Help protect your future from one of life’s uncertainties

GROUP LONG TERM CARE INSURANCE PROGRAM

Virginia Retirement System
Plan today

In these uncertain times, it is often difficult to manage your plans for the future. You may dream about enjoying time with family and friends, taking vacations, pursuing hobbies and living a comfortable and fulfilling life.

But, are your plans adequately protected from the impact of an unforeseen accident, illness or chronic disease?

An unexpected long term care event could require you to spend savings and assets you’ve earmarked for other things like retirement.

During the Commonwealth of Virginia Voluntary Group Long Term Care Insurance Program’s initial enrollment period, you have a chance to get the facts — and decide whether long term care insurance might be a simple way to add some certainty to your financial future.

Living longer has its own set of challenges
Medical advances help us live longer, but a longer life can bring with it a greater chance of needing some kind of help in the future.

An accident, illness, stroke, or chronic disease can happen at any age. And if it happens to you, you might need long term care.

Many people think only the elderly need long term care, but here’s the reality: 42% of people receiving long term care services are under age 65.¹

¹ “Long Term Care Financing: Policy Options for the Future.” Page 7. Feder, Komisar and Friedland, June 2007; Health Policy Institute, Georgetown University
There is an affordable solution

The costs for long term care services are high and keep rising. Each year, Genworth Financial commissions CareScout to conduct a cost of care study. The costs shown below — and throughout this booklet — are from the current study, Genworth 2009 Annual Cost of Care Survey.

Today, in Virginia, it costs about $18/hour to have a licensed non-certified aide come to your home. If you need around-the-clock care, a private room in a Virginia nursing facility averages $70,301 a year. Since typical stays can average three years, your care could cost hundreds of thousands of dollars, particularly if the cost of care continues to increase.¹

Where will the money to pay for care come from — your savings, your family, the government? These are options most of us would prefer not to rely on.

### VIRGINIA COSTS OF CARE

<table>
<thead>
<tr>
<th></th>
<th>ONE YEAR</th>
<th>THREE YEARS OF CARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>COST</td>
<td>CURRENT</td>
<td>CURRENT IN 25 YEARS***</td>
</tr>
<tr>
<td>HOME CARE*</td>
<td>$41,061</td>
<td>$123,183</td>
</tr>
<tr>
<td>ASSISTED LIVING FACILITY</td>
<td>$33,822</td>
<td>$101,466</td>
</tr>
<tr>
<td>NURSING HOME FACILITY**</td>
<td>$70,301</td>
<td>$210,903</td>
</tr>
</tbody>
</table>

* Based on 44 hours of home care provided by a licensed non-certified provider @ $17.94 per hour.

** Based on the annual cost of a private room in a nursing facility in Virginia.

*** Projected cost for the year 2035 based on long term care costs increasing 5% each year.
Are you covered?
There are many myths and misconceptions about long term care and long term care insurance. Knowing the realities might help you decide whether insurance should be part of your plan.

**MYTH:**
“It won’t happen to me…”

**REALITY:** People need long term care services far more often than you might think. A Georgetown University report shows that seven in ten people who reach age 65 will need long term care at some point during their lives.²

**MYTH:**
“My insurance will cover me…”

**REALITY:** Health and disability insurance were not designed to cover the costs for long term care.
- Health insurance is designed to cover short-term acute care such as hospital stays, operations, prescription drugs, and doctors visits, but usually pays little or nothing toward long term care.
- Disability insurance is designed to replace your income and is usually needed to pay for basic living expenses.

**MYTH:**
“My friends and family will take care of me…”

**REALITY:** Caregiving is very difficult. People who go through it are often unprepared for the physical and emotional strain. Consider these issues as you think about whether relying on friends and family would be a good option for you.

² “Long Term Care Financing: Policy Options for the Future.” Feder, Komisar and Friedland, June 2007; Health Policy Institute, Georgetown University
**REALITY:** Government programs like Medicare and Medicaid may cover some long term care expenses, but there are limitations:

- Medicare is designed to cover healthcare and has significant limitations when it comes to covering long term care.
- Medicaid does pay for long term care but requires recipients to first use most of their assets and income to pay for care.

Many of us question whether these government sponsored programs will be there when we need them.

---

**MYTH:**

“The government will pay for it…”

---

**REALITY:** Your savings and investments may pay for some of your long term care needs. However:

- You are likely planning to use your savings for other purposes.
- You could need long term care services before you have saved enough money to cover those expenses.

---

**MYTH:**

“My savings will cover the cost…”

---

**REALITY:** Coverage to help you address the costs of long term care services may be more affordable than you think — especially if you start early, during your working years.

You can choose a plan to fit your needs, selecting just the features and benefits that are valuable to you.
What does long term care insurance cover?
Long term care insurance helps to reimburse charges for services received at home, in the community or in a nursing facility. You’ll qualify for these benefits if you find you need help performing any two of the following everyday activities: bathing, dressing, eating, continence, toileting or transferring. You may also qualify for benefits if you suffer from a severe cognitive impairment requiring substantial supervision.

