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As filed with the Securities and Exchange Commission on April 28, 2004

Registration No. 333-112009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4
to
FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Genworth Financial, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	6311	33-1073076
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

6620 West Broad Street
Richmond, Virginia 23230
(804) 281-6000
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Leon E. Roday, Esq.
Senior Vice President, General Counsel and Secretary
Genworth Financial, Inc.
6620 West Broad Street
Richmond, Virginia 23230
(804) 281-6000
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

David S. Lefkowitz, Esq.	Alexander M. Dye, Esq.	Richard J. Sandler, Esq.
Weil, Gotshal & Manges LLP	LeBoeuf, Lamb, Greene & MacRae, L.L.P.	Davis Polk & Wardwell
767 Fifth Avenue	125 West 55th Street	450 Lexington Avenue
New York, New York 10153	New York, New York 10019	New York, New York 10017
(212) 310-8000	(212) 424-8000	(212) 450-4000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. / /

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. / /

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed maximum aggregate offering amount(1)(2)	Amount of registration fee
Class A Common Stock, par value $0.001 per share	$3,835,250,000(3)	$463,027(4)

(1) Includes shares subject to underwriters' over-allotment option.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) promulgated under the Securities Act of 1933.

(3) A fee has been previously paid on $500,000,000 of this amount in connection with the initial filing of this Registration Statement on January 20, 2004.

(4) Of this amount, $40,450 has been previously paid in connection with the initial filing of this Registration Statement on January 20, 2004.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Issued April 28, 2004

145,000,000 Shares

Genworth Financial

Built on GE Heritage

Class A Common Stock

GE Financial Assurance Holdings, Inc., the selling stockholder and an indirect subsidiary of General Electric Company, is offering all the 145,000,000 shares of Class A Common Stock to be sold in this offering. This is our initial public offering, and no public market currently exists for our shares. We anticipate that the initial public offering price of the shares will be between $21.00 and $23.00 per share.

The selling stockholder has granted the underwriters the right to purchase up to an additional 21,750,000 shares of Class A Common Stock to cover over-allotments.

The Class A Common Stock has been approved for listing on The New York Stock Exchange under the symbol "GNW."

Concurrently with this offering, the selling stockholder is offering, by means of a separate prospectus, $600 million of our % Equity Units. Each Equity Unit will have a stated amount of $25 and will initially consist of a contract to purchase shares of our Class A Common Stock and an interest in a % senior note due 2009 issued by us. Concurrently with this offering, the selling stockholder also is offering, by means of a separate prospectus, $100 million of our % Series A Cumulative Preferred Stock.

We will not receive any proceeds from the sale by the selling stockholder of Class A Common Stock in this offering or the Equity Units or Series A Cumulative Preferred Stock in the concurrent offerings.

Investing in our Class A Common Stock involves risks. See "Risk Factors" beginning on page 20.

PRICE $ A SHARE

	Per Share	Total
Price to public	$	$
Underwriting discounts and commissions	$	$
Proceeds to selling stockholder	$	$

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of Class A Common Stock to purchasers on , 2004.

Morgan Stanley **Goldman, Sachs & Co.**

Banc of America Securities LLC
Deutsche Bank Securities
Merrill Lynch & Co.

Citigroup
JPMorgan
UBS Investment Bank

Credit Suisse First Boston
Lehman Brothers

Blaylock & Partners, L.P.
Edward D. Jones & Co., L.P.
KeyBanc Capital Markets
Stephens Inc.

Cochran, Caronia & Co.
Fox-Pitt, Kelton
Legg Mason Wood Walker
Incorporated

Dowling & Partners Securities
Keefe, Bruyette & Woods
Raymond James
The Williams Capital Group, L.P.

, 2004

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Prospectus Summary

This summary highlights information contained elsewhere in this prospectus and may not contain all of the information that may be important to you. You should read this entire prospectus carefully, including the information set forth in "Risk Factors," before making an investment decision.

Genworth
Financial
Built on GE Heritage

We are a leading insurance company in the U.S., with an expanding international presence, serving the life and lifestyle protection, retirement income, investment and mortgage insurance needs of more than 15 million customers. We have leadership positions in key products that we expect will benefit from a number of significant demographic, governmental and market trends. We distribute our products and services through an extensive and diversified distribution network that includes financial intermediaries, independent producers and dedicated sales specialists. We conduct operations in 20 countries and have approximately 5,850 employees.

We have the following three operating segments:

- ***Protection.*** We offer U.S. customers life insurance, long-term care insurance and, for companies with fewer than 1,000 employees, group life and health insurance. In Europe, we offer payment protection insurance, which helps consumers meet their payment obligations in the event of illness, involuntary unemployment, disability or death. In 2003, we were the leading provider of individual long-term care insurance and the sixth-largest provider of term life insurance in the U.S., according to LIMRA International (in each case based upon gross written premiums). We believe we are a leading provider of term life insurance through brokerage general agencies in the U.S. and that this channel is the largest and fastest-growing distribution channel for term life insurance. Our leadership in long-term care insurance is based upon almost 30 years of product underwriting and claims experience. For the year ended December 31, 2003, our Protection segment had pro forma segment net earnings of $481 million.

- ***Retirement Income and Investments.*** We offer U.S. customers fixed, variable and income annuities, variable life insurance, asset management, and specialized products, including guaranteed investment contracts, funding agreements and structured settlements. We are an established provider of these products and, in 2003, we were the leading provider of income annuities in the U.S., according to LIMRA International (based upon total premiums and deposits). For the year ended December 31, 2003, our Retirement Income and Investments segment had pro forma segment net earnings of $93 million.

- ***Mortgage Insurance.*** In the U.S., Canada, Australia and Europe, we offer mortgage insurance products that facilitate homeownership by enabling borrowers to buy homes with low-down-payment mortgages. In 2003, according to *Inside Mortgage Finance*, we were the fourth-largest provider of mortgage insurance in the U.S. (based upon new insurance written), and we believe we are the largest provider of private mortgage insurance outside the U.S. The net premiums written in our international mortgage insurance business have increased by a compound annual growth rate of 46% for the three years ended December 31, 2003. For the year ended December 31, 2003, our Mortgage Insurance segment had pro forma segment net earnings of $369 million.

We also have a Corporate and Other segment, which consists primarily of net realized investment gains (losses), most of our interest and other financing expenses, unallocated corporate income and expenses, and the results of several small, non-core businesses that are managed outside our operating segments.

For the year ended December 31, 2003, our Corporate and Other segment had a pro forma segment net loss of $8 million.

We had $11.0 billion of total stockholder's interest and $97.8 billion of total assets as of December 31, 2003, on a pro forma basis. For the year ended December 31, 2003, on a pro forma basis, our revenues were $9.8 billion and our net earnings from continuing operations were $935 million. Upon the completion of this offering, we expect our principal life insurance companies to have financial strength ratings of "AA-" (Very Strong) from S&P, "Aa3" (Excellent) from Moody's and "A+" (Superior) from A.M. Best, and we expect our rated mortgage insurance companies to have financial strength ratings of "AA" (Very Strong) from S&P, "Aa2" (Excellent) from Moody's and "AA" (Very Strong) from Fitch. The "AA" and "AA-" ratings are the third- and fourth-highest of S&P's 21 ratings categories, respectively. The "Aa2" and "Aa3" ratings are the third- and fourth-highest of Moody's 21 ratings categories, respectively. The "A+" rating is the second-highest of A.M. Best's 15 ratings categories. The "AA" rating is the third-highest of Fitch's 24 ratings categories.

Market Environment and Opportunities

We believe we are well positioned to benefit from a number of significant demographic, governmental and market trends, including the following:

- ***Aging U.S. population with growing retirement income needs,*** resulting from large numbers of baby boomers approaching retirement and significant increases in life expectancy that heighten the risk that individuals will outlive their retirement savings.

- ***Growing lifestyle protection gap***, with individuals lacking sufficient financial resources, including insurance coverage, to maintain their desired lifestyle due to declining individual savings rates, rising healthcare and nursing home costs and a shifting of the burden for funding protection needs from governments and employers to individuals.

- ***Increasing opportunities for mortgage insurance in the U.S. and other countries***, resulting from increasing homeownership levels, expansion of low-down-payment mortgage loan offerings, favorable legislative and regulatory policies, and expansion of secondary mortgage markets that require credit enhancements.

Competitive Strengths

We believe the following competitive strengths will enable us to capitalize on opportunities in our targeted markets:

- ***Leading positions in diversified targeted markets.*** We believe our leading positions in our targeted markets, including term life and individual long-term care insurance, retirement income and mortgage insurance, provide us with the scale necessary to compete effectively in these markets as they continue to grow. We also believe our strong presence in multiple markets provides balance to our business, reduces our exposure to adverse economic trends affecting any one market and provides stable cash flow to fund growth opportunities.

- ***Product innovation and smart breadth.*** We offer a breadth of products that meet the needs of consumers throughout the various stages of their lives, thereby positioning us to benefit from the current trend among distributors to reduce the number of insurers with whom they maintain relationships. We refer to our approach to product diversity as "smart" breadth because we are selective in the products we offer and strive to maintain appropriate return and risk thresholds when we expand the scope of our product offerings.

- ***Extensive, multi-channel distribution network.*** We have extensive distribution reach and offer consumers access to our products through a broad network of financial intermediaries, independent producers and dedicated sales specialists. In addition, we maintain strong relationships with leading distributors by providing a high level of specialized and differentiated distribution support and by pursuing joint business improvement efforts.

- ***Technology-enhanced, scalable, low-cost operating platform.*** We have pursued an aggressive approach to cost-management and continuous process improvement. We also have developed sophisticated technological tools that enhance performance by automating key processes and reducing response times and process variations. In addition, we have centralized our operations and have established scalable, low-cost operating centers in Virginia, North Carolina, India and Ireland.

- ***Disciplined risk management with strong compliance practices.*** Risk management and regulatory compliance are critical parts of our business, and we are recognized in the insurance industry for our excellence in these areas. We employ comprehensive risk management processes in virtually every aspect of our operations, including product development, underwriting, investment management, asset-liability management and technology development programs. We have 130 dedicated risk management professionals supporting these efforts and approximately 200 additional professionals dedicated to legal and regulatory compliance.

- ***Strong balance sheet and high-quality investment portfolio.*** We believe our size, ratings and capital strength provide us with a significant competitive advantage. We have a diversified, high-quality investment portfolio with $59.8 billion of investment securities, as of December 31, 2003, on a pro forma basis. More than 93% of our fixed maturities had ratings equivalent to investment-grade, and less than 1% of our total investment portfolio consisted of equity securities, as of December 31, 2003, on a pro forma basis.

- ***Experienced and deep management team.*** Our senior management team has an average of approximately 17 years of experience in the financial services industry. We have adopted GE's recognized practices for successfully developing managerial talent at all levels of our organization and have instilled a performance- and execution-oriented corporate culture that we will continue to foster as an independent company.

Growth Strategies

Our objective is to increase operating earnings and enhance returns on equity. We intend to pursue this objective by focusing on the following strategies:

- ***Capitalize on attractive growth trends in three key markets.*** We have positioned our product portfolio and distribution relationships to capitalize on the attractive growth prospects in three key markets:

  Retirement income, where we believe growth will be driven by a variety of favorable demographic trends and the approximately $4.4 trillion of invested financial assets in the U.S. that are held by people within 10 years of retirement. Our products are designed to enable the growing retired population to convert their invested assets into reliable retirement income.

  Protection, particularly long-term care insurance, where we believe growth will be driven by the increasing protection needs of the expanding aging population and a shifting of the burden for funding these needs to individuals from governments and employers. For example, it is estimated that approximately 70% of individuals in the U.S. aged 65 and older will require long-term care at some time in their lives, but in 2001, only 7% of individuals in the U.S. aged 55 and older had long-term care insurance.

  International mortgage insurance, where we continue to see attractive growth opportunities with the expansion of homeownership and low-down-payment loans. The net premiums written in our international mortgage insurance business have increased by a compound annual growth rate of 46% for the three years ended December 31, 2003.

- ***Further strengthen and extend our distribution channels.*** We intend to further strengthen and extend our distribution channels by continuing to differentiate ourselves in areas where we believe we have distinct competitive advantages. These areas include:

  Product and service innovations, as illustrated by new product introductions, such as the introduction in 2002 of our GE Retirement Answer®, our introduction of innovative private mortgage insurance products in the European market, and our service innovations, which include programs such as our policyholder wellness initiatives in our long-term care insurance business and our AU Central® Internet platform in our mortgage insurance business.

  Collaborative approach to key distributors, which includes a joint business improvement program (originally developed by GE), called "At the Customer, For the Customer," or ACFC, and our platinum customer service desks, which have benefited our distributors and helped strengthen our relationships with them.

  Technology initiatives, such as our GENIUS® underwriting system, which makes it easier for distributors to do business with us, improves our term life and long-term care insurance underwriting speed and accuracy, and lowers our operating costs.

- ***Enhance returns on capital and increase margins.*** We believe we will be able to enhance our returns on capital and increase our margins through the following:

  Rigorous product pricing and return discipline. We intend to maintain strict product pricing disciplines that are designed to achieve our target returns on capital. Over the past two years, we introduced restructured pricing on newly issued policies in each of our operating segments and exited products that were not achieving our target returns. We expect our returns on capital to improve as the benefits of these actions emerge and as we continue our focus on maintaining target returns.

  Capital efficiency enhancements. We continually seek opportunities to use our capital more efficiently to support our business, while maintaining our ratings and strong capital position. For example, in 2003, we took actions to reduce the statutory capital required to support most of our new term and universal life insurance policies and to reduce excess capital at our mortgage insurance subsidiaries by operating at an "AA/Aa2" rating level.

  Investment income enhancements. As part of GE, the yield on our investment portfolio has been affected by the practice in recent years of realizing investment gains through the sale of appreciated securities and other assets during a period of historically low interest rates. This strategy was pursued to offset impairments and losses in our investment portfolio, fund consolidations and restructurings in our business and provide current income. As we transition to being an independent public company, our investment strategy will be to optimize investment income without relying on realized investment gains. We will seek to improve our investment yield by continuously evaluating our asset class mix and pursuing additional investment classes.

  Ongoing operating cost reductions and efficiencies. We will continually focus on reducing our cost base while maintaining strong service levels for our customers. We expect to accomplish this in each of our operating units through a wide range of cost management disciplines, including consolidating operations, using low-cost operating locations, reducing supplier costs, leveraging Six Sigma and other process improvement efforts, forming dedicated teams to identify opportunities for cost reductions and investing in new technology, particularly for web-based, digital end-to-end processes.

- ***Pursue acquisitions opportunistically.*** We intend to continue to complement our core growth strategy through selective acquisitions designed to enhance our earnings and returns, the breadth of our product portfolio, or our distribution reach. We have successfully completed the acquisition and integration of 13 key businesses since 1993. As a public company, we will have direct access to capital markets, which we believe will enable us to raise external capital in an efficient manner to facilitate selective acquisitions.

