within twenty-

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one (21) calendar days of receiving the random sample from the Settlement Administrator, Genworth, or its designee, will provide to the Settlement Administrator a copy of the written special election options received from the selected Settlement Class members and a spreadsheet or other document reflecting (A) if a reduced paid up benefit is elected, the amount of any claims payments to the Settlement Class Member, (B) annual premium just prior to the election, and (C) annual premium for the Special Election Option selected. Collectively, the foregoing information shall be referred to as the “Audit Information.”

(d) The Settlement Administrator shall, within fourteen (14) calendar days of receipt of the Audit Information, conduct an audit to determine if the Audit Information is consistent with the Audit Report and provide the results of that audit to both Genworth and Class Counsel. Genworth will use good faith efforts to resolve any discrepancies identified by the Settlement Administrator’s audit.

(e) If it is determined, whether as a result of an audit or otherwise, that Genworth made an error in processing, implementing, recording or reporting any Settlement Class member’s election or the calculation of any cash damages, Genworth shall not be liable to the Settlement Class member or to Class Counsel for any damages or other relief, provided that the error is corrected.

64. Calculation of Deadlines: For purposes of the calculation of any deadlines or time periods as detailed in this Settlement Agreement, “calendar days” means each day, not including the day of the act, event, or default from which a designated period of time begins to run, but including the last day of the period, unless it is a Saturday, Sunday, or U.S. federal government holiday, in which case the period runs until the end of the next day that is not a Saturday, Sunday, or U.S. federal government holiday.

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65. Enforceability: This Settlement Agreement is fully enforceable and binding and is admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding the settlement and/or mediation confidentiality provisions that otherwise might apply under applicable law. The prevailing Party in any civil action to enforce this Settlement Agreement may petition the court to recover costs and reasonable attorneys' fees incurred in connection with such an enforcement action or motion. The Court shall retain jurisdiction over the Parties to enforce this Settlement Agreement and the Final Order and Judgment.

66. Mutual Full Cooperation: The Parties shall fully cooperate with each other and use their best efforts to accomplish the terms of this Settlement Agreement including, but not limited to, execution of such documents and to take such other actions as may be reasonably necessary to implement the terms of this Settlement Agreement.

67. No Prior Assignments: The Parties represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged except as set forth herein.

68. Construction and Choice of Law: The terms and conditions of this Settlement Agreement are the result of extensive, arm's-length negotiations between the Parties, and all Parties have participated in the drafting of this Settlement Agreement and setting forth its terms, and this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or their counsel has participated in the drafting of this Settlement Agreement. The law of Virginia shall govern this Settlement Agreement.

69. Modification: This Settlement Agreement may not be changed, altered, or modified except in a writing signed by GLIC, GLICNY, Class Counsel, and each of the Named Plaintiffs (in their individual and representative capacities), the parties hereto, or as ordered by

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the Court following a written stipulation between GLIC, GLICNY, Class Counsel, and each of the Named Plaintiffs (in their individual and representative capacities) effectuated through their counsel or the verbal stipulation of counsel for GLIC, GLICNY, Class Counsel, and each of the Named Plaintiffs (in their individual and representative capacities) in open court.

70. Notice: All notices and other communications under this Agreement shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person or by an overnight delivery service or by registered or certified mail, postage pre-paid, return receipt requested, as follows:

(a) If to the Named Plaintiffs:

Goldman Scarlato & Penny, P.C.  
Brian D. Penny  
161 Washington Street, Suite 1025  
Conshohocken, PA 19428  
Telephone: (484) 342-0700

Robbins Geller Rudman & Dowd LLP  
Stuart A. Davidson  
120 East Palmetto Park Road, Suite 500  
Boca Raton, FL. 33432  
Telephone: (561) 750-3000

(b) If to Genworth:

Genworth Life Insurance Company  
Attention: General Counsel  
6620 W. Broad Street  
Richmond, VA 23230

with a copy (which shall not constitute notice) to:

Reid Ashinoff  
DENTONS US LLP  
1221 Avenue of the Americas  
New York, NY 10020  
(212) 398-5213

Brian Pumphrey  
MCGUIREWOODS LLP

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Gateway Plaza  
800 East Canal Street  
Richmond, VA 23219-3916  
(804) 775-7745

71. Entire Agreement: This Settlement Agreement contains the entire agreement between the Parties relating to this lawsuit, the settlement, and the transactions contemplated herein and supersedes all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, and whether by a Party or such Party's counsel, related to the lawsuit or the settlement.

72. Counterparts: This Settlement Agreement may be executed in counterparts which, when taken together with other signed counterparts, shall constitute one fully executed agreement that shall be binding upon and effective as to all Parties. Photographic, facsimile, and scanned PDF copies of signatures shall have the same efficacy of original signatures and may be used for any purpose consistent with this Settlement Agreement.

73. Representations: By signing this Settlement Agreement, each of the Parties expressly represents and warrant as follows:

(a) That it has read the foregoing Settlement Agreement, knows and understands the contents thereof, and has entered into this Settlement Agreement voluntarily and of its own volition.

(b) That, in entering into this Settlement Agreement, it has not relied on any representation, warranty, or promise made by any person, except for those expressly set forth herein.

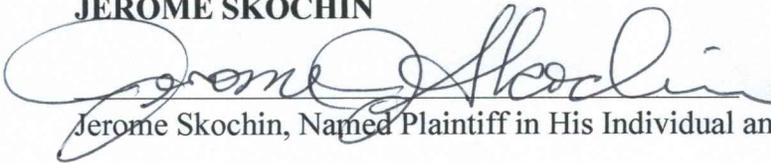
(c) That, in entering into this Agreement, it has been advised of its meaning and consequences by its legal counsel.

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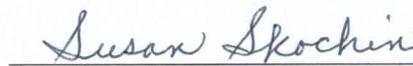
(d) That it, or the person executing this Agreement on its behalf, has full power, capacity and authority to execute and deliver this Agreement.

Agreed to by:

**JEROME SKOCHIN**

 Date: 12-20-2019  
Jerome Skochin, Named Plaintiff in His Individual and Representative Capacities

**SUSAN SKOCHIN**

 Date: 12-20-2019  
Susan Skochin, Named Plaintiff in Her Individual and Representative Capacities

**LARRY HUBER**

\_\_\_\_\_ Date: \_\_\_\_\_  
Larry Huber, Named Plaintiff in His Individual and Representative Capacities

**GENWORTH LIFE INSURANCE COMPANY**

\_\_\_\_\_ Date: \_\_\_\_\_  
Genworth Life Insurance Company

By (Print Name): \_\_\_\_\_

Its: \_\_\_\_\_

**GENWORTH LIFE INSURANCE COMPANY OF NEW YORK**

\_\_\_\_\_ Date: \_\_\_\_\_  
Genworth Life Insurance Company of New York

By (Print Name): \_\_\_\_\_

Its: \_\_\_\_\_

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(d) That it, or the person executing this Agreement on its behalf, has full power, capacity and authority to execute and deliver this Agreement.

