

CONTRACT AMENDMENT AGREEMENT

CONTRACT NO: 158: 09-1194
DATE: September 6, 2019
ISSUED BY: Virginia Retirement System ("VRS")
CONTRACTOR: Genworth Financial
SERVICE: Voluntary Long-Term Care Insurance

FIRST AMENDMENT

THIS FIRST AMENDMENT ("First Amendment") to the contract dated September 9, 2009 ("Original Contract"), for voluntary long-term care insurance ("LTCI") between the Virginia Retirement System ("VRS") and Genworth Financial ("Genworth") is made this 11th day of September 2019.

WHEREAS, VRS and Genworth mutually desire to amend in writing the Original Contract as permitted by the terms of the Original Contract; and

WHEREAS, effective January 1, 2017, the LTCI product offered by Genworth under the Original Contract ("Product 7046") became unavailable to new participants in the Commonwealth of Virginia Voluntary Long-Term Care Insurance ("COV LTCI") Program; and

WHEREAS, Genworth is offering a new LTCI product ("Product 7053"); and

WHEREAS, VRS desires to adopt Product 7053 as the LTCI product available to participants in the COV LTCI Program; and

WHEREAS, VRS desires to exercise a five-year renewal option under the Original Contract; and

WHEREAS, VRS and Genworth desire to memorialize the mutually agreed upon amendments.

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein, the parties agree as follows:

1. Extension of Original Contract. The term of the Original Contract is extended for a five-year period, and the Original Contract termination date is now August 31, 2024. VRS and Genworth agree that this First Amendment constitutes satisfactory written notice of VRS' intent to renew the Original Contract.

2. Cancellation of Original Contract. As of this First Amendment, the notice periods stated in the Cancellation of Contract section of the Original Contract's request for proposal document shall be 120 days. Except for the notice periods' increase from 60 to 120 days, all other portions of the Cancellation of Contract section shall remain unchanged.

3. Adoption of Product 7053. Beginning September 16, 2019, Genworth shall offer Product 7053 under Group Policy 19788 to any person who is eligible to participate in the COV LTCI Program, subject to the following:

- a. This provision shall not have any impact on Genworth's responsibilities and obligations to continue administering Product 7046 in accordance with the terms of the Original Contract for participants who enrolled in Product 7046.
- b. Coverage under Product 7053 will be effective December 1, 2019.
- c. Genworth shall not enroll any person in Product 7053 if such person remains actively enrolled under Product 7046, unless the person knowingly chooses to 1) switch to Product 7053, or 2) participate in both Product 7046 and Product 7053.
- d. Genworth shall permit enrollments in Product 7053 at least through August 31, 2021, provided that such enrollments shall be permitted subject to each party's rights to cancel the contract as set forth in Section 2 above.
- e. Genworth shall administer Product 7053 in accordance with the provisions approved by the Virginia State Corporation Commission.

4. Implementation of Product 7053. VRS and Genworth agree to the following implementation timeline for Product 7053:

- a. In March 2019, Genworth shall send a letter to all eligible employers that have not elected to participate in the COV LTCI Program. The letter shall 1) provide a high level overview of the COV LTCI Program, 2) outline the employer adoption agreement process that will be followed in order to elect to participate, 3) advise employers that, should they elect to participate in the COV LTCI Program, an electronic file containing every active employee's data, to include name, address, and date of birth, will be requested, and 4) advise that Genworth shall use such file to communicate information about the COV LTCI Program to employees during an open enrollment period.
- b. In March 2019, Genworth shall send a letter to all eligible non-state employers that elected to participate in the COV LTCI Program during the last enrollment periods in 2010 or 2011. This letter shall 1) provide an outline of the COV LTCI Program, 2) advise employers that an electronic file containing every active employee's data, to include name, address and date of birth, will be requested, and 3) advise that Genworth shall use such file to communicate open enrollment and other information about the COV LTCI Program to employees during an open enrollment period.