Formation of Genworth Financial, Inc.

We were incorporated in Delaware on October 23, 2003 in preparation for our corporate reorganization and this offering.

Prior to the completion of this offering and the concurrent offerings, we will acquire substantially all of the assets and liabilities of GE Financial Assurance Holdings, Inc., or GEFAHI. GEFAHI is an indirect subsidiary of GE and a holding company for a group of companies that provide life insurance, long-term care insurance, group life and health insurance, annuities and other investment products and U.S. mortgage insurance. We also will acquire certain other insurance businesses currently owned by other GE subsidiaries but managed by members of the Genworth management team. These businesses include international mortgage insurance, European payment protection insurance, a Bermuda reinsurer and mortgage contract underwriting.

In consideration for the assets that we will acquire and the liabilities that we will assume in connection with our corporate reorganization, we will issue to GEFAHI the following securities:

- 489.5 million shares of our Class B Common Stock. For a description of the terms of our common stock, see "Description of Capital Stock—Common Stock."

- $600 million of our % Equity Units, which we refer to in this prospectus as the Equity Units. For a description of the terms of our Equity Units, see "Description of Equity Units." GEFAHI is offering the Equity Units for sale in a concurrent offering.

- $100 million of our % Series A Cumulative Preferred Stock, which we refer to in this prospectus as the Series A Preferred Stock. The Series A Preferred Stock is mandatorily redeemable on , 2011. For a description of the terms of our Series A Preferred Stock, see "Description of Capital Stock—Preferred Stock—Series A Preferred Stock." GEFAHI is offering the Series A Preferred Stock for sale in a concurrent offering.

- A $2.4 billion short-term note, which we refer to in this prospectus as the Short-term Intercompany Note. We intend to repay this note with proceeds from the borrowings under a $2.4 billion short-term credit facility that we intend to establish with a syndicate of banks concurrently with the completion of this offering. We intend to repay the borrowings under this short-term credit facility with proceeds from the issuance of approximately $1.9 billion in senior notes and approximately $500 million in commercial paper, both of which we intend to complete shortly after the completion of this offering. For a description of the terms of the Short-term Intercompany Note, the credit facility, the senior notes and the commercial paper, see "Description of Certain Indebtedness."

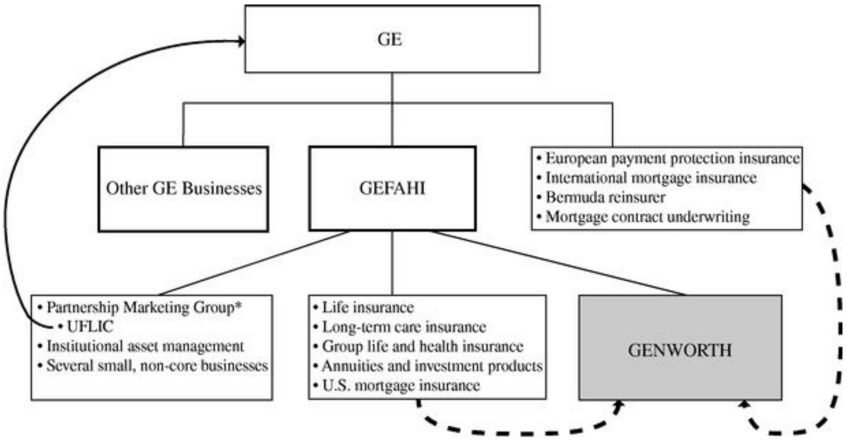
- A $550 million contingent non-interest-bearing note that matures on the first anniversary of the completion of this offering. We refer to this note in this prospectus as the Contingent Note. This note will be repaid solely to the extent that statutory contingency reserves from our U.S. mortgage insurance business in excess of $150 million are released and paid to us as a dividend. The release of these statutory reserves and payment of the dividend by our U.S. mortgage insurance business to us are subject to statutory limitations, regulatory approval and the absence of any impact on our financial ratings. If regulatory approval has been obtained by the first anniversary date but our financial ratings have not been affirmed, the term of this note will be extended for a period of up to twelve months to obtain affirmation of our financial ratings. Any portion of the Contingent Note that is not repaid by the first anniversary of the completion of this offering or by the extended term, if applicable, will be canceled. We will record any portion of the Contingent Note that is canceled as a capital contribution. For a description of the terms of this note see "Description of Certain Indebtedness—Contingent Note."

The liabilities we will assume from GEFAHI include ¥60 billion aggregate principal amount of 1.6% notes due 2011 issued by GEFAHI, ¥3 billion of which GEFAHI currently owns and will transfer to us. We refer to these notes in this prospectus as the Yen Notes. We have entered into arrangements to swap our obligations under these notes to a U.S. dollar obligation with a principal amount of $491 million and bearing interest at a rate of 4.84% per annum.

Prior to the completion of this offering and the concurrent offerings, GEFAHI will own 100% of our outstanding common stock, which will consist solely of Class B Common Stock. Shares of Class B Common Stock convert automatically into shares of Class A Common Stock when they are held by any person other than GE or an affiliate of GE or when GE no longer beneficially owns at least 10% of our outstanding common stock. As a result, all the shares of common stock offered in this offering consist of Class A Common Stock. Upon the completion of this offering and the concurrent offerings, GE will beneficially own approximately 70% of our outstanding common stock, assuming the underwriters' over-allotment option is not exercised, and 66%, if it is exercised in full. GE has informed us that, after completion of this offering, it intends, subject to market conditions, to divest its remaining interest in us as soon as practicable. GE has also informed us that, in any event, it expects to reduce its interest to below 50% within two years of the completion of this offering. GE currently expects to reduce its interest through one or more additional public offerings of our common stock, but it is not obligated to divest our shares in this or any other manner.

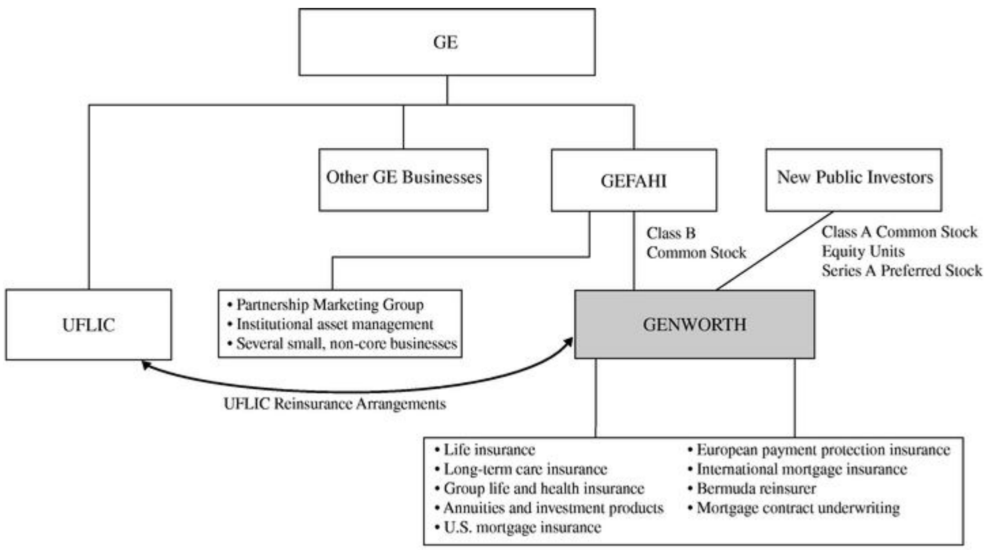
Prior to the completion of this offering, we will enter into a number of arrangements with GE governing our separation from GE and a variety of transition and other matters, including our relationship with GE while GE remains a significant stockholder in our company. These arrangements include several significant reinsurance transactions with Union Fidelity Life Insurance Company, or UFLIC, an indirect subsidiary of GE. As part of these transactions, we will cede to UFLIC, effective as of January 1, 2004, all of our in-force structured settlement contracts, substantially all of our in-force variable annuity contracts, and a block of long-term care insurance policies that we reinsured in 2000 from The Travelers Insurance Company, a subsidiary of Citigroup, Inc., which we refer to in this prospectus as Travelers. In the aggregate, these blocks of business do not meet our target return thresholds, and although we remain liable under these contracts and policies as the ceding insurer, the reinsurance transactions will have the effect of transferring the financial results of the reinsured blocks to UFLIC. We are continuing new sales of structured settlement, variable annuity and long-term care insurance products, and we expect to achieve our targeted returns on these new sales. In addition, we will continue to service these blocks of business, which will preserve our operating scale and enable us to service and grow our new sales of these products. See "Arrangements Between GE and Our Company."

The diagram below shows the relationships among GE, GEFAHI and Genworth prior to the completion of our corporate reorganization. The dotted lines indicate the businesses that will be transferred to Genworth in connection with our corporate reorganization.



* The Partnership Marketing Group offers life and health insurance, auto club memberships and other financial products and services directly to consumers through affinity marketing arrangements with a variety of organizations. The Partnership Marketing Group historically included UFLIC, a subsidiary that offered the life and health insurance for these arrangements.

The diagram below shows the relationships among GE, GEFAHI and Genworth after the completion of our corporate reorganization and this offering.



In this prospectus, unless the context otherwise requires, "Genworth," "we," "us," and "our" refer to Genworth Financial, Inc. and its combined subsidiaries and include the operations of the businesses acquired from GEFAHI and other GE subsidiaries in connection with our corporate reorganization.

Risks Relating to Our Company

As part of your evaluation of our company, you should consider the risks associated with our business, our separation from GE and this offering. These risks include:

- *Risks relating to our businesses*, including interest rate fluctuations, downturns and volatility in equity markets, defaults in portfolio securities, downgrades in our financial strength and credit ratings, insufficiency of reserves, legal constraints on dividend distributions by subsidiaries, illiquid investments, competition, inability to attract or retain independent sales intermediaries and dedicated sales specialists, defaults by counterparties, foreign exchange rate fluctuations, regulatory restrictions on our operations and changes in applicable laws and regulations, legal or regulatory actions, political or economic instability and the threat of terrorism;

- *Risks relating to our Protection and Retirement Income and Investments segments*, including unexpected changes in mortality and morbidity rates, accelerated amortization of deferred acquisition costs and present value of future profits, medical advances such as genetic mapping research, unexpected changes in persistency rates, increases in statutory reserve requirements and changes in tax and securities laws;

- *Risks relating to our Mortgage Insurance segment*, including the influence of large mortgage lenders and investors, decreases in the volume of high loan-to-value mortgage originations, increases in mortgage insurance cancellations, increases in the use of simultaneous second mortgages and other alternatives to private mortgage insurance, unexpected increases in mortgage insurance default rates, deterioration in economic conditions, increases in the use of captive reinsurance in the mortgage insurance market, changes in the demand for mortgage insurance that could arise as a result of efforts of large mortgage investors and legal actions under the Real Estate Settlement Practices Act and the Federal Fair Credit Reporting Act;

- *Risks relating to our separation from GE*, including the loss of benefits associated with GE's brand and reputation, our need to establish our new Genworth brand identity quickly and effectively, our inability to present financial information in this prospectus that accurately represents the results we would have achieved as a stand-alone company, the possibility that we will not be able to replace services previously provided by GE on comparable terms, uncertainty of amounts and timing of payments that we have agreed to make to GE under our tax matters agreement and other matters relating to that agreement, potential conflicts of interest with GE and GE's engaging in the same type of business as we do in the future; and

- *Risks relating to this offering*, including future sales of stock by GE that may depress the price of our shares, fluctuations in our share price and regulatory and statutory requirements and contractual arrangements that may delay or prevent a takeover of our business.

For a further discussion of these and other risks, see "Risk Factors."

Additional Information

Our corporate headquarters and principal executive offices are located at 6620 West Broad Street, Richmond, Virginia 23230. Our telephone number at that address is (804) 281-6000. We maintain a variety of websites to communicate with our distributors and customers and to provide information about various insurance and investment products to the general public. None of the information on our websites is part of this prospectus.

The Offering

Class A Common Stock offered by the selling stockholder	145,000,000 shares
Common stock to be outstanding immediately after this offering	
Class A	145,000,000 shares
Class B	344,528,145 shares
Common stock to be held by the selling stockholder immediately after this offering	
Class B	344,528,145 shares
Over-allotment option	21,750,000 shares of Class A Common Stock to be offered by the selling stockholder if the underwriters exercise the over-allotment option in full.
Voting rights	One vote per share for all matters on which stockholders are entitled to vote, except:
	• holders of Class A Common Stock will have the right separately to elect and remove a specified number of directors, and
	• holders of Class B Common Stock will have the right (1) separately to elect and remove a specified number of directors, and (2) to approve significant corporate actions, including mergers, acquisitions, dispositions and incurrences of debt.
	The specific number of directors that holders of the Class A Common Stock and the Class B Common Stock will have the separate rights to elect and remove will vary, depending upon the percentage of our common stock owned by GE.
	See "Description of Capital Stock—Common Stock."
Use of proceeds	We will not receive any proceeds from the sale by the selling stockholder of Class A Common Stock in this offering or of the Equity Units or the Series A Preferred Stock in the concurrent offerings.
Dividend policy	We intend to pay quarterly cash dividends on our common stock at an initial rate of $0.065 per share. The first such dividend will be declared in the third quarter and paid in the fourth quarter of 2004. Class A Common Stock and Class B Common Stock will have identical dividend rights. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors, including our financial condition, earnings, capital requirements of our subsidiaries, legal requirements, regulatory constraints and other factors that the board of directors deems relevant.
Proposed New York Stock Exchange symbol	The Class A Common Stock has been approved for listing on The New York Stock Exchange under the symbol "GNW."
Concurrent Offerings	Concurrently with this offering, the selling stockholder is publicly offering, by separate prospectuses:
Equity Units	$600 million of our % Equity Units.
Series A Preferred Stock	$100 million of our % Series A Cumulative Preferred Stock.
Conditions	The offerings of the Equity Units and the Series A Preferred Stock are conditioned upon the completion of this offering.
	This offering is conditioned upon the completion of the offerings of the Series A Preferred Stock and the Equity Units.

