



Genworth®  
Financial

# Colony<sup>SM</sup> Term UL

An affordable universal life insurance  
alternative to traditional term life insurance

October 2009

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49591 10/13/09

# Life insurance products underwritten by:

Genworth Life and Annuity Insurance Company  
Genworth Life Insurance Company  
Richmond, VA

# Agenda

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**The Current State of the Market**

**2**

**Genworth's Commitment to the Needs of the Term Market**

**3**

**Affordability, Competitiveness, Process Simplicity, Flexibility**

**4**

**Promotional Marketing**

**5**

**Action Steps**



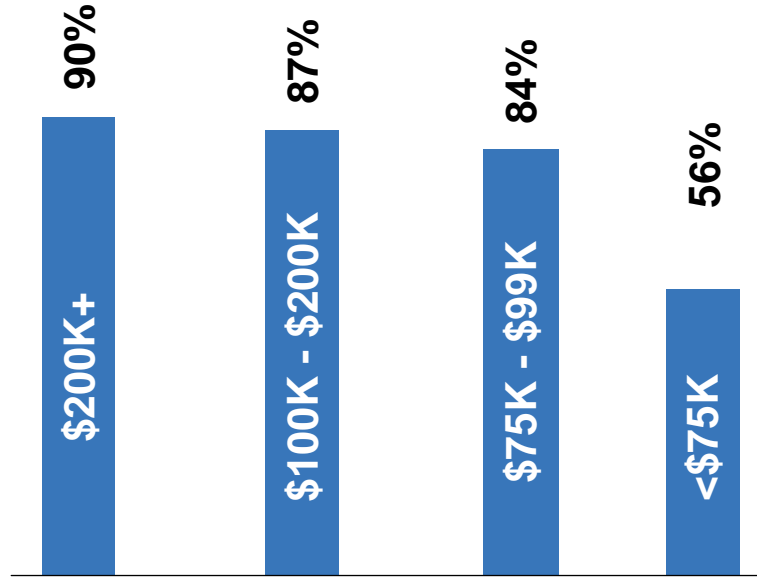
# 115MM Households Earn Up To \$250,000

1

**Mass Market Has Lowest Life Insurance Ownership Rates ...**

**... And Represents The Largest Life Insurance Coverage Gap**

## % Ownership by Household Income



Source: Federal Reserve Board, "The Survey Of Consumer Finances" 2007, U.S. Census

## Affluent

Investable Assets > \$1MM  
or Income > \$250,000

\$2.7T

## Mass Affluent

Investable Assets > \$250,000  
or Income > \$100,000

\$4.8T

## Mass Market

Remaining Households  
With Income > \$25,000

\$6.0T

Source: IAB "Closing the Coverage Gap", 2007 – Conservative Case

# Sell to the Biggest Market

## Term Life Insurance

**95% of Sales < \$1,000,000 Face**

**80% of New Premium**

## Universal Life Insurance

**99% of Sales < \$5,000,000 Face**

**70% of New Premium**

Source: LIMRA 2006 Buyer's Guide

# Shifts in the Term Life Insurance Market

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## 2009 Industry Term Product Changes

- **Rate Increases (some carriers for 2<sup>nd</sup> round)**
- **30 Year Term Life Exits**
- **Policy Fee Increases**
- **Commission Reductions**

## Consumer Changes

- **Term marketplace in 2008 was 23% of life premiums; rose ~ 20% in first half of 2009**
- **1/3 of families in the U.S. own no life insurance**
- **Median coverage only 2x income – “Main Street” underinsured**

## Carriers' Changes Not Matching Consumer Needs

Source: LIMRA, U.S. Individual Life Insurance Sales, Technical Supplement, Second Quarter, 2009

# The Genworth Solution to the Changing Market

## Colony<sup>SM</sup> Term UL

**Affordable protection for the traditional term market on a flexible-premium adjustable life insurance chassis (universal life)**

**Serving the term market's needs with competitive planned premiums for death-benefit guarantees for initial periods of 10, 15, 20 and 30 years**

