

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
(Richmond Division)

JUDY HALCOM, HUGH PENSON, HAROLD CHERRY, and RICHARD LANDINO, Individually and on Behalf of All Others Similarly Situated,	)	Civil Action No. 3:21-cv-00019-REP
	)	
	)	<u>CLASS ACTION</u>
	)	
Plaintiffs,	)	
	)	
vs.	)	
	)	
GENWORTH LIFE INSURANCE COMPANY and GENWORTH LIFE INSURANCE COMPANY OF NEW YORK,	)	
	)	
Defendants.	)	

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**ORDER GRANTING PRELIMINARY APPROVAL OF  
SETTLEMENT AND DIRECTING NOTICE TO CLASS**

This matter is before the Court on Plaintiffs' Motion to Direct Notice of Proposed Settlement to the Class ("Motion") (ECF No. 44). Plaintiffs, individually and on behalf of the proposed settlement class ("Class"), and Genworth Life Insurance Company and Genworth Life Insurance Company of New York (collectively, "Genworth") have entered into a Joint Stipulation of Class Action Settlement and Release ("Settlement Agreement") to resolve the above-captioned litigation. Having considered the Motion, the Memorandum of Law in support, and the Settlement Agreement, together with all Declarations, Exhibits, and attachments thereto, the record, and the briefs and oral argument in this matter, IT IS HEREBY ORDERED as follows:

1. Unless otherwise defined herein, all terms that are capitalized herein shall have the same meaning ascribed to those terms in the Settlement Agreement.

2. The Court has jurisdiction over this litigation, Plaintiffs, Genworth, and any party to any agreement that is part of or related to the Settlement Agreement.

#### **PRELIMINARY APPROVAL**

3. On August 23, 2021, Plaintiffs filed their Motion and Memorandum of Law in support after the Parties entered into the Settlement Agreement, submitting to the Court, pursuant to Rule 23(e)(1) of the Federal Rules of Civil Procedure, the Parties' Settlement Agreement and appendices thereto, as well as Declarations of Plaintiffs' counsel, the proposed Settlement Administrator, and the mediator in support of the Motion.

4. On August 30, 2020, the Court held the hearing on the Motion.

5. The Court has reviewed the terms of the proposed Settlement Agreement, the appendices thereto, Plaintiffs' Motion and Memorandum of Law in support, and the Declarations of Plaintiffs' counsel, the proposed Settlement Administrator, and the mediator.

6. Based on its review of these filings, the Court finds that the Settlement Agreement is the result of considerable, informed, arm's-length negotiations conducted with an experienced

mediator, Rodney A. Max of Upchurch, Watson, White & Max Mediation Group, and further arms-length negotiations between Class Counsel and Genworth's counsel.

7. The terms of the Settlement Agreement do not improperly grant preferential treatment to any individual or segment of the Class, and are fair, reasonable, and adequate, and the Court is likely to grant final approval of the Settlement.

8. The Court therefore GRANTS preliminary approval of the Settlement Agreement and all of the terms and conditions contained therein, and directs that Notice be sent to the Class in the form and manner prescribed in the Settlement Agreement and discussed herein.

#### **PRELIMINARY CERTIFICATION OF THE CLASS**

9. Pursuant to Fed. R. Civ. P. 23, the Court preliminarily certifies, for settlement purposes only, the Class defined as follows:

all Policyholders<sup>1</sup> of GLIC and GLICNY long-term care insurance PCS I and PCS II Class Policies,<sup>2</sup> and State variations of those Class Policies in force at any time during the Class Period<sup>3</sup> and issued in any of the States<sup>4</sup> excluding: (1) those Policyholders whose policies went into Non-Forfeiture Status or entered a Fully Paid-Up Status prior to January 1, 2014; (2) those Policyholders whose Class Policy is Lapsed and is outside any period Genworth allows for the Class Policy to be automatically reinstated with payment of past due premium, or whose Class Policy has otherwise Terminated, as of the date of the Class Notice; and those

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<sup>1</sup> "Policyholder(s)" means the policy owner, except: (1) where a single policy or certificate insures both a policy owner and another insured person, "Policyholder(s)" means both the policy owner and the other insured person jointly; (2) where the Class Policy at issue is certificate 7000X, 7020X, 7000Y, 7030CRT, 7031CRT, or 7032CRT, or any other Class Policy that is a certificate issued under a group long-term care insurance policy, "Policyholder(s)" means the certificate holder.