Long term care insurance can help you gain control
Long term care insurance can be a practical and affordable way to pay the high costs of long term care services. It may also help you:
• Maintain control over how you spend your savings.
• Have more choice in who provides your care and where you receive it.
• Afford higher quality care for a longer period of time.
• Provide greater certainty and control of your future in an otherwise uncertain world.

LONG TERM CARE SITUATIONS CAN RESULT FROM:
• BROKEN BONES
• ILLNESSES LIKE MULTIPLE SCLEROSIS
• DISEASES LIKE ALZHEIMER’S OR PARKINSON’S
• STROKES OR OTHER CHRONIC CONDITIONS
This Program offers comprehensive long term care coverage for a 45-year old starting at $13.49 per month.* This plan would provide you with up to a $3,000 Monthly Benefit and $72,000 in Total Coverage.

Can you pay for long term care out of your savings?
Let’s continue the example above. If you invested your monthly premium $13.49 at 7% (after tax) instead of purchasing insurance, you’d be able to save $10,928 over the next 25 years. While that might seem like a lot, that may not be enough to cover even a year in a Virginia nursing facility.

On the other hand, if you decide to purchase insurance, your monthly premium would give you access to $72,000 of Total Coverage for qualified long term care expenses, as soon as your coverage goes into effect.

<table>
<thead>
<tr>
<th></th>
<th>TODAY</th>
<th>IN 25 YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUY INSURANCE COVERAGE</td>
<td>$72,000</td>
<td>$72,000**</td>
</tr>
<tr>
<td>INVEST THE PREMIUM</td>
<td>$13.49</td>
<td>$10,928</td>
</tr>
</tbody>
</table>

By selecting long term care insurance as one of your benefits, you can cost-effectively strengthen your financial plan and help preserve your hard-earned savings for the things that matter most to you. To learn more about the details of this Program, including costs, benefits and any restrictions that apply, visit the website at www.genworth.com/cov or call 1-866-859-6060.

* Based on the age of 45
** This amount can grow over time to help your coverage keep up with the cost of care if you select a benefit increase option. There is an additional premium for these options.
A name you can trust

Genworth Life Insurance Company (Genworth Life) has been selected to provide Voluntary Group Long Term Care Insurance for eligible employees, retirees and their families. Genworth Life was chosen based on its long term care experience and leadership.

With more than 30 years of experience and over one million policyholders, Genworth Life is a long term care industry leader. Today, almost 1 in 3 people who own long term care insurance have Genworth Life coverage.3

Genworth Life’s commitment can be seen in its:
• Multi-million dollar partnership with the Alzheimer’s Association to help find a cure.
• Annual Cost of Care survey, to help make people aware of just how much they could spend on long term care.
• Leadership in shaping public policy with federal, state and local governments to address the growing financial issues Americans may face in long term care situations.

Genworth Life not only has more experience paying claims than other long term insurance companies,4 but it is also noted for its “best in class” claims servicing. This servicing includes access to negotiated discounts for long term care providers and a network of care coordinators who can assist with planning for long term care in your community. Genworth Life will be your resource when you need it most — at time of claim.

---

3 LIMRA 2007 Individual Long Term Care Insurance In Force.
4 Genworth Life company operations as of 12/31/08.
Help protect tomorrow

Advantages of the Commonwealth of Virginia Voluntary Group Long Term Care Insurance Program

This Group Long Term Care Insurance Program enables you to:

• Obtain a valuable benefit at competitive group rates.
• Benefit from an easy application process, without medical underwriting.\(^5\)
• Keep your coverage with you. If you leave the group and pay the premiums when due — it’s fully portable.
• Easily tailor a plan to fit your needs and your budget.
• Include your spouse and other family members in this valuable Program.

The VRS dedicated website and the information kit contain all the details of this Program, including costs, benefits, and any restrictions that may apply. Take time to review them so you can decide whether this Program is right for you.

\(^5\) With this Group Long Term Care Insurance Program, there is no medical underwriting if you are an eligible full-time or part-time actively-at-work employee under age 80 and apply before 4/30/10. This is a limited time offer and will not be available each year with the same terms.
Take the next step!
Deciding on a long term care insurance program may not have been at the top of your priority list, but here are three reasons you should look into this coverage now:
1. You may not get a chance like this again. This is a limited time offer and will not be available each year with the same terms.
2. You’ll never be younger, so the rates for this Program will never be lower.
3. If you wait, you take the risk that you may develop a health condition that keeps you from qualifying.

A few minutes is all the time it takes to get the facts, run a quote and enroll.

For details about this Program and to enroll online:
• Go to www.genworth.com/cov, or

• Call 1-866-859-6060
 A Commonwealth of Virginia Voluntary Group LTCI Program expert will be available to answer your questions and send you a free information kit.
GROUP LONG TERM CARE INSURANCE

Underwritten by Genworth Life Insurance Company

This brochure contains information about long term care and long term care insurance. It is part of the announcement of a Group Long Term Care Insurance Program now available to you. Other material is available to you concerning the benefits, features, limitations and exclusions of the Program.

This material is part of a solicitation for Group Long Term Care Insurance under Group Policy number 10003, on policy form series 7046.

Genworth, Genworth Financial and the Genworth logo are registered service marks of Genworth Financial, Inc.

© 2009 Genworth Financial, Inc. All rights reserved.