**Simple sales and service experience continue**

**Flexibility of traditional universal life insurance**



# The Genworth Solution to the Changing Market

## Colony<sup>SM</sup> Term UL Offers

**A universal life insurance policy that allows the customer to choose an initial planned premium.**

**Planned premiums for death-benefit guarantees for 10, 15, 20 and 30 years are comparable to term insurance premiums for the same periods**

**Planned premiums that are intended to fund the guarantee for such chosen periods must be paid timely as planned to prevent loss of the guarantee**

**Customers can also choose different planned premiums that will be sufficient to guarantee death benefit coverage for the period selected if they are paid as planned**

# The Genworth Solution to the Changing Market

## Colony<sup>SM</sup> Term UL

**Higher premiums will be necessary to guarantee death-benefit coverage beyond the initial period selected. The amount of premium necessary depends on the length of any additional period selected and the frequency of planned-premium payments.**

**The death-benefit guarantee can keep the policy in force, even if policy values do not. This guarantee, however, is conditional. In addition, certain policy rights, if exercised, can end this guarantee.**

# Colony Term UL: Affordability

Alternative to traditional term life insurance

**Planned premiums comparable to our current Colony<sup>SM</sup> and Sure Term<sup>®</sup> term life insurance products\***

**Affordable planned premiums sufficient to guarantee death-benefit coverage for 10-, 15-, 20- or 30-year periods**

**Now competitive up to \$5MM death benefit**

\*Colony and Sure Term premiums are the same; premium comparisons with Colony term insurance will also be valid for Sure Term.

# Colony Term UL: Affordability

## Compare Colony term and Colony Term UL

**Annual premium, Male, Preferred Best No Nicotine Use, \$250,000 death benefit**

Age	30	35	40	45	50
Colony 20*	\$155.00	\$160.00	\$205.00	\$345.00	\$517.50
Colony Term UL 20	\$154.41	\$159.45	\$204.48	\$344.43	\$516.90

\* A \$50.00 policy fee is included in the premium.

**Planned premiums for death-benefit guarantees are comparable to term insurance premiums for face amounts less than or equal to \$1 million.**

# Colony Term UL: Affordability

## Compare Colony term and Colony Term UL

Annual premium, Male, Preferred Best No Nicotine Use, \$5,000,000 death benefit

Age	30	35	40	45	50
Colony 20*	\$2,350.00	\$2,450.00	\$3,450.00	\$6,550.00	\$10,350.00
Colony Term UL 20	\$2,081.32	\$2,251.71	\$3,152.17	\$5,881.57	\$9,331.66

\* A \$50.00 policy fee is included in the premium.

**Planned premiums for death benefit guarantees above \$1 million are less than our traditional term.**

# Colony Term UL: Competitiveness

Back in the market over \$1 million face amount

Competitive planned premiums that can guarantee death-benefit coverage for face amounts under \$1 million, particularly No Nicotine Use

Very competitive planned premiums that can guarantee death-benefit coverage for face amounts under \$500,000 at all ages, durations, and underwriting classes

Face Amount	Target Position	Existing Term Position	Colony Term UL Position
\$150,000	Top 3	91% of Cells	93% of cells
\$250,000	Top 3	84% of Cells	87% of cells
\$1 Million	Top 5	39% of Cells	40% of cells
\$2.5 Million	Top 5	0% of Cells	45% of cells
\$5 Million	Top 5	0% of Cells	41% of cells

## Very Strong Premium Positioning

Note: Includes ages 35-65, every fifth year, Male and Female, PBNN, PNN and Standard classes, 10, 15, 20 and 30 year term life insurance products. Research conducted by the Genworth Financial companies, believed to be accurate and current as of 8/20/09, comparison includes 12 carriers.