<sup>2</sup> "Class Policies" means Genworth long-term care insurance policies on the policy forms identified in Appendix A to the 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.

<sup>3</sup> "Class Period" means any time on or between January 1, 2012 and the date the Class Notice is mailed.

<sup>4</sup> The complete list of the Class Policy forms that are included within the definition of Class is attached hereto as **Appendix A**.

Policyholders whose Class Policy is Lapsed and is outside any period Genworth allows for the Class Policy to be automatically reinstated with payment of past due premium or has otherwise Terminated, as of the date the Special Election Letter (defined below) would otherwise be mailed to the Policyholder; (3) those Policyholders who are deceased at any time before their signed Special Election Option is post-marked for mailing to Genworth, or is faxed or emailed to Genworth; (4) Genworth's current officers, directors, and employees as of the date Class Notice is mailed; and (5) Judge Robert E. Payne and his immediate family and staff.

10. The Court preliminarily finds that the Class satisfies the requirements of Fed. R. Civ. P. 23(a): (1) the Class is presently comprised of over 146,000 members in all fifty (50) States and the District of Columbia; (2) there are questions of law or fact common to the Class; (3) the Named Plaintiffs' claims are typical of those of Class Members; and (4) the Named Plaintiffs and their counsel will fairly and adequately protect, and have adequately protected, the interests of the Class.

11. The Court preliminarily finds that the Class satisfies the requirements of Fed. R. Civ. P. 23(b)(3): (a) the questions of law or fact common to the Class predominate over individual questions; and (b) class action litigation is superior to other available methods for the fair and efficient adjudication of this controversy.

12. The Court hereby appoints Named Plaintiffs Judy Halcom, Hugh Penson, Harold Cherry, and Richard Landino as Class representatives.

13. The Court hereby appoints Brian D. Penny of Goldman Scarlato & Penny, P.C., Stuart A. Davidson of Robbins Geller Rudman & Dowd LLP, Jonathan M. Petty of Phelan Petty, PLC, and Glen L. Abramson of Berger Montague PC as Class Counsel.

#### **NOTICE & ADMINISTRATION**

14. The Court appoints Epiq Class Action & Claims Solutions, Inc. ("Epiq") as the Settlement Administrator to fulfill the duties of Settlement administration set forth in the Settlement Agreement.

15. The Court approves the forms of the Class Notice and Publication Notice appended to the Settlement Agreement, and attached hereto as **Exhibits A and B**, respectively, and finds that the Class Notice and Publication Notice satisfy the requirements of due process and Fed. R. Civ. P. 23, and will provide the best notice practicable under the circumstances. The Class Notice and Publication Notice, as well as the plan for dissemination of the same, are reasonably calculated to apprise Class Members of the nature of this litigation, the scope of the Class, the terms of the Settlement Agreement, the right of Class Members to object to the Settlement Agreement or to exclude themselves from the Class and the processes for doing so, and of the Final Approval Hearing.

16. The Court therefore approves the Class Notice and Publication Notice and directs the Parties and the Settlement Administrator to proceed with providing notice to Class Members pursuant to the terms of the Settlement Agreement and this Order.

17. Under the terms of the Settlement Agreement, the Settlement Administrator shall disseminate the Class Notice no more than 60 calendar days after entry of the instant Order (“Notice Date”).

18. Under the terms of the Settlement Agreement, the Settlement Administrator shall also publish the Publication Notice. The Publication Notice shall be an eighth of a page in size, and will be published for one business day 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.

19. The Court further approves the form of the Special Elections Letter to be mailed to Class Members, subject to any necessary changes as a result of discussions with or input of state regulators, as well the administration and/or auditing procedures with respect to the same described in the Settlement Agreement.