- c. In May, June, and July 2019, Genworth shall receive and manage the electronic files described above. For employers that do not submit mail files, Genworth will provide the benefit administrators for each entity the email distribution that the employer will send to their employees.
- d. Before the open enrollment period, Genworth shall mail enrollment information about the COV LTCI Program to individuals who are eligible to participate. Such mailing shall include an unambiguous and easily recognizable statement that participation is voluntary.
- e. By September 1, 2019, Genworth shall develop and operationalize a website dedicated to the COV LTCI Program and Product 7053 enrollment.
- f. Beginning September 16, 2019, and through October 25, 2019, Genworth shall provide and manage an enrollment period for Product 7053, during which any eligible employee age 65 and under may apply for Product 7053 using a Modified Guarantee Issue Comprehensive application. Eligible family members ages 18 to 75 of any eligible employee may apply for Product 7053 using a Long Form application.
- g. After October 25, 2019, any eligible employee age 65 and under within 60 days of hire may enroll in Product 7053 using a Modified Guarantee Issue Comprehensive application. Upon the expiration of this 60-day period, any eligible employee may apply for Product 7053 using a Long Form application. Eligible family members ages 18 to 75 of any eligible employee may apply for Product 7053 using a Long Form application.
- h. For all participants in Product 7046, Genworth will contact the participant during the enrollment period described in 4.f. to inform each of the option to maintain current coverage or maintain current coverage under Product 7046 and select additional coverage under Product 7053.

5. Information Technology Security Requirements. Genworth acknowledges that it has performed and shall continue to perform regular penetration testing on its networks. In addition, Genworth shall provide VRS with the following within 60 days of receiving a request:

- a. Upon request annually, an updated Interconnection Security Agreement in a form and manner prescribed by VRS.
- b. Upon request annually, an updated VRS Security Conformance Agreement in a form and manner prescribed by VRS.
- c. Upon request annually, submit to VRS the most recent Service Organization Controls (“SOC”) I report available, plus information responsive to any follow-up questions, and annually thereafter submit subsequent SOC 1 reports.
- d. Upon request, on a quarterly basis, a written report to VRS confirming that Genworth is performing vulnerability scans on its systems.
- e. Upon request, after each occurrence of penetration testing, a high-level, non-

sensitive written report to VRS summarizing the test results.

6. Continued Effect of Agreement. All provisions of the Original Contract, except as modified by this First Amendment, shall remain in full force and effect, except as specified on Exhibit A hereto.

7. Interpretation of the Amendment. All terms of the Original Contract not modified by this First Amendment are incorporated herein by reference. In the event of any conflict, inconsistency, or incongruity between any provisions of the Original Contract and this First Amendment, the provisions of this First Amendment shall govern and control.

8. Authorized Signatories. Each of the parties hereto represents that the individual signing below is authorized by the respective party to bind that party to a contract.

9. Successors and Assigns. Notwithstanding the Assignment of Contract provisions in the General Terms and Conditions of the Original Contract's request for proposal document, the Original Contract and any modifications thereto shall be binding upon Genworth's successors and assigns.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed by their duly authorized representatives.

VIRGINIA RETIREMENT SYSTEM

By: 

Name: **Patricia S. Bishop**

Title: **VRS Director**

Date: September 11, 2019

GENWORTH FINANCIAL

By: 

Name: **Brian Harrington**

Title: **Sr. Vice President, Head of Group**

Date: Sept. 6, 2019

Exhibit A

The following provisions of the Original Contract are modified by this First Amendment as set forth below:

Document

Superseded or Amended Provision

1. Addendum #1, Dated April 29, 2009	Section C1-C11 does not apply to new policy 19788 Section C16-C19 does not apply to new policy 19788
2. Addendum #2, Dated May 6, 2009	Not applicable to new policy 19788
3. Oral Presentation Handout dated June 24, 2009	Not applicable to new policy 19788
4. Email, Subject: RE: Request for additional information, from Cathi Ames to Robert Fothergill, dated June 9, 2009, 12:32 PM	Not applicable to new policy 19788
5. Email, Subject: RE: Request for additional information, from Cathi Ames to Robert Fothergill, dated June 11, 2009, 4:36 PM	Not applicable to new policy 19788
6. Email, Subject: VRS Transfer File, from Cathi Ames to Robert Fothergill, dated July 07, 2009, 4:04 PM	Not applicable to new policy 19788
7. Email: Subject: RE Premium Rates, from Cathi Ames to Deborah Welch, dated July 21, 2009 6:30 PM	Not applicable to new policy 19788
8. Email: Subject: Additional VRS Questions – Genworth’s Response, From Cathi Ames to Robert Fothergill, dated July 31, 2009 7:55 AM	Not applicable to new policy 19788
9. RFP: 09-1194, dated March 30, 2009, Your response to the RFP dated May 12, 2009	Section A. General Administration Requirements Section A Question 1. COVA LTC Section A Question 1a. Not applicable to new policy 19788. Section A Question 1b. Benefit design plan options available for new policy 19788 are referenced in the 2018 proposal Section A Question 1c. The implementation timeline described in response to question 1.c. is not applicable to policy 19788. Section A Question 1d. Not applicable to new policy 19788.

