



Genworth[®]
Financial

*Insurance for living.
Solutions for life.*SM

PLAN FOR LIVING
**CREATING A
RETIREMENT
INCOME PLAN**

ABOUT GENWORTH FINANCIAL

When it comes to the difficult task of understanding insurance and investments, most people will do just about anything to avoid it. We're dedicated to making things clearer.

Welcome to Genworth Financial.

As a new public insurance holding company comprised of businesses from GE Financial and GE Mortgage Insurance, Genworth Financial is built on GE heritage. The history of the Genworth Financial family of companies dates back to 1871.

Genworth Financial is a leading U.S. insurance holding company, with an expanding global presence. Built on a tradition of innovative products, customer service, and an extensive distribution network, we are beginning this new phase in our company's history with a strong framework of:

- 15 million customers
- More than 6,500 employees
- Operations in 24 countries

(Company data as of 12/31/05)

Whether your goal is to buy a home, secure your family's current lifestyle, or ensure reliable retirement income, we strive to make it easy for you to understand what you're buying.



CONTENTS

This brochure is designed to help you create a Plan for Living by

1. Helping you identify your retirement income needs,
2. Outlining the risks you may face in retirement, and
3. Introducing strategies that may help you manage these risks.



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

PLAN FOR RETIREMENT INCOME

For years, you've heard about the need for retirement planning. More recently, you may have heard about the need for retirement "income" planning.

Are these the same thing?

No. Retirement planning consists of saving and investing your money so you'll have a large nest egg by the time you retire. However, planning for retirement income means determining how you will actually receive income from that nest egg each year once retirement begins.

With the concerns related to Social Security and the decline in the number of corporate pension plans, individuals may have to shoulder more responsibility in providing their own income during retirement.

It's tough planning for your retirement income, especially with the market fluctuation we've experienced in recent years. Many factors threaten your success, including inflation, longer life expectancies, and market risk.

A Plan for Living

A Plan for Living should contain the potential for both Growth and Income. Depending on your current situation, risk tolerance and retirement goals you may have different objectives. Your representative can help determine what's right for you.

Growth: Just saving for retirement is not enough. Your plan should contain a way to continue to grow your assets while protecting your hard-earned money.

Income: Once you are ready to retire you'll need a plan for receiving income from your investments. You'll need income that can maintain your standard of living and last as long as you do.



ESSENTIAL VS. DISCRETIONARY SPENDING

Many financial experts recommend planning on 70% to 80% of your pre-retirement income to pay for your living expenses in retirement.

Of that amount, 60% typically covers “essential” or fixed expenses.¹ One retirement strategy is to ensure that all of your “essentials” will be covered by guaranteed income sources, such as Social Security, employer pensions, and annuities.

For the remaining 40 percent of “discretionary” retirement expenses, you could allocate a portion of your retirement assets to unsecured investments. In fact, you may be able to invest other retirement assets more aggressively when confident your “essentials” will be covered via guaranteed income sources.



It’s important to develop a plan to help ensure that your “essential” living expenses will be covered in retirement. If not, you may have to make unexpected adjustments to your lifestyle. These adjustments may include working part-time or delaying retirement, decreasing your standard of living, or increasing the amount of money you withdraw from your retirement portfolio each year – which could also increase your risk of running out of money.

The risks and strategies discussed on the following pages help illustrate just how important creating a Plan for Living is today – so you won’t have to decrease your standard of retirement living tomorrow.

Your representative can help you determine which retirement income strategies may help you cover your essential living expenses for the rest of your life – as well as reach your individual needs and goals.

Sources of Income		
Variable Sources	Other: Investments, Home/Real Estate	Discretionary 40%
	Retirement Savings	
Guaranteed Sources	Annuities	Essentials 60%
	Employer Pensions	
	Social Security	

¹ U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditures in 2004, April 2006.

COST OF LIVING

Time doesn't stand still, and neither does money. In fact, money decreases in value when left to its own devices.

Even if you have a substantial nest egg on the day you retire, it may not be enough to keep up with the rising cost of living.

Did You Know?