### **EXCLUSIONS AND OBJECTIONS**

20. Class Members who wish to opt-out and exclude themselves from the Class may do so by notifying the Settlement Administrator in writing, postmarked no later than sixty (60) calendar days after the mailing of Class Notice. Each request for exclusion must include: (1) the Class Member(s)' name(s), (2) the Class Member(s)' address(es), (3) if available, the Class Member(s)' policy number(s), (4) a statement that the Class Member(s) is/are "requesting exclusion" from the Settlement Agreement, (5) the name of the case and case number (*Halcom v. Genworth Life Ins. Co.*, Case No. 3:21-cv-00019-REP), and (6) the Class Member(s)' signature(s). All Class Members who do not opt out shall be bound by the terms of the Settlement.

21. Class Members who wish to object to the Settlement Agreement may do so only by submitting a written objection to the Court with a copy to the Settlement Administrator in accordance with the procedures outlined in the Class Notice no later than sixty (60) calendar days after the mailing of Class Notice.

22. Any Class Member who does not timely submit a written objection in accordance with the procedures outlined in the Class Notice shall be deemed to have waived any objection, shall not be permitted to object to the Settlement, and shall be precluded from seeking any review of the Settlement Agreement and/or the Final Order and Judgment by appeal or other means.

### **FINAL APPROVAL HEARING**

23. The Court will hold a Final Approval Hearing on Wednesday, February 9, 2022 10:00 a.m. in Courtroom 7400 at the SpottswoodaW. Robinson III & Robert R. Merhige, Jr., Federal Courthouse of the Eastern District of Virginia, 701 East Broad Street, Richmond, Virginia 23219.

24. At the Final Approval Hearing, the Court will consider whether: (a) the Settlement Agreement is fair, reasonable, and adequate; (b) the Class should be finally certified; (c) a final

judgment should be entered; (d) Class Counsel's motion for an award of attorneys' fees and expenses should be granted; and (e) the Service Payments sought for Named Plaintiffs should be awarded.

25. The Court reserves the right to continue the date of the Final Approval hearing without further direct notice to Class Members.

#### **DEADLINES, INJUNCTIONS, AND TERMINATION**

26. All proceedings, deadlines, and discovery in this matter, except those necessary to implement this Order and the Settlement Agreement, are hereby stayed and suspended until further Order of the Court.

27. In the event that the Settlement Agreement is terminated pursuant to the terms of the Settlement Agreement: (a) the Settlement Agreement and this Order shall become void, shall have no further force or effect, and shall not be used in any action or any other proceedings for any purpose other than as may be necessary to enforce the terms of the Settlement Agreement that survive termination; (b) this matter will revert to the status that existed before execution of the Settlement Agreement; and (c) no term or draft of the Settlement Agreement or any part of the Parties' settlement discussions, negotiations, or documentation (including any briefs filed in support of preliminary or final approval of the Settlement Agreement) shall: (i) be admissible into evidence for any purpose in any action or other proceeding other than as may be necessary to enforce the terms of the Settlement Agreement that survive termination; (ii) be deemed an admission or concession by any Party including regarding the validity of any Released Claim or the propriety of certifying any class against Genworth; or (iii) be deemed an admission or concession by any Party including regarding the truth or falsity of any facts alleged in the Action or the availability or lack of availability of any defense to the Released Claims.

28. The dates of performance contained herein may be extended by Order of the Court, for good cause shown, without further direct notice to the Class.


**SUMMARY OF DEADLINES**

29. The preliminarily approved Settlement shall be administered according to its terms pending the Final Approval Hearing. Deadlines arising under the Settlement Agreement and this Order include, but are not limited to:

