

Let's Talk

Conversations that make a difference

Genworth 



INSIDE

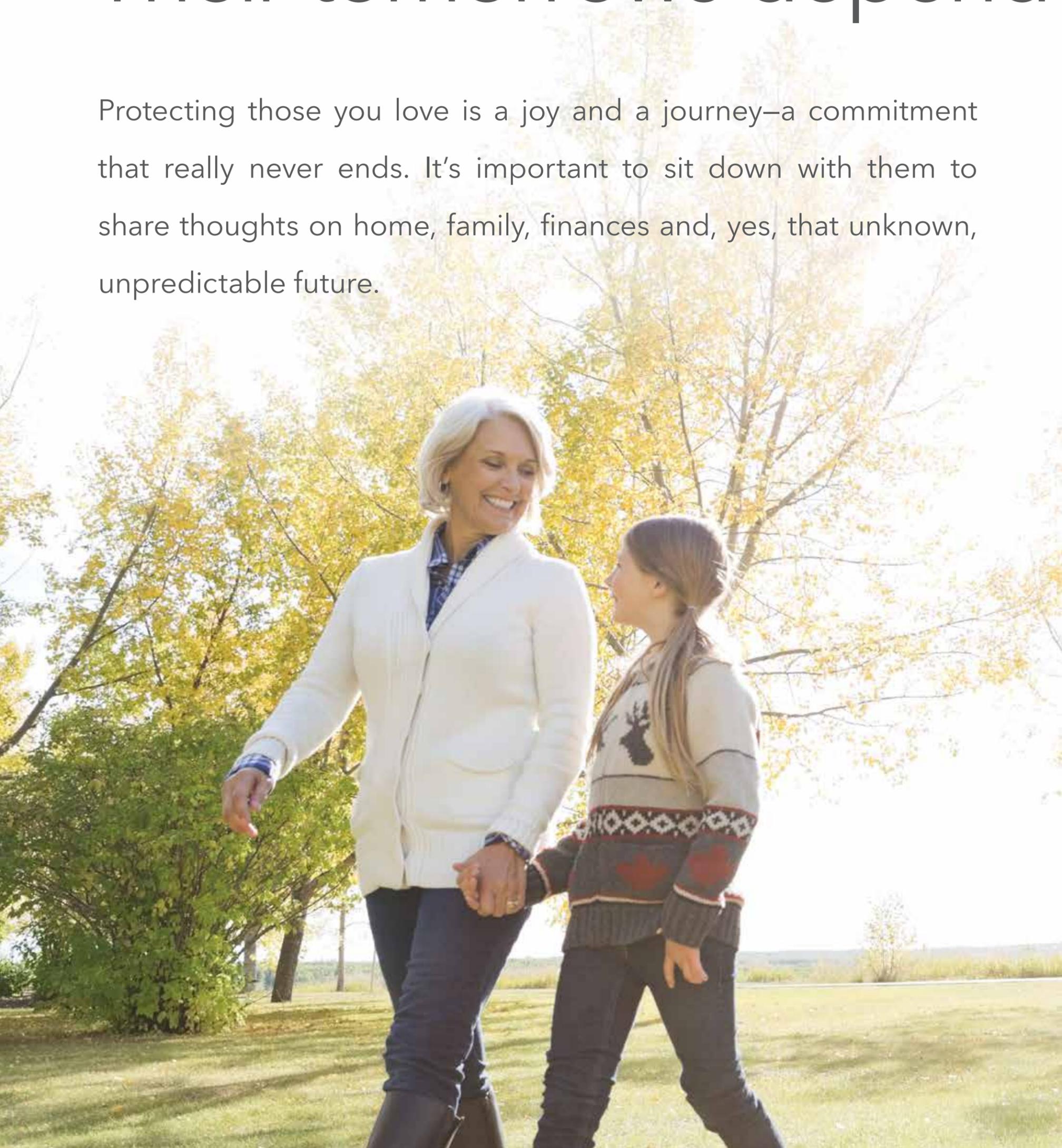
4
Enjoy what today
offers
Prepare for what tomorrow
could bring

6
Having the conversation
Preparing for a talk that
may be difficult ... and will
be important

11
Ladies first
Exploring the surprising
insurance gap between
men and women

Their tomorrows depend

Protecting those you love is a joy and a journey—a commitment that really never ends. It's important to sit down with them to share thoughts on home, family, finances and, yes, that unknown, unpredictable future.