# Purchase and Service Experience: Simplicity

Existing Term Life      New Colony Term UL

**Quoting**      **Quoting Engines**      **Same**

**Illustration**      **None Required**      **Same**

**Fulfillment**      **LQR\*; Life E-App**      **Same**

**Underwriting**      **Holistic**      **Same**

**Product Name**      **3 Product Names**      **1 Product Name**

**Annual Report**      **N/A**      **Yes**

\*Life Quick Request

# Life Quick Request Fulfillment: Simplicity

## Reduce Cycle Times

Average processing time is 10 days

## Improve Placement Ratios

Case placement ratios up 8-10%

## Improve Profitability

Focus on higher face policies while using LQR for lower face amounts

**Streamlined application process**

**Continuous communication throughout process**

**Allows you to maintain control**

**May decrease your application processing costs due to fewer touches**



# Colony Term UL: Flexibility

## Broader range of issue ages than traditional term

Colony Term UL 10	0 - 80 Preferred Best No Nicotine Use, Select No Nicotine Use, Preferred Nicotine Use
Colony Term UL 15	0 - 85 Preferred No Nicotine Use, Standard No Nicotine Use, Standard Nicotine Use

Colony Term UL 15      0 - 80

Colony Term UL 20      0 - 75

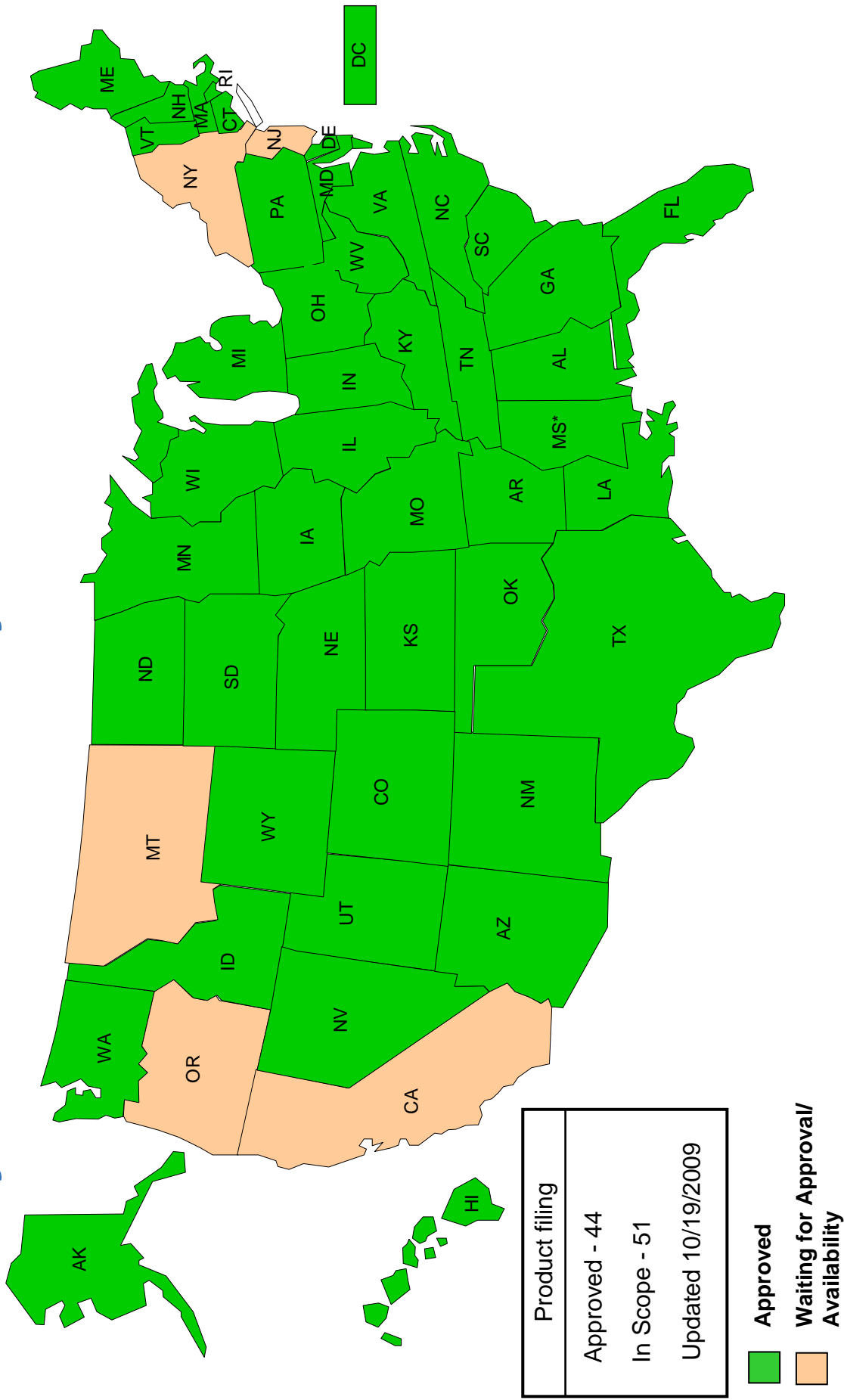
Colony Term UL 30      0 - 65

Nicotine Use ages begin at age 16. In Oregon, the minimum issue age is 18.

## Flexible premium

- Ability to alter premium pattern
- Full-pay for the life of the guarantee, single-pay and short-pay scenarios
- Flexible premium as long as sufficient to keep the policy in force

# Colony Term UL: Status by State



\* MS approved but not currently available

# Promotional Marketing Campaign

## Printed Leave Behinds for Producers

**Producer**

**COLONY™ TERM UL**

With Colony™ Term UL, the Genworth Financial company offers you an affordable solvent life insurance product as an alternative to term life insurance. With this product, we will look to serve the term market.