Event	Calculation of Due Date	Due Date
Date for commencing the mailing of the Class Notice to the Class	60 calendar days after entry of Notice Order	Friday, October 29, 2021
Deadline for filing of papers in support of final approval of Settlement and Plaintiffs' counsel's application for attorneys' fees, expenses, and service awards	At least 60 calendar days prior to Final Approval Hearing	Friday, December 3, 2021
Publication of Publication Notice	No later than 15 days before the Deadline for requesting exclusion from the Class or filing objections	On or before Monday, December 13, 2021
Deadline for requesting exclusion from the Class or filing objections	60 calendar days after the mailing of Class Notice	Tuesday, December 28, 2021
Deadline for filing reply brief(s) in support of final approval of Settlement and Class Counsel's application for an award of attorneys' fees, expenses, and Named Plaintiffs' service payments, and	7 calendar days prior to Final Approval Hearing	Thursday, January 27, 2022
Deadline for Genworth to report to the Court concerning any state regulatory input on the Settlement	7 calendar days prior to Final Approval Hearing	Thursday, January 27, 2022
Final Approval Hearing	At least 100 calendar days after entry of the Notice Order	Wednesday, February 9, 2022

**IT IS SO ORDERED.**

Dated: August 30, 2021

/s/   
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 ROBERT E. PAYNE  
 UNITED STATES DISTRICT JUDGE



**APPENDIX A****CLASS POLICIES****PCS 1 Class Policies**

<b>State</b>	<b>Policy/Certificate Form</b>
Alabama	7000X
	7020X
Alaska	7000X
	7020X
Arizona	7000
	7020AS
Arkansas	7000
	7020
California	7011
	7012
	50022K
	7000AS
	7000AU
	7020B
Colorado	7000B
	7001B
	7020S
	7022B
	7022S
Connecticut	50024B
	7000AT
	7000R
	7001R
	7020AA
Connecticut Partnership	50024
	50024B
D. C.	7000X
	7001X
	7020X
Delaware	7000AA
	7020A
Florida	7000N
	7001N
	7020C

Georgia	50021D
	7000W
	7000Y
	7001W
	7020Y
Hawaii	7000V
	7001V
	7020AJ
Idaho	7000AL
	7020AE
Illinois	7000C
	7001C
	7020E
Indiana	50024A
	7000AM
	7020Q
Indiana Partnership	50024A
Iowa	7000
	7020K
Kansas	7000M
	7020N
Kentucky	7000Q
	7001Q
	7020AC
Louisiana	7000
	7020AU
Maine	50020U
	7000AD
	7003AE
	7003CA
Maryland	7000AP
	7020BB
	7020V
Massachusetts	7000AR
	7001X
	7020X
Michigan	7000AG
	7020T
Minnesota	7002MA/B
	7002MC
	7020AQ
	7020BF

Mississippi	7000AF
	7020AL
Missouri	7000F
	7001F
	7020G
Montana	7000AH
	7020AG
Nebraska	7000J
	7001J
	7020U
Nevada	7000AJ
	7020AP
New Hampshire	7000T
	7001T
	7020AK
New Jersey	7000X
	7001X
	7020X
New Mexico	7000AB
	7020AR
New York	50110
	51000
	51001
	51002
New York Partnership	50109
North Carolina	7000A
	7001A
	7020J
North Dakota	7000U
	7001U
	7020AH
Ohio	7000G
	7001G
	7020H
Oklahoma	7000AC
	7020AD
Oregon	7000AN
	7020AF
Pennsylvania	7000AX
	7000L
	7001M
	7020BA
	7020F
Rhode Island	7000AK
	7020AN
South Carolina	50020P
	7000P
	7001P

	7020BD
	7020M
South Dakota	7000AE
	7020AM
Tennessee	7000D
	7001D
	7020R
Texas	7000AV
	7000E
	7001E
	7020BC
	7020D
Utah	7000
	7020AV
Vermont	7000
	7020
Virginia	7000AO
	7001H
	7020P
Washington	50020E
	7000AW
	7000K
	7001K
	7020L
West Virginia	7000
	7020
Wisconsin	50022E
	50023A
	7020AB
	7020BE
	7000S
Wyoming	7000
	7020

**PCS 2 Class Policies**

<b>State</b>	<b>Policy/Certificate Form</b>
Alabama	7030
	7031
	7032
	7030CRT
	7031CRT
	7032CRT
Alaska	7030AZ
	7031AZ
	7032AV