Agreed to by:

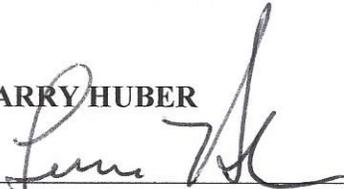
**JEROME SKOCHIN**

\_\_\_\_\_ Date: \_\_\_\_\_  
Jerome Skochin, Named Plaintiff in His Individual and Representative Capacities

**SUSAN SKOCHIN**

\_\_\_\_\_ Date: \_\_\_\_\_  
Susan Skochin, Named Plaintiff in Her Individual and Representative Capacities

**LARRY HUBER**

 \_\_\_\_\_ Date: 12/20/2019  
Larry Huber, Named Plaintiff in His Individual and Representative Capacities

**GENWORTH LIFE INSURANCE COMPANY**

\_\_\_\_\_ Date: \_\_\_\_\_  
Genworth Life Insurance Company

By (Print Name): \_\_\_\_\_

Its: \_\_\_\_\_

**GENWORTH LIFE INSURANCE COMPANY OF NEW YORK**

\_\_\_\_\_ Date: \_\_\_\_\_  
Genworth Life Insurance Company of New York

By (Print Name): \_\_\_\_\_

Its: \_\_\_\_\_

**FINAL - EXECUTION COPY**

(d) That it, or the person executing this Agreement on its behalf, has full power, capacity and authority to execute and deliver this Agreement.

Agreed to by:

**JEROME SKOCHIN**

\_\_\_\_\_ Date: \_\_\_\_\_  
Jerome Skochin, Named Plaintiff in His Individual and Representative Capacities

**SUSAN SKOCHIN**

\_\_\_\_\_ Date: \_\_\_\_\_  
Susan Skochin, Named Plaintiff in Her Individual and Representative Capacities

**LARRY HUBER**

\_\_\_\_\_ Date: \_\_\_\_\_  
Larry Huber, Named Plaintiff in His Individual and Representative Capacities

**GENWORTH LIFE INSURANCE COMPANY**

Matt Keppler Date: 12/20/19  
Genworth Life Insurance Company

By (Print Name): Matt Keppler

Its: Senior Vice President

**GENWORTH LIFE INSURANCE COMPANY OF NEW YORK**

Matt Keppler Date: 12/20/19  
Genworth Life Insurance Company of New York

By (Print Name): Matt Keppler

Its: Senior Vice President

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**GOLDMAN SCARLATO & PENNY, P.C.**

\_\_\_\_\_ Date: 12/20/19

By (Print Name): BRIAN D. PENNY

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**ROBBINS GELLER RUDMAN & DOWD LLP**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**BERGER MONTAGUE P.C.**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**PHELAN PETTY PLC**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

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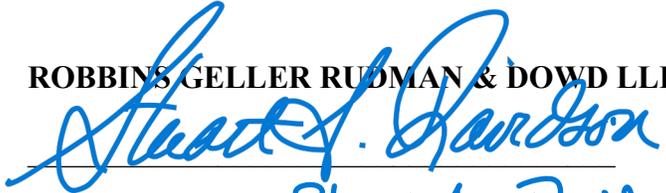
**GOLDMAN SCARLATO & PENNY, P.C.**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**ROBBINS GELLER RUDMAN & DOWD LLP**

 Date: 12/20/2019

By (Print Name): Stuart A. Davidson

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**BERGER MONTAGUE P.C.**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**PHELAN PETTY PLC**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**GOLDMAN SCARLATO & PENNY, P.C.**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**ROBBINS GELLER RUDMAN & DOWD LLP**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**BERGER MONTAGUE P.C.**

 \_\_\_\_\_ Date: 12/20/2019

By (Print Name): Shanon Carson

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**PHELAN PETTY PLC**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**FINAL - EXECUTION COPY**

**GOLDMAN SCARLATO & PENNY, P.C.**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**ROBBINS GELLER RUDMAN & DOWD LLP**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

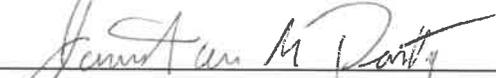
**BERGER MONTAGUE P.C.**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

**PHELAN PETTY PLC**

 \_\_\_\_\_ Date: 12/20/19

By (Print Name): Jonathan M Petty

*Attorneys for Named Plaintiffs and the Putative Settlement Class*

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**DENTONS US LLP**

\_\_\_\_\_ Date: 12-20-19

By (Print Name): Michael Dwall

*Attorneys for Defendants Genworth Life Insurance Company and Genworth Life Insurance Company of New York*

**MCGUIREWOODS LLP**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Defendants Genworth Life Insurance Company and Genworth Life Insurance Company of New York*

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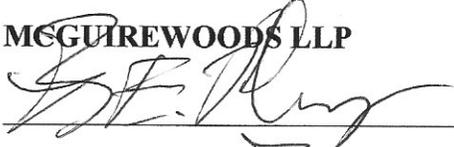
**DENTONS US LLP**

\_\_\_\_\_ Date: \_\_\_\_\_

By (Print Name): \_\_\_\_\_

*Attorneys for Defendants Genworth Life Insurance Company and Genworth Life Insurance Company of New York*

**MCGUIREWOODS LLP**

 \_\_\_\_\_ Date: 12/20/19

By (Print Name): Brian E. Pumphrey

*Attorneys for Defendants Genworth Life Insurance Company and Genworth Life Insurance Company of New York*

**APPENDIX A**  
**CLASS POLICIES**

<b>COMPANY CODE</b>	<b>STATE</b>	<b>FORM</b>
31	AK	7035AP
31	AL	7035
31	AL (Group Certificate)	7035CRT
31	AR	7035M
31	AZ	7035V
31	CA	7035AX;
31	CA	7035AJ;7035AX
31	CA Partnership	7037A;7037C
31	CO	7035H
31	CO	7025S
31	CO	7025B
31	CT	7035AF
31	CT Partnership	7037
31	DC	7035
31	DE	7035A
31	FL	7035AC
31	GA	7035D
31	HI	7035AM
31	IA	7035R
31	ID	7035W
31	IL	7035C
31	IN	7035S
31	IN Partnership	7037B
31	KS	7035AQ
31	KY	7035B
31	LA	7035U
31	MA	7035AG
31	MD	7035AT
31	ME	7035Y
31	MI	7035
31	MN	7035AL
31	MO	7035AD
31	MS	7035N
31	MT	7035AK (2000 TQ)
31	NC	7035AR
31	ND	7035AU

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31	NE	7035G
31	NH	7035Z
31	NJ	7035CRT
31	NM	7035AE
31	NV	7035P
40	NY	51010
40	NY Partnership	51011
31	OH	7035
31	OK	7035L
31	OR	7035AV
31	PA	7035AN
31	RI	7035
31	SC	7035K
31	SD	7035AB
31	TN	7035E
31	TX	7035AW
31	TX	7035F
31	UT	7035AS
31	VA	7035J
31	VT	7035AA
31	WA	7035T
31	WI	7035Q
31	WV	7035
31	WY	7035AH

APPENDIX B

DISCLOSURES

**GLIC's Plans for Significant Additional Future Rate Increases.**

As part of the *Skochin class action settlement*, we have agreed to provide additional information on our current plans to seek future rate increases on certain long term care insurance policies. This information should assist you in evaluating which of the options best meets your needs going forward. Based on our expectations as of [Date], we plan to request multiple rate increases in most states over the next [XX] years, and [we plan to seek cumulative rate increases of approximately [203%] on policies with lifetime benefits and [134%] on policies with limited benefits in the state where your policy was issued.] or [while we do not have immediate plans to seek rate increases on your policy and policies like yours [that previously elected a [Stable Premium Option] in the state where your policy was issued, future premium increases are possible [after the expiration of your premium rate guarantee period.]]] Future rate increases are important to GLIC's ability to pay future claims. The inability to obtain future rate increases may impair GLIC's ability to do so.