It goes without saying. Or maybe not.

You carefully plan your two-week vacation, and you discuss a major purchase every night for weeks. But have you talked over the really important issues? Have you shared your long-range expectations? Examined what life's unpredictability could mean to your plans? You may believe you're on the same page, but you might be surprised what you learn ... if you talk.

The first step is to get the conversation going. (And it's the hardest step to take.)

on what you do today



Let's Talk can help you have those important conversations. So take a look at the life you've created and consider how it might unfold without you. Share your thoughts and ask those you love to share theirs. Explore your options, and take action by talking to a financial professional—and then get back to the business of enjoying life.

“Much unhappiness has come into the world because of bewilderment and things left unsaid.”

– Fyodor Dostoyevsky

Enjoy what today offers



Prepare for what tomorrow could bring

Sometimes the questions are complicated and the answers are simple.

- Dr. Seuss

Here's one guarantee you can count on: Your future is unpredictable. Good things will happen that you never expected. Challenges will come along that will take you by surprise.

While you don't know what the future will bring, you do know what's most important to you. Chances are good that those priorities won't change. A key to protecting them is building enough stability and flexibility into your financial strategy.

Life insurance can help. Life insurance will provide cash to the people you choose when you die, making it a little easier for them to live without you. More sophisticated types of life insurance not only provide a death benefit, but also can generate supplemental income in the future. You can use that income for retirement, to pay for college, or for whatever you choose.

So when you think about the future, think about life insurance. This booklet is one tool to help you get started. And when you've made solid plans for the future, you might just find the present is a bit easier to enjoy.

FOCUS ON THE FUTURE

who to talk to

The future is a broad topic. Focus is your friend: You'll need a clear sense of who to talk to.

Spouse or partner

Death is part of the conversation with your spouse or partner, and that can be tough, but important. Also talk about what you want to do in retirement and whether you think you'll have enough income, and how much money would support the lifestyle you'd like. These topics will lead to some good questions for your financial professional.

Children

When your kids are old enough for this challenging topic, help them to understand the coverage you've put in place and how you would like them to use it.

Friends

Which family members or friends might your spouse turn to in their grief? Those are the ones you might need to talk with about the life you want your family to have.

