FINANCIAL STRATEGY

Smart Grandparent

Providing a solid financial future for your family Using Asset Builder Index UL II

Through years of hard work and saving, you may be in a position to financially assist your grown children and grandchildren. Many young American families face competing priorities trying to meet today's financial obligations and still plan for tomorrow. One way you can help is by providing life insurance coverage on your grown children. You'd be helping to solve an issue today's families face: a life insurance coverage gap. 53 million Americans with household incomes between $50,000 and $250,000 do not have life insurance coverage.[1] 40% of Americans who have coverage don't think they have enough.[2]

Your grown children may also need to help their children pay for college and other important life events. Yet only 37% of American families feel they have a sufficient college savings plan in place.[3] At the same time, your kids must save for their own retirement. Most families have a challenge here. Finally, young families need financial flexibility for whatever challenges life brings. That's where a "Smart Grandparent" can help.

Meet June and her family

- June's daughter, Mia, is age 30, married and in good health.
- She and her husband have a 2 year-old daughter, Sam.
- June wants to help protect her daughter's and granddaughter's financial future.
- June plans to gift $12,000 per year to help them.
- Mia's income is $75,000 and she has only one times her salary in group life insurance.

June's Family Situation

- June wants to help protect her daughter's and granddaughter's financial future
- Mia, her daughter, needs additional life insurance to help fund her family's financial goals in the event of her death
- Mia needs to save for her daughter's college and other needs
- Mia and her husband need to save for their own retirement
- They would like to take advantage of the upside potential linked to market performance but they're concerned about the downside risks
- They want the flexibility to access money prior to age 59½ without federal tax penalties [4]

Life insurance underwritten by
Genworth Life and Annuity Insurance Company,
Genworth Life Insurance Company, Richmond, VA

154554SGP 03/10/15

Multiple needs. One solution.

An Index Universal Life (Index UL) Insurance policy on Mia's life could help the family solve many needs. June could use $12,000 per year to pay planned premiums for an Asset Builder Index UL II policy owned by Mia,[5] which would provide an income tax-free death benefit,[6] allow the policy value to grow income tax-deferred, and have index-linked interest credited to the policy. Finally, Mia would have the ability, in most circumstances, to access her policy value through income tax-free[7] withdrawals and/or policy loans for college funding, retirement – or at other important times. That's why we call this approach "Smart Grandparent."

Index UL – How Index-Linked Crediting Works

Asset Builder Index UL II policy values can be linked[8] to the percentage change of the S&P 500® Index.[9] When the S&P 500® Index delivers a positive percentage change, Mia's policy value can be credited with at least the same percentage (up to the caps of the selected Index Interest Crediting Strategies. Caps can change*). Even if the percentage change in the S&P 500® Index is negative, Mia's minimum crediting rate is 0%. Monthly charges and fees will continue regardless of her crediting rate and will reduce her policy value.

*Caps can change upward or downward. Each Index Interest Crediting Strategy has a minimum cap.

Caps are set for the duration of a segment period. When the segment matures the new cap may be higher or lower at the discretion of the insurer, subject to a minimum.

The Segment Cap is declared in advance and is guaranteed for the Segment Term.

A new Segment Cap can be declared when a new Segment is created, but not below the Minimum Segment Cap. Our expected earnings from assets supporting the policy determine in part the Segment Cap(s) shown in the illustration, but the Segment Cap(s) is also affected by other factors, including but not limited to, market rates and volatility.

How Asset Builder Index UL II works for Mia

Mia's scenario as illustrated:

This hypothetical example is based on a 6.5% illustrated rate throughout the life of the policy, a cap rate of 13% in the 1-Year Cap Base Strategy, a participation rate of 100%, and current charges as of 02/23/15 for a 30-year-old female with Preferred No Nicotine Use rates. Distributions are illustrated as withdrawals followed by participating loans at 4.75% interest.

Mia's initial death benefit is $665,745.[10] Planned premiums of $12,000 per year are paid for 15 years.

- Mia's death benefit increases with her policy value to $908,161 at age 45.
- Over the next 7 years Mia could then take distributions for Sam: $15,000 (x 4 years) for college, $10,000 for Sam's wedding, and $15,000 for a down payment on Sam's first home. The distributions for Sam total $85,000.
- Then, Mia might not take any distributions until her own retirement at age 65, when she could take annual distributions of $57,514 for 20 years.

The chart below shows how for $180,000 in premiums, Mia could receive $1,235,280 in supplemental income when she needs it, and at age 85, still have a $505,244 death benefit for Sam.