As explained further below, it is possible the actual rate increases we seek will be larger or more numerous than currently planned. As you review your special settlement options, you should know that recently, A.M. Best, a global credit rating agency focused on evaluating the claims paying ability of insurance companies, downgraded its rating of GLIC's financial strength to C++, indicating A.M. Best's view that GLIC has a "marginal ability to meet [its] ongoing insurance obligations."

You should also know that based on our projections, rate increase requests that exceed these percentages would be actuarially justified.

These planned rate increases will only take effect as permitted by applicable state insurance regulators. Based on our experience, we expect that most states will continue to grant some portion or all of the requested rate increases. However, there are some states that have not granted any rate increases in the last ten years and others that cap the allowable annual increase on policies issued in their states. In states that do not grant the full increases requested, our current plan is to continue to file for rate increases up to the full amount of our original request.

Importantly, if either the performance of these policies and/or economic conditions differ from our projections, our requested rate increases may be higher or lower than our current plans or we may also seek additional future rate increases, which are not contemplated in our current plans.

**APPENDIX C**

**SPECIAL ELECTION OPTIONS**

Below are Special Election Options pursuant to paragraph 43 of the Settlement Agreement.

**I. General Special Election Options.** For Settlement Class members who are not included in categories II through IV below, the following Special Elections Options may be available.

**A. Paid-up Benefits Options and Damages Options For Settlement Class Members**

**Who Have Not Previously Gone Into Non-Forfeiture Status<sup>2</sup>.** These two paid-up benefit settlement options would be available to all Settlement Class members in all States who have not previously gone into Non-Forfeiture Status.

1. A settlement option consisting of two components: (a) a paid-up benefit option equivalent to 100% of the Settlement Class member's paid-in premiums through December 31, 2015 less any claims paid over the lifetime of the policy, and (b) a damages payment equal to premiums paid during the time period beginning January 1, 2016 through December 31, 2019; or
2. A settlement option consisting of a paid-up benefit equal to two times the difference between the Settlement Class member's paid-in premiums to date less claims paid to the Settlement Class member to date. This option will not include any damages payment.

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<sup>2</sup> "Non-Forfeiture Status" means the exercise of a "Non-Forfeiture Option." Non-Forfeiture Options include benefits under an optional Non-forfeiture Benefit Rider, the Limited Benefits Upon Lapse Due to a Substantial Premium Increase (also called a Contingent Non-forfeiture Benefit), and the Optional Limited Benefit Endorsement.

**B. Reduced Benefit Options (“RBOs”) and Damages Options.** The first two RBO settlement options would be available to all Settlement Class members in all States with either lifetime or limited benefit period policies, excluding Settlement Class members who have previously elected a Stable Premium Option, a New York Landing Spot Option, or Settlement Class members whose level of benefits are below the level of benefits available in the below offered options. The third RBO settlement option would be available to all Settlement Class members that currently have policies with a lifetime benefit period.

1. A settlement option consisting of two components: (a) removal of the Benefit Inflation Option (“BIO”) with a reduction of their Daily Benefit Amount (“DBA”) to their original DBA (*i.e.* the DBA they had prior to any BIO increases), for a reduced annual premium, and (b) a damages payment equal to four times the differential between the Settlement Class member’s current annual premium for his or her existing policy and the current annual premium for the new reduced level of benefits; or
2. A settlement option consisting of two components: (a) removal of the BIO with a 25% reduction to their current DBA (after benefit inflation) for a reduced annual premium, and (b) a damages payment equal to four times the differential between the Settlement Class member’s current annual premium for his or her existing policy and the current annual premium for the new reduced level of benefits; or
3. For Settlement Class members with lifetime benefits, a settlement option consisting of two components: (a) election of a 6-Year Benefit Period (or the next lowest option if a 6-Year Benefit Period is not available) and a 25% reduction to their current DBA (after benefit inflation), for a reduced annual premium, and (b)

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a damages payment equal to four times the differential between the Settlement Class member's current annual premium for his or her existing policy and the current annual premium for the new reduced level of benefits.

**II. Options For Settlement Class Members Who Went Into Non-Forfeiture Status After January 1, 2014 But Prior To Making An Election In The Settlement.** These

election options will be provided to Settlement Class members who elected a NFO after January 1, 2014, but prior to making an election in the Settlement:

1. A settlement option consisting of a paid-up benefit equal to two times the difference between the Settlement Class member's paid-in premiums to date less claims paid to the Settlement Class member to date. This option will not include any damages payment; or
2. An option to elect a damages payment of \$1,000 and retain their current paid-up benefit.

**III. Options For Settlement Class Members With Partnership Plans.** These election options will be provided to Settlement Class members who have Partnership Plan policies:

**A. Paid-up Benefit Options and Damages Options For Settlement Class Members With Partnership Plans Who Have Not Previously Gone Into Non-Forfeiture Status.** These two paid-up benefit settlement options would be available to those Settlement Class members with Partnership Plans who have not previously gone into Non-Forfeiture Status.

1. A settlement option consisting of two components: (a) a paid-up benefit option equivalent to 100% of the Settlement Class member's paid-in premiums through December 31, 2015 less any claims paid over the lifetime of the policy, and (b) a

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damages payment equal to premiums paid during the time period beginning January 1, 2016 through December 31, 2019; or

2. A settlement option consisting of a paid-up benefit equal to two times the difference between the Settlement Class member's paid-in premiums to date less claims paid to the Settlement Class member to date. This option will not include any damages payment.

**B.** For Settlement Class members who are able to further reduce their benefit periods without jeopardizing their Partnership Plan status **and**:

1. Who have limited benefit period policies, a settlement option consisting of two components: (a) a reduction to the Settlement Class member's Benefit Period to the next lowest available level and a 25% reduction of their current DBA (after benefit inflation), with a reduced annual premium, and (b) a damages payment equal to four times the differential between the Settlement Class member's current annual premium for his or her existing policy and the current annual premium for the new reduced level of benefits.
2. Who have lifetime benefit period policies, a settlement option consisting of two components: (a) a reduction to a 6-Year Benefit Period (or the next lowest option if a 6-Year Benefit Period is not available) and a 25% reduction of their current DBA (after benefit inflation), with a reduced annual premium, and (b) a damages payment equal to four times the differential between the Settlement Class member's current annual premium for his or her existing policy and the current annual premium for the new reduced level of benefits.

**IV. Options For Settlement Class Members In States That Do Not Allow Disclosure To Be Mailed Or Special Election Options To Be Offered.**

To the extent that any state refuses to allow any form of the Disclosures and the Special Elections agreed to in the underlying Agreement, the Settlement Class members in that state will be offered:

- A.** For Settlement Class members whose policies are still in force, an option to elect a \$100 credit against future Class Policy premiums; or
- B.** For Settlement Class members whose Class Policies are in Non-Forfeiture Status only, an option to elect a \$100 one-time credit to the Settlement Class members' Non-Forfeiture Option benefit pool.

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**APPENDIX D**

**SPECIAL ELECTION LETTER**



## YOUR ACTION IS REQUIRED

You could get a cash payment up to \$[X.XX] and reduce or eliminate your premiums by adjusting your policy's coverage as offered below!

Response required by [], 2020.

### TEMPLATE

Dear[Name],

Your long term care insurance policy is part of the class action settlement in *Skochin et al. v. Genworth Life Insurance Company et al.*, Civil Action No. 3:19-CV-49-REP pending in the United States District Court of the Eastern District of Virginia. **As a result, we are making several special settlement options available for you to reduce or eliminate future premiums in return for adjusting your policy's benefits, while still providing meaningful coverage. Most options also provide for a one-time cash payment to you.** You may choose one of these options or keep your policy as is.