Attorney

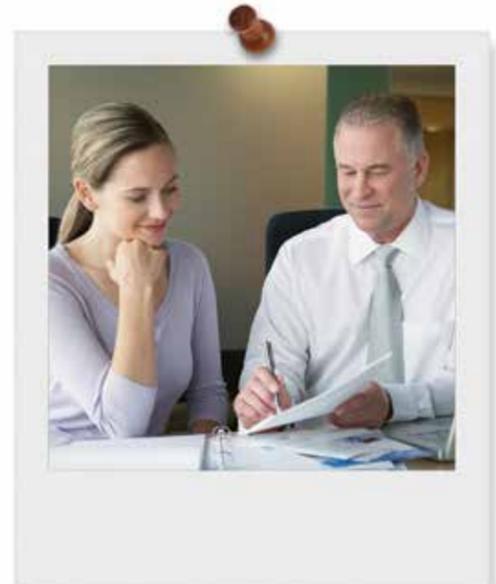
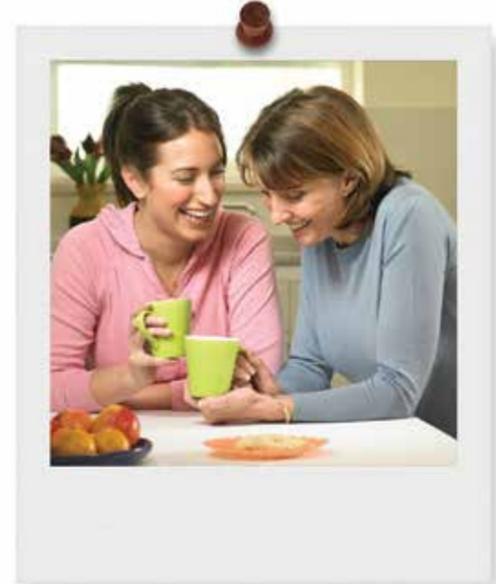
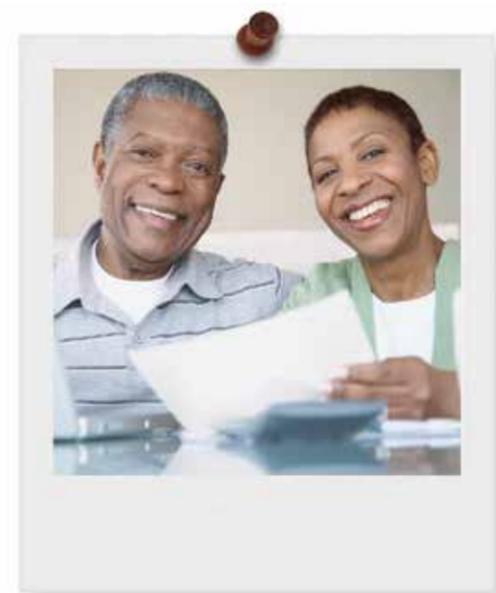
If you haven't made a will, that's a priority. This talk could include decisions about naming an executor or guardians for minor children, a living will, etc.

Financial Professional

This professional will discuss with you a number of possibilities, including how to best replace lost income, and how life insurance can fit a variety of budgets, health conditions, ages, and family situations.

Everything becomes
a little different as
soon as it is spoken
out loud.

-Hermann Hesse





A GUIDE TO

Having the conversation

BEFORE YOU SIT DOWN

- Outline in your mind (or on paper) the financial issues you want and need to discuss
- Plan an unemotional, pragmatic opening so a difficult conversation becomes easier
- Be upbeat and positive

STARTING POINTS

- What is our total debt, including cars, mortgage, credit cards, and other loans?
- What are our assets, liquid and otherwise?
- What financial obligations will continue (or even increase) if you or I pass away: monthly expenses, childcare, healthcare, taxes, legal fees, funeral costs, counseling?
- What are down-the-road expenses that require special planning, such as college tuition, wedding costs, charitable gifts, or retirement funds? your ability to retire?

THE HEART OF THE MATTER

- What do you think your (or the family's) greatest need will be after I'm gone?
- Would you have the choice of working or not working?
- Who might be able to help with the caregiver role when I'm gone?
- How can we help meet the kids' emotional needs during this time?

LOOKING TO THE FUTURE

- What are your long-term goals?
- Do you know mine?
- How do you feel about leaving something to other loved ones, such as nieces, nephews, a godchild, or friends—or a favorite cause or charity?

“To be able to ask a question clearly is two-thirds of the way to getting it answered.” – John Ruskin

Two little words that spark big conversations:

What if?

What if they “just don’t want to talk about it”? Life and death are sensitive issues, and different personality types react differently to discussing them. Here are some of the reluctant responses you may encounter and some ideas for dealing with them. (Can you recognize yourself or your spouse?)

Discussing these scenarios and deciding on a plan can be a confidence building exercise.



Everyone responds differently to this kind of conversation. Here are some ideas to help you make it constructive.

Ready and willing

If you’re lucky, your loved one will be ready for the discussion. They may even have already been thinking about the subject, possibly because of a recent major life change (see the list on page 14). This openness should make for a constructive and productive discussion.

Denial

Passing on. The unknown future. Life’s curve balls. However subtly you try to camouflage the D word, some will immediately stick their heads in the sand. If it’s not talked about, it’s not there. This personality type needs reassurance that you’re not expecting to pass away anytime soon—but you’ll just feel a lot better to have this conversation sooner rather than later.