	Mia's Age				
June's Planned Premiums	Age 30-45	Age 46-52	Age 53-65	Age 66-85	Age 86-100
$12,000 per year x 15 Years Total Premiums Paid = $180,000	Pay Premiums **$12,000**/yr x **15** yrs	Distributions for Sam **$85,000** over **7** yrs	Policy Continues to Grow	Retirement – Receive Income **$57,514**/yr x **20** yrs	No Income Received
Net Death Benefit	$665,745 → $908,161	→ $823,161	→ $823,161	→ $505,244	→ $2,180,992
Premiums	$180,000	–		–	
Loans/Withdrawals	–	$85,000		$1,235,280	–

*This example is for illustrative purposes only **and it assumes current, non-guaranteed charges.** Even a slight change in the actual experience from the assumptions could produce significantly different policy values.

It is possible that coverage will expire when either no premiums are paid following the initial premium or subsequent premiums are insufficient to continue coverage. **While the insurer may change cost of insurance charges, this will not affect the no-lapse guarantee's minimum monthly premium.**

What's your story?

Can you see your family in any part of this story? If so, ask your financial professional how Asset Builder Index UL II could help your family today and tomorrow. Request an illustration to learn how a policy could be customized to help protect your loved ones and potentially generate tax-free supplemental income.

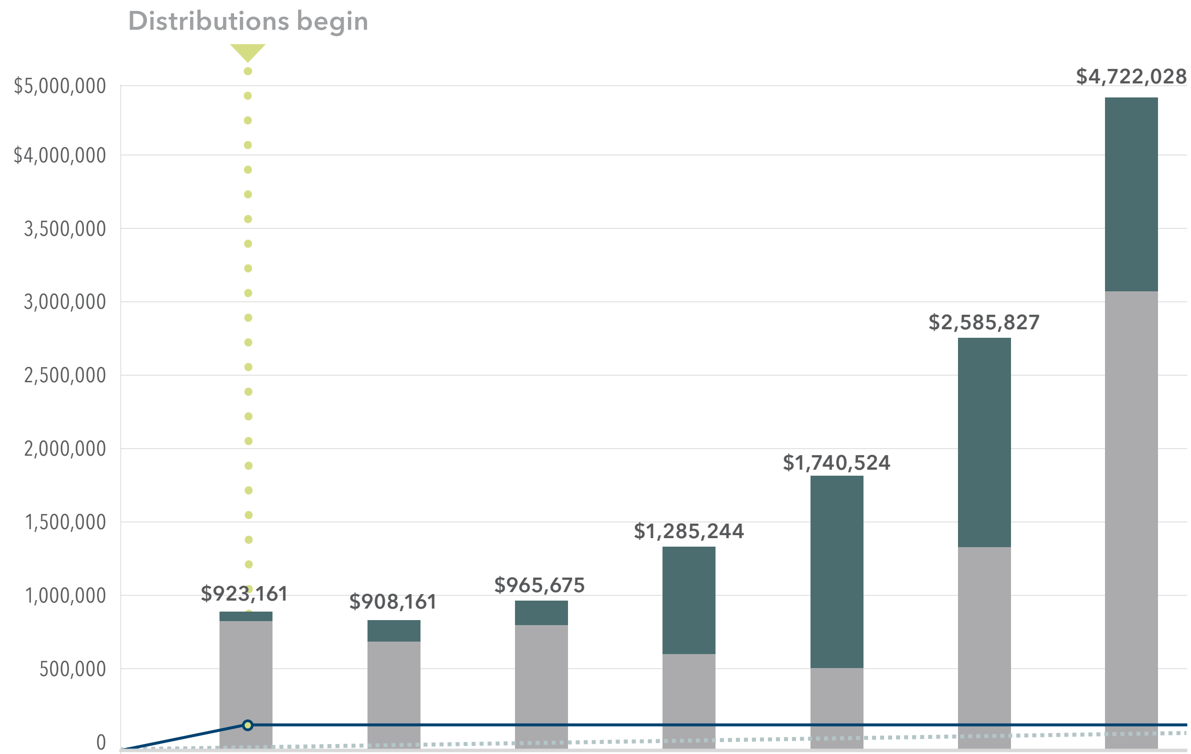
Asset Builder Index UL II – A summary

The chart below shows how this policy can provide a combination of death benefit protection and supplemental income for Mia:

Total Benefits and Costs at Current Crediting Rate and Policy Charges

- Distributions
- Net Death Benefit
- Premiums Paid
- Total Policy Charges

This chart shows projected non-guaranteed values and benefits using the assumptions defined in this hypothetical example. A basic illustration should be run for your specific situation.