**[[As you evaluate these choices, please be aware that as of [Date] over the next [XX] years we are planning to seek additional rate increases of up to [[203%] for [lifetime benefits] and [134%] for [limited benefits]] in the state where your policy was issued.] or [As you evaluate these choices, please be aware that we do not have immediate plans to seek rate increases on your policy and policies like yours [that previously selected a Stable Premium Option] in the state where your policy was issued, although future premium increases are possible [after the expiration of your premium rate guarantee period.]] These potential rate increases would not be applicable if you choose a settlement option with a reduced paid-up benefit [(Option 1 or Option 2)]. Please also review the important disclosures we are providing as part of the settlement about our rate increase plans and our reasons for seeking such increases later in this letter.**

Your options are outlined below and are only available to you in this settlement. As you consider these options, you should consider if your circumstances have changed since you purchased your policy and review the Important Information about Your Settlement Options included with this letter.

#### Options 1 and 2:

Pay no more premiums and receive a reduced paid-up benefit amount, which would be available to pay your future claims. **Option 1** includes an *enhanced* paid-up benefit equal to twice the difference between the total amount of premiums you have paid and the amount of claims payments made to you, if any. **Option 2** provides a lower *basic* paid-up benefit (the amount of premiums you've paid through December 31, 2015, less any claims payments made to you to date, if any), but it also provides for a **one-time cash payment of [###]**. For details on these paid-up benefits, see the Important Information about your Settlement Options included with this letter.

#### Options 3, 4 and 5:

These options provide for a **one-time cash payment** to you. They also provide for reduced premiums in return for certain reductions to your policy's current benefits. Although your premiums and benefits will be reduced under these options, your new reduced premiums would still be subject to future rate increases. **Options 3 and 4** both reduce your premiums and remove the Inflation Benefit, which provides for certain annual benefit increases, and both options also reduce the policy's Maximum Daily Benefit [and Total Lifetime Benefit], though by different amounts. **Option 5** reduces your premiums and lowers the policy's Maximum Daily Benefit, Total Lifetime Benefit, and Benefit Period, which is generally the minimum period of coverage available under your policy.

If you wish to choose one of the special settlement options you **MUST** sign and return by mail (postmarked by the return deadline), fax, or email the completed enclosed form indicating your choice by: [December 8, 2020.] If you want to keep your policy as is, you need not do anything. Please note that if we don't hear from you by [December

## YOUR ACTION IS REQUIRED

8, 2020], your policy will stay the same and you will no longer be entitled to these special settlement options, including those that result in a payment to you.

The chart below shows how each of these options compares to your current premiums and benefits.\* For additional definitions of terms in the chart, please see the included Important Information about Your Settlement Options.

	Your Current Benefits	Option 1 Enhanced Reduced Paid-Up Benefit	Option 2 Basic Reduced Paid- Up Benefit <i>Plus Cash Payment</i>	Option 3 Remove Inflation Benefit & Revert to Original Benefit Levels <i>Plus Cash Payment</i>	Option 4 Remove Inflation Benefit & 25% Reduction to Certain Maximum Benefits <i>Plus Cash Payment</i>	Option 5 Reduce Benefit Period from [Lifetime] to [x] Years & Reduce Lifetime & Daily Benefit Maximums, <i>Plus Cash Payment</i>
Cash Payment	N/A	None	[\$11,585.55]	[\$7,744.88]	[\$1,914.25]	[\$6,245.96]
Maximum Benefit (Daily)	[\$343.80]	[\$343.80]	[\$343.80]	[\$150.00]	[\$257.85]	[\$257.85]
Inflation Benefit	[Compound [5]%]	[None]	[None]	[None]	[None]	[Compound [5]%]
Elimination Period	[100] Days	[100] Days	[100] Days	[100] Days	[100] Days	[100] Days
Benefit Period	[Unlimited]	[N/A]	[N/A]	[Unlimited]	[Unlimited]	[6 years]
Total Lifetime Benefit	[Unlimited]	[\$72,409.66]	[\$24,210.80]	[Unlimited]**	[Unlimited]**	[\$564,691.50]**
[Annual Premium]	[\$3,963.52]	Pay no further premiums.	Pay no further premiums.	[\$2,027.30]	[\$3,484.96]	[\$2,402.03]

\*Benefits, premiums and payment amounts in this chart are subject to confirmation and may change.

\*\*[This amount does not show reductions for past claims. Therefore, if you have had past claims, then the maximum amount available to you for future claims is the Total Lifetime Benefit, less past claims paid under the policy.] or [This is the amount available to you for future claims. It is the Total Lifetime Benefit less past claims paid under the policy.]

**We encourage you to discuss the options with your financial advisor, family members, or a member of our Customer Service Team by calling [800 883.1127].**

**GLIC's Plans for Significant Additional Future Rate Increases.**

As part of the *Skochin class action settlement*, we have agreed to provide additional information on our current plans to seek future rate increases on certain long term care insurance policies. This information should assist you in evaluating which of the options best meets your needs going forward. Based on our expectations as of **[Date]**, we plan to request multiple rate increases in most states over the next [XX] years, and **[[we plan to seek cumulative rate increases of approximately [203%] on policies with lifetime benefits and [134%] on policies with limited benefits in the state where your policy was issued.] or [while we do not have immediate plans to seek rate increases on your policy and policies like yours [that previously elected a Stable Premium Option] in the state where your policy was issued, future premium increases are possible [after the expiration of your premium rate guarantee period.]]] Future rate increases are important to GLIC's ability to pay future claims. The inability to obtain future rate increases may impair GLIC's ability to do so.**

As explained further below, it is possible the actual rate increases we seek will be larger or more numerous than currently planned. As you review your special settlement options, you should know that recently, A.M. Best, a global credit rating agency focused on evaluating the claims paying ability of insurance companies, downgraded its rating of GLIC's financial strength to C++, indicating A.M. Best's view that GLIC has a "marginal ability to meet [its] ongoing insurance obligations."

You should also know that based on our projections, rate increase requests that exceed these percentages would be actuarially justified.

These planned rate increases will only take effect as permitted by applicable state insurance regulators. Based on our experience, we expect that most states will continue to grant some portion or all of the requested rate increases. However, there are some states that have not granted any rate increases in the last ten years and others that cap the allowable annual increase on policies issued in their states. In states that do not grant the full increases requested, our current plan is to continue to file for rate increases up to the full amount of our original request.

Importantly, if either the performance of these policies and/or economic conditions differ from our projections, our requested rate increases may be higher or lower than our current plans or we may also seek additional future rate increases which are not contemplated in our current plans.

Sincerely,



Genworth Life  
 Genworth Life of New York  
 Administrative Office:  
 3100 Albert Lankford Drive  
 Lynchburg, VA 24501

# Important Information about Your Settlement Options

from Genworth Life Insurance Company and  
 Genworth Life Insurance Company of New York

## Definitions

These are summary definitions of terms used in the accompanying Skochin class action settlement letter, the Coverage Options Form, and this important information document. Please see your policy for complete definitions and details.