Glazing over

There are those who may not admit they don’t want to talk, but then will disengage themselves once the conversation’s underway. If they shut you out, some direct questions might bring them back in: Would you stay in the house if I passed away? Would you still be able to retire as we planned? If we had life insurance, what would you use it for?

Busy work

When your partner in life feels a serious discussion coming on, does he/she suddenly have to run to the store or clean the gutters? Reassure them this will be a practical conversation, will not be scary, and is important. Get a commitment to sit down and talk.

Nervous laughter

Some people handle things with humor and that’s fine—it’s desirable to have this conversation without tears and fears. If the joking around gets distracting, though, you might say, “Now let’s move on to serious matters.” Ending the conversation in a lighthearted way is a good idea because you leave everything on an upbeat note.

3

Good reasons to talk about the future **today**.

- 1 -

“Tomorrow” doesn’t come with a guarantee.

- 2 -

The sooner you start planning, the more confident you’ll feel.

- 3 -

Your and your family’s financial sense of security can never come too soon.

Let our advance worrying become advance thinking and planning.

Putting protection in place

There is probably no stronger need than to protect those you love. But somehow while many people carefully insure their home and car—far fewer insure their family's future. The good news is that today's life insurance—including newer types like index universal life—makes it easier to help protect loved ones while achieving other financial goals.



How strong is your financial foundation?

Life insurance can be an important financial tool, providing a payout at the time your family needs it most. Some forms of life insurance also can build “cash value,” which you can use to generate supplemental income later in life.

Finding the life insurance that's right for you requires careful planning. Start with a list of your assets and debts, and then discuss questions like these with your financial professional:

- How can I protect my family while they're dependent on me, and later in their lives, too?
- Do I need temporary or permanent life insurance coverage?
- Would life insurance be a good way to strengthen my overall financial strategy?
- Are there any gaps in my previous planning?

A financial professional can help you by understanding your needs and identifying options for you.

What can life insurance do for you?

Today, there are various types of life insurance coverage available to you:

- Term Life
- Whole Life
- Universal Life
- Variable Universal Life
- Index Universal Life

Each of these provides a death benefit, but they can differ significantly in length of coverage, premium flexibility, accumulation and distribution of cash values, and other factors.

Term Life Insurance

Life insurance to provide death benefit protection for a specific period of time.

Whole Life Insurance

Whole life insurance can provide a lifetime death benefit for a set premium amount and build cash value you can use while you're living.

Universal Life Insurance

Universal life (UL) insurance provides a death benefit as well as the opportunity to build policy cash value. This coverage is different from term and whole life insurance because, within policy limits, you can vary the amount and timing of your premiums. Typically, you can also increase or decrease your death benefit (based on your insurability).

Variable Universal Life Insurance

Variable universal life (VUL) has many of the same features as UL, such as flexibility of premium payments and an adjustable death benefit. A major difference is that the growth of your VUL policy value can be directly tied to the performance of the equity or fixed income investment options that you select.

Index Universal Life Insurance

Index universal life (IUL) insurance includes the premium flexibility and adjustable death benefit that typical UL coverage provides. Plus, IUL can provide potentially greater policy value growth opportunity than UL, with less risk to you than VUL policies.

Visit Genworth.com for more detail on the types of available life insurance.

It all adds up

Use this list to help you determine today's obligations that may need to be covered if you pass away. Then consider your current contributions to savings that would also be impacted. Once you complete your list as best as you can, take it to a financial professional to discuss your needs.



