



## QUESTIONS AND ANSWERS FOR GENWORTH INSURANCE POLICY AND ANNUITY CONTRACT DISTRIBUTORS AND THEIR CUSTOMERS

### ABOUT THE GENWORTH FINANCIAL COMPANIES:

*Variable products  
are distributed  
through Capital  
Brokerage Corporation*

*Genworth  
Financial, Inc.*

*6620 West Broad Street  
Richmond, VA 23230*

For more than 137 years, the Genworth Financial companies have been providing solutions to help its customers achieve financial security. Genworth is proud of its employees, whose diverse talents and focused commitment to its purpose enable the company to make possible the dreams of 15 million people around the world. With local knowledge supported by global expertise, Genworth employees bring a special knowledge of what's important to meet customers' needs. And in today's economic environment, people need the financial security Genworth's products provide more than ever. Genworth truly understands consumers' financial security needs and provides compelling solutions to help meet those needs.

*In this long history, Genworth has never been unable to pay a valid claim.*

*genworth.com*

The Genworth Financial companies include:

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

Capital Brokerage Corporation  
(In Indiana, Genworth Financial Brokerage Corporation)  
Member FINRA/SIPC  
Genworth Life and Annuity Insurance Company – Richmond, VA  
Genworth Life Insurance Company – Lynchburg, VA  
Genworth Life Insurance Company of New York – New York, NY  
Continental Life Insurance Company of Brentwood, TN  
American Continental Insurance Company – Brentwood, TN

# GENWORTH INSURANCE POLICIES/CONTRACTS

*The following answers  
are current as of  
November 21, 2008,  
unless otherwise noted.*

*For the most current  
information, Genworth  
offers all of its constituencies  
access to a public web site:  
[www.genworth.com/answers](http://www.genworth.com/answers).*

*The site is part of the  
company's ongoing  
communication to  
reinforce its commitment  
to policyholders, address  
common questions, and  
provide information to  
its stakeholders about the  
actions Genworth is taking  
to manage through this  
unprecedented environment.*

## **1. Are Genworth insurance policies/ contracts safe?**

**Yes.** We continue to meet our obligations to policyholders.

Genworth Financial is a holding company with several life insurance company subsidiaries, including Genworth Life and Annuity Insurance Company, Genworth Life Insurance Company, Genworth Life Insurance Company of New York, Continental Life Insurance Company of Brentwood, Tennessee and American Continental Insurance Company.

Policies and contracts are underwritten and issued by Genworth's subsidiary insurance companies, not by the holding company. These insurance policies and contracts are supported by the assets held within the insurance company subsidiary that issued the policy or contract (except for assets held in separate accounts for variable annuities and variable life insurance contracts). These insurance companies and their assets are separate from the holding company. The funds held in the separate account for variable annuities and variable life insurance contracts are subject to market fluctuations and may lose value. All guarantees are based on the claims paying ability of the issuing insurance company.

Genworth's insurance company subsidiaries are required by the laws in the state where they are domiciled to set aside, or reserve, a certain level of assets calculated to protect the company's ability to pay claims and other policy benefits. Genworth's insurance company subsidiaries hold statutory reserves, consistent with those laws, and those reserves are held separate from the holding company assets. This information is detailed on Genworth's Web site at [genworth.com](http://genworth.com) on the Investors section under SEC Filings and Financial Reports.

## **2. If I have a valid claim, will it be paid?**

**Yes.** Genworth's life insurance companies are effectively managing their capital and have funds available to meet policyholder obligations and to pay all valid claims.

## **3. Should I continue to pay my insurance premiums?**

In order for your coverage with Genworth to continue, you will need to pay your insurance premiums.

# GENWORTH'S FINANCIAL POSITION

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## **1. What is Genworth's financial/liquidity position?**

Insurance companies operate as part of a highly regulated industry, and as a result, are required by the laws in the state where they are domiciled to set aside, or reserve, a certain level of assets calculated to protect the company's ability to pay claims and other policy benefits. Risk-based capital (RBC) is the amount of capital an insurance company needs to support its overall business operations, considering the size and degree of risk it takes on. To enhance the liquidity of its U.S. life insurance companies and increase their consolidated RBC ratios to approximately 360% for the third quarter, Genworth contributed \$500 million in cash from its holding company to its life insurance companies. To put this into perspective, an RBC ratio above 320% is one of the requirements to maintain a AA rating. Additionally, as of November 6, Genworth held approximately \$435 million of cash and cash equivalents at the holding company level and approximately \$6.2 billion at the insurance company operating levels.

## **2. What happens if Genworth goes out of business or becomes insolvent?**

What actually happens when an insurance holding company files for bankruptcy depends upon the specific facts and circumstances at that time. Generally, however, a bankruptcy filing by an insurance holding company does not in and of itself mean the insurance operating companies are insolvent. Insurance operating companies can continue to operate.

If any of Genworth's operating insurance company subsidiaries were to be in financial distress or become insolvent, state insurance regulations include specific procedures, including, for example, an insurance regulator taking over the operations of the company, to protect the interests of policyholders and the claims paying ability of the company. More information on this subject is available at The National Organization of Life & Health Insurance Guaranty Association's web site at [www.NOLHGA.com](http://www.NOLHGA.com). It is important to note that the reference to the Guaranty Association is for informational purposes only and not for the purpose of sales, solicitation or inducement to purchase any form of insurance from the Genworth Financial companies.