Section A Question 1e. Not applicable to new policy 19788.
 Section A Question 1f. Genworth and VRS will define mutually agreeable future enrollment activities.
 Section A Question 1g. Not applicable to policy 19788.

Section C. System and Data Requirements

Section C Question 1. Self service IVR for 2019 enrollment is not available.
 Section C Question 2. Payroll deduction is not available for new policy 19788.
 Section C Question 6b. Genworth shall provide to VRS regular reporting of information contained in the Campaign Report, the Enrollment Profile Since Inception Report, the Program Administration Report, the Monthly Activities Report, and the Participant Coverage and Program Status Report.
 Section C Question 6c. Genworth shall provide to VRS regular reporting of information contained in the Campaign Report, the Enrollment Profile Since Inception Report, the Program Administration Report, the Monthly Activities Report, and the Participant Coverage and Program Status Report.
 Section C Question 6d. Genworth shall provide to VRS regular reporting of information contained in the Campaign Report, the Enrollment Profile Since Inception Report, the Program Administration Report, the Monthly Activities Report, and the Participant Coverage and Program Status Report.
 Section C Question 6e. Genworth shall provide to VRS regular reporting of information contained in the Campaign Report, the Enrollment Profile Since Inception Report, the Program Administration Report, the Monthly Activities Report, and the Participant Coverage and Program Status Report.
 Section C Question 6f. On a quarterly basis, Genworth shall provide VRS with information relating to phone call statistics, including average speed of answer, abandonment rate, and number of calls, for the COV LTCI Program.
 Section C Question 9. Updated test website available for online enrollment: www.genworth.com/groupltc, user id: ABC Company, access code: groupltdemo.

Section D. Marketing and Communication

Section D Question 1: All future communications campaigns and updates shall be made on an ad hoc basis as future campaigns arise. The provisions relating to a two-year campaign updated every year shall not be applicable to policy 19788.
 Section D Question 2: Genworth will not print and distribute materials to all employers, but must still provide electronic versions of the materials as directed by VRS.
 Section D Question 10: Any forms created for the purpose of enrollment and education may be provided in an electronic format.
 Question 13: Genworth does not currently provide this type of reporting.
 Question 20: Genworth shall report this information to VRS during stewardship meetings and shall not be required to report the information within five business days of the close of the calendar year.
 Question 22: Genworth shall provide reporting in accordance with the modified response to question 6.f. of section C. Genworth shall continue providing a dedicated toll-free phone number for the COV LTCI Program and responding to participant inquiries.

Section F. Reserve Transfer Requirements:

If provisions for items 1-6 are met, Genworth will calculate an amount for each transferring certificate that will be the lesser of the GAAP reserve net of DAC and 90% of a policy reserve calculated using Genworth's statutory reserve assumptions (applicable for the issue date of the certificate) and methodology; using an interest rate equal to 1.25 times the valuation rate. The actual funds transferred will be the current market value of assets with a book value equal to the reserve transfer amount. The selection of assets is at the sole discretion of Genworth.

J. Performance Guarantees

Section J Appendix Tab I: Not applicable, Genworth does not currently track or provide this information to VRS. Genworth will adhere to the below service levels and report its performance to VRS on a quarterly basis.

Customer Service – 90% of calls answered in 30 seconds
Customer Service – Call Abandonment rate of less than 4% on a monthly basis
Underwriting – 98% of underwriting decisions within 7 business days of receipt of information
Underwriting – 98% of new applications processed in 5 business days
Policyowner Services – 98% of certificate kits mailed within 3 business days of decision
Benefit Authorization - Benefit determination within 10 days of receipt of all information needed to make a decision
Benefit Authorization - 98% accuracy of claim payments.

B. Specific Proposal Requirements and Questions

Section B Question 4: Appendix Tab D: Not applicable, material referenced will not be used for the enrollment of the new policy 19788
 Section B Questions 7: Campaigns are not updated annually, but will at least be updated for each future open enrollment. Genworth will not print and distribute materials to all employers, but will still provide updated materials in an electronic

format.

Section B Appendix Tab E: Proposed timeline is not applicable to the enrollment of new policy 19788

Question 9: Not applicable

Question 18: Genworth has filed with the State Department of Insurance and new web enrollment website. This site was developed with extensive user experience studies and state of the art capabilities. Additional tools available on this site include informational and testimonial videos.

Question 20: Wellness Program newsletter is no longer available.

Section V Pricing Schedule

E. Assumptions to be used in pricing

Questions 1, 2, 4, 5 and 6: Detailed pricing information is proprietary. The actuarial memorandum for the policy form under which this policy will be issued accompanies this response. The actuarial memorandum constitutes the publicly available pricing information.