| | |
|-------------|-------------|
| | |
| NAME | DATE |

| | MONTHLY (x 12 =) | ANNUALLY |
|---|------------------|----------|
| HOUSING | | |
| - Mortgage payment or rent | _____ | _____ |
| - Utilities | _____ | _____ |
| - Maintenance | _____ | _____ |
| - Insurance | _____ | _____ |
| - Taxes | _____ | _____ |
| FAMILY EXPENSES | | |
| - Childcare | _____ | _____ |
| - School supplies & fees | _____ | _____ |
| - Activities (sports, clubs, lessons) | _____ | _____ |
| - Eldercare | _____ | _____ |
| TRANSPORTATION | | |
| - Auto maintenance | _____ | _____ |
| - Car payment | _____ | _____ |
| - Insurance | _____ | _____ |
| - Property tax | _____ | _____ |
| - Periodic vehicle replacement | _____ | _____ |
| LIFESTYLE | | |
| - Groceries | _____ | _____ |
| - Clothing | _____ | _____ |
| - Entertainment | _____ | _____ |
| - Vacations/travel | _____ | _____ |
| EDUCATION | | |
| - Children's college | _____ | _____ |
| - Adult education | _____ | _____ |
| - Grandchildren's college | _____ | _____ |
| DEBT & ONGOING OBLIGATIONS | | |
| - Credit card debt | _____ | _____ |
| - School loans | _____ | _____ |
| - Medical bills | _____ | _____ |
| - Alimony/Child support | _____ | _____ |
| PETS | | |
| - Veterinary bills or procedures | _____ | _____ |
| - Food & maintenance | _____ | _____ |
| - Arrangements for pets who may outlive you | _____ | _____ |

| | MONTHLY (x 12 =) | ANNUALLY |
|---------------------------------------|------------------|----------|
| MEDICAL EXPENSES | | |
| - Current and future costs | _____ | _____ |
| - Long term care costs | _____ | _____ |
| - Insurance | _____ | _____ |
| CHARITABLE GIVING | | |
| - Organizations | _____ | _____ |
| - Causes | _____ | _____ |
| SAVINGS & INVESTMENTS | | |
| - Money market account | _____ | _____ |
| - Personal savings account | _____ | _____ |
| - Children's savings account(s) | _____ | _____ |
| - CDs (Certificates of deposit) | _____ | _____ |
| - 401(k) | _____ | _____ |
| - IRA (Individual Retirement Account) | _____ | _____ |
| - Other retirement savings | _____ | _____ |

| CATEGORY TOTALS | MONTHLY (x 12 =) | ANNUALLY |
|------------------------------|------------------|----------|
| - Housing | _____ | _____ |
| - Family Expenses | _____ | _____ |
| - Transportation | _____ | _____ |
| - Lifestyle | _____ | _____ |
| - Education | _____ | _____ |
| - Debt & Ongoing Obligations | _____ | _____ |
| - Pets | _____ | _____ |
| - Medical Expenses | _____ | _____ |
| - Charitable Giving | _____ | _____ |
| - Savings & Investments | _____ | _____ |
| TOTAL | _____ | _____ |

THE power OF choice

Good choices rest on preparation. When you are prepared for a wider range of events, you give yourself more options. By talking with your family and exploring your life insurance options now, you and they will be better prepared for whatever lies ahead. Those you love will be in a stronger position to make good choices about the rest of their lives.



LIFE INSURANCE CAN HELP GIVE YOU:

The power to protect

- Helps protect the people and things you love from the loss of your income
- Helps secure your family's current standard of living and their ability to stay in their home
- Helps protect your family from unexpected expenses caused by your loss

The power to comfort

- Helps make it possible for your loved ones to realize their dreams and fulfill your hopes
- Provides financial comfort at one of the critical moments in your family's life
- Gives you confidence that you have planned well for your family's future

The power of financial stability

- Helps stabilize your family financially in case of the loss of a primary wage earner or a primary caregiver
- Helps cover unanticipated bills related to your estate, medical bills and funeral expenses
- Provides a death benefit that is usually never subject to federal income taxes
- Life insurance with cash value accumulation can provide a potential source of income for college funding, retirement, or whatever need arises

The majority of working wives will earn more than their husbands in the next generation.

- "Women, Money and Power,"
Time Magazine, March 26, 2012

Ladies First

The gap between men and women in terms of income, influence, and earning potential has been shrinking for years. Many households today rely on two incomes, and a loss of either one could have significant consequences for the family.