Your living expenses could increase by more than 184% over 25 years. As the examples below illustrate, a fixed income will not be able to keep up with the rising cost of living over a long retirement.

EFFECTS OF INFLATION OVER 25 YEARS



Average cost of a house



Average price per gallon of gas



Average price of a domestic new car



Cost to pay for "essential" living expenses

(based on a \$30,000 income in 1976)

1976	\$48,000	1976	\$0.61	1976	\$5,084	1976	\$18,000
2003	\$265,300	2003	\$2.29	2001	\$19,126	2003	\$64,000
<i>Percentage Increase</i>	453%		276%		276%		256%

Sources: U.S. Department of Housing and Urban Development (2005); U.S. Department of Labor (2005); U.S. Department of Energy (2004).

Retiring on a fixed income is like having a job that doesn't give you a raise for 25 years!

Pair the rising costs of living with healthcare expenses which have increased at three times the rate of inflation¹ – and see if your income plan stacks up.

Ask your representative if your current retirement income plan is enough to keep up with the rising cost of living.

¹ Bureau of Labor Statistics, Hewitt Associates, College Board (2005).

COST OF HEALTH CARE

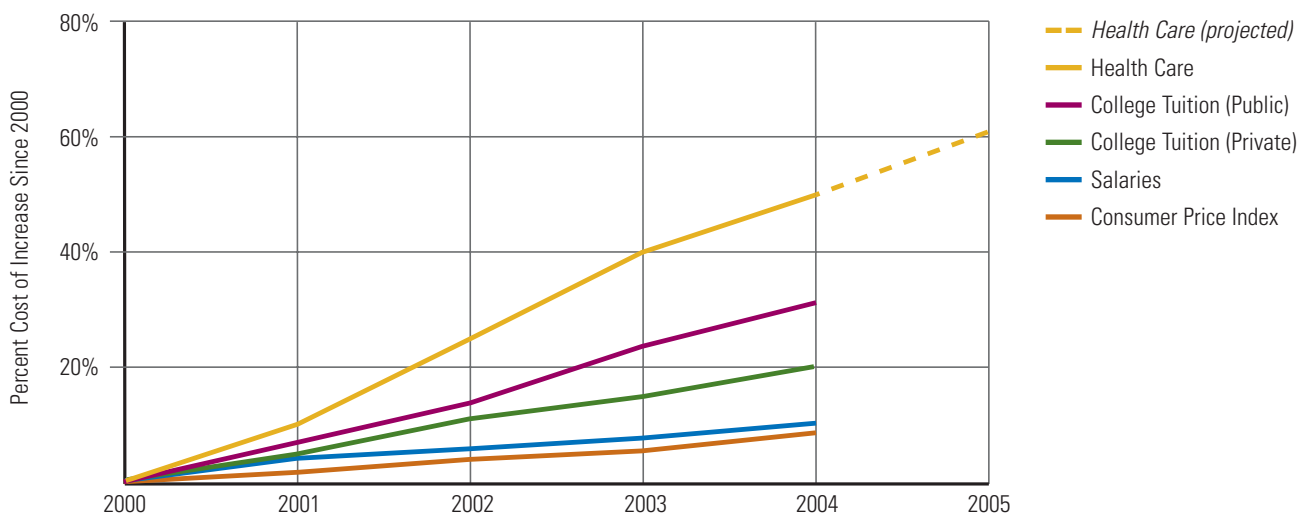
Health care costs increased by more than 50% from 2000 to 2004.¹ Your retirement income plan needs to address increasing health care expenses at a time when your health is expected to decline.

Did You Know?

In 1988, 66% of American companies offered retiree health benefits. By 2002, that percentage had dropped to 34%.² Does your income plan have the ability to cover increasing costs for health care over a long retirement?



GROWTH OF PERSONAL HEALTH CARE SPENDING OVER TIME¹



Now that you have an idea of how rising expenses can affect your retirement income plan, consider how you hope to live in retirement.

Ask your representative if your current retirement income plan includes a plan to help pay for potential long-term health care expenses.

¹ Bureau of Labor Statistics, Hewitt Associates, College Board (2005).