Point in Time Scenarios	Age at Death						
	45	55	65	75	85	95	105
Total Policy Charges	$33,017	$38,459	$45,332	$50,577	$60,967	$104,915	$106,031
Total Premiums Paid	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000
Net Death Benefit	$908,161	$823,161	$823,161	$567,590	$505,244	$1,350,547	$3,486,748
Total Distributions	$15,000	$85,000	$142,514	$717,654	$1,235,280	$1,235,280	$1,235,280
Total Benefits	$923,161	$908,161	$965,675	$1,285,244	$1,740,524	$2,585,827	$4,722,028

Mia's policy, a gift from a Smart Grandparent, can provide her:

- An income tax-free death benefit
- Income tax-deferred policy value growth
- Index-linked crediting potential without downside risk
- In most circumstances, income tax-free distributions[11]
- Flexibility to access policy value prior to age 59½ without federal tax penalties associated with early withdrawal[12]

What if?

Although unlikely to occur, the hypothetical scenario below shows no interest credited greater than 1% per year for a 30-year-old female with Preferred No Nicotine Use rates. It also includes maximum insurance charges. This does not reflect any benefit of index-linked crediting rates, only the guaranteed rates provided in the policy.

	Mia's Age		
June's Planned Premiums	Age 30-45	Age 46-55	Age 56
$12,000 per year x 15 Years Total Premiums Paid = $180,000	Pay Premiums **$12,000**/yr x **15** yrs	No Withdrawals or Loans Taken No Income Received	Policy Lapses
Net Death Benefit	$665,745 → $784,812	$774,430 → $689,280	→ $0
Premiums	$180,000	–	
Loans/Withdrawals	–	–	
In this example the policy lapses at age 56			

Managing your policy

It's important to understand any index UL policy and evaluate its performance over time to make sure it is on target to meet your goals. Annual policy reviews are important. You should work with your financial professional to adjust your premiums, withdrawals, death benefits and interest crediting strategy(ies) as conditions change.

You should not take too much out of the policy in withdrawals or loans; there could be tax consequences. If you're taking loans, there is an Overloan Protection Rider that can be activated (for a charge, once certain conditions are met).[13]

Additionally, if the index interest credited to the policy is less than the assumptions used, your distribution strategy may have to be curtailed as the policy would have a higher likelihood of lapsing using the current scenario of distributions. Conversely, if the index interest credited to the policy were greater than the assumptions used, you would likely have even more flexibility with regard to your distribution strategy. Depending on the actual interest rate charged and the index-linked crediting rate earned, participating loans may amplify positive or negative policy performance.

[1] LIMRA Survey: Less than Half of Middle-Market Consumers Own Individual Life Insurance Creating a Gap in Protection, September 2014.

[2] LIMRA Survey: Less than Half of Middle-Market Consumers Own Individual Life Insurance Creating a Gap in Protection, September 2014.

[3] Sallie Mae: How America Pays for College 2013.

[4] Surrender charges may apply. If the policy becomes a MEC, distributions, including policy loans taken in the policy year the policy becomes a MEC and in subsequent years would be taxable. In addition, distributions in the preceding two policy years could become taxable.

[5] Premium paid on behalf of another would generally be a gift, potentially subject to gift tax but also potentially excludable from gift tax using annual exclusions or lifetime exemption. You should consult with your own tax advisor to determine what the tax implications are and how to handle them in your particular situation.

[6] Tax-Free Death Benefit: Generally death proceeds paid are income-tax-free to the beneficiary. Death proceeds from certain employer-owned life insurance policies may not be income-tax-free unless the requirements of section 101(j) of the Internal Revenue Code (Code) are met. All or part of death proceeds may be taxable in other circumstances as well. The circumstances include, but are not limited to, the following: (a) the policy or an interest in it has been transferred for a valuable consideration and the transfer is not to a person identified in section 101(a) of the Code, (b) the death proceeds are received under the terms of a qualified pension or profit-sharing plan, (c) the proceeds are received as alimony by a divorced spouse.