Unless otherwise indicated, all information in this prospectus:

- reflects the consummation of our corporate reorganization, whereby we will acquire substantially all of the assets and liabilities of GEFAHI and acquire certain other GE insurance businesses, in exchange for 489.5 million shares of our Class B Common Stock, $600 million of our Equity Units, $100 million of our Series A Preferred Stock, the $2.4 billion Short-term Intercompany Note and the $550 million Contingent Note, all as described under "Corporate Reorganization;"

- assumes an initial public offering price of $22.00 per share (the midpoint of the price range set forth on the front cover of this prospectus);

- assumes the over-allotment option in this offering has not been exercised;

- excludes up to 6.1 million shares of Class A Common Stock issuable upon the exercise of 6.1 million unvested stock appreciation rights to be granted on the date of this prospectus, at an exercise price equal to the initial public offering price;

- excludes 10.1 million shares of Class A Common Stock issuable upon the exercise of unvested employee stock options to be granted on the date of this prospectus, at an exercise price equal to the initial public offering price;

- excludes 4.1 million shares of Class A Common Stock issuable upon the exercise of unvested employee stock options that will be issued on the date of this prospectus in exchange for unvested GE stock options held by our employees, at a weighted average exercise price of $25.40 per share, and 1.0 million shares of Class A Common Stock issuable upon the exercise of vested employee stock options that will be issued on the date of this prospectus in exchange for vested GE stock options held by our Chairman, President and Chief Executive Officer, at a weighted average exercise price of $16.83 per share;

- excludes up to 0.3 million shares of Class A Common Stock issuable upon the exercise of 0.3 million stock appreciation rights that will be issued on the date of this prospectus in exchange for unvested GE stock appreciation rights;

- excludes 1.4 million shares of Class A Common Stock issuable upon the lapse of restrictions on restricted stock units that will be issued on the date of this prospectus in exchange for GE restricted stock units;

- excludes up to 38.0 million shares of Class A Common Stock available for future issuance under our Genworth Omnibus Incentive Plan, less the number of shares of Class A Common Stock issuable in connection with the stock appreciation rights, stock options and restricted stock units described above; and

- excludes up to   million shares of Class A Common Stock that we will be required to issue to settle the purchase contracts included in our Equity Units.

The number of our stock options, restricted stock units and stock appreciation rights that will be issued in exchange for GE stock options, restricted stock units and stock appreciation rights will depend upon the initial public offering price of our Class A Common Stock and the weighted-average stock price of GE common stock for the trading day immediately prior to the date of this prospectus. Information in this prospectus assumes a price of $30.85 per share of GE common stock, which was the weighted-average stock price on April 27, 2004.

Summary Historical and Pro Forma Financial Information

The following table sets forth summary historical combined and pro forma financial information. You should read this information in conjunction with the information under "Selected Historical and Pro Forma Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and the related notes included elsewhere in this prospectus.

Prior to the completion of this offering, we will acquire substantially all of the assets and liabilities of GEFAHI. We also will acquire certain other insurance businesses currently owned by other GE subsidiaries but managed by members of the Genworth management team. These businesses include international mortgage insurance, European payment protection insurance, a Bermuda reinsurer and mortgage contract underwriting. In consideration for the assets that we will acquire and the liabilities that we will assume in connection with our corporate reorganization, we will issue to GEFAHI 489.5 million shares of our Class B Common Stock, $600 million of our Equity Units, $100 million of our Series A Preferred Stock, the $2.4 billion Short-term Intercompany Note and the $550 million Contingent Note.

We have prepared our combined financial statements as if Genworth had been in existence throughout all relevant periods. Our historical combined financial information and statements include all businesses that were owned by GEFAHI including those that will not be transferred to us, as well as the other insurance businesses that we will acquire from other GE subsidiaries, each in connection with our corporate reorganization.

The unaudited pro forma information set forth below reflects our historical combined financial information, as adjusted to give effect to the transactions described under "Selected Historical and Pro Forma Financial Information" as if each had occurred as of January 1, 2003, in the case of earnings information, and December 31, 2003, in the case of financial position information. The following transactions are reflected in the pro forma financial information:

- the removal of certain businesses of GEFAHI that will not be transferred to us in connection with our corporate reorganization, including the Partnership Marketing Group business, an institutional asset management business and several other small businesses;
- the removal of certain liabilities that we will not assume, including an aggregate of $1.691 billion of commercial paper issued by GEFAHI and short-term borrowings from General Electric Capital Corporation of $548 million that were outstanding as of December 31, 2003;
- the reinsurance transactions with UFLIC, including a capital contribution of $1.836 billion that we will make to UFLIC;
- the issuance of equity and debt securities that we will issue to GEFAHI in exchange for the assets that we will acquire and the liabilities that we will assume in connection with our corporate reorganization; and
- the other adjustments described in the notes to the unaudited pro forma financial statements under "Selected Historical and Pro Forma Financial Information."

The unaudited pro forma information below is based upon available information and assumptions that we believe are reasonable. The unaudited pro forma financial information is for illustrative and informational purposes only and is not intended to represent or be indicative of what our financial condition or results of operations would have been had the transactions described above occurred on the dates indicated. The unaudited pro forma information also should not be considered representative of our future financial condition or results of operations.

In addition to the pro forma adjustments to our historical combined financial statements, various other factors will have an effect on our financial condition and results of operations after the completion of this offering, including those discussed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(Amounts in millions, except per share amounts)	Historical — Years ended December 31, 2003(1)	2002	2001	2000(2)	1999	Pro forma — Year ended December 31, 2003
Combined Statement of Earnings Information						
Revenues:						
Premiums	$ 6,703	$ 6,107	$ 6,012	$ 5,233	$ 4,534	$ 6,252
Net investment income	4,015	3,979	3,895	3,678	3,440	2,928
Net realized investment gains	10	204	201	262	280	38
Policy fees and other income	943	939	993	1,053	751	557
Total revenues	11,671	11,229	11,101	10,226	9,005	9,775
Benefits and expenses:						
Benefits and other changes in policy reserves	5,232	4,640	4,474	3,586	3,286	4,191
Interest credited	1,624	1,645	1,620	1,456	1,290	1,358
Underwriting, acquisition, and insurance expenses, net of deferrals	1,942	1,808	1,823	1,813	1,626	1,614
Amortization of deferred acquisition costs and intangibles(3)	1,351	1,221	1,237	1,394	1,136	1,144
Interest expense	140	124	126	126	78	138
Total benefits and expenses	10,289	9,438	9,280	8,375	7,416	8,445
Earnings from continuing operations before income taxes	1,382	1,791	1,821	1,851	1,589	1,330
Provision for income taxes	413	411	590	576	455	395
Net earnings from continuing operations	$ 969	$ 1,380	$ 1,231	$ 1,275	$ 1,134	$ 935
Pro forma earnings from continuing operations per share:						
Basic	$ 1.98					$ 1.91
Diluted	$ 1.98					$ 1.91
Pro forma shares outstanding:						
Basic	489.5					489.5
Diluted	490.0					490.0
Selected Segment Information						
Total revenues:						
Protection	$ 6,153	$ 5,605	$ 5,443	$ 4,917		$ 5,839
Retirement Income and Investments	3,781	3,756	3,721	3,137		2,707
Mortgage Insurance	982	946	965	895		982
Affinity(4)	566	588	687	817		—
Corporate and Other	189	334	285	460		247
Total	$ 11,671	$ 11,229	$ 11,101	$ 10,226		$ 9,775
Net earnings (loss) from continuing operations:						
Protection	$ 487	$ 554	$ 538	$ 492		$ 481
Retirement Income and Investments	151	186	215	250		93
Mortgage Insurance	369	451	428	414		369
Affinity(4)	16	(3)	24	(13)		—
Corporate and Other	(54)	192	26	132		(8)
Total	$ 969	$ 1,380	$ 1,231	$ 1,275		$ 935

(Dollar amounts in millions)	Historical					Pro forma
	December 31,					December 31,
	2003(1)	2002	2001	2000(2)	1999	2003
Combined Statement of Financial Position Information						
Total investments	$ 78,693	$ 72,080	$ 62,977	$ 54,978	$ 48,341	$ 59,778
All other assets	24,738	45,277	41,021	44,598	27,758	38,034
Total assets	$ 103,431	$ 117,357	$ 103,998	$ 99,576	$ 76,099	$ 97,812
Policyholder liabilities	$ 66,545	$ 63,195	$ 55,900	$ 48,291	$ 45,042	$ 66,046
Non-recourse funding obligations(5)	600	—	—	—	—	600
Short-term borrowings	2,239	1,850	1,752	2,258	990	2,400
Long-term borrowings	529	472	622	175	175	529
All other liabilities	17,718	35,088	31,559	35,865	18,646	17,275
Total liabilities	$ 87,631	$ 100,605	$ 89,833	$ 86,589	$ 64,853	$ 86,850
Accumulated nonowner changes in stockholder's interest	$ 1,672	$ 835	$ (664)	$ (424)	$ (862)	$ 1,006
Total stockholder's interest	15,800	16,752	14,165	12,987	11,246	10,962
U.S. Statutory Information						
Statutory capital and surplus	7,021	7,207	7,940	7,119	6,140	
Asset valuation reserve	413	390	477	497	500	

(1) On August 29, 2003, we sold our Japanese life insurance and domestic auto and homeowners' insurance businesses for aggregate cash proceeds of approximately $2.1 billion, consisting of $1.6 billion paid to us and $0.5 billion paid to other GE affiliates, plus pre-closing dividends. See note 4 to our combined financial statements, included elsewhere in this prospectus.

(2) During 2000, we consummated three significant business combinations:

- In July 2000, we reinsured 90% of Travelers' long-term care insurance portfolio and acquired certain related assets for $411 million;
- In April 2000, we acquired 97% of Phoenix American Life Insurance Company for $284 million; and
- Effective March 2000, we acquired the insurance policies and related assets of Toho Mutual Life Insurance Company. Our Japanese life insurance business assumed $21.6 billion of policyholder liabilities and $0.3 billion of accounts payable and accrued expenses and acquired $20.3 billion in cash, investments and other tangible assets through this transaction. We sold this business on August 29, 2003, and its results have been presented as discontinued operations.

(3) As of January 1, 2002, we adopted Statement of Financial Accounting Standards 142,*Goodwill and Other Intangible Assets,* and, in accordance with its provisions, discontinued amortization of goodwill. Goodwill amortization was $84 million, $70 million and $53 million for the years ended December 31, 2001, 2000 and 1999, respectively, excluding goodwill amortization included in discontinued operations.

(4) Reflects the results of businesses that are owned by GEFAHI but will not be transferred to us in connection with our corporate reorganization, including (a) the Partnership Marketing Group business, (b) an institutional asset management business, and (c) several other small businesses that are not part of our core ongoing business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Our historical and pro forma financial information."

(5) Reflects non-recourse funding obligations. These obligations are represented by notes that bear a floating rate of interest and mature in 2033. The notes were issued by a wholly-owned captive reinsurance subsidiary of our company to fund certain statutory reserves. Both principal and interest payments are guaranteed by a third-party insurance company.

Recent Developments

The following table sets forth our historical combined and pro forma financial information as of March 31, 2004 and for the three months ended March 31, 2004 and March 31, 2003. The pro forma financial information is prepared on a basis comparable to the pro forma financial information set forth under "Selected Historical and Pro Forma Financial Information," except that the financial position information as of March 31, 2004 is adjusted to give effect to the transactions described in that section as if each had occurred as of that date.

	Historical		Pro forma	
	Three months ended March 31,		Three months ended March 31,	
(Amounts in millions, except per share amounts)	2004	2003	2004	2003
Combined Statement of Earnings Information				
Revenues:				
Premiums	$ 1,722	$ 1,585	$ 1,619	$ 1,476
Net investment income	1,020	993	755	722
Net realized investment gains	16	21	15	20
Policy fees and other income	263	233	166	137
Total revenues	3,021	2,832	2,555	2,355
Benefits and expenses:				
Benefits and other changes in policy reserves	1,348	1,253	1,086	996
Interest credited	396	409	330	343
Underwriting, acquisition, and insurance expenses, net of deferrals	508	488	414	404
Amortization of deferred acquisition costs and intangibles	345	300	286	251
Interest expense	47	28	45	27
Total benefits and expenses	2,644	2,478	2,161	2,021
Earnings from continuing operations before income taxes	377	354	394	334
Provision for income taxes	117	100	128	94
Net earnings from continuing operations	$ 260	$ 254	$ 266	$ 240
Pro forma earnings from continuing operations per share:				
Basic	$ 0.53	$ 0.52	$ 0.54	$ 0.49
Diluted	$ 0.53	$ 0.52	$ 0.54	$ 0.49
Pro forma shares outstanding:				
Basic	489.5	489.5	489.5	489.5
Diluted	490.0	490.0	490.0	490.0
Selected Segment Information				
Total revenues:				
Protection	$ 1,566	$ 1,476	$ 1,489	$ 1,397
Retirement Income and Investments	976	955	725	686
Mortgage Insurance	263	227	263	227
Affinity	139	137	—	—
Corporate and Other	77	37	78	45
Total	$ 3,021	$ 2,832	$ 2,555	$ 2,355
Net earnings (loss) from continuing operations:				
Protection	$ 124	$ 131	$ 123	$ 124
Retirement Income and Investments	31	42	32	26
Mortgage Insurance	103	85	103	85
Affinity	(2)	—	—	—
Corporate and Other	4	(4)	8	5
Total	$ 260	$ 254	$ 266	$ 240

The increases in historical and pro forma net earnings for the three months ended March 31, 2004 compared with the three months ended March 31, 2003 include, in each case, $12 million due to the favorable impact of changes in foreign exchange rates.

(Dollar amounts in millions)	Historical	Pro forma
	As of March 31, 2004	As of March 31, 2004
Combined Statement of Financial Position Information		
Total investments	$ 81,466	$ 61,776
All other assets	25,070	38,430
Total assets	$ 106,536	$ 100,206
Policyholder liabilities	$ 67,346	$ 66,841
Non-recourse funding obligations	600	600
Short-term borrowings	2,497	2,401
Long-term borrowings	516	516
All other liabilities	18,152	17,580
Total liabilities	$ 89,111	$ 87,938
Accumulated nonowner changes in stockholder's interest	$ 2,976	$ 1,987
Total stockholder's interest	17,425	12,268

Protection

The following table sets forth the historical and pro forma results of operations relating to our Protection segment.

(Dollar amounts in millions)	Historical		Pro forma	
	Three months ended March 31,		Three months ended March 31,	
	2004	2003	2004	2003
Revenues				
Life insurance	$ 373	$ 360	$ 373	$ 360
Long-term care insurance	606	572	529	493
European payment protection insurance	416	370	416	370
Group life and health insurance	171	174	171	174
Total revenues	$ 1,566	$ 1,476	$ 1,489	$ 1,397
Segment net earnings				
Life insurance	$ 57	$ 55	$ 57	$ 55
Long-term care insurance	40	42	39	35
European payment protection insurance	20	22	20	22
Group life and health insurance	7	12	7	12
Total segment net earnings	$ 124	$ 131	$ 123	$ 124
Annualized first-year premiums and deposits(1)				
Life insurance(2)	$ 37	$ 44	$ 37	$ 44
Long-term care insurance	42	62	42	62
Group life and health insurance	26	21	26	21
Total annualized first-year premiums and deposits	$ 105	$ 127	$ 105	$ 127
Gross written premiums				
European payment protection insurance	$ 179	$ 373	$ 179	$ 373

(1) Annualized first-year premiums and deposits reflect the amount of business we generated during each period shown and do not include renewal premiums or deposits on policies written during prior periods. We consider annualized first-year premiums and deposits to be a measure of our operating performance because they represent a measure of new sales of insurance policies during a specified period, rather than a measure of our revenues or profitability during that period. This operating measure enables us to compare our operating performance across periods without regard to revenues or profitability related to policies sold in prior periods or from investments or other sources.