Women today are working more and earning more than in prior years and are more likely to head up a household than ever before. They also typically outlive their spouses and are therefore most impacted by life insurance decisions—all good reasons for women to take a leading role in financial discussions and planning.

However, as the charts below show, women are generally not as well insured as men. Given the vital role of women in many households, this is a gender gap that needs closing.

What to do?

Women should make time to review their life insurance coverage. A financial professional can help you choose the right amounts and types of coverage.



The costs of raising a child from birth to age 17, including housing, food, clothing, health care, education, and other expenses: \$241,080 for a child born in 2012, up 2.6 percent from the year before, according to Department of Agriculture data. (August, 2013)

MORE WOMEN HAVE NO COVERAGE

Married parents **without** life insurance

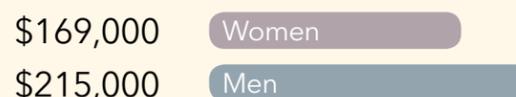


Childless married couples **without** life insurance

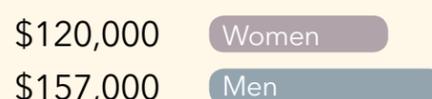


MORE WOMEN HAVE LESS COVERAGE

Average coverage for married parents



Average coverage for childless married couples



In perfect health vs. imperfect health

The majority of American adults with asthma, anxiety, or depression are uninsured—but not necessarily uninsurable.

- Genworth 2012 LifeJacketSM Report, June 2012



The consensus is that the best time to buy life insurance is when you are in optimal health. Young people in great health generally pay less for coverage than older people with health issues. While insurance does reward healthy living and getting coverage in your prime is a good idea, do not shy away from life insurance even if you're not in perfect health.

Today, how well your existing conditions are treated or monitored will be taken into account by your underwriter when you seek coverage. For instance, more than a third of Americans with high cholesterol, hypertension, obesity, or sleep apnea lack coverage, even though they are likely insurable.²

What's holding you back?

U.S. Adults (18-64) by Self-Reported Health Condition (Genworth LifeJacketSM Study, Getting over the Gap, October 2012)

| Condition | Men with Condition (millions) | Uninsured % | Women with Condition (millions) | Uninsured % |
|------------------|-------------------------------|-------------|---------------------------------|-------------|
| Anxiety | 5.3 | 52% | 10.0 | 53% |
| Asthma | 4.4 | 56% | 8.8 | 53% |
| Depression | 5.7 | 53% | 11.3 | 53% |
| High Cholesterol | 13.3 | 36% | 12.6 | 43% |
| Hypertension | 12.7 | 36% | 12.8 | 43% |
| Overweight | 8.3 | 43% | 16.0 | 45% |
| Sleep Apnea | 6.8 | 37% | 4.7 | 49% |

If you have a health condition that makes you think you won't be able to buy insurance, ask your financial professional about insurers who specialize in products that may accept and work with that condition. You might be surprised!

²Genworth LifeJacketSM Study, Getting over the Gap, October 2012



Myths and Misunderstandings

A good deal of the confusion and seeming complexity of life insurance is based on misconceptions. Life insurance, a cornerstone of a well-planned financial strategy, is too important to be put aside through misinformation or misgivings. Doubts can leave you uninsured.

Life insurance is too expensive.

Statistics show that consumers believe life insurance is nearly three times its actual cost—Life insurance is not an expensive luxury—the loss of your income could cost your family a lot more.

Insurance is just too confusing.

The insurance world can be daunting at first—that's where a financial professional can help. Make a list of questions to ask: What kinds of insurance are available? Is term life necessarily the best type? How much coverage do I need? How long will I be paying premiums? What's the average payout? Go in with your list prepared.

The life insurance I have at work is all I need.

Employee insurance may be inadequate—and if you're not a full-time or permanent worker, you may not be eligible at all. It may also be more expensive than the insurance you can find on your own.

