

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking )  
and Insurance, State of New Jersey, to fine )  
Genworth Life Insurance Company )

CONSENT ORDER

TO: Genworth Life Insurance Company  
6604 West Broad Street  
Richmond, VA 23230

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Genworth Life Insurance Company ("Genworth") did not include a required disclosure in policyholder notices of a premium rate schedule increase for certain long term care insurance policies subject to the insurance laws of the State of New Jersey; and

WHEREAS, Genworth is admitted to transact the business of insurance in New Jersey pursuant to N.J.S.A. 17:23-1 ; and

WHEREAS, N.J.A.C. 11:4-34.7(e) provides that a carrier shall provide notice of upcoming premium rate schedule increase for long term care insurance to all policyholders and certificate holders, if applicable, at least 45 days prior to implementation of the premium rate schedule increase by the carrier, which notice is to contain the information required by N.J.A.C. 11:4-34.7(b); and

WHEREAS, N.J.A.C. 11:4-34.18(b) provides that a carrier shall request approval of a revised premium rate schedule for long term care insurance from the Commissioner at least 60 days prior to sending the notice to be provided to policyholders; and

WHEREAS, Genworth applied for a rate increase on its long term care insurance business in New Jersey on September 28, 2015; and

WHEREAS, on February 15, 2017 the Department of Banking and Insurance ("Department") advised Genworth that it would approve a rate increase of 10.0% per year for three years, for a cumulative rate increase of 33.1%, and directed the company to revise its policyholder letter containing notice of the rate increase to indicate that the company had requested a rate increase of 68.3%; and

WHEREAS, on March 10, 2017 Genworth advised that it accepted the 33.1% rate increase and submitted a revised policyholder letter that included a sentence stating, "Please note that we requested a 68.3% rate increase and New Jersey allowed a rate increase of 33.1%."; and

WHEREAS, on May 2, 2019 Genworth advised the Department that the above quoted sentence was not included in the policyholder communications sent out regarding the rate increase; and

WHEREAS, on May 15, 2019 Genworth advised that 9,843 policyholders received the letter that did not include the amount of the rate increase requested by the company and that the omission was due to an error in programming the state specific requirements for the notice; and

WHEREAS, Genworth admits and agrees to take responsibility for the aforementioned violation; and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing on the aforementioned violations; and

NOW, THEREFORE, IT IS on this 27<sup>th</sup> day of July, 2019;

IT IS ORDERED AND AGREED, that the Genworth shall pay a fine of ten thousand dollars (\$10,000.00) to the Department; and

IT IS FURTHER ORDERED AND AGREED, that said amount shall be paid by certified check, cashier's check, money order or electronic funds transfer made payable to the "State of New Jersey, General Treasury" upon execution of this Consent Order by Genworth; and

IT IS FURTHER ORDERED AND AGREED, that the sanctions of this Consent Order are imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and the protection of the public health, safety, and welfare, and are not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute final resolution of the violations against Respondent contained herein.

  
\_\_\_\_\_  
Marlene Caride  
Commissioner

**CONSENTED AS TO FORM, CONTENT, AND ENTRY:**

  
\_\_\_\_\_  
Genworth Life Insurance Company

Dated: 7/12/19