[7] A withdrawal may be free of federal income tax or "tax-free." If the policy is not a Modified Endowment Contract (MEC), then, except for certain changes in the policy during the first 15 policy years and especially during the first five policy years that cause cash distributions that may be taxable although they do not exceed investment in the contract (Basis), withdrawals are not taxable to the extent that they do not exceed Basis. Policy loans are free of federal income tax when taken except if the policy is or becomes a Modified Endowment Contract (MEC). If the policy is a MEC, a distribution (withdrawal or policy loan, including any increase in the policy loan balance because of unpaid loan interest) is taxable to the extent that policy value exceeds Basis. A 10% penalty tax may apply to distributions from a MEC if the policyholder is under age 59½. Basis is premium paid minus nontaxable amounts previously recovered through policy loans taken from a MEC and withdrawals. Assignment or pledge of a MEC as security for a loan would also be a taxable event. If the policy becomes a MEC, then any distribution (withdrawal or policy loan) taken in the policy year in which the policy becomes a MEC and in subsequent policy years is taxable the same as a distribution from a MEC. Any distribution taken within two years prior to the policy becoming a MEC may also be taxable the same as a MEC. Termination, other than by reason of the insured's death, of a life insurance policy with a policy loan balance may be deemed a distribution of the outstanding policy loan balance, resulting in possible adverse tax consequences for a policy that is not a MEC. Consult a tax advisor about possible tax consequences. We are not responsible for any adverse tax consequences.

[8] There is also a fixed account option with a guaranteed 2% crediting rate.

[9] The S&P 500® Index is a product of S&P Dow Jones Indices LLC ("SPDJI") and has been licensed for use by Genworth Life and Annuity Insurance Company and Genworth Life Insurance Company hereinafter referred to as "Licensee". Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Licensee. Licensee Index Universal Life Product(s) are not sponsored, endorsed, sold or promoted by SPDJI, S&P, or their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500® Index.

[10] This policy is designed for maximum accumulation and solves for a minimum non-MEC death benefit. In this example, the Guideline Premium Test (GPT) is used and the increasing death benefit Option 2 is illustrated, changing to a level Option 1 in the optimal year for cash accumulation. A level death benefit option is also available.

[11] See endnote 7.

[12] See endnote 4.

[13] Genworth will send the policyowner a notice when the Overloan Protection Rider is eligible to be activated. The following conditions must be met: 1) the policyowner must provide Notice to Activate; 2) the insured must be at least age 75; 3) the policy must have been in force for at least 15 years; 4) the Loan Balance must exceed the Policy Value multiplied by the Minimum Indebtedness Percentage shown in the Schedule; 5) the Loan Balance plus the Overloan Protection Rider charge must be less than the Policy Value; 6) the Policy Value must be at least $50,000; 7) the sum of withdrawals taken before activation must equal or exceed all premiums paid; 8) the policy must not be a Modified Endowment Contract as defined in Section 7702A of the Internal Revenue Code either before or after the activation of the Rider; 9) if the policy satisfies the definition of life insurance in the Internal Revenue Code by using the Guideline Premium Requirements, following Rider activation: either the Guideline Single Premium must exceed the sum of premiums paid less non-taxable withdrawals, or the Guideline Level Premium must be greater than zero, and the sum of the Guideline Level Premiums must exceed the sum of premiums paid less non-taxable withdrawals.

Asset Builder Index UL II is flexible premium adjustable life insurance (commonly called universal life insurance) with optional index interest crediting. The Asset Builder Index UL II product, riders, and benefits are subject to the terms and conditions of its policy forms and to state availability and issue limitations. Asset Builder Index UL II is subject to Policy Form No. Rider Form Nos. ICC14GA1011, ICC14GA1012, GA1011-0914 et al., GA1012-0914, et al. Rider Form Nos. ICC12GA109R, ICC14GA115R, ICC14GA117R, ICC14GA130E, GA109R-1212 et al., GA115R-0414 et al., GA117R-0714 et al., GA130E-0914 et al., ONE-CIR-100 et al., ONE-WP-TL et al., ONE-ADB et al. (Genworth Life & Annuity) or Policy Form No. ICC14GL1011, ICC14GL1012, GL1011-0914, et al., GL1012-0914, et al. Rider Form Nos. ICC12GL109R, ICC14GL115R, ICC14GL117R, ICC14GL130E , GL109R-1212 et al., GL115R-0414 et al., GL117R-0714 et al., GL130E-0914 et al., GE-ONE-CIR-100 et al., GE-ONE-WP-TL et al., GE-ONE-ADB et al. (Genworth Life).

Although the policy value may be affected by the performance of an index, the policy is not a security and does not directly or indirectly participate in any stock, equity or similar investment including, but not limited to, any dividend payments attributable to any such investment. Market indices do not include dividends paid on the underlying stocks, and therefore do not reflect the total return of the underlying stocks.

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

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Refer to the policy for definitions and more details regarding coverage and its features. This brochure provides a summary of coverage. Policy terms and provisions will prevail.