Remember, also, that you likely will have a number of jobs over your lifetime, and group coverage is usually not portable.

Life insurance is all about death, and I don't like thinking about it.

Few people do. But newer forms of life insurance like index universal life can generate supplemental income during your life, for whatever needs (or wants) arise. And that income is generally income tax-free.

Consumers believe that life insurance is nearly 3 times its actual price.

- LIMRA, Consumers Overestimate Cost of Life Insurance, April 2012

Simple start

It all starts with that simple invitation: "Let's talk."

If the conversation we've been encouraging you to have goes well, odds are good—whatever life hands out down the road—that your family will be in better shape because of it. But if you're inclined to procrastinate, here's a reminder of some special life events that can make life insurance needs more pressing:

- Marriage
- Birth of a child
- Home purchase
- Job change
- Divorce
- Milestone birthday
- Loss of a loved one

Things change.

As the list above reminds us, lives and families change dramatically over time. Yet when it comes to life insurance, people often continue to rely on a policy that's decades old, and that is based on facts and figures now out of date. Maybe when you bought that policy, you weren't in a position to afford ample insurance. But now, for the cost of three cups of coffee a month, you probably could add enough additional coverage to meet your current needs.

As you age, your insurance needs do change along with you. At a time when the U. S. divorce rate hovers around 50%, second marriages and blended families are common. With such changes comes a need to revisit your policy, your coverage, and your beneficiaries.

More coverage? Or less?

You may now have grandchildren to protect, or may be thinking more about an inheritance for family members. Your retirement plans may need shoring up, too—or you may actually need less coverage as you age. Life changes underline the importance of periodic checks with your financial professional to ensure that you have adequate coverage.



Only **29%**
of people discuss
their life insurance
coverage with a
financial professional
every year.

- The LifeJacketSM Study,
Genworth, September
2011

"Go confidently in the direction of your dreams. Live the life you have imagined."

- Henry David Thoreau



Big finish

How to begin: Reviewing the process—and taking action

Confronting your own mortality and planning for what comes after is huge—but it can also be surprisingly rewarding. The sooner you take care of tomorrow, the more you'll enjoy today.

1. Discuss your long-range hopes and concerns

with the people closest to you, sharing with them what's important to you and finding out what's important to them. What are their dreams and fears for the future—and what are yours?

2. Educate yourself on your options.

Consult with your financial professional to determine which resource and which product is right for you and your family's needs. If you don't already have one, find a financial professional with whom you are comfortable. That professional can help you calculate your life insurance needs and see how life insurance might fit into your household budget and overall financial plan.

3. Make a plan

that you and your spouse or partner can agree to and then put it into action. Understand that having insurance is not an "all or nothing" proposition. Some is better than none, and the goal is to move over time from "some" to "enough." Increase coverage as your budget allows. A primary goal is to formulate a plan that helps protect your family from the burdens of immediate debt after your death.

"The time to repair the roof is when the sun is shining."

– John F. Kennedy



Ask. Talk. Listen. Repeat.

Get connected. Stay connected.

The Let's Talk series is designed to help families think through important issues. Other editions in the Let's Talk series may help you have conversations about long term care and retirement. Ask your financial professional for these and help in securing your financial future.

Let's Talk

Conversations that make a difference

Genworth helps millions of people achieve their dreams of financial independence, a comfortable retirement and protection for their loved ones.

For more information visit our Web site:
genworth.com/lets-talk

| | |
|---|------------------------|
| Insurance and annuity products: | Are not deposits. |
| Are not guaranteed by a bank or its affiliates. | May decrease in value. |
| Are not insured by the FDIC or any other federal government agency. | |

Genworth 

Life insurance products underwritten by:

Genworth Life and Annuity Insurance Company, Richmond, VA

Genworth Life Insurance Company, Richmond, VA

Genworth Life Insurance Company of New York, New York, NY

Only Genworth Life Insurance Company of New York is admitted in and conducts business in New York.

© 2014 Genworth Financial, Inc. All rights reserved.