² Kaiser/HRET Survey of Employer-Sponsored Health Benefits (2000, 2001); KPMG Survey of Employer-Sponsored Health Benefits (1988, 1991, 1993, 1995).

WITHDRAWING TOO MUCH TOO SOON

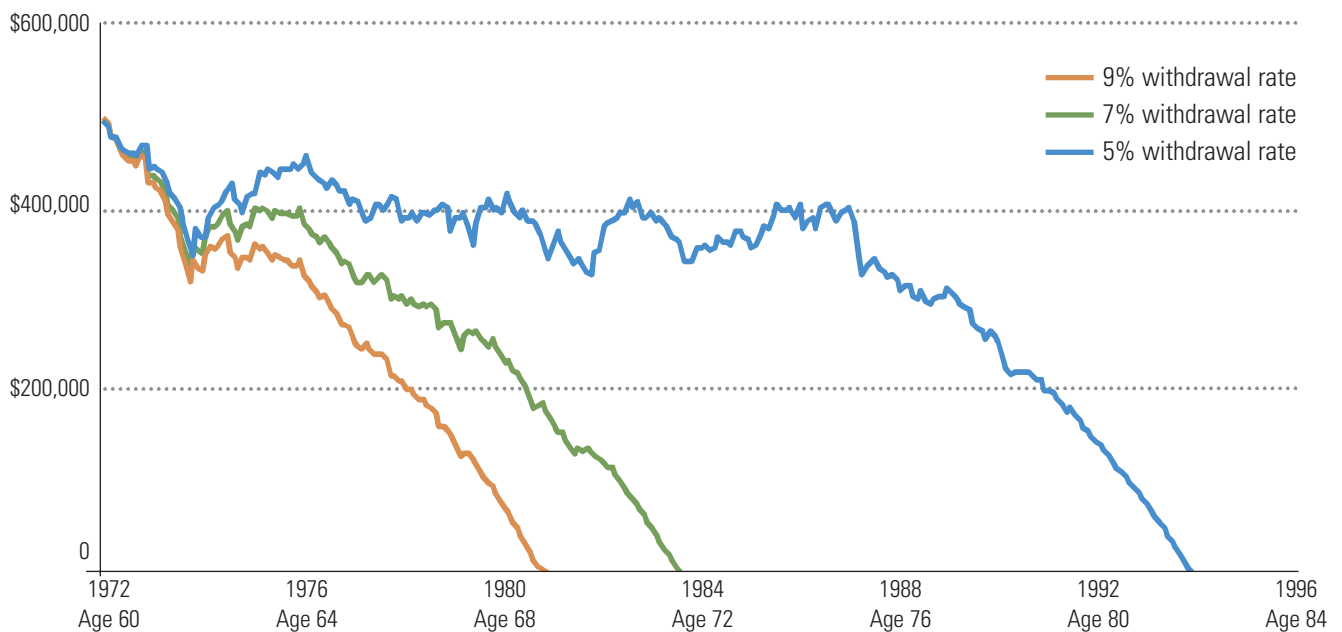
Let's say you have a substantial nest egg saved by the time you retire. Then you decide to take a certain percentage of that nest egg every year as your annual income. If the percentage you withdraw each year is too high, you may run out of money.

Did You Know?

Over a 24-year retirement, even a 5% withdrawal rate could deplete your nest egg too soon. To avoid this situation, your nest egg at retirement will need to be large enough so that a lower annual withdrawal rate, say 3% to 4%, yields the income you need.

IMPACT OF WITHDRAWALS ON A \$500,000 RETIREMENT PORTFOLIO

Annual inflation-adjusted withdrawal as a % of initial portfolio wealth



This hypothetical illustration assumes a 60-year-old invested \$500,000 at year-end 1972 and made withdrawals adjusted annually for inflation. The time sequence depicted was chosen to illustrate the impact of poor portfolio performance at the start of the withdrawals. Portfolio: 50% Stock (Standard & Poor's 500®, an unmanaged group of securities considered representative of the stock market in general) and 50% Bonds (5-Year US Government Bond). Assumes reinvestment of income and no transaction costs or taxes. Past performance does not guarantee future results. Ibbotson Associates, 2004.