(2) Includes annualized first-year premiums of $26 million and $31 million in the three months ended March 31, 2004 and 2003, respectively, and deposits of $11 million and $13 million in the three months ended March 31, 2004 and 2003, respectively.

Segment net earnings decreased by $7 million, or 5%, to $124 million for the three months ended March 31, 2004 from $131 million for the three months ended March 31, 2003. This decrease was primarily the result of decreases in net earnings for group life and health, long-term care and European payment protection insurance products, offset in part by an increase in net earnings for life insurance products. The decrease in group life and health insurance was primarily attributable to higher lapse rates in our dental insurance and administration fee products, as well as higher claims incidence in our life insurance products. The decrease in long-term care insurance was primarily attributable to the loss of $4 million of investment income resulting from a reallocation of capital from our long-term care insurance business to our Corporate and Other segment. The decrease in long-term care insurance was offset in part by growth of the in-force block. The decrease in European payment protection insurance was primarily the result of increased claims in our run-off block of U.K. travel insurance and the loss of certain foreign tax benefits, offset in part by $3 million due to the favorable impact of changes in foreign exchange rates.

Pro forma segment net earnings decreased $1 million, or 1%, to $123 million for the three months ended March 31, 2004 from $124 million for the three months ended March 31, 2003. Pro forma segment net earnings differ from historical segment net earnings due primarily to the reinsurance with UFLIC of the block of long-term care insurance policies that we reinsured from Travelers in 2000. Pro forma net earnings for long-term care insurance increased $4 million, or 11%, to $39 million for the three months ended March 31, 2004 from $35 million for the three months ended March 31, 2003.

Annualized first-year premiums and deposits for our life insurance products decreased $7 million, or 16%, to $37 million for the three months ended March 31, 2004 from $44 million for the three months ended March 31, 2003. This decrease was primarily a result of term life insurance price increases implemented in March 2003 that contributed to lower sales of term life insurance in the remainder of 2003 and the three months ended March 31, 2004.

In the third quarter of 2003, we started selling our newest long-term care insurance products in selected markets. These products were priced to achieve our target returns on capital and to reflect new features and benefits, trends in lapse rates, interest rates, morbidity and adverse claims experience in certain higher risk policyholder classes. Our pricing strategy for these products has contributed to lower sales in recent periods, with annualized first-year premiums for our long-term care insurance products decreasing $20 million, or 32%, to $42 million for the three months ended March 31, 2004 from $62 million for the three months ended March 31, 2003. We believe that our pricing strategy is appropriate relative to the underlying risk exposure of these products and that it will lead to increased net earnings over time.

Gross written premiums for our European payment protection insurance products decreased $194 million, or 52%, to $179 million for the three months ended March 31, 2004 from $373 million for the three months ended March 31, 2003. To enable us to achieve our targeted returns on capital on our European payment protection insurance products, we decided not to renew certain distribution relationships in the U.K. market. As a result of that decision, gross written premiums in the U.K. decreased by 84%, to $46 million for the three months ended March 31, 2004 from $279 million for the three months ended March 31, 2003. This decline in the U.K. was partially offset in Continental Europe, where gross written premiums increased by 42%, to $133 million for the three months ended March 31, 2004 from $94 million for the three months ended March 31, 2003.

Annualized first-year premiums for our group life and health insurance products increased $5 million, or 24%, to $26 million for the three months ended March 31, 2004 from $21 million for the three months ended March 31, 2003. This increase was primarily a result of a 53% increase in annualized first-year premiums attributable to growth in our dental, disability and life insurance products.

Retirement Income and Investments

The following table sets forth the historical and pro forma results of operations relating to our Retirement Income and Investments segment.

	Historical		Pro forma	
	Three months ended March 31,		Three months ended March 31,	
(Dollar amounts in millions)	2004	2003	2004	2003
Revenues				
Spread-based retail products	$ 788	$ 781	$ 584	$ 562
Spread-based institutional products	76	95	76	95
Fee-based products	112	79	65	29
Total revenues	$ 976	$ 955	$ 725	$ 686
Segment net earnings				
Spread-based retail products	$ 22	$ 33	$ 17	$ 19
Spread-based institutional products	6	11	6	11
Fee-based products	3	(2)	9	(4)
Total segment net earnings	$ 31	$ 42	$ 32	$ 26
Annualized first-year premiums and deposits(1)				
Spread-based retail products(2)	$ 643	$ 683	$ 643	$ 683
Spread-based institutional products(3)	501	783	501	783
Fee-based products	517	557	517	557
Total annualized first-year premiums and deposits	$ 1,661	$ 2,023	$ 1,661	$ 2,023

(1) Annualized first-year premiums and deposits reflect the amount of business we generated during each period shown and do not include renewal premiums or deposits on policies written during prior periods. We consider annualized first-year premiums and deposits to be a measure of our operating performance because they represent a measure of new sales of insurance policies during a specified period, rather than a measure of our revenues or profitability during that period. This operating measure enables us to compare our operating performance across periods without regard to revenues or profitability related to policies sold in prior periods or from investments or other sources.

(2) Includes annualized first-year premiums of $277 million and $258 million in the three months ended March 31, 2004 and 2003, respectively, and deposits of $366 million and $425 million in the three months ended March 31, 2004 and 2003, respectively.

(3) Deposits on spread-based institutional products include contracts that have matured but are redeposited with our company. For the three months ended March 31, 2004 and 2003, the amounts of customer redeposits were $177 million and $275 million, respectively.

Segment net earnings decreased $11 million, or 26%, to $31 million for the three months ended March 31, 2004 from $42 million for the three months ended March 31, 2003. This decrease was primarily the result of declining yields on invested assets, resulting in lower earnings from our spread-based retail and institutional products. The decrease was also the result of favorable mortality experience in our structured settlement business during the three months ended March 31, 2003 that did not recur in the three months ended March 31, 2004. Segment net earnings were favorably affected by an increase in fees earned pursuant to new arrangements we entered into, effective as of January 1, 2004, to provide investment administrative services related to a pool of municipal guaranteed investment contracts, or GICs, issued by affiliates of GE.

Pro forma segment net earnings increased $6 million, or 23%, to $32 million for the three months ended March 31, 2004 from $26 million for the three months ended March 31, 2003. Pro forma segment net earnings differ from historical segment net earnings due to the reinsurance with UFLIC of our in-force blocks of structured settlements and substantially all of our in-force blocks of variable annuities. Pro forma net earnings for spread-based retail products decreased $2 million in the three months ended March 31, 2004 from the three months ended March 31, 2003, and historical net earnings decreased $11 million over the same periods. Pro forma net earnings for fee-based products increased $13 million in the three months ended March 31, 2004 from the three months ended March 31, 2003, and historical net earnings increased $5 million over the same periods.

Annualized first-year premiums and deposits for our spread-based retail products decreased $40 million, or 6%, to $643 million for the three months ended March 31, 2004 from $683 million for the three months ended March 31, 2003. This decrease was primarily the result of lower sales of structured settlements and deposits for fixed annuities, offset in part by an increase in sales of income annuities. The decrease in structured settlements was primarily due to our decision to write those contracts on an opportunistic basis where we are able to achieve our targeted returns. The decrease in fixed annuities was primarily due to lower minimum guaranteed crediting rates introduced throughout 2003, which resulted in lower sales in the three months ended March 31, 2004, compared to the three months ended March 31, 2003. Deposits for our spread-based institutional products decreased $282 million, or 36%, to $501 million for the three months ended March 31, 2004 from $783 million for the three months ended March 31, 2003. The decrease in spread-based institutional products was primarily due to fewer requests for bids following the announcement in November 2003 of our planned separation from GE. We believe this decrease was due primarily to the limited availability to our customers of information about our company prior to the completion of this offering. Deposits for our fee-based products decreased $40 million, or 7%, to $517 million for the three months ended March 31, 2004 from $557 million for the three months ended March 31, 2003. This decrease was primarily the result of lower sales of variable annuities, which we believe was attributable to a market shift to variable annuity products with certain guaranteed benefit features that we did not offer during the three months ended March 31, 2004.

Mortgage Insurance

The following table sets forth the historical results of operations relating to our Mortgage Insurance segment. The Mortgage Insurance segment's results are not affected by any of the pro forma adjustments.

	Historical	
	Three months ended March 31,	
(Dollar amounts in millions)	**2004**	**2003**
Revenues		
U.S. mortgage insurance	$ 154	$ 170
International mortgage insurance	109	57
Total revenues	$ 263	$ 227
Segment net earnings		
U.S. mortgage insurance	$ 59	$ 57
International mortgage insurance	44	28
Total segment net earnings	$ 103	$ 85
New insurance written		
U.S. mortgage insurance	$ 6,798	$ 14,530
International mortgage insurance	10,905	6,257
Total new insurance written	$ 17,703	$ 20,787

Segment net earnings increased $18 million, or 21%, to $103 million for the three months ended March 31, 2004 from $85 million for the three months ended March 31, 2003. This increase was primarily the result of a $16 million increase in international net earnings, attributable to higher levels of insurance in force and invested assets. The increase in our international net earnings included $9 million due to the favorable impact of changes in foreign exchange rates. Net earnings of our U.S. mortgage business increased $2 million, primarily as a result of lower underwriting costs due to lower mortgage refinance activity. The lower mortgage refinancing activity resulted in increased persistency in our U.S. mortgage insurance business, with policy cancellation rates in our U.S. flow mortgage insurance business decreasing to 32% for the three months ended March 31, 2004 from 53% for the three months ended March 31, 2003.

New insurance written decreased $3,084 million, or 15%, to $17,703 million for the three months ended March 31, 2004 from $20,787 million for the three months ended March 31, 2003. This decrease was primarily the result of a $7,732 million decrease in U.S. new insurance written, primarily attributable to lower mortgage refinancing activity. The decrease in U.S. new insurance written was offset in part by a $4,648 million increase in international new insurance written. The increase in our international new insurance written included $2,168 million due to the favorable impact of changes in foreign exchange rates.

Affinity

Segment net earnings on a historical basis decreased $2 million to a ($2) million loss for the three months ended March 31, 2004. Pro forma financial information is not presented for the Affinity segment because we will not acquire any of the Affinity segment businesses from GEFAHI.

Corporate and Other

Segment net earnings increased $8 million, or 200%, to $4 million for the three months ended March 31, 2004 from $(4) million for the three months ended March 31, 2003. Pro forma segment net earnings increased $3 million, or 60%, to $8 million for the three months ended March 31, 2004 from $5 million for the three months ended March 31, 2003. The increase in net earnings was due primarily to $4 million of increased investment income resulting from a reallocation of capital from our long-term care insurance business to our Corporate and Other segment. The increase in net earnings was also the result of increases in policy fees and other income that were offset in part by an increase in interest expense, both of which related to the securitization entities that were consolidated in our financial statements in connection with our adoption of FASB Interpretation 46, *Consolidation of Variable Interest Entities*, on July 1, 2003. Pro forma net earnings in our Corporate and Other segment were higher than historical segment net earnings due to higher invested assets in the Corporate and Other segment after giving effect to the reinsurance transactions with UFLIC.

New Accounting Pronouncement

On January 1, 2004 we adopted American Institute of Certified Public Accountants Statement of Position 03-1 ("SOP 03-1"),*Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts*. SOP 03-1 provides guidance on separate account presentation and valuation, the accounting for sales inducements and the classification and valuation of long-duration contract liabilities. Prior to adopting SOP 03-1 we held reserves for both variable annuity guaranteed minimum death benefits and the higher-tier annuitization benefit on two-tiered annuities. To record these reserves in accordance with SOP 03-1, we released $10 million, or 7%, of our two-tiered annuity reserves as well as $3 million of guaranteed minimum death benefit reserves. After giving effect to the impact of the additional deferred acquisition cost amortization related to these reserve releases, we recorded a $5 million benefit in cumulative effect of accounting changes, net of taxes, which is not reflected in net earnings from continuing operations.

Risk Factors

You should carefully consider the following risks before investing in our common stock. These risks could materially affect our business, results of operations or financial condition and cause the trading price of our common stock to decline. You could lose part or all of your investment.

Risks Relating to Our Businesses

Interest rate fluctuations could adversely affect our business and profitability.

Our insurance and investment products are sensitive to interest rate fluctuations and expose us to the risk that falling interest rates will reduce our "spread," or the difference between the returns we earn on the investments that support our obligations under these products and the amounts that we must pay policyholders and contractholders. Because we may reduce the interest rates we credit on most of these products only at limited, pre-established intervals, and because some of them have guaranteed minimum crediting rates, declines in interest rates may adversely affect the profitability of those products. For example, interest rates declined to unusually low levels from 2001 to 2003. During this period, our net earnings from spread-based products, such as fixed and income annuities and guaranteed investment contracts, declined from $207 million for the year ended December 31, 2001 to $138 million for the year ended December 31, 2003.

During periods of increasing market interest rates, we must offer higher crediting rates on interest-sensitive products, such as universal life insurance and fixed annuities, and we must increase crediting rates on in-force products to keep these products competitive. In addition, increases in market interest rates may cause increased policy surrenders, withdrawals from life insurance policies and annuity contracts and requests for policy loans, as policyholders and contractholders seek to shift assets to products with perceived higher returns. Increases in crediting rates, as well as surrenders and withdrawals, could have an adverse effect on our financial condition and results of operations. An increase in policy surrenders and withdrawals also may require us to accelerate amortization of deferred acquisition costs or other intangibles or cause an impairment of goodwill, which would reduce our net earnings.

Our long-term care insurance products also expose us to the risk of interest rate fluctuations. The pricing and expected future profitability of these products are based in part on expected investment returns. Over time, long-term care insurance products generally produce positive cash flows as customers pay periodic premiums, which we invest as we receive them. Declining interest rates may reduce our ability to achieve our targeted investment margins and may adversely affect the profitability of our long-term care insurance products.

In our mortgage insurance business, rising interest rates generally reduce the volume of new mortgages, resulting in a decrease in the volume of new insurance written. Rising interest rates also can increase the monthly mortgage payments for insured homeowners with adjustable rate mortgages, or ARMs, which could have the effect of increasing default rates on ARM loans and thereby increasing our exposure on our mortgage insurance policies. This is particularly relevant in our non-U.S. mortgage insurance business, where ARMs are the predominant mortgage product. Declining interest rates increase the rate at which insured borrowers refinance their existing mortgages, thereby resulting in cancellations of the mortgage insurance covering the refinanced loans. Declining interest rates also generally are associated with home price appreciation, which may provide insured borrowers the option of canceling their mortgage insurance coverage earlier than we anticipated in pricing that coverage. These cancellations could have an adverse effect on our results from our mortgage insurance business.