<b>Cash Payment</b>	The payment you will receive as a result of selecting a special Settlement Option that provides for a cash payment. The payment arises from the class action settlement and is not a policy benefit.
<b>[Annual] Premium</b>	This is the amount you must pay [every year], [twice a year], [each quarter], or [each month] in a timely manner to keep your policy in effect. If you select a settlement option with reduced premiums, your new premium will generally take effect as of the beginning of the next policy month after we receive your signed selection. Each policy month generally begins on the same day of the month as your policy anniversary date. Any future rate increases will be based on your new reduced premium amount.
<b>Maximum Benefit (Daily)</b>	The daily limit on the combined total for all benefit payments provided to each Insured Person under the policy's Respite Care Benefit, Long Term Care Facility Benefit, and Bed Reservation Benefit. It is called the "Daily Payment Maximum" in the policy. It is also used to determine other benefit limits.
<b>Inflation Benefit</b>	A benefit that increases your policy's benefits each year as shown in your policy. In the policy, it is called a "Benefit Increases" provision.
<b>Insured Person</b>	The policyholder named in the policy schedule, and another insured person, if any, who is also named in the policy schedule.
<b>Elimination Period</b>	This is generally the number of days for which each Insured Person must incur expenses that qualify for payments under the policy's Long Term Care Facility Benefit, before we will commence paying benefits. The Elimination Period must be satisfied before a Long Term Care Facility Benefit can be paid. Days an Insured Person receives services covered under the policy's Home Care Benefit in accordance with a Privileged Care Coordinator's Plan of Care can also be used to satisfy the elimination period. Days used to satisfy the Elimination Period do not need to be consecutive.
<b>Benefit Period</b>	This is generally the minimum period of years your policy will provide coverage. While the Benefit Period is not a policy definition, it is used to determine your policy's Total Lifetime Benefit.
<b>Total Lifetime Benefit</b>	The combined total amount we will pay as benefits under this policy. It is also called the "Lifetime Payment Maximum."

## Benefit values are approximate

Benefit values presented in the accompanying letter and Coverage Options Form are approximate due to rounding and certain timing considerations. If you select one of the settlement options, you will receive a written confirmation from us showing your new benefit values. Covered benefits payable at the time of a claim will be calculated in accordance with your policy.

## Considerations related to adjusting your coverage

All of the settlement options available to you may not be of equal value.

If you have a Partnership policy, reducing your coverage may result in a loss of Partnership status, a change in your asset protection type, and may reduce your overall protection.

Benefits are payable only when you meet the terms and conditions for receiving benefits under your policy.

If you remove an Inflation Benefit from your policy, your Maximum Daily Benefit and Total Lifetime Benefit will not increase.

Your Benefit Period is the period of time that is used to calculate the Total Lifetime Benefit. Your coverage is based on this lifetime payment maximum, not a certain period of time. If your Maximum Daily Benefit and/or the Benefit Period are reduced, the Total Lifetime Benefit payable under your policy will automatically be reduced because the policy maximum is a function of the Maximum Daily Benefit and the Benefit Period. In addition, other benefit amounts may be reduced.

## Adjustments to premium

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If you select a settlement option that eliminates an Inflation Benefit or otherwise reduces your coverage, for all options other than a reduced paid-up benefit option, your new premium will be determined as follows: Your new premium will be the same as what it would have been (at the time your settlement option becomes effective and including all premium increases) if your policy had included the reduced benefits since it first took effect. This premium is subject to change in accordance with the terms of your policy.

## Premium payments by automatic withdrawal/third-party account/online banking

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If you are using automatic withdrawals, the new required premium will be automatically deducted from your bank checking account. If you are using a third-party account, or online banking to pay your premiums, please be sure to make the proper adjustments and arrangements for paying the new required premium amount.

## Total Lifetime Benefit is reduced by benefit payments

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Any benefits paid or payable are deducted from the reduced Total Lifetime Benefit. This means the combined maximum policy benefits available for all insureds under the policy will be the new Total Lifetime Benefit less claims paid under the policy. Therefore, if you have previously been on claim, carefully consider whether reducing your benefits is appropriate for your circumstances. [(Note that the new maximum benefit for any reduced paid-up option will already reflect the reduction of past claims.)]

## Selecting an Enhanced Reduced Paid-up Benefit [or a Basic Reduced Paid-up Benefit]

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If you select a settlement option with a reduced paid-up benefit, your Total Lifetime Benefit will be reduced, any Inflation Benefit provision will be removed from your policy, and you will no longer have to pay policy premiums.

For the settlement option that includes the enhanced reduced paid-up benefit, and no cash payout, the new Total Lifetime Benefit will equal 200% of the difference between the sum of all premiums paid under the policy (excluding any waived premium), and the amount of all benefits paid or payable under the policy for expenses incurred prior to the date the settlement option takes effect.

[For the settlement option that includes the basic reduced paid-up benefit, as well as a cash payout, the new Total Lifetime Benefit will equal 100% of the sum of all premiums paid under the policy (excluding any waived premium) through December 31, 2015, minus the amount of all benefits paid or payable under the policy for expenses incurred prior to the date the settlement option takes effect].

Continuation of the policy under the enhanced reduced paid-up benefit [or the basic reduced paid-up benefit] is subject to the following conditions: (a) the policy will be continued under a paid-up status (with no further premium becoming due), subject to all of the terms and conditions of the policy; (b) except as stated below, and subject to the reduced Total Lifetime Benefit, the policy will have the same benefits, Elimination Period, and other policy limits in effect on the date the settlement option takes effect, (c) any Inflation Benefit that was in effect under the policy will no longer apply, which means the new Total Lifetime Benefit will not increase, and (d) coverage will end and the policy will terminate when the total benefits paid under the policy after the settlement option takes effect equals the Total Lifetime Benefit for the reduced paid-up benefit.

**Please note: selecting a reduced paid-up benefit will significantly reduce the policy benefits available to you.**

## Selections of a special settlement option cannot be reversed

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**Once you send us a signed request to select a settlement option, you cannot reverse your selection.** This means we will process any premium and/or benefit reductions for the settlement option and you will not be able to revert back to the premium and benefits you had before your selection. For policies that insure both the policyowner and another Insured Person, the selection of a settlement option cannot be reversed once both the policyowner and other Insured Person send us a signed request to select the settlement option. Because a settlement option cannot be reversed once selected, please carefully consider whether it is right for you before you send us your selection.

## Taxes

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Your policy, including any reduced benefits associated with the selection of a settlement option, is intended to be a federally tax qualified long term care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.

It is your responsibility to assess any potential tax consequences of selecting a settlement option, including, for example, whether any cash payment you receive is taxable. Pl consult with your tax advisors. Genworth cannot provide tax advice.

## For more information

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If you have questions for us about the settlement options available to you, you may call our Genworth Customer Service Team at [800-883-1127].

For information about the cost of long term care in your area, and to see how those costs may change in the future, visit our 2019 Cost of Care Survey at [].