A low withdrawal rate can help your income last longer – but how long can you realistically expect to live?

Ask your representative if a conservative withdrawal rate paired with a guaranteed source of income is appropriate to meet your needs.

OUTLIVING YOUR INCOME

Thanks to new prescription drugs and medical technology that are having a greater impact on major medical conditions such as heart disease, stroke, and cancer, people are living longer than ever.

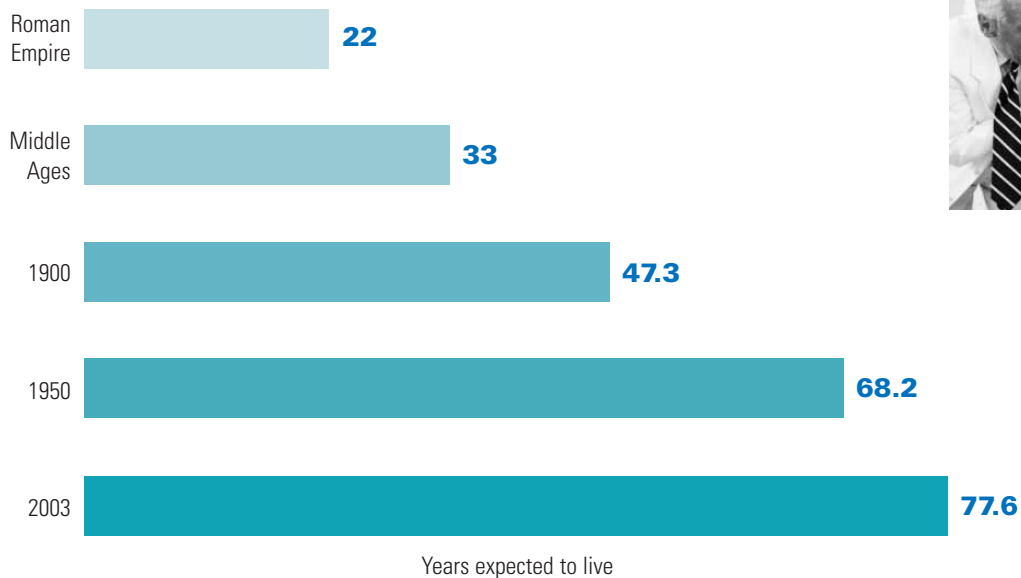
However, the one drawback to a longer life is the greater possibility of outliving your savings. All the more reason to develop a Plan for Living.

Did You Know?

During the Roman Empire, average life expectancy was 22 years. By the Middle Ages it had risen to about 33 years in England. In the U.S., people of both sexes born in 1900 could expect to live 47.3 years on average, while those born in 1950 were set to live 68.2 years. Those born in 2003 can expect to live 77.6 years on average, up from 77.3 years in 2002.¹

Perhaps even more relevant to individuals now nearing retirement age, for a couple in good health and age 65 today, there is a 60% chance that one of them will live to age 90.²

PEOPLE ARE LIVING LONGER



Ask your representative if a guaranteed lifelong income source would be appropriate to help your money last as long as you do.

¹ Population Reference Bureau, Centers for Disease Control and Prevention (2005).

² Annuity 2000 Mortality Table, The Society of Actuaries

RETIREMENT INCOME STRATEGIES

The risks outlined in this brochure pose serious challenges to retirement income planning.

However, we have proposed two strategies that may help you develop a Plan for Living that meets your goals.

