

Judge Approves \$25 Million Settlement to End Lawsuit Over Genworth's Cost of Insurance Increase

Susman Godfrey is pleased to announce the approval of a \$25 million settlement between Genworth Life & Annuity Insurance Company and a class of more than 13,400 plaintiffs alleging that policyholders of the company's Gold and Gold II universal life insurance policies were subject to unlawful cost of insurance (COI) increases.

US District Judge David Novak of the Eastern District of Virginia approved the settlement, which includes cash for class members and certain guarantees from Genworth, following a fairness hearing today. The Susman Godfrey team representing the plaintiffs is led by partners [Steven Sklaver](#), [Seth Ard](#) and [Ryan Kirkpatrick](#).

Starting September 2019, owners of Gold and Gold II policies received letters announcing that their policies would be subject to the rate increases. Plaintiffs filed litigation in April 2020, alleging that Genworth illegally breached its contracts with policy owners with the increases.

"We're pleased with the judge's approval of this settlement, as it supports the policyholders and ensures they're protected in the future from unlawful rate increases," said Mr. Sklaver. "We remain committed to advocating for policyowners affected by similar COI increases."

As part of the approved agreement, a \$25 million settlement fund will be established for settlement class members, before deduction of fees and expenses. This is an all-cash fund, and no money reverts to Genworth. Moving forward, Genworth has agreed not to impose a new, higher COI rate schedule on policies covered by the settlement for a period of seven years. Genworth has also agreed never to deny a death claim submitted under the settlement class members' policies based on an alleged lack of valid insurable interest for the Gold and Gold II products.

"We are excited to see the effects of this settlement, and the unanimous support from the settlement class members" said Mr. Ard. "With this settlement, cash will be returned to the policyowners, likely before the end of the year."

With respect to the creation of these cash and non-cash benefits achieved by the proposed settlement, Mr. Kirkpatrick said, "We are proud to know that our work in this lawsuit helped secure this result that will make it easier for Genworth's customers to pay for their life insurance and receive their death benefits."

Any impacted Genworth policyowners impacted by the COI increase may contact Susman Godfrey's partners.

Visit the case's [settlement page](#) for more information.

The settled case is *Brighton Trustees, LLC, et al. v. Genworth Life & Annuity Insurance Company*, 3:20cv240 (DJN) in the United States District Court for the Eastern District of Virginia.