# GENWORTH'S FINANCIAL POSITION

*(continued)*

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### **3. How is Genworth responding to the current economic environment?**

Genworth is working intently to manage through this unprecedented period, using multiple levers, and to effectively position our company for the future. These include actions that we have already taken and will continue to take to:

- Maintain appropriate liquidity
- Maintain appropriate capital levels in our operating companies, in support of our policyholders and distributors of our products
- Maximize our capital flexibility
- Prepare for future events that could come our way

We will continue to invest in key distribution relationships and product lines. Above all, we will uphold our obligations to our policyholders. For more details, please refer to our Genworth Strategic Highlights document, which can be found at [www.genworth.com/answers](http://www.genworth.com/answers).

### **4. How does Genworth use reinsurance?**

Genworth, like many insurance companies, uses reinsurance agreements to reduce the risk associated with underwritten policies by spreading risk across other institutions. Among other things, Genworth's reinsurance agreements:

- limit the company's exposure to extreme losses,
- reduce the required levels of minimum capital the company must hold,
- enable the company to maintain its desired risk profile, and
- allow the company to achieve its target financial goals levels.

# GENWORTH'S FINANCIAL POSITION

*(continued)*

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## **5. Why has Genworth's stock price declined?**

There can be many different reasons for movement in a company's stock price and we do not speculate on the reasons for such movements. However, the intense volatility in the stock market continues to impact U.S. stocks, and financial services stocks in particular, including Genworth. Deepening fears over the economy, a lack of liquidity in the global financial system, and the continued uncertainty of the credit markets have driven stock markets around the world into their worst declines in decades.

Like many others in the financial services industry, Genworth continues to face unprecedented challenges, given the economic and market environment. Our company has been impacted by the decline in the U.S. housing market in both our mortgage insurance operations and our investment portfolios. As we shared in our third quarter earnings announcement, we believe these impacts are serious but manageable and we are committed to taking appropriate steps to address these challenges and effectively position our company for the future. These include actions that will help us strengthen our capital levels and maximize flexibility as we take the company forward – and may range from selling assets, to possibly raising some form of capital in the debt, hybrid or equity markets.

## **6. What is the impact of a declining stock price on my policy/contract?**

Genworth stock is issued by the holding company, not the operating insurance companies, which are separate legal entities. Each of the insurance companies has its own assets and liabilities. If Genworth's stock price declines, it does not directly affect our insurance companies' ability to pay valid claims.

## **7. Does Genworth's inability to participate in the Commercial Paper Funding Facility (CPFF) impact my policy or contract?**

**No.** Genworth's insurance company subsidiaries do not rely on the commercial paper market as a source of liquidity or utilize commercial paper to pay claims.

# GENWORTH'S OFFICE OF THRIFT SUPERVISION FILING

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## 1. What happened?

On November 16, Genworth Financial announced it has filed a savings and loan holding company application with the Office of Thrift Supervision with respect to the acquisition of InterBank, fsb of Maple Grove, Minnesota. Genworth and InterBank have reached an agreement in principle, subject to negotiation of a definitive agreement. Genworth also filed an application for the U.S. Treasury Department's Capital Purchase Program (CPP) under the Troubled Asset Relief Program (TARP). Both of these applications are subject to regulatory approval.

## 2. Will Genworth elaborate on this announcement to external constituencies?

Because these applications are pending, Genworth will provide additional context at the appropriate time. What the company can say now is that it is using multiple levers to help manage through this unprecedented period.

## RATINGS

### 1. What are Genworth's current ratings?

	<i>A.M. Best</i>	<i>Standard &amp; Poor's</i>	<i>Moody's</i>	<i>Fitch</i>
<b>Genworth Life Insurance Company</b>	<b>A+</b> (Superior – 2nd highest out of 16 ratings)	<b>AA-</b> (Very Strong – 4th highest out of 21 ratings)	<b>A1</b> (Good – 5th highest out of 21 ratings)	<b>A+</b> (Strong – 5th highest out of 21 ratings)
<b>Genworth Life and Annuity Insurance Company</b>	<b>A+</b> (Superior – 2nd highest out of 16 ratings)	<b>AA-</b> (Very Strong – 4th highest out of 21 ratings)	<b>A1</b> (Good – 5th highest out of 21 ratings)	<b>A+</b> (Strong – 5th highest out of 21 ratings)
<b>Genworth Life Insurance Company of New York</b>	<b>A+</b> (Superior – 2nd highest out of 16 ratings)	<b>AA-</b> (Very Strong – 4th highest out of 21 ratings)	<b>A1</b> (Good – 5th highest out of 21 ratings)	<b>A+</b> (Strong – 5th highest out of 21 ratings)
<b>Continental Life Insurance Company of Brentwood, Tennessee</b>	<b>A</b> (Excellent – 3rd highest out of 16 ratings)			<b>A+</b> (Strong – 5th highest out of 21 ratings)
<b>American Continental Insurance Company</b>	<b>A-</b> (Excellent – 4th highest out of 16 ratings)	<i>This company is not rated by the other ratings agencies.</i>		

(Please Note: This information is current as of November 17, 2008. Current information on Genworth's ratings can be found on the Investor section of [genworth.com](http://genworth.com).)

The ratings shown reflect the opinions of the various ratings agencies and are not a warranty of the insurer's ability to meet its contractual obligations. The scope of A.M. Best's ratings covers Insurer's financial strength and ability to meet ongoing obligations to policyholders.

The scope of Standard & Poors and Moody's ratings covers financial strength. The scope of Fitch's ratings covers ability to meet policyholders and contract obligations. These ratings do not apply to the safety or performance of the underlying portfolios of a variable policy/contract's separate account which will fluctuate and may lose value.