Interest rate fluctuations also could have an adverse effect on the results of our investment portfolio. During periods of declining market interest rates, the interest we receive on variable interest rate investments decreases. In addition, during those periods, we are forced to reinvest the cash we receive as interest or return of principal on our investments in lower-yielding high-grade instruments or in lower-credit instruments to maintain comparable returns. Issuers of fixed-income securities also may decide to prepay their obligations in order to borrow at lower market rates, which exacerbates the risk that we may have to invest the cash proceeds of these securities in lower-yielding or lower-credit instruments. Declining interest rates from 2001 to 2003 contributed to a decrease in our weighted average investment yield from 6.5% for the year ended December 31, 2001 to 5.2% for the year ended December 31, 2003. For additional information regarding our investment portfolio, see "Business—Investments." For additional information regarding the sensitivity of the fixed maturities in our investment portfolio to interest rate fluctuations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk—Sensitivity analysis."

Downturns and volatility in equity markets could adversely affect our business and profitability.

Significant downturns and volatility in equity markets could have an adverse effect on our financial condition and results of operations in three principal ways. First, market downturns and volatility may cause potential new purchasers of our products to refrain from purchasing products, such as variable annuities and variable life insurance, that have returns linked to the performance of the equity markets and may cause current policyholders and contractholders to withdraw cash values from those products. The sharp declines in the equity markets during 2001 and 2002 have had adverse impacts on our sales of variable annuities and other products linked to equity markets. For example, our deposits for variable annuities decreased by 28% from $2,309 million for the year ended December 31, 2001 to $1,667 million for the year ended December 31, 2002.

Second, downturns and volatility in equity markets can have an adverse effect on the revenues and returns from our separate account and private asset management products and services. Because these products depend on fees related primarily to the value of assets under management, declines in the equity markets have reduced our revenues by reducing the value of the investment assets we manage. For example, the recent equity market downturn caused a reduction in the value of the separate account assets underlying our variable life insurance policies, variable annuities and assets under management. As a result, our policy fees and other income in our Retirement Income and Investments segment decreased by 7% from $243 million for the year ended December 31, 2002 to $225 million for the year ended December 31, 2003. In addition, some of our variable annuity products contain guaranteed minimum death benefits and guaranteed minimum income payments tied to the investment performance of the assets held within the variable annuity. A significant market decline could result in declines in account values which could increase our payments under the guaranteed minimum death benefits and certain income payments in connection with variable annuities, which could have an adverse effect on our financial condition and results of operations.

Third, we are exposed to equity risk on our holdings of common stock and other equities. An economic downturn, corporate malfeasance or a variety of other factors could cause declines in the value of our equity portfolio and cause our net earnings to decline. For additional information regarding the sensitivity of the equity securities in our investment portfolio to equity market fluctuations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk—Sensitivity analysis."

Defaults in our fixed-income securities portfolio may reduce our earnings.

Issuers of the fixed-income securities that we own may default on principal and interest payments. As of each of December 31, 2003 and 2002, 93% of our fixed maturities had ratings equivalent to investment-grade. Nevertheless, as a result of the economic downturn and recent corporate malfeasance, the number of companies defaulting on their debt obligations increased dramatically in 2001 and 2002. As of December 31, 2003 and 2002, we had fixed maturities in or near default (where the issuer has missed payment of principal or interest or entered bankruptcy) with a fair value of $190 million and $181 million, respectively. An economic downturn, further events of corporate malfeasance or a variety of other factors could cause declines in the value of our fixed maturities porfolio and cause our net earnings to decline.

We recognized gross capital gains of $473 million, $790 million and $814 million for the years ended December 31, 2003, 2002 and 2001, respectively. We realized these capital gains in part to offset default-related losses during those periods. However, capital gains may not be available in the future, and if they are, we may elect not to recognize capital gains to offset losses.

A downgrade or a potential downgrade in our financial strength or credit ratings could result in a loss of business and adversely affect our financial condition and results of operations.

Financial strength ratings, which various ratings organizations publish as measures of an insurance company's ability to meet contractholder and policyholder obligations, are important to maintaining public confidence in our products, the ability to market our products and our competitive position. A downgrade in our financial strength ratings, or the announced potential for a downgrade, could have a significant adverse effect on our financial condition and results of operations in many ways, including:

- reducing new sales of insurance products, annuities and other investment products;
- adversely affecting our relationships with independent sales intermediaries and our dedicated sales specialists;
- materially increasing the number or amount of policy surrenders and withdrawals by contractholders and policyholders;
- requiring us to reduce prices for many of our products and services to remain competitive; and
- adversely affecting our ability to obtain reinsurance or obtain reasonable pricing on reinsurance.

In connection with our initial public offering and separation from GE, our principal life insurance companies were downgraded from financial strength ratings of "AA" (Very Strong) by S&P and "Aa2" (Excellent) by Moody's, to "AA-" (Very Strong) and "Aa3" (Excellent), respectively. In addition, as a result of our 2003 decision to reduce excess capital at our mortgage insurance subsidiaries, our mortgage insurance companies were downgraded from financial strength ratings of "AAA" (Extremely Strong) by S&P and Fitch and "Aaa" (Exceptional) by Moody's to "AA" (Very Strong) by S&P and Fitch and "Aa2" (Excellent) by Moody's. Although we do not believe that these downgrades have negatively affected our business overall in any material respect, we cannot assure you that they will not have an adverse effect over time or that our ratings will not be further downgraded in the future. The "AA" and "AA-" ratings are the third- and fourth-highest of S&P's 21 ratings categories, respectively. The "Aa2" and "Aa3" ratings are the third- and fourth-highest of Moody's 21 ratings categories, respectively. The "AA" rating is the third-highest of Fitch's 24 ratings categories.

The charters of the Federal National Mortgage Corporation, or Fannie Mae, and the Federal Home Loan Mortgage Corporation, or Freddie Mac, only permit them to buy high loan-to-value mortgages that are insured by a "qualified insurer," as determined by each of them. Their current rules effectively provide that they will accept mortgage insurance only from private mortgage insurers with financial strength ratings of at least "AA-" by S&P and "Aa3" by Moody's. If our mortgage insurance companies' financial strength ratings decrease below the thresholds established by Fannie Mae and Freddie Mac, we would not be able to insure mortgages purchased by Fannie Mae or Freddie Mac. Approximately 68% of the loans we insured in the U.S. during the year ended December 31, 2003 were sold to either Fannie Mae or Freddie Mac. An inability to insure mortgage loans sold to Fannie Mae or Freddie Mac, or their transfer of our existing policies to an alternative mortgage insurer, would have an adverse effect on our financial condition and results of operations.

In 2003, the U.S. Office of Federal Housing Enterprise Oversight announced a risk-based capital rule that treats credit enhancements issued by private mortgage insurers with financial strength ratings of "AAA" more favorably than those issued by "AA" rated insurers. Neither Fannie Mae nor Freddie Mac has adopted policies that distinguish between "AA" rated and "AAA" rated mortgage insurers.

However, if Fannie Mae or Freddie Mac adopts policies that treat "AAA" rated insurers more favorably than "AA" rated insurers, our competitive position may suffer.

Our mortgage insurance subsidiaries in Canada and Australia are also subject to local regulations that require them to maintain specified financial strength ratings to continue their operations.

In addition to the financial strength ratings of our insurance subsidiaries, ratings agencies also publish credit ratings for our company. The credit ratings have an impact on the interest rates we pay on the money we borrow. Therefore, a downgrade in our credit ratings could increase our cost of borrowing and have an adverse effect on our financial condition and results of operations.

The ratings of our insurance subsidiaries are not evaluations directed to the protection of investors in our common stock.

The ratings of our insurance subsidiaries described under "Business—Financial Strength Ratings" reflect each rating agency's current opinion of each subsidiary's financial strength, operating performance and ability to meet obligations to policyholders and contractholders. These factors are of concern to policyholders, contractholders, agents, sales intermediaries and lenders. Ratings are not evaluations directed to the protection of investors in our common stock. They are not ratings of our common stock and should not be relied upon when making a decision to buy, hold or sell our shares of common stock or any other security. In addition, the standards used by rating agencies in determining financial strength are different from capital requirements set by state insurance regulators. We may need to take actions in response to changing standards set by any of the ratings agencies, as well as statutory capital requirements, which could cause our business and operations to suffer.

If our reserves for future policy benefits and claims are inadequate, we may be required to increase our reserve liabilities, which could adversely affect our results of operations and financial condition.

We establish reserve liabilities to provide for future obligations under our insurance policies, annuities and other investment products, and mortgage insurance contract underwriting arrangements. Reserves do not represent an exact calculation of liability, but rather are estimates of expected net policy and contract benefits and claims payments over time. Our reserving assumptions and estimates require significant judgments and, therefore, are inherently uncertain. We cannot determine with precision the ultimate amounts that we will pay for actual benefit and claim payments, the timing of those payments, or whether the assets supporting our policy and contract liabilities will increase to the levels we estimate before payment of benefits or claims. We continually monitor our reserves. If we conclude that our reserves are insufficient to cover actual or expected policy and contract benefits and claims payments, we would be required to increase our reserves and incur income statement charges for the period in which we make the determination, which could adversely affect our results of operations and financial condition. For more information on how we set our reserves, see "Business—Reserves."

As a holding company, we depend on the ability of our subsidiaries to transfer funds to us to pay dividends and to meet our obligations.

We will act as a holding company for our insurance subsidiaries and will not have any significant operations of our own. Dividends from our subsidiaries and permitted payments to us under our tax sharing arrangements with our subsidiaries will be our principal sources of cash to pay stockholder dividends and to meet our obligations. These obligations will include our operating expenses, interest and principal on debt and contract adjustment payments on our Equity Units. These obligations also include amounts we will owe to GE under the tax matters agreement that we and GE will enter into prior to the completion of this offering. If the cash we receive from our subsidiaries pursuant to dividend payment and tax sharing arrangements is insufficient for us to fund any of these obligations, we may be required to raise cash through the incurrence of debt, the issuance of additional equity or the sale of assets.

The payment of dividends and other distributions to us by our insurance subsidiaries is regulated by insurance laws and regulations. In general, dividends in excess of prescribed limits are deemed "extraordinary" and require insurance regulatory approval. See "Regulation." During the years ended December 31, 2003, 2002 and 2001, we received dividends from our insurance subsidiaries of $1,472 million ($1,400 million of which were deemed "extraordinary"), $840 million ($375 million of which were deemed "extraordinary") and $410 million (none of which were deemed "extraordinary"), respectively. In addition, during the years ended December 31, 2003, 2002 and 2001, we received dividends from insurance subsidiaries related to discontinued operations of $495 million, $62 million and $0, respectively. Based on statutory results as of December 31, 2003, our subsidiaries could pay dividends of $1,121 million to us in 2004 without obtaining regulatory approval. However, as a result of the dividends we will pay in connection with our corporate reorganization, most of our insurance subsidiaries will not be able to pay us any additional dividends for the twelve months following this offering without prior regulatory approval. As part of our corporate reorganization, we will retain cash at the holding company level which we believe will be adequate to fund our dividend payments, debt service, obligations under the tax matters agreement and other obligations until our subsidiaries can resume paying dividends to us. In addition, the ability of our insurance subsidiaries to pay dividends to us, and our ability to pay dividends to our stockholders, are subject to various conditions imposed by the rating agencies for us to maintain our ratings.

Some of our investments are relatively illiquid.

Our investments in privately placed fixed maturities, mortgage loans, policy loans, limited partnership interests, real estate and restricted investments held by securitization entities are relatively illiquid. These asset classes represented approximately 30% of the carrying value of our total cash and invested assets as of December 31, 2003, on a pro forma basis. If we require significant amounts of cash on short notice in excess of our normal cash requirements, we may have difficulty selling these investments in a timely manner, be forced to sell them for less than we otherwise would have been able to realize, or both. For example, our floating rate funding agreements generally contain "put" provisions through which a contractholder may terminate the funding agreement for any reason after giving notice within the contract's specified notice period, which is generally 90 days but can be less than 30 days. As of December 31, 2003, the aggregate amount of our outstanding funding agreements with put option features was approximately $2.4 billion, and the aggregate amount of funding agreements with put option notice periods of 30 days or less was $450 million. If an unexpected number of contractholders exercise this right and we are unable to access other liquidity sources, we may have to liquidate assets quickly. Our inability to quickly dispose of illiquid investments could have an adverse effect on our financial condition and results of operations.

Intense competition could negatively affect our ability to maintain or increase our market share and profitability.

Our businesses are subject to intense competition. We believe the principal competitive factors in the sale of our products are product features, price, commission structure, marketing and distribution arrangements, brand, reputation, financial strength ratings and service.

Many other companies actively compete for sales in our protection and retirement income and investments markets, including other major insurers, banks, other financial institutions and specialty providers. The principal direct and indirect competitors for our mortgage insurance business include other private mortgage insurers, as well as federal and state governmental and quasi-governmental agencies in the U.S., including the Federal Housing Administration, or FHA, and to a lesser degree, the Veterans Administration, or VA, Fannie Mae and Freddie Mac, as well as local and state housing finance agencies. We also compete in our mortgage insurance business with structured transactions in the capital markets and with other financial instruments designed to manage credit risk, such as credit default swaps and credit linked notes, with lenders who forego mortgage insurance, or self-insure, on loans held in their portfolios, and with lenders that provide mortgage reinsurance through captive mortgage reinsurance programs. In Canada and some European countries, our mortgage insurance business competes directly with government entities, which provide comparable mortgage insurance. Government entities with which we compete typically do not have the same capital requirements and do not have the same profit objectives as we do. Although private companies, such as our company, establish pricing terms for their products to achieve targeted returns, these government entities may offer products on terms designed to accomplish social or political objectives or reflect other non-economic goals.

In many of our product lines, we face competition from competitors that have greater market share or breadth of distribution, offer a broader range of products, services or features, assume a greater level of risk, have lower profitability expectations or have higher financial strength ratings than we do. Many competitors offer similar products and use similar distribution channels. The substantial expansion of banks' and insurance companies' distribution capacities and expansion of product features in recent years have intensified pressure on margins and production levels and have increased the level of competition in many of our business lines.

We may be unable to attract and retain independent sales intermediaries and dedicated sales specialists.

We distribute our products through financial intermediaries, independent producers and dedicated sales specialists. We compete with other financial institutions to attract and retain commercial relationships in each of these channels, and our success in competing for sales through these sales intermediaries depends upon factors such as the amount of sales commissions and fees we pay, the breadth of our product offerings, the strength of our brand, our perceived stability and our financial strength ratings, the marketing and services we provide to them and the strength of the relationships we maintain with individuals at those firms. From time to time, due to competitive forces, we have experienced unusually high attrition in particular sales channels for specific products. Our inability to continue to recruit productive independent sales intermediaries and dedicated sales specialists, or our inability to retain strong relationships with the individual agents at our independent sales intermediaries, could have an adverse effect on our financial condition and results of operations.