Arizona	7030AM
	7031AM
	7032AJ
Arkansas	7030AB
	7031AB
	7032AW
California	7030AE
	7031AE
	7032AE
	7034
	7011-A
	7012-A
	7034A
Colorado	7030A
	7031A
	7032A
Connecticut	7030F
	7031F
	7032F
	7033
D.C.	7030
	7031
	7032
Delaware	7030B
	7031B
	7032B
Florida	7030H
	7031H
	7032H
Georgia	7030AL
	7031AL
	7032AN
Hawaii	7030AD
	7031AD
	7032AC
Idaho	7030AV
	7031AU
	7032AR
Illinois	7030D
	7031D

	7032D
Indiana	7030AQ
	7031AP
	7032AL
	50024D-7030AP
	7032AK
Iowa	7030G
	7031G
	7032G
Kansas	7030AF
	7031AF
Kentucky	7030Q
	7031Q
	7032Q
Louisiana	7030AG
	7031AG
	7032AF
Maine	7030AT
	7031AS
	7032AP
Maryland	7030R
	7031R
	7032R
Massachusetts	7030AA
	7031AA
	7030CRT
	7031CRT
	7032CRT
Michigan	7030
	7031
Minnesota	7030P
	7031P
	7032P
Mississippi	7030V
	7031V
	7032V
Missouri	7030C
	7031C
	7032C
Montana	7030W

	7031W
	7032W
Nebraska	7030K
	7031K
	7032K
Nevada	7030U
	7031U
	7032U
New Hampshire	7030AX
	7031AW
	7032AT
New Jersey	7030
	7031
	7032
	7030CRT
	7031CRT
	7032CRT
New Mexico	7030AH
	7031AH
	7032AD
New York	51005
	51006
	51007
New York Partnership	51008
North Carolina	7030AW
	7031AV
	7032AS
North Dakota	7031AT
	7032AQ
	7030AU

**EXHIBIT A**

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

*Judy Halcom, et al. v. Genworth Life Insurance Company, et al.*

United States District Court for the Eastern District of Virginia (Richmond Division), Case No.  
3:21-cv-00019-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) AND/OR, PRIOR TO JANUARY 1, 2014, WERE NOT IN NON-FORFEITURE OR FULLY PAID-UP STATUS**

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 potential rights and options in connection with the settlement. You are encouraged to visit the Settlement website at [www.PCSLongTermCareInsuranceSettlement.com](http://www.PCSLongTermCareInsuranceSettlement.com) for the precise terms and conditions of the settlement, the complete Settlement Agreement, pleading and documents on file in this case, and other information about this Settlement, including important dates, and a full description of the Settlement options you may be offered if the Court approves 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 11, 2021, four individuals with GLIC or GLICNY PCS I or PCS II long term care insurance policies, Judy Halcom, Hugh Penson, Harold Cherry, and Richard Landino (“Named Plaintiffs”), filed a Class Action Complaint (“Complaint”) against GLIC and GLICNY (“Genworth”) in the United States District Court for the Eastern District of Virginia, alleging that Genworth intentionally withheld material information from Policyholders with respect to the full scope and magnitude of Genworth’s rate increase action plans and its reliance on Policyholders paying increased rates to pay future claims (the “Complaint”). The Complaint asserted claims for Fraudulent Inducement by Omission and for Declaratory Relief.

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, whether on behalf of the Named Plaintiffs or Class Members. Genworth contends that neither Named Plaintiffs nor the putative Class has been injured or is 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.PCSLongTermCareInsuranceSettlement.com](http://www.PCSLongTermCareInsuranceSettlement.com).