**Affordable Alternative to Traditional Term Insurance**

Colony Term UL is a term life insurance product that offers a more affordable alternative to traditional term insurance. It is a term life insurance product that offers a more affordable alternative to traditional term insurance. It is a term life insurance product that offers a more affordable alternative to traditional term insurance.

**Simple, Precise Pricing**

Colony Term UL offers a simple, precise pricing structure that is easy to understand. It is a term life insurance product that offers a more affordable alternative to traditional term insurance.

**Our goal with Colony Term UL is to provide you and your producer with a competitive product that combines value with a streamlined purchase and service experience for the term market.**

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Genworth Life and Annuity Insurance Company  
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**Colony Term UL is a Competitive Advantage for You**

Colony Term UL is a term life insurance product that offers a more affordable alternative to traditional term insurance. It is a term life insurance product that offers a more affordable alternative to traditional term insurance.

**The Added Flexibility of Traditional UL**

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Colony Term UL is a term life insurance product that offers a more affordable alternative to traditional term insurance. It is a term life insurance product that offers a more affordable alternative to traditional term insurance.

**ABOUT GENWORTH FINANCIAL**

**A Leading Insurance Holding Company in the World**

Genworth Financial is a leading insurance holding company in the world. It is a term life insurance product that offers a more affordable alternative to traditional term insurance.

**Our Strength — Our Ability**

Genworth Financial is a leading insurance holding company in the world. It is a term life insurance product that offers a more affordable alternative to traditional term insurance.

**Genworth will be here for you — only and in the future.**

Genworth Financial is a leading insurance holding company in the world. It is a term life insurance product that offers a more affordable alternative to traditional term insurance.