# Coverage Options Form

Genworth Life  
 PO Box 4005  
 Lynchburg, VA 24506

Policyholder: [Mr. John Smith]  
 Date: [December 13, 2020]  
 Policy Number: [123456]

**THREE WAYS TO CHOOSE**

<b>Email:</b> <input type="checkbox"/>		<b>Fax:</b> <input type="checkbox"/>			<b>Mail:</b> Check a box below. Tear off and return to <input type="checkbox"/> .	
Your Options	Your Current Benefits	Option 1 Enhanced Reduced Paid-Up Benefit	Option 2 Basic Reduced Paid-Up Benefit Plus Cash Payment	Option 3 Remove Inflation Benefit & Revert to Original Benefit Levels Plus Cash Payment	Option 4 Remove Inflation Benefit & 25% Reduction to Certain Maximum Benefit Plus Cash Payment	Option 5 Reduce Benefit Period from [Lifetime] to [x] Years & Reduce Lifetime & Daily Benefit Maximums Plus Cash Payment
Cash Payment	N/A	None	\$[11,585.55]	\$[7,744.88]	\$[1,914.25]	\$[6,245.96]
Your [Annual Premium]	\$[3,963.52]	Pay no further premiums.	Pay no further premiums.	\$[2,027.30]	\$[3,484.96]	\$[2,402.03]
Maximum Benefit (Daily)	\$[343.80]	\$[343.80]	\$[343.80]	\$[150.00]	\$[257.85]	\$[257.85]
Inflation Benefit	[Compound [5]%]	[None]	[None]	[None]	[None]	[Compound [5]%]
Elimination Period	[100] Days	[100] Days	[100] Days	[100] Days	[100] Days	[100] Days
Benefit Period	[Unlimited]	[N/A]	[N/A]	[Unlimited]	[Unlimited]	[6 years]
Total Lifetime Benefit	[Unlimited]	\$[72,409.66]	\$[24,210.80]	[Unlimited]	[Unlimited]	\$[564,691.50]

**No further Premiums**  
**Option 1:** Paid-up benefit of 2X difference between premium paid less claims payments  
**Option 2:** Paid-up benefit of 1X premiums paid through 12-31-2015, less claims payments; get a cash payment of [#####]  
**Reduced premiums**  
**Option 3:** Remove inflation benefit; benefit maximums revert to original levels; get a cash payment of [#####]  
**Option 4:** Remove inflation benefit; benefit maximums reduce by 25% [in case of unlimited, daily maximum reduced by 25%]; get a cash payment of [#####]  
**Option 5:** Reduce benefit period; reduce lifetime maximum and daily maximum; get a cash payment of [#####]

**Please read all documents before making a decision. If you don't want to choose any of these options, you don't need to do anything and your policy will stay the same. To choose one of these options, we must hear from you by [December 8, 2019]. Otherwise, your policy will stay the same and you will no longer be entitled to these special settlement options, including those that result in a payment to you.**

**Questions? CALL [XXX XXX.XXX]**

**ACT NOW: Your immediate action is required by [Date].**

- Option 1:** Enhanced Reduced Paid-Up Benefit
- Option 2:** Basic Reduced Paid-Up Benefit Plus Cash Payment
- Option 3:** Remove Inflation Benefit, Revert to Original Benefit Level Plus Cash Payment
- Option 4:** Remove Inflation Benefit and 25% Reduction to Certain Maximum Benefits Plus Cash Payment
- Option 5:** Reduce Benefit Period from [Lifetime to [x] Years & Reduce Lifetime & Daily Benefit Maximums Plus Cash Payment.

**Please return in the enclosed envelope.**

By signing, you represent and agree that (1) we are authorized to process the requested change to your policy, (2) a request for a settlement option cannot be reversed once requested, (3) the change will not be effective until reflected in a confirmation we send you, (4) benefits and premiums quoted above are subject to confirmation and may change, (5) you have read and understand the information on this form and the enclosed documents, and (6) complete terms are in your policy. You do not need to return this form if you are keeping your current coverage. If changing your coverage to one of the options above, please check the blue box to indicate your choice, then sign and return this form by email, fax, or mail [in the enclosed envelope] by: [#####]

Policyholder: [Mr. John Smith]  
 Date: [December 13, 2020]  
 Policy Number: [123456]

Signature: \_\_\_\_\_  
 2<sup>nd</sup> Signature\*: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Address: \_\_\_\_\_

\* If the policy insures a person in addition to the policy owner, then both the policy owner and the other insured person must sign the form to select a special settlement option.

APPENDIX E

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT**

*Jerome Skochin, et al. v. Genworth Life Insurance Company, et al.*

United States District Court for the Eastern District of Virginia (Richmond Division), Case No. 3:19-cv-00049-REP

**TO:** POLICYHOLDERS OF GENWORTH LIFE INSURANCE COMPANY (“GLIC”) AND GENWORTH LIFE INSURANCE COMPANY OF NEW YORK (“GLICNY”) (collectively GLIC and GLICNY are referred to as “Genworth”) LONG-TERM CARE INSURANCE POLICIES ON POLICY FORMS OR CERTIFICATES IDENTIFIED IN THE ATTACHED APPENDIX 1 (the “Class Policies”) IN FORCE ON OR AFTER JANUARY 1, 2012, WHOSE POLICIES HAVE NOT LAPSED OR BEEN TERMINATED (AND NOT REINSTATED) ON OR BEFORE JANUARY 1, 2014

YOU ARE HEREBY NOTIFIED that a proposed settlement of the above-entitled class action lawsuit pending in the United States District Court of the Eastern District of Virginia (“the Class Action”) has been reached between the parties, and on [DATE], the settlement was granted preliminary approval by the Court supervising the lawsuit.

THE PURPOSE OF THIS NOTICE is to describe the Class Action, to inform you of the proposed settlement terms, and to inform you of your rights and options in connection with the settlement. The settlement will resolve all claims in the above-entitled Class Action. A court hearing concerning the fairness of the Settlement (the “Final Approval Hearing”) will be held on [DATE] at [TIME] at the following address: The Spottswood W. Robinson III and Robert R. Merhige, Jr., Federal Courthouse, 701 East Broad Street, Richmond, VA 23219, Richmond Court Room [[ROOM] to determine whether the settlement should be given final approval by the Court. You are not required to attend the hearing in order to participate in the settlement. BECAUSE YOUR RIGHTS MAY BE AFFECTED, IT IS EXTREMELY IMPORTANT THAT YOU READ THIS ENTIRE NOTICE CAREFULLY.

If you have any questions, you may contact Epiq (the “Settlement Administrator”) toll-free at [PHONE], or you may call Class Counsel at [PHONE]. You should not contact the Court, Genworth, or Genworth’s counsel with questions about this Notice or the settlement, although you may contact Genworth, as usual, about your policy, benefits, or any election letter received.

**A. DESCRIPTION OF THE CLASS ACTION**

On January 18, 2019, three individuals with GLIC Choice 1 long term care insurance policies, Jerome Skochin, Susan Skochin, and Larry Huber (“Named Plaintiffs”), filed a Class Action Complaint (“Complaint”) against GLIC (and another, now dismissed Genworth entity) in the United States District Court for the Eastern District of Virginia, alleging that GLIC intentionally

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withheld material information from policyholders with respect to the full scope and magnitude of GLIC’s rate increase action plans and its reliance on policyholders paying increased rates to pay future claims. That Complaint was amended on April 29, 2019, September 20, 2019, and November 22, 2019. The Third Amended Complaint is against GLIC and GLICNY and alleges fraudulent inducement by omission and violations of the Pennsylvania Unfair Trade Practices and Consumer Protection Law on behalf of policyholders in all fifty states.

Genworth denies any wrongdoing or legal liability for any alleged wrongdoing in connection with any facts or claims that have been or could have been alleged in Named Plaintiffs’ lawsuit (including all complaints) and contends that neither Named Plaintiffs nor the putative class have been injured or are entitled to any relief.

The Court has not ruled on the merits of the claims or defenses.