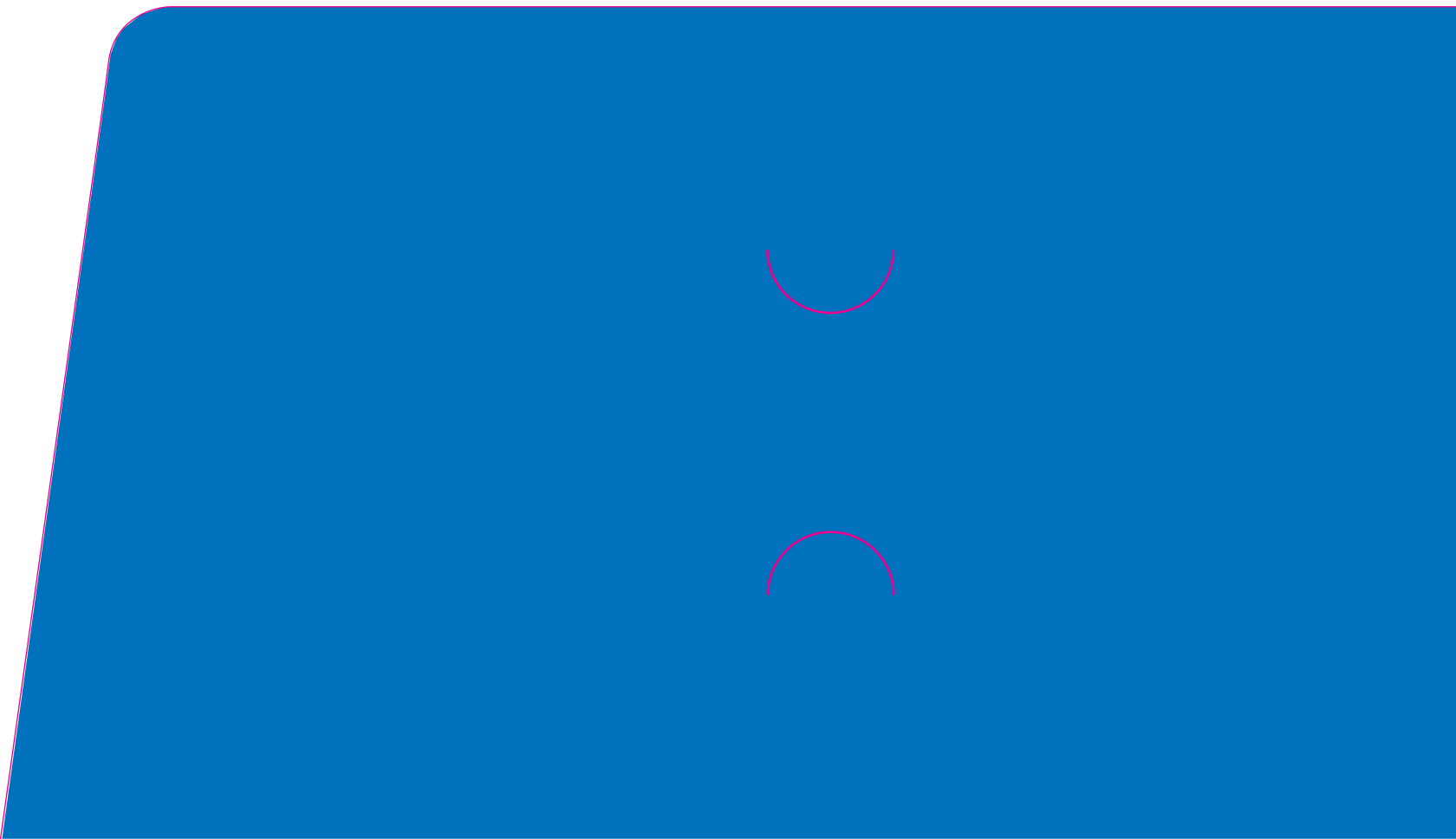
1. **Growth Strategies**
2. **Income Strategies**

Annuities from the Genworth Financial companies may offer the growth and income you need to create a Plan for Living. Ask your representative if any of these are right for you:



Does your current plan for the future ensure that you can:	Strategy:	Types of Annuities:
Maintain your lifestyle throughout retirement?	Income	Immediate Annuities Fixed Annuities Indexed Annuities
Prepare for potential long-term healthcare expenses?	Growth	Fixed Annuities Indexed Annuities
Ensure that you don't withdraw too much too soon?	Income	Immediate Annuities Fixed Annuities Indexed Annuities
Allow your retirement income to last as long as you need it?	Growth Income	Immediate Annuities Fixed Annuities Indexed Annuities

Ask your representative if incorporating one or more of these strategies is appropriate to help create a Plan for Living.



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Company, Lynchburg, VA.*

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Contact your representative to create your Plan for Living today!



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