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Colony<sup>SM</sup> Term UL

Agent/Broker Use Only

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# Promotional Marketing Campaign

## Producer Single Sheet PDFs

**COLONY™ TERM UL UNIVERSAL LIFE INSURANCE**

**Product** Colony™ Term UL

**Key Features**

- **Three payment options:** level term, increasing term, and decreasing term. Term UL is a uniquely designed universal life insurance product that allows your client to choose periodic planned premiums for death benefit. Premiums that are comparable to term insurance premiums for the same periods. Customers can choose different planned premiums that will be paid as planned. The process for Colony™ Term UL is very similar to our traditional term insurance.
- **Higher premiums will be required to guarantee coverage beyond the initial period selected.** The amount of premium required to maintain the death benefit guarantee will increase as the length of the insurance period and the length of the payment period increase.
- **Flexible Premiums:** Although a planned (periodic) premium is required to maintain the death benefit guarantee, low face policies are available for a period (after payment of planned premiums) that allows the policyowner to suspend premium payments for up to 12 months. The cost for the cash value to be accumulated during this suspension period will be significantly reduced.
- **“Insured” Term Improvement™:** In the event of a death, the death benefit is guaranteed to be at least the face amount of the policy, or the amount of the term insurance premium plus the cash value, whichever is greater.

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**Genworth Life Insurance Company**  
 Hazard, VA

**Genworth Financial**

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**COLONY™ TERM UL UNIVERSAL LIFE INSURANCE**

**Universal life insurance planned premiums at traditional term life insurance premiums**

Colony™ Term UL is a universal life insurance product that is uniquely designed to allow the traditional term life insurance market through affordability and simple processing. Colony™ Term UL planned premiums can provide a death benefit guarantee for periods of 10, 15, 20, 25, 30, 35, 40, 45, and 50 years and are comparable to term insurance premiums for the same periods.

**Annual Premiums for 20 Year Level Planned Premium Period, \$250,000 Death-Benefit Guarantee\* Male, Preferred Best No. Nonsmoking Use**

Company	Product	30	35	40	45	50
Genworth	Colony Term UL	\$154	\$159	\$204	\$344	\$517
MetLife	TermSmart	\$183	\$170	\$240	\$293	\$540
West Coast Life	Focus	\$176	\$188	\$240	\$353	\$460
Life	True Term	\$213	\$213	\$288	\$483	\$738
Prudential	Term Essential	\$225	\$225	\$285	\$375	\$485

**Next time you are looking to serve the life insurance needs of your client, take a look at Colony Term UL and see how competitive we are.**

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**COLONY™ TERM UL UNIVERSAL LIFE INSURANCE**

**Simple Sales Process**

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**Quoting**

Traditional Term	Colony Term UL
• Party quoting engines (i.e. iTerm, iPolicy, iQuote)	✓
• Non-quoted	✓
• Competitive commission schedules	✓

**Illustration** Life Quot Request

**Fulfillment** Post on entire initial premium period

With our Life Quot Request fulfillment process, low face policies are even easier and faster without any commission reduction or loss of control.

Give Life Quot Request a try to see how it may help you increase your profitability.

**Next time you are looking to serve the life insurance needs of your client, take a look at Colony Term UL and see how competitive we are and how simple the process continues to be.**

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49597 Product Fact Sheet

49596 Competitive Premium Comparison

49595 Simplicity of Transacting

# Action Items

# Important Information

All guarantees are based on the claims-paying ability of the issuing insurance company.

These are partial product descriptions. To accurately present the products you must fully understand their features, benefits and limitations, which are explained in detail in the products' latest feature guides. Only the policy contains the actual terms and conditions of coverage.

All products and their riders and benefits are subject to their policy forms and to state availability and issue limitations.

Colony<sup>SM</sup> Term UL: Policy Form No. ICC09GA1002 or GA1002-0709 et al. (Genworth Life & Annuity); Policy Form No. ICC09GL1002 or GL1002-0709 et al. (Genworth Life).

Colony<sup>SM</sup> 10/15/20/30, Sure Term<sup>®</sup> 10/15/20/30, and Term 10/15/20/30 is term life insurance with guaranteed level premiums for 10, 15, 20, or 30 years. After the level premium period, premiums increase annually thereafter.

Colony: Policy Form No. 1420 (96) et al. or 1421 et al. (Genworth Life & Annuity)

Sure Term<sup>®</sup> : Policy Form No. GE-1420 et al. (Genworth Life)

Term: Policy Form No. AM-1420 and is available only in New York. (Genworth Life of New York)

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