All Parties believe in the merits of their respective claims and defenses. Nevertheless, due to the uncertainties, risks, expenses, and business disruption of continued litigation, the Parties have agreed to settle the lawsuit after voluntary mediation proceedings involving a mediator. The parties have entered into a Joint Stipulation of Class Action Settlement and Release (“Settlement Agreement”), which the Court has preliminarily approved as fair and reasonable. The principal terms of the Settlement Agreement are summarized in this Notice. The full Settlement Agreement is on file with the Court and available at [www.](http://www.LongTermCareInsuranceSettlement.com)

[LongTermCareInsuranceSettlement.com](http://www.LongTermCareInsuranceSettlement.com). The attorneys for plaintiffs Jerome Skochin, Susan Skochin, and Larry Huber have been designated by the Court as “Class Counsel” to represent all Settlement Class members affected by the Settlement Agreement. Class Counsel believes that the Settlement Agreement summarized by this Notice is fair, reasonable, and adequate and in the best interests of the Settlement Class members. The following law firms are Class Counsel and represent the Settlement Class members:

Goldman Scarlato & Penny, P.C.  Brian D. Penny 161 Washington Street Suite 1025 Conshohocken, PA 19428 Telephone: (888) 872-6975 Fax: (484) 580-8747	Robbins Geller Rudman & Dowd LLP  Stuart A. Davidson 120 East Palmetto Park Road, Suite 500 Boca Raton, FL 33432 Telephone: (561) 750-3000 Fax: (561) 750-3364	Berger Montague P.C.  Glen L. Abramson 1818 Market Street, Suite 3600 Philadelphia, PA 19103 Telephone: (215) 875-3000 Fax: (215) 875-4604
Phelan Petty, PLC Jonathan M. Petty 6641 West Broad Street, Suite 406 Richmond, VA 23230 Telephone: (804) 980-7100 Fax: (804) 767-4601		

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The Settlement Administrator is Epiq. Epiq's phone number is [PHONE]; and its mailing address is [ADDRESS].

### **B. SETTLEMENT CLASS MEMBERS**

The "Settlement Class" members for purposes of this settlement are defined as all policyholders of Class Policies excluding: (1) those policyholders of Class Policies whose policies went into Non-Forfeiture Status<sup>3</sup> prior to January 1, 2014; (2) policies that entered a Fully Paid-Up Status<sup>4</sup> at any time up to the date the Class Notice is mailed; (3) Genworth's current officers, directors, and employees as of the date class notice is mailed; and (4) Judge Robert E. Payne and his immediate family and staff.

### **C. YOUR OPTIONS**

As a Settlement Class member, you have several options and you should read this entire Notice carefully before acting.

**OPTION #1:** If you do not oppose the settlement of the lawsuit, then simply do nothing. You do not need to return your Opt-Out Form and do not need to send any documents to the Settlement Administrator. **IF YOU DO NOTHING, YOU WILL BE BOUND BY THE TERMS OF THE SETTLEMENT, INCLUDING THE RELEASE.** If you do nothing, you will not have the right to pursue your own action for the claims covered by the Class Action Release. If the Settlement Agreement is approved by the Court, you will then be sent another correspondence with options to elect to receive benefits in the Settlement Agreement.

**OPTION #2:** If you do NOT want to be bound by the Settlement Agreement and wish to retain the right to proceed against GLIC and/or GLICNY on your own as to the claims that were alleged, or that have a reasonable connection with any matter of fact set forth in the Class Action, subject to any defenses that may be available to GLIC and/or GLICNY to any claims you may have, including, but not limited to, statutes of limitation and statutes of repose, then you must notify the Settlement Administrator that you wish to exclude yourself from the Settlement Agreement and the Settlement Class.

To do so, you must send a signed letter to the Settlement Administrator, which includes: (1) your name, (2) your address, (3) if available, your policy number, (4) a statement that you are

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<sup>3</sup> "Non-Forfeiture Status" means the exercise of a "Non-Forfeiture Option." Non-Forfeiture Options include benefits under an optional Non-Forfeiture Benefit Rider, the Limited Benefits Upon Lapse Due to a Substantial Premium Increase (also called a Contingent Non-Forfeiture Benefit), and the Optional Limited Benefit Endorsement.

<sup>4</sup> "Fully Paid-Up Status" means a status whereby a policy is continued in full force and effect and no more premiums are due. A policy in Fully Paid-Up Status does not include a policy that is in a Non-Forfeiture Status.

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“requesting exclusion” from the Settlement Agreement, (5) the name of the case and case number (*Skochin, et al. v. Genworth Life Insurance Company, et al.*, Case No. 3:19-cv-00049-REP), and (6) your signature.

Opt-out letters can be mailed to the Settlement Administrator at the following mailing address: [ADDRESS].

The letter requesting exclusion must be postmarked no later than [DATE]. Any request for exclusion received with a postmark after that date will be invalid.

**IF YOU CHOOSE TO EXCLUDE YOURSELF, YOU WILL NOT RECEIVE THE SETTLEMENT AGREEMENT POLICY ELECTION OPTIONS OR OTHER RELIEF AND THE TERMS OF THE SETTLEMENT WILL NOT APPLY TO YOU.**

**OPTION #3: If you want to remain in the Settlement Agreement and be bound by its terms, but you oppose any aspect of the Settlement Agreement, you may object to the Settlement Agreement.**

In order to object, you must file a written Objection with the Clerk of United States District Court for the Eastern District of Virginia, located at 701 East Broad Street, Richmond, VA 23219, and you must serve a copy of the written Objection on the Settlement Administrator at the following address: [ADDRESS].

A written Objection must include: (1) your full name, (2) your current address, (3) if available, your long term care insurance policy number, (4) the name of the case and the case number (*Skochin et al. v. Genworth Life Insurance Company et al.*, Case No. 3:19-cv-00049-REP), (5) the basis or reason(s) for your objection(s), (6) your signature, and (7) if you (or someone on your behalf such as an attorney) intends to appear at the Final Approval Hearing, a statement stating that you (or someone on your behalf) intend to appear at the Final Approval Hearing.

Any written Objection must be filed with the Court **and** sent to the Settlement Administrator with a postmark no later than [DATE]. Any written Objection filed and/or mailed with a postmark after this deadline will be invalid.

You may be permitted to appear personally (or through an attorney) at the Final Approval Hearing to present your objections directly to the Court if you timely file and serve a written Objection and do not submit a request for exclusion from the Settlement Agreement. A written Objection must state whether you (or someone on your behalf, such as an attorney) intends to appear at the Final Approval Hearing. If you wish to have an attorney represent you in connection with any written Objection, including to appear at the Final Approval Hearing, you will be responsible for any fees or expenses of that attorney. If you submit a written Objection, you will remain a Settlement Class member and, if the Court rejects your objection(s), you will still be bound by the terms of the Settlement Agreement, including the Release.

**D. SUMMARY OF PROPOSED SETTLEMENT TERMS**

This Settlement Agreement is conditioned upon the Court entering an order granting final approval of the Settlement Agreement as fair, reasonable, and adequate and in the best interests of the Class. Subject to the Settlement Agreement becoming final, the terms of the Settlement Agreement are as follows:

1. **Special Election Disclosures and Options:** In consideration for a Release as described in Paragraph D.2, and as a direct result of the Class Action and the Settlement Agreement, Genworth will send a special election letter (“Special Election Letter”) to all Settlement Class members after the Settlement has been finally approved. The Special Election Letter will contain, subject to approval by the Court and being approved by and/or not objected to by state insurance regulators:
  - (a) Disclosure of certain information about GLIC’s and/or GLICNY’s future rate increase plans and need for future rate increases (the “Disclosures”); and
  - (b) Settlement Class members’ right to make an election of either (1) maintaining current benefits at existing filed rates (subject to the future approved rate increases), or (2) electing from a selection of reduced paid-up benefit options or reduced benefit options (the “Special Election Options”), subject to the availability of those options depending on each Settlement Class members’ current policy terms and benefits and any state limitations concerning Partnership Plan (“Partnership Plan”) requirements. Special Election Options that may be available could increase the amount of your current non-forfeiture paid-up benefit or entitle you to cash damages pay-outs. The actual Special Election Options available to you will depend upon many factors including, but not limited to, your current policy status and benefits, final court approval, and state regulatory review and comment.
2. **Release:** Each member of the Settlement Class who does not timely and validly opt out of the Settlement Class, will fully and irrevocably waive and release GLIC and GLICNY (collectively “Genworth”) and each of those entities’ respective affiliates, predecessors, successors, parents, subsidiaries, and, for each of the foregoing, their current, former, and future directors, officers, direct and indirect owners, members, managers, attorneys, representatives, employees, and agents (the “Genworth Released Parties”) of and from any and all known or unknown, contingent or absolute, matured or unmatured, suspected or unsuspected, disclosed or undisclosed, foreseeable or unforeseeable, liquidated or unliquidated, existing or arising in the future, and accrued or unaccrued claims, demands, interest, penalties, fines, and causes of action, that the Named Plaintiffs and Settlement Class members may have from the beginning of time through and including the final settlement date that relate to claims alleged, or that have a reasonable connection with any matter of fact set forth in the Class Action including, but not limited to, any claims

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relating to rate increases on Class Policies. This release specifically includes any legal or equitable claim arising from or related to any election or policy change made or not made by any Settlement Class member to his or her policy benefits prior to the final settlement date. Named Plaintiffs and Settlement Class members will further release the Genworth Released Parties and Class Counsel from any future claims, on any legal or equitable basis, relating to or arising out of the Special Election Options and/or statements and representations provided in connection with the Special Election Options including (but not limited to) any claim specifically relating to any decision, or non-decision, to maintain, modify, or give up coverage.

This Class Notice only contains a summary of the actual benefits and release language contained in the Stipulation of Settlement, which is on file with the Court and available for your review, including on the settlement website described below. If the Settlement Agreement is not approved by the Court or does not become final for any reason, the Class Action will continue, this Release will not be binding, and the Special Election Options will not be available.

3. **Attorneys' Fees and Litigation Expenses:** As part of the request for Final Approval of the Settlement Agreement, Class Counsel will file a request seeking to be paid the following:
  - (a) \$2,000,000.00 relating to the injunctive relief that is in the form of the Disclosures.
  - (b) An additional contingent payment of 15% of certain amounts related to Special Election Options selected by the Settlement Class, which shall be no less than \$10,000,000.00 and no greater than \$24,500,000.00. **None** of the attorneys' fees will be deducted from payments made by Genworth to Settlement Class members.

Class Counsel will also file a request for an award of litigation expenses in this case. These expenses will be no more than \$75,000.00.

These are the only attorneys' fees and litigation expenses that Class Counsel will be paid as a result of the Settlement. Class members will not be required to separately pay Class Counsel for any other attorneys' fees or expenses. Genworth has agreed to pay all fees and expenses separately. The actual amounts of attorneys' fees and litigation expenses to be paid to Class Counsel will be determined by the Court, and these amounts will be paid by Genworth directly to Class Counsel.

This Class Notice only contains a summary of the actual Attorneys' Fees and Litigation Expenses provisions contained in the Settlement Agreement, which is on file with the Court and available for your review, including on the settlement website described below.

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4. **Class Representative Service Payment:** Named Plaintiffs Jerome Skochin, Susan Skochin, and Larry Huber have been appointed as class representatives by the Court. As part of the request for Final Approval of the Settlement Agreement, Class Counsel will request that service payments be awarded to each class representative in an amount of up to \$25,000 for each of them for the time, work, and risk they undertook in bringing this Class Action and achieving a settlement on behalf of all Settlement Class members. None of the service payments approved by the Court will be deducted from payments made by Genworth to Settlement Class members.

### **E. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT**

The Final Approval Hearing on the fairness and adequacy of the Settlement Agreement will be held on [DATE], 2020, at [TIME] in Courtroom [#] in The Spottswood W. Robinson III and Robert R. Merhige, Jr., Federal Courthouse, 701 East Broad Street, Richmond, VA 23219. You are not required to attend the Final Approval Hearing in order to participate in the Settlement Agreement, although you are free to do so if you choose. The Court, in its discretion, may continue the Final Approval Hearing to a later date, in which case no additional written notice will be sent to Settlement Class members, so it is incumbent upon you to check the settlement website regarding the Final Approval Hearing date and time if you wish to attend.

### **F. ADDITIONAL INFORMATION**

This Notice is only a summary of the Settlement Agreement. For the precise terms and conditions of the settlement, the complete Settlement Agreement, pleadings and documents on file in this case, and other information about this settlement including important dates, **PLEASE VISIT THE SETTLEMENT WEBSITE AT [www.LongTermCareInsuranceSettlement.com](http://www.LongTermCareInsuranceSettlement.com) OR CALL THE SETTLEMENT ADMINISTRATOR AT [PHONE].**

APPENDIX 1 TO CLASS NOTICE

CLASS POLICIES

COMPANY CODE	STATE	FORM
31	AK	7035AP
31	AL	7035
31	AL (Group Certificate)	7035CRT
31	AR	7035M
31	AZ	7035V
31	CA	7035AX;
31	CA	7035AJ;7035AX
31	CA Partnership	7037A;7037C
31	CO	7035H
31	CO	7025S
31	CO	7025B
31	CT	7035AF
31	CT Partnership	7037
31	DC	7035
31	DE	7035A
31	FL	7035AC
31	GA	7035D
31	HI	7035AM
31	IA	7035R
31	ID	7035W
31	IL	7035C
31	IN	7035S
31	IN Partnership	7037B
31	KS	7035AQ
31	KY	7035B
31	LA	7035U
31	MA	7035AG
31	MD	7035AT
31	ME	7035Y
31	MI	7035
31	MN	7035AL
31	MO	7035AD
31	MS	7035N
31	MT	7035AK (2000 TQ)
31	NC	7035AR
31	ND	7035AU

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31	NE	7035G
31	NH	7035Z
31	NJ	7035CRT
31	NM	7035AE
31	NV	7035P
40	NY	51010
40	NY Partnership	51011
31	OH	7035
31	OK	7035L
31	OR	7035AV
31	PA	7035AN
31	RI	7035
31	SC	7035K
31	SD	7035AB
31	TN	7035E
31	TX	7035AW
31	TX	7035F
31	UT	7035AS
31	VA	7035J
31	VT	7035AA
31	WA	7035T
31	WI	7035Q
31	WV	7035
31	WY	7035AH

**APPENDIX F**

**PUBLICATION NOTICE**

**Genworth Long-Term Care Insurance Class Action**

Do you own a long-term care insurance policy issued by Genworth Life Insurance Company or Genworth Life Insurance Company of New York? If so, you may be part of a class action settlement. Genworth has agreed to settle a proposed class action involving certain long-term care policies, including Choice 1, Long Term Care Choice, PCS III, or PCS 3 policies.

In January 2019, three policyholders brought a lawsuit on behalf of a class alleging that Genworth should have included certain additional information in letters sent to policyholders about premium rate increases. Genworth denies all allegations and maintains that its disclosures to policyholders were reasonable, appropriate and truthful.

Pending final Court approval and subject to certain conditions, impacted policyholders may receive certain disclosures and policy options, including potential payments or credits. If you are a class member, you may be entitled to obtain this relief, and you may have other rights relating to the proposed settlement. To learn more about the settlement (including whether you are a class member and how to be excluded from or object to the settlement), you may visit this website, [www. LongTermCareInsuranceSettlement.com](http://www.LongTermCareInsuranceSettlement.com), or call the Settlement Administrator at [].