If the counterparties to our reinsurance arrangements or to the derivative instruments we use to hedge our business risks default, we may be exposed to risks we had sought to mitigate, which could adversely affect our financial condition and results of operations.

We use reinsurance and derivative instruments to mitigate our risks in various circumstances. Reinsurance does not relieve us of our direct liability to our policyholders, even when the reinsurer is liable to us. Accordingly, we bear credit risk with respect to our reinsurers. We cannot assure you that our reinsurers will pay the reinsurance recoverable owed to us now or in the future or that they will pay these recoverables on a timely basis. A reinsurer's insolvency or inability or unwillingness to make payments under the terms of its reinsurance agreement with us could have an adverse effect on our financial condition and results of operations.

Prior to the completion of this offering, we will cede to UFLIC, effective as of January 1, 2004, policy obligations under our structured settlement contracts, which had reserves of $12.0 billion, and our variable annuity contracts, which had general account reserves of $2.8 billion and separate account reserves of $7.9 billion, in each case as of December 31, 2003. These contracts represent substantially all of our contracts that were in force as of December 31, 2003 for these products. In addition, effective as of January 1, 2004, we will cede to UFLIC policy obligations under a block of long-term care insurance policies that we reinsured from Travelers, which had reserves of $1.5 billion as of December 31, 2003. UFLIC has agreed to establish trust accounts for our benefit to secure its obligations under the reinsurance arrangements, and General Electric Capital Corporation, an indirect subsidiary of GE, or GE Capital, has agreed to maintain UFLIC's risk-based capital above a specified minimum level. If UFLIC becomes insolvent notwithstanding this agreement, and the amounts in the trust accounts are insufficient to pay UFLIC's obligations to us, our financial condition and results of operations could be materially adversely affected. See "Arrangements between GE and our Company—Reinsurance Transactions."

In addition, we use derivative instruments to hedge various business risks. We enter into a variety of derivative instruments, including options, forwards, interest rate and currency swaps and options to enter into interest rate and currency swaps with a number of counterparties. If our counterparties fail to honor their obligations under the derivative instruments, our hedges of the related risk will be ineffective. That failure could have an adverse effect on our financial condition and results of operations.

Fluctuations in foreign currency exchange rates and international securities markets could negatively affect our profitability.

Our international operations generate revenues denominated in local currencies. For the years ended December 31, 2003, 2002 and 2001, respectively, 18%, 14% and 14% of our revenues, and 26%, 12% and 11% of our net earnings from continuing operations were generated by our international operations. We generally invest cash generated by our international operations in securities denominated in local currencies. As of December 31, 2003 and 2002, approximately 5% of our invested assets were held by our international operations and were invested primarily in non-U.S.-denominated securities. Although investing in securities denominated in local currencies limits the effect of currency exchange rate fluctuation on local operating results, we remain exposed to the impact of fluctuations in exchange rates as we translate the operating results of our foreign operations into our combined financial statements. We currently do not hedge this exposure, and as a result, period-to-period comparability of our results of operations is affected by fluctuations in exchange rates. For example, our net earnings for the year ended December 31, 2003 included approximately $25 million due to the favorable impact of changes in foreign exchange rates. In addition, because we derive a significant portion of our earnings from non-U.S.-denominated revenue, our results of operations could be adversely affected to the extent the dollar value of non-U.S.-denominated revenue is reduced due to a strengthening U.S. dollar.

In addition, our investments in non-U.S.-denominated securities are subject to fluctuations in non-U.S. securities and currency markets, and those markets can be volatile. Non-U.S. currency fluctuations also affect the value of any dividends paid by our non-U.S. subsidiaries to their parent companies in the U.S. For additional information regarding the sensitivity of our net earnings to foreign currency exchange rate fluctuations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk—Sensitivity analysis."

Our insurance businesses are heavily regulated, and changes in regulation may reduce our profitability and limit our growth.

Our insurance operations are subject to a wide variety of laws and regulations. State insurance laws regulate most aspects of our U.S. insurance businesses, and our insurance subsidiaries are regulated by the insurance departments of the states in which they are domiciled and licensed. Our non-U.S. insurance operations are regulated principally by insurance regulatory authorities in the jurisdictions in which they are domiciled.

State laws in the U.S. grant insurance regulatory authorities broad administrative powers with respect to, among other things:

- licensing companies and agents to transact business;
- calculating the value of assets to determine compliance with statutory requirements;
- mandating certain insurance benefits;
- regulating certain premium rates;

- reviewing and approving policy forms;
- regulating unfair trade and claims practices, including through the imposition of restrictions on marketing and sales practices, distribution arrangements and payment of inducements;
- establishing statutory capital and reserve requirements and solvency standards;
- fixing maximum interest rates on insurance policy loans and minimum rates for guaranteed crediting rates on life insurance policies and annuity contracts;
- approving changes in control of insurance companies;
- restricting the payment of dividends and other transactions between affiliates; and
- regulating the types, amounts and valuation of investments.

State insurance regulators and the National Association of Insurance Commissioners, or NAIC, regularly re-examine existing laws and regulations applicable to insurance companies and their products. Changes in these laws and regulations are often made for the benefit of the consumer at the expense of the insurer and thus could have an adverse effect on our financial condition and results of operations.

Our mortgage insurance business is subject to additional laws and regulations. For a discussion of the risks associated with those laws and regulations, see "—Risks Relating to Our Mortgage Insurance Business—Changes in regulations that affect the mortgage insurance business could affect our operations significantly and could reduce the demand for mortgage insurance."

Currently, the U.S. federal government does not regulate directly the business of insurance. However, federal legislation and administrative policies in several areas can significantly and adversely affect insurance companies. These areas include financial services regulation, securities regulation, pension regulation, privacy, tort reform legislation and taxation. In addition, legislation has been introduced in the U.S. Senate, which, if enacted, would establish comprehensive and exclusive federal regulation over all "interstate insurers." This legislation would repeal the McCarran-Ferguson antitrust exemption for the business of insurance. It would also establish a Federal Insurance Regulatory Commission within the Department of Commerce that would have exclusive regulatory jurisdiction over life and property and casualty insurers that do business in more than one U.S. jurisdiction. The legislation would establish comprehensive federal regulatory oversight over such insurers, including licensing, solvency supervision, accounting and auditing practices, form and rate approval, and market conduct examination. In particular, the legislation would provide for price regulation of life insurance products, which is not now a feature of state regulation of life insurance and could affect the profitability of this business. The legislation also would establish a National Insurance Guaranty Fund which may be empowered to collect pre-funded assessments that are different from, and potentially greater than, current state guaranty fund assessment levels.

The Federal Trade Commission and the Federal Communications Commission have promulgated regulations governing telemarketing practices, including the implementation of a national Do-Not-Call Registry. These regulations require telemarketers under the jurisdiction of either agency to consult the Do-Not-Call Registry periodically and to remove from telemarketing lists any telephone numbers on that registry before making telemarketing calls. Under the McCarran-Ferguson Act, insurers are not subject to these regulations to the extent that their telemarketing activities constitute the "business of insurance" regulated by state law. Nevertheless, we believe it is not clear whether either agency will attempt to assert jurisdiction over any insurer that engages in telemarketing activities. We believe these regulations already have had an adverse effect, and may have a further adverse effect, on our sales of insurance products, such as long-term care insurance, that we market partly through telemarketing calls.

Our international operations are subject to regulation in the relevant jurisdictions in which they operate, which in many ways is similar to that of the state regulation outlined above. See "Regulation—International Regulation."

Many of our customers and independent sales intermediaries also operate in regulated environments. Changes in the regulations that affect their operations also may affect our business relationships with them and their ability to purchase or to distribute our products. Accordingly, these changes could have an adverse effect on our financial condition and results of operation.

Compliance with applicable laws and regulations is time consuming and personnel-intensive, and changes in these laws and regulations may increase materially our direct and indirect compliance and other expenses of doing business, thus having an adverse effect on our financial condition and results of operations. For a further discussion of the regulatory framework in which we operate, see "Regulation."

Legal and regulatory investigations and actions are common in the insurance business and may result in financial losses and harm our reputation.

We face significant risks of litigation and regulatory investigations and actions in connection with our activities as an insurer, financial services provider, employer, investment adviser, securities issuer, investor and taxpayer. These lawsuits and regulatory actions may be difficult to assess or quantify and may seek recovery of very large or indeterminate amounts, including punitive and treble damages, which may remain unknown for substantial periods of time. A substantial legal liability or a significant regulatory action against us could have an adverse effect on our financial condition and results of operations. Moreover, even if we ultimately prevail in the litigation, regulatory action or investigation, we could suffer significant reputational harm, which could have an adverse effect on our business.

Life insurance companies historically have been subject to substantial litigation resulting from policy disputes and other matters. Most recently, they have faced extensive claims, including class-action lawsuits, alleging improper life insurance sales practices. Judgments or negotiated settlements of such claims have had an adverse impact on the financial condition and results of operations of other insurance companies. We recently agreed to settle one such case and have established what we believe are adequate reserves to bring the matter to a conclusion. Substantial legal liability in any of these or future legal or regulatory actions could have an adverse financial effect or cause significant reputational harm. For further details regarding the litigation in which we are involved, see "Business—Legal Proceedings."

We have significant operations in India that could be adversely affected by changes in the political or economic stability of India or government policies in India, the U.S. or Europe.

Through an arrangement with an affiliate of GE, we have a substantial team of professionals in India who provide a variety of services to our insurance operations, including customer service, transaction processing, and functional support including finance, investment research, actuarial, risk and marketing. See "Arrangements Between GE and Our Company—Relationship with GE—Arrangements Regarding Our Operations in India." The development of our operations center in India has been facilitated partly by the liberalization policies pursued by the Indian government over the past decade. The current government of India, formed in October 1999, has announced policies and taken initiatives that support the continued economic liberalization policies that have been pursued by previous governments. However, we cannot assure you that these liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting our business could change as well. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

The political climate in the U.S. also could change so that it would not be practical for us to use international operations centers, such as call centers. This could adversely affect our ability to maintain or create low-cost operations outside the U.S. For example, a bill recently introduced in the U.S. Senate, entitled "The Call Center Consumer's Right To Know Act," would, if enacted, require employees of call centers used by a U.S. company to disclose their physical location at the beginning of each telephone call. An identical bill recently was introduced in the U.S. House of Representatives. Similar legislation also is pending in several states in which we operate. We believe the intent of this legislation is to alert consumers to the use of call centers that are located outside the U.S. If enacted, this legislation could result in consumer pressure to curtail our use of low-cost operations outside the U.S., which could reduce the cost benefits we currently realize from using them.

Similarly, the political or regulatory climate in Europe could change in ways which would inhibit our ability to use international operations centers. For example, changes in European privacy regulations, or more stringent interpretation or enforcement of these regulations, could require us to curtail our use of low-cost operations in India to service our European businesses, which could reduce the cost benefits we currently realize from using these operations.

The continued threat of terrorism, the occurrence of terrorist acts and ongoing military actions could adversely affect our financial condition and results of operations.

The continued threat of terrorism and ongoing military actions, as well as heightened security measures in response to these threats and actions, may cause significant volatility in global financial markets, disruptions to commerce and reduced economic activity. These consequences could have an adverse effect on the value of the assets in our investment portfolio. We cannot predict whether, and the extent to which, companies in which we maintain investments may suffer losses as a result of financial, commercial or economic disruptions, or how any such disruptions might affect the ability of those companies to pay interest or principal on their securities. The continued threat of terrorism also could result in increased reinsurance prices and potentially cause us to retain more risk than we otherwise would retain if we were able to obtain reinsurance at lower prices. In addition, the occurrence of terrorist actions could result in higher claims under our insurance policies than we had anticipated. For example, we incurred approximately $25 million in losses related to the terrorist events of September 11, 2001.

Risks Relating to Our Protection and Retirement Income and Investments Segments

We may face losses if morbidity rates, mortality rates or unemployment rates differ significantly from our pricing expectations.

We set prices for our life insurance, long-term care insurance, European payment protection insurance and some annuity products based upon expected claims and payment patterns, using assumptions for morbidity rates, or likelihood of sickness, and mortality rates, or likelihood of death, of our policyholders and contractholders. The long-term profitability of these products depends upon how our actual experience compares with our pricing assumptions. For example, if morbidity rates are higher, or mortality rates are lower, than our pricing assumptions, we could be required to make greater payments under long-term care insurance policies and annuity contracts than we had projected. Conversely, if mortality rates are higher than our pricing assumptions, we could be required to make greater payments under our life insurance and European payment protection policies and annuity contracts with guaranteed minimum death benefits than we had projected.

The risk that our claims experience may differ significantly from our pricing assumptions is particularly significant for our long-term care insurance products. Long-term care insurance policies provide for long-duration coverage and, therefore, our actual claims experience will emerge over many years after pricing assumptions have been established. Moreover, as a relatively new product in the market, long-term care insurance does not have the extensive claims experience history of life insurance, and as a result, our ability to forecast future claim rates for long-term care insurance is more limited than for life insurance.

We use assumptions regarding unemployment levels in pricing our European payment protection insurance. If those unemployment levels are higher than our pricing assumptions, the claims frequency could be higher for our European payment protection insurance business than we had projected.

We may be required to accelerate the amortization of deferred acquisition costs and the present value of future profits, which would increase our expenses and reduce profitability.

Deferred acquisition costs, or DAC, represent costs which vary with and are primarily related to the sale and issuance of our insurance policies and investment contracts that are deferred and amortized over the estimated life of the related insurance policies. These costs include commissions in excess of ultimate renewal commissions, direct mail and printing costs, sales material and some support costs, such as underwriting and policy and contract issuance expenses. Under U.S. GAAP, DAC is deferred and recognized over the expected life of the policy or contract in relation to either the premiums or gross profits from that policy or contract. In addition, when we acquire a block of insurance policies or investment contracts, we assign a portion of the purchase price to the right to receive future net cash flows from existing insurance and investment contracts and policies. This intangible asset, called the present value of future profits, or PVFP, represents the actuarially estimated present value of future cash flows from the acquired policies. We amortize the value of this intangible asset in a manner similar to the amortization of DAC.

Our amortization of DAC and PVFP generally depends upon anticipated profits from investments, surrender and other policy and contract charges and mortality and maintenance expense margins. Unfavorable experience with regard to expected expenses, investment returns, mortality, morbidity or withdrawals or lapses may cause us to accelerate the amortization of DAC or PVFP, or both, or to record a charge to increase benefit reserves.

We regularly review DAC and PVFP to determine if they are recoverable from future income. If these costs are not recoverable, they are charged to expenses in the financial period in which we make this determination. For example, if we determine that we are unable to recover DAC from profits over the life of a block of insurance policies or annuity contracts, or if withdrawals or surrender charges associated with early withdrawals do not fully offset the unamortized acquisition costs related to those policies or annuities, we would be required to recognize the additional DAC amortization as a current-period expense. In recent years, the portion of estimated product margins required to amortize DAC and PVFP has increased in most of our lines of business, with the most significant impact on investment products, primarily as the result of lower investment returns. We also regularly review the recoverability of PVFP for impairment. As of December 31, 2003 and 2002, respectively, we had $5.8 billion and $5.3 billion of DAC, and $1.2 billion and $1.3 billion of PVFP. We amortized $1.3 billion of DAC and PVFP as a current-period expense for the year ended December 31, 2003, compared to $1.2 billion for the year ended December 31, 2002 and $1.2 billion for the year ended December 31, 2001.

We may be required to recognize impairment in the value of our goodwill, which would increase our expenses and reduce our profitability.

Goodwill represents the excess of the amount we paid to acquire our subsidiaries and other businesses over the fair value of their net assets at the date of the acquisition. Under U.S. GAAP, we test the carrying value of goodwill for impairment at least annually at the "reporting unit" level, which is either an operating segment or a business one level below the operating segment. Goodwill is impaired if the fair value of the reporting unit as a whole is less than the fair value of the identifiable assets and liabilities of the reporting unit, plus the carrying value of goodwill, at the date of the test. For example, goodwill may become impaired if the fair value of a reporting unit as a whole were to decline by an amount greater than the decline in the value of its individual identifiable assets and liabilities. This may occur for various reasons, including changes in actual or expected earnings or cash flows of a reporting unit, generation of earnings by a reporting unit at a lower rate of return than similar businesses or declines in market prices for publicly traded businesses similar to our reporting units. If any portion of our goodwill becomes impaired, we would be required to recognize the amount of the impairment as a current-period expense. When we adopted Statement of Financial Accounting Standards 142 with respect to recognizing impairment of goodwill, effective January 1, 2002, we recognized a $376 million impairment, net of tax, relating to our domestic auto and homeowners' insurance business (included in discontinued operations), primarily as a result of heightened price competition in the auto insurance industry.

Our reputation in the long-term care insurance market may be adversely affected if we were to raise premiums on our in-force long-term care insurance products.

Unlike several of our competitors, we have never increased premiums on any in-force long-term care policies that we have issued. Although the terms of all our long-term care insurance policies permit us to increase premiums during the premium-paying period, any implementation of a premium increase could have an adverse effect on our reputation, our ability to market and sell new long-term care insurance products and our ability to retain existing policyholders.

Genetic mapping research and other medical advances could adversely affect the financial performance of our life insurance, long-term care insurance and annuities businesses.

Genetic mapping research includes procedures focused on identifying key genes that render an individual predisposed to specific diseases, such as cancer or Alzheimer's disease. Other medical advances, such as diagnostic imaging technologies, also may be used to detect the early onset of diseases such as cancer and heart disease. We believe that if individuals learn through genetic testing or other medical advances that they are predisposed to particular conditions that may reduce life longevity or require long-term care, they will be more likely to purchase our life and long-term care insurance policies or not to permit existing polices to lapse. In contrast, if individuals learn that they are genetically unlikely to develop the conditions that reduce longevity or require long-term care, they will be less likely to purchase our life and long-term care insurance products, but more likely to purchase certain annuity products. In addition, such individuals that are existing policyholders will be more likely to permit their policies to lapse.

If we were to gain access to the same genetic or other medical information as our prospective policyholders and contractholders, then we would be able to take this information into account in pricing our life and long-term care insurance policies and annuity contracts. However, there are a number of regulatory proposals that would make genetic and other medical information confidential and unavailable to insurance companies. For example, the U.S. Senate recently passed and sent to the U.S. House of Representatives a bill that would prohibit group health plans, health insurers and employers from making enrollment decisions or adjusting premiums on the basis of genetic testing information. Health plans and health insurers also would be prohibited from requiring genetic testing. The Bush Administration has expressed support for the legislation. However, the House has not taken action on the legislation, and it is not clear whether the bill will be enacted or whether life or long-term care insurance underwriting also would be affected by the final legislation. Legislators in certain states have recently introduced similar legislation. If these regulatory proposals were enacted, prospective policyholders and contractholders would only disclose this information if they chose to do so voluntarily. These factors could lead us to reduce sales of products affected by these regulatory proposals and could result in a deterioration of the risk profile of our portfolio, which could lead to payments to our policyholders and contractholders that are higher than we anticipated.

We may face losses if there are significant deviations from our assumptions regarding the future persistency of our insurance policies and annuity contracts.

The prices and expected future profitability of our life insurance, long-term care insurance, group life and health insurance and deferred annuity products are based in part upon expected patterns of premiums, expenses and benefits, using a number of assumptions, including those related to persistency, which is the probability that a policy or contract will remain in-force from one period to the next. The effect of persistency on profitability varies for different products. For most of our life insurance, group life and health insurance, and deferred annuity products, actual persistency that is lower than our persistency assumptions could have an adverse impact on profitability, especially in the early years of a policy or contract primarily because we would be required to accelerate the amortization of expenses we deferred in connection with the acquisition of the policy or contract. For the years ended December 31, 2003, 2002 and 2001, persistency in our life insurance and fixed annuity businesses has been slightly higher than assumed, while persistency in our variable annuity and group life and health insurance businesses has been slightly lower than we had assumed.

For our long-term care insurance and some other health insurance policies, actual persistency in later policy durations that is higher than our persistency assumptions could have a negative impact on profitability. If these policies remain in-force longer than we assumed, then we could be required to make greater benefit payments than we had anticipated when we priced these products. This risk is particularly significant in our long-term care insurance business because we do not have the experience history that we have in many of our other businesses. As a result, our ability to predict persistency for long-term care insurance is more limited than for many other products. Some of our long-term care insurance policies have experienced higher persistency than we had assumed, which has resulted in adverse claims experience.

Because our assumptions regarding persistency experience are inherently uncertain, reserves for future policy benefits and claims may prove to be inadequate if actual persistency experience is different from those assumptions. Although some of our products permit us to increase premiums during the life of the policy or contract, we cannot guarantee that these increases would be sufficient to maintain profitability. Moreover, many of our products do not permit us to increase premiums or limit those increases during the life of the policy or contract. Significant deviations in experience from pricing expectations regarding persistency could have an adverse effect on the profitability of our products.

Regulation XXX may have an adverse effect on our financial condition and results of operations by requiring us to increase our statutory reserves for term life and universal life insurance or incur higher operating costs.

The Model Regulation entitled "Valuation of Life Insurance Policies," commonly known as "Regulation XXX," was promulgated by the NAIC and adopted by nearly all states as of January 1, 2001. It requires insurers to establish additional statutory reserves for term and universal life insurance policies with long-term premium guarantees. Virtually all our newly issued term and universal life insurance business is now affected by Regulation XXX.

In response to this regulation, we have increased term and universal life insurance statutory reserves and changed our premium rates for term and universal life insurance products. We also have implemented reinsurance and capital management actions to mitigate the impact of Regulation XXX. However, we cannot assure you that there will not be regulatory or other challenges to the actions we have taken to date. The result of those challenges could require us to increase statutory reserves or incur higher operating costs.

We also cannot assure you that we will be able to continue to implement actions to mitigate the impact of Regulation XXX on future sales of term and universal life insurance products. If we are unable to continue to implement those actions, we may be required to increase statutory reserves or incur higher operating costs than we currently anticipate. We also may have to implement measures that may be disruptive to our business. For example, because term and universal life insurance are particularly price-sensitive products, any increase in premiums charged on these products in order to compensate us for the increased statutory reserve requirements or higher costs of reinsurance may result in a significant loss of volume and adversely affect our life insurance operations.

Changes in tax laws could make some of our products less attractive to consumers.

Changes in tax laws could make some of our products less attractive to consumers. For example, in September 2001, the U.S. Congress enacted the Economic Growth and Taxpayer Relief Reconciliation Act of 2001. This act contains provisions that have significantly lowered individual income tax rates.

These reductions effectively reduce the benefits of federal income tax deferral on the build-up of value of life insurance and annuity products. The act also includes provisions that repeal the federal estate tax over a ten-year period. Some of these changes could reduce our sales of life insurance and annuity products and result in the increased surrender of these products.

In May 2003, U.S. President George Bush signed into law the Jobs and Growth Tax Relief Reconciliation Act of 2003, which reduced the federal income tax that investors are required to pay on long-term capital gains and on some dividends paid on stock. This reduction may provide an incentive for some of our customers and potential customers to shift assets into mutual funds and away from products, including annuities, designed to defer taxes payable on investment returns. Because the income taxes payable on long-term capital gains and some dividends paid on stock have been reduced, investors may decide that the tax-deferral benefits of annuity contracts are less advantageous than the potential after-tax income benefits of mutual funds or other investment products that provide dividends and long-term capital gains. A shift away from annuity contracts and other tax-deferred products would reduce our income from sales of these products, as well as the assets upon which we earn investment income.

We cannot predict whether any other legislation will be enacted, what the specific terms of any such legislation will be or how, if at all, this legislation or any other legislation could have an adverse effect on our financial condition and results of operations.

Changes in U.S. federal and state securities laws may affect our operations and our profitability.

U.S. federal and state securities laws apply to investment products that are also "securities," including variable annuities and variable life insurance policies. As a result, some of our subsidiaries and the policies and contracts they offer are subject to regulation under these federal and state securities laws. Our insurance subsidiaries' separate accounts are registered as investment companies under the Investment Company Act of 1940. Some variable annuity contracts and variable life insurance policies issued by our insurance subsidiaries also are registered under the Securities Act of 1933. Other subsidiaries are registered as broker-dealers under the Securities Exchange Act of 1934 and are members of, and subject to, regulation by the National Association of Securities Dealers, Inc. In addition, some of our subsidiaries also are registered as investment advisers under the Investment Advisers Act of 1940.

Securities laws and regulations are primarily intended to ensure the integrity of the financial markets and to protect investors in the securities markets or investment advisory or brokerage clients. These laws and regulations generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the conduct of business for failure to comply with those laws and regulations. Changes to these laws or regulations that restrict the conduct of our business could have an adverse effect on our financial condition and results of operations.

Risks Relating to Our Mortgage Insurance Segment

Fannie Mae, Freddie Mac and a small number of large mortgage lenders exert significant influence over the U.S. mortgage insurance market.

Our mortgage insurance products protect mortgage lenders and investors from default-related losses on residential first mortgage loans made primarily to home buyers with high loan-to-value mortgages—generally, those home buyers who make down payments of less than 20% of their home's purchase price. The largest purchasers of mortgage loans in the U.S. are Fannie Mae and Freddie Mac, which were created by Congressional charter to ensure that mortgage lenders have sufficient funds to continue to finance home purchases. In 2003, Fannie Mae purchased approximately 38% of all the mortgage loans originated in the U.S., and Freddie Mac purchased approximately 22%, according to statistics published by *Inside the GSEs*. Fannie Mae's and Freddie Mac's charters generally prohibit them from purchasing any mortgage with a face amount that exceeds 80% of the home's value, unless that mortgage is insured by a qualified insurer or the mortgage seller retains at least a 10%

participation in the loan or agrees to repurchase the loan in the event of default. As a result, high loan-to-value mortgages purchased by Fannie Mae or Freddie Mac generally are insured with private mortgage insurance. These provisions in Fannie Mae's and Freddie Mac's charters create much of the demand for private mortgage insurance in the U.S. For the year ended December 31, 2003, Fannie Mae and Freddie Mac purchased approximately 68% of the mortgage loans that we insured. As a result, a change in these provisions could have an adverse effect on our financial condition and results of operations.

In addition, increasing consolidation among mortgage lenders in recent years has resulted in significant customer concentration for mortgage insurers. Ten mortgage lenders accounted for approximately 48% of our flow new insurance written for the year ended December 31, 2003, compared to approximately 40% for the year ended December 31, 1998, and flow insurance premiums received from these lenders represented approximately 46% of the flow insurance premiums we received for the year ended December 31, 2003, compared to 36% for the year ended December 31, 1998.

As a result of the significant concentration in mortgage originators and purchasers, Fannie Mae, Freddie Mac and the largest mortgage lenders possess substantial market power which enables them to influence our business and the mortgage insurance industry in general. Although we actively monitor and develop our relationships with Fannie Mae, Freddie Mac and our largest mortgage lending customers, a deterioration in any of these relationships, or the loss of business from any of our key customers, could have an adverse effect on our financial condition and results of operations.

Our mortgage insurance business is one of the members of the Mortgage Insurance Companies of America, or MICA. In 1999, several large mortgage lenders and a coalition of financial services and housing-related trade associations, including MICA, formed FM Watch, now known as FM Policy Focus, a lobbying organization that supports expanded federal oversight and legislation relating to the role of Fannie Mae and Freddie Mac. Fannie Mae and Freddie Mac have criticized and lobbied against the positions taken by FM Policy Focus. These lobbying activities could, among other things, polarize Fannie Mae, Freddie Mac and members of FM Policy Focus. As a result of this possible polarization, our relationships with Fannie Mae and Freddie Mac may limit our opportunities to do business with some mortgage lenders, and our relationships with mortgage lenders who are members of FM Policy Focus may limit our ability to do business with Fannie Mae and Freddie Mac, as well as with mortgage lenders who are not members of FM Policy Focus and are opposed to these efforts. Any of these outcomes could have an adverse effect on our financial condition and results of operations.

A decrease in the volume of high loan-to-value home mortgage originations or an increase in the volume of mortgage insurance cancellations could result in a decline in our revenue.

We provide mortgage insurance primarily for high loan-to-value mortgages. Factors that could lead to a decrease in the volume of high loan-to-value mortgage originations include:

- a change in the level of home mortgage interest rates;
- a decline in economic conditions generally, or in conditions in regional and local economies;
- the level of consumer confidence, which may be adversely affected by economic instability, war or terrorist events;
- declines in the price of homes;
- adverse population trends, including lower homeownership rates;
- high rates of home price appreciation, which in times of heavy refinancing affect whether refinanced loans have loan-to-value ratios that require mortgage insurance; and
- changes in government housing policy encouraging loans to first-time homebuyers.

A decline in the volume of high loan-to-value mortgage originations would reduce the demand for mortgage insurance and, therefore, could have an adverse effect on our financial condition and results of operations.

In addition, a significant percentage of the premiums we earn each year in our U.S. mortgage insurance business are renewal premiums from insurance policies written in previous years. We estimate that approximately 70% of our gross premiums written for the year ended December 31, 2003 were renewal premiums. As a result, the length of time insurance remains in force is an important determinant of our mortgage insurance revenues. Fannie Mae, Freddie Mac and many other mortgage investors in the U.S. generally permit a homeowner to ask his loan servicer to cancel his mortgage insurance when the principal amount of the mortgage falls below 80% of the home's value. Factors that tend to reduce the length of time our mortgage insurance remains in force include:

- declining interest rates, which may result in the refinancing of the mortgages underlying our insurance policies with new mortgage loans that may not require mortgage insurance or that we do not insure;
- significant appreciation in the value of homes, which causes the size of the mortgage to decrease below 80% of the value of the home and enables the borrower to request cancellation of the mortgage insurance; and
- changes in mortgage insurance cancellation requirements under applicable federal law or mortgage insurance cancellation practices by mortgage lenders and investors.

These factors contributed to an increase in our policy cancellation rates from 43% for the year ended December 31, 2002 to 54% for the year ended December 31, 2003. A further increase in the volume of mortgage insurance cancellations in the U.S. generally would reduce the amount of our insurance in force and have an adverse effect on our financial condition and results of operations. These factors are less significant in our non-U.S. operations because we generally receive a single payment for mortgage insurance at the time a loan closes, and this premium typically is not refundable if the policy is canceled.

Continued increases in the volume of "simultaneous second" mortgages could have an adverse effect on the U.S. market for mortgage insurance.

High loan-to-value mortgages can consist of two simultaneous loans, known as "simultaneous seconds," comprising a first mortgage with a loan-to-value ratio of 80% and a simultaneous second mortgage for the excess portion of the loan, instead of a single mortgage with a loan-to-value ratio of more than 80%. Simultaneous second loans are often known as "80-10-10 loans" because they frequently consist of a first mortgage with an 80% loan-to-value ratio, a second mortgage with a 10% loan-to-value ratio and the remaining 10% paid in cash by the buyer, rather than a single mortgage with a 90% loan-to-value ratio.

Over the past several years, the volume of simultaneous seconds as an alternative to loans requiring mortgage insurance has increased substantially. We believe this recent increase in simultaneous second loans reflects the following factors:

- the lower monthly cost of simultaneous second loans compared to the cost of mortgage insurance, as a result of the current low-interest-rate environment and the emerging popularity of 15- and 30-year amortizing simultaneous seconds;
- the tax deductibility in most cases of interest on a second mortgage, in contrast to the non-deductibility of mortgage insurance payments; and
- negative consumer, broker and realtor perceptions about mortgage insurance.

Further increases in the volume of simultaneous seconds may cause corresponding decreases in the use of mortgage insurance for high loan-to-value mortgages, which could have an adverse effect on our financial condition and results of operations.

The amount of mortgage insurance we write could decline significantly if mortgage lenders and investors select other alternatives to private mortgage insurance to protect against default risk or if lenders select lower coverage levels of mortgage insurance.

Lenders may seek to mitigate their mortgage default risks through a variety of alternatives to private mortgage insurance other than simultaneous second mortgages. These alternatives include:

- using government mortgage insurance programs, including those of the FHA, the VA and Canada Mortgage and Housing Corporation, or CMHC;
- holding mortgages in their own loan portfolios and self-insuring;
- using programs, such as those offered by Fannie Mae and Freddie Mac, requiring lower mortgage insurance coverage levels;
- originating and securitizing loans in mortgage-backed securities whose underlying mortgages are not insured with private mortgage insurance or which are structured so that the risk of default lies with the investor, rather than a private mortgage insurer; and
- using credit default swaps or similar instruments, instead of private mortgage insurance, to transfer credit risk on mortgages.

A decline in the use of private mortgage insurance in connection with high loan-to-value home mortgages for any reason would reduce the size of the mortgage insurance market and could have an adverse effect on our financial condition and results of operations.

Our claims expenses would increase and our results of operations would suffer if the rate of defaults on mortgages covered by our mortgage insurance increases or the severity of such defaults exceeds our expectations.

Our premium rates vary depending upon the perceived risk of a claim on the insured loan and take into account factors such as the loan-to-value ratio, our long-term historical loss experience, whether the mortgage provides for fixed payments or variable payments, the term of the mortgage and the borrower's credit history. We establish renewal premium rates for the life of a mortgage insurance policy upon issuance, and we cannot cancel the policy or adjust the premiums after the policy is issued. As a result, we cannot offset the impact of unanticipated claims with premium increases on policies in force, and we cannot refuse to renew mortgage insurance coverage. The premiums we agree to charge upon writing a mortgage insurance policy may not adequately compensate us for the risks and costs associated with the coverage we provide for the entire life of that policy.

The long-term profitability of our mortgage insurance business depends upon the accuracy of our pricing assumptions. If defaults on mortgages increase because of an economic downturn or for reasons we failed to take into account adequately, we would be required to make greater claim payments than we planned when we priced our policies. Future claims on our mortgage insurance policies may not match the assumptions made in our pricing. An increase in the amount or frequency of claims beyond the levels contemplated by our pricing assumptions could have an adverse effect on our financial condition and results of operations. In recent years, our results of operations have benefited from historically low loss ratios because of significant home price appreciation and low levels of defaults. Increases from these recent historic lows could have an adverse effect on our financial condition and results of operations.

As of December 31, 2003, approximately 79% of our risk in force had not yet reached its anticipated highest claim frequency years, which are generally between the third and seventh year of the loan. As a result, we expect our loss experience on these loans will increase as policies continue to age. If the claim frequency on the risk in force significantly exceeds the claim frequency that was assumed in setting premium rates, our financial condition, results of operations and cash flows would be adversely affected.

A deterioration in economic conditions may adversely affect our loss experience in mortgage insurance.

Losses in our mortgage insurance business generally result from events, such as unemployment, divorce or illness, that reduce a borrower's ability to continue to make mortgage payments. The amount of the loss we suffer, if any, depends in part on whether the home of a borrower who defaults on a mortgage can be sold for an amount that will cover unpaid principal and interest and the expenses of the sale. A deterioration in economic conditions generally increases the likelihood that borrowers will not have sufficient income to pay their mortgages and can also adversely affect housing values, which increases our risk of loss.

A substantial economic downturn across the entire U.S. could have a significant adverse effect on our financial condition and results of operations. We also may be particularly affected by economic downturns in states where a large portion of our business is concentrated. As of December 31, 2003, approximately 51% of our risk in force was concentrated in 10 states, with 8% in Florida, 7% in California and 7% in Texas. Similarly, our mortgage insurance operations in Canada, Australia and the U.K. are concentrated in the largest cities in those countries. Continued and prolonged adverse economic conditions in these states or cities could result in high levels of claims and losses, which could have an adverse effect on our financial condition and results of operations.

A significant portion of our risk in force consists of loans with high loan-to-value ratios, which generally result in more and larger claims than loans with lower loan-to-value ratios.

Mortgage loans with higher loan-to-value ratios typically have claim incidence rates substantially higher than mortgage loans with lower loan-to-value ratios. In our U.S. mortgage insurance business as of December 31, 2003:

- 13% of our risk in force consisted of mortgage loans with original loan-to-value ratios greater than 95%;
- 42% of our risk in force consisted of mortgage loans with original loan-to-value ratios greater than 90% but less than or equal to 95%;
- 42% of our risk in force consisted of mortgage loans with original loan-to-value ratios greater than 80% but less than or equal to 90%; and
- 3% of our risk in force consisted of mortgage loans with original loan-to-value ratios less than or equal to 80%.

In Canada, Australia and New Zealand, the risks of having a portfolio with a significant portion of high loan-to-value mortgages are greater than in the U.S. and Europe because we generally agree to cover 100% of the losses associated with mortgage defaults in those markets, compared to percentages in the U.S. and Europe that are typically 12% to 35% of the loan amount. In our non-U.S. mortgage insurance business as of December 31, 2003:

- less than 1% of our risk in force consisted of mortgage loans with original loan-to-value ratios greater than 95%;
- 27% of our risk in force consisted of mortgage loans with original loan-to-value ratios greater than 90% but less than or equal to 95%;
- 36% of our risk in force consisted of mortgage loans with original loan-to-value ratios greater than 80% but less than or equal to 90%; and
- 37% of our risk in force consisted of mortgage loans with original loan-to-value ratios less than or equal to 80%.

Although mortgage insurance premiums for higher loan-to-value ratio loans generally are higher than for loans with lower loan-to-value ratios, the difference in premium rates may not be sufficient to compensate us for the enhanced risks associated with mortgage loans bearing higher loan-to-value ratios.

We cede a portion of our U.S. mortgage insurance business to mortgage reinsurance companies affiliated with our mortgage lending customers, and this reduces our profitability; recent changes in our ceding policies are likely to result in a reduction in business from some lenders.

We, like other mortgage insurers, offer opportunities to our mortgage lending customers that are designed to allow them to participate in the risks and rewards of the mortgage insurance business. Many of the major mortgage lenders with which we do business have established captive mortgage reinsurance subsidiaries. These reinsurance subsidiaries assume a portion of the risks associated with the lender's insured mortgage loans in exchange for a percentage of the premiums. In most cases, our reinsurance coverage is an "excess of loss" arrangement with a limited band of exposure for the reinsurer. This means that we are required to pay the first layer of losses arising from defaults in the covered mortgages, the reinsurer indemnifies us for the next layer of losses, and we pay any losses in excess of the reinsurer's obligations. The effect of these arrangements historically has been a reduction in the profitability and return on capital of this business to us. Approximately 75% of our primary new risk written as of December 31, 2003 was subject to captive mortgage reinsurance, compared to approximately 77% as of December 31, 2002 and 61% as of December 31, 2001. Premiums ceded to these reinsurers were approximately $139 million, $113 million and $76 million for the years ended December 31, 2003, 2002 and 2001, respectively.

Most large mortgage lenders have developed reinsurance operations that obtain net premium cessions from mortgage insurers of 25% to 40%. To increase our return on capital, we announced in August 2003 that, effective January 1, 2004, we generally would not renew, on their existing terms, our existing excess-of-loss risk sharing arrangements with net premium cessions in excess of 25%. We expect that these actions will result in a significant reduction in business from these lenders.

If efforts by Fannie Mae and Freddie Mac to reduce the need for mortgage insurance are successful, they could adversely affect the results of our U.S. mortgage insurance business.

Freddie Mac has sought changes to the provisions of its Congressional charter that requires private mortgage insurance for low-down-payment mortgages and has lobbied the U.S. Congress for amendments that would permit Fannie Mae and Freddie Mac to use alternative forms of default loss protection or otherwise forego the use of private mortgage insurance. In October 1998, the U.S. Congress passed legislation to amend Freddie Mac's charter to give it flexibility to use alternative structures to protect against mortgage default. Although this charter amendment was quickly repealed, we cannot predict whether similar legislation may be proposed or enacted in the future.

Fannie Mae and Freddie Mac have the ability to implement new eligibility requirements for mortgage insurers. They also have the authority to increase or reduce required mortgage insurance coverage percentages and to alter or liberalize underwriting standards on low-down-payment mortgages they purchase. We cannot predict the extent to which any new requirements may be enacted or how they may affect the operations of our mortgage insurance business, our capital requirements and our products.

In light of recent events concerning Freddie Mac's accounting disclosures and other matters, we believe regulatory changes governing the operations of Freddie Mac, Fannie Mae and other government-sponsored enterprises could occur. We cannot predict what the nature of these changes will be or what effect they may have on our business.

Changes in the policies of the Federal Home Loan Banks could reduce the demand for U.S. mortgage insurance.

The Federal Home Loan Banks, or FHLBs, purchase single-family conforming mortgage loans originated by participating member institutions. Although the FHLBs are not required to purchase insurance for mortgage loans, they currently use mortgage insurance on substantially all mortgage loans with a loan-to-value ratio above 80% and have become a source of increasing new business for us. If the FHLBs were to purchase uninsured mortgage loans or increase the loan-to-value ratio threshold above which they require mortgage insurance, the market for mortgage insurance could decrease, and our mortgage insurance business could be adversely affected.

We compete with government-owned and government-sponsored entities in our mortgage insurance business, and this may put us at a competitive disadvantage on pricing and other terms and conditions.

Our mortgage insurance business competes with many different government-owned and government-sponsored entities in the U.S., Canada and some European countries. In the U.S., these entities include principally the FHA and, to a lesser degree, the VA, Fannie Mae and Freddie Mac, as well as local and state housing finance agencies. In Canada, we compete with the CMHC, a Crown corporation owned by the Canadian government. In Europe, these entities include public mortgage guarantee facilities in The Netherlands, Sweden, Finland and Italy.

Those competitors may establish pricing terms and business practices that may be influenced by motives such as advancing social housing policy or stabilizing the mortgage lending industry, which may not be consistent with maximizing return on capital or other profitability measures. In addition, those governmental entities typically do not have the same capital requirements that we and other mortgage insurance companies have and therefore may have financial flexibility in their pricing and capacity that could put us at a competitive disadvantage in some respects. In the event that a government-owned or sponsored entity in one of our markets determines to reduce prices significantly or alter the terms and conditions of its mortgage insurance or other credit enhancement products in furtherance of social or other goals rather than a profit motive, we may be unable to compete in that market effectively, which could have an adverse effect on our financial condition and results of operations.

We compete in Canada with the CMHC, which is owned by the Canadian government and, as a sovereign entity, provides mortgage lenders with 100% capital relief from applicable bank regulatory requirements on loans that it insures. In contrast, lenders receive only 90% capital relief on loans we insure. CMHC also operates the Canadian Mortgage Bond Program, which provides lenders the ability to efficiently guaranty and securitize their mortgage loan portfolios. If we are unable to effectively distinguish ourselves competitively with our Canadian mortgage lender customers, we may be unable to compete effectively with the CMHC as a result of the more favorable capital relief it can provide or the other products and incentives that it offers to lenders.

Changes in regulations that affect the mortgage insurance business could affect our operations significantly and could reduce the demand for mortgage insurance.

In addition to the general regulatory risks that are described above under "—Our insurance businesses are heavily regulated, and changes in regulation may reduce our profitability and limit our growth," we are also affected by various additional regulations relating particularly to our mortgage insurance operations.

U.S. federal and state regulations affect the scope of our competitors' operations, which has an effect on the size of the mortgage insurance market and the intensity of the competition in our mortgage insurance business. This competition includes not only other private mortgage insurers, but also U.S. federal and state governmental and quasi-governmental agencies, principally the FHA, and to a lesser degree, the VA, which are governed by federal regulations. Increases in the maximum loan amount that the FHA can insure, and reductions in the mortgage insurance premiums the FHA charges, can reduce the demand for private mortgage insurance. The FHA has also streamlined its down-payment formula and made FHA insurance more competitive with private mortgage insurance in areas with higher home prices. These and other legislative and regulatory changes could cause demand for private mortgage insurance to decrease.

Our U.S. mortgage insurance business, as a credit enhancement provider in the residential mortgage lending industry, also is subject to compliance with various federal and state consumer protection laws, including the Real Estate