The attorneys for plaintiffs Judy Halcom, Hugh Penson, Harold Cherry, and Richard Landino have been designated by the Court as “Class Counsel” to represent all 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 Class Members. The following law firms are Class Counsel and represent the Class Members:

<p>GOLDMAN SCARLATO &amp; PENNY, P.C.                  Brian D. Penny                  161 Washington Street, Suite 1025                  Conshohocken, PA 19428</p>	<p>ROBBINS GELLER RUDMAN &amp; DOWD LLP                  Stuart A. Davidson                  120 East Palmetto Park Road, Suite 500                  Boca Raton, FL 33432</p>
<p>PHELAN PETTY, PLC                  Jonathan M. Petty                  3315 W. Broad Street                  Richmond, VA 23230</p>	<p>BERGER MONTAGUE PC                  Glen L. Abramson                  1818 Market Street, Suite 3600                  Philadelphia, PA 19103</p>
<p>CLASS COUNSEL’S TOLL-FREE NUMBER: 800-851-7783</p>	

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

## **B. CLASS MEMBERS**

The “Class Members” for purposes of this settlement are defined as all Policyholders<sup>1</sup> of GLIC and GLICNY long-term care insurance PCS I and PCS II policies, and State variations of those policies 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”)<sup>2</sup> excluding: (1) those Policyholders whose policies went into Non-Forfeiture Status<sup>3</sup> or entered a Fully Paid-Up Status<sup>4</sup> prior to January 1, 2014; (2) those Policyholders whose Class Policy is Lapsed<sup>5</sup> and is outside any period Genworth allows for the Class Policy to be automatically reinstated with payment of past due premium, or whose Class Policy has otherwise Terminated,<sup>6</sup> as of the date of the Class Notice; and those Policyholders whose Class Policy is Lapsed and is outside any period Genworth allows for the Class Policy to be automatically reinstated with payment of past due premium or has otherwise Terminated, as of the date the Special Election Letter (defined below) would otherwise be mailed to the Policyholder; (3) those Policyholders who are deceased at any time before their signed Special Election Option is post-marked for mailing to Genworth, or is faxed or emailed to Genworth; (4) Genworth’s current officers, directors, and employees as of the date Class Notice is mailed; and (5) Judge Robert E. Payne and his immediate family and staff. Changes to your policy status or coverage (including, for example, whether your policy lapses or is terminated) may also impact whether or not you are in the proposed settlement class. If your policy lapses

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<sup>1</sup> “Policyholder(s)” means the policy owner, except: (a) where a single policy or certificate insures both a policy or certificate owner and another insured person, “Policyholder(s)” means both the policy or certificate owner and the other insured person jointly, and (b) where the Class Policy at issue is certificate 7000X, 7020X, 7000Y, 7030CRT, 7031CRT, or 7032CRT, or any other Class Policy that is a certificate issued under a group long-term care insurance policy, “Policyholder(s)” means the certificate holder.

<sup>2</sup> “Class Policies” means Genworth long-term care insurance policies on the policy forms identified in the attached Appendix A hereto 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 “Class Period” means any time on or between January 1, 2012 and the date this Class Notice was mailed.

<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 Class Policy is continued in full force and effect and no further premiums are owed. A Class Policy in Fully Paid-Up Status does not include a Class Policy that is in a Non-Forfeiture Status.

<sup>5</sup> “Lapse” or “lapsed” means a status whereby a policy is no longer in force because premium was not paid as required. A lapsed policy terminates and cannot be reinstated if it is outside any period Genworth allows for the policy to be automatically reinstated with payment of past due premium. For purposes of this Agreement, a policy in Non-Forfeiture Status is not a lapsed policy.

<sup>6</sup> “Terminated” means a status whereby a Class Policy is no longer in force and is unable to be automatically reinstated by the Policyholder with payment of past due premium. It includes, for example, a Class Policy that has lapsed beyond the period permitted for automatic reinstatement, a Class Policy that has been cancelled, or a Class Policy (including a policy in Non-Forfeiture Status) that is no longer in force because all available benefits have been exhausted.

after the date of this notice, it must be reinstated within your applicable auto-reinstatement period if you wish to exercise rights and options in the settlement.

**C. YOUR OPTIONS**

As a 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 under 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 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 “requesting exclusion” from the Settlement Agreement, (5) the name of the case and case number (*Halcom, et al. v. Genworth Life Insurance Company, et al.*, Case No. 3:21-cv-00019-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, or Class Counsel’s application for an award of fees and expenses, 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) the name of the case and the case number (*Halcom et al. v. Genworth Life Insurance Company et al.*, Case No. 3:21-cv-00019-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. 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 Class Members 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 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) 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 Class Member' 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.

(c) Please visit the settlement website, [www.PCSLongTermCareInsuranceSettlement.com](http://www.PCSLongTermCareInsuranceSettlement.com), for a full description of these options and a sample of the Special Election Letter.

2. **Release:** Each member of the Class who does not timely and validly opt out of the 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 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 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 Class Members to his or her policy benefits prior to the final settlement date. Named Plaintiffs and 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 Release will not prevent a Class Member from making a claim for benefits under his or her long-term care insurance policy consistent with his or her policy coverage, nor

shall it include a Class Member's challenge or appeal of Genworth's denial of benefits under his or her Class Policy.

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) \$1,000,000.00 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 Class, which shall be no greater than \$18,500,000.00. **None** of the attorneys' fees will be deducted from payments made by Genworth to Class Members.

Class Counsel will also file a request for an award of reasonable litigation expenses in this case. These expenses will be no more than \$50,000.

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.

4. **Class Representative Service Payment:** Named Plaintiffs Judy Halcom, Hugh Penson, Harold Cherry, and Richard Landino 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 \$15,000 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 Class Members.



None of the service payments approved by the Court will be deducted from payments made by Genworth to 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], 202[], 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 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 IMPORTANT INFORMATION**

The Special Election Options described in this notice still require final approval by the Court and are subject to review by state insurance regulators.

You should also consider the following additional information, which may impact the availability of Special Election Options under this settlement:

1. **If you currently have a long-term care policy with Genworth, you must continue to pay premiums (unless your premiums have been waived or your policy is in Fully Paid-Up Status) to keep your policy in force so that it is eligible for Special Election Options under this settlement.** Your premiums also remain subject to any rate increases that may be approved or otherwise permitted.
2. **Changes to your policy status or coverage (including lapse or termination) may impact whether or not you are in the proposed settlement class and/or whether Special Election Options will be available to you.**
  - If your policy lapses after the date of this notice but is still in the period during which your policy can be automatically reinstated by paying any past-due premium, you will need to reinstate your policy by paying the past-due premium to exercise any rights and options under the settlement.

- If, before you are sent a Special Election Letter, your policy lapses and is outside any period Genworth allows for the policy to be automatically reinstated with payment of past due premium, or terminates for any other reason, then you will be excluded from the Settlement Class and the Special Election Options will not be available to you.
  - If, after you have been sent a Special Election Letter, your policy lapses and is outside any period Genworth allows for the policy to be automatically reinstated with payment of past due premium, or terminates for any other reason, then you will remain in the Settlement Class and release your claims, but you will no longer be eligible for the Special Election Options.
3. **If you reduce your coverage, including in response to a rate increase on your policy, your reduction in coverage may affect the Special Election Options that otherwise may become available to you under this settlement.** As a Policyholder, you have options to reduce your coverage that are separate from the Special Election Options that may become available to you under this settlement. For example, if there is a premium rate increase on your policy, you will have options for reducing your coverage. Those options will be different from any Special Election Options that may become available under this settlement and do not include the possibility of a cash damages payout. If you select an option to reduce your coverage separate from the Special Election Options that may be available under this settlement, you may eliminate or reduce the availability of any future Special Election Options or the value of any corresponding cash damages payments that may be available. Whether one of these options or any Special Election Option will best meet your needs will depend on your specific circumstances.

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.PCSLongTermCareInsuranceSettlement.com](http://www.PCSLongTermCareInsuranceSettlement.com) OR CALL THE SETTLEMENT ADMINISTRATOR AT [PHONE].



**EXHIBIT B**

**PUBLICATION NOTICE**

**Genworth Long-Term Care Insurance PCS I and PCS II Class Action**

Do you own a PCS I or PCS II 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 PCS I and PCS II long-term care policies.

In January 2021, four policyholders brought a lawsuit on behalf of a class alleging that Genworth should have included certain additional information in letters sent to Genworth PCS I and PCS II 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.PCSLongTermCareInsuranceSettlement.com](http://www.PCSLongTermCareInsuranceSettlement.com), or call the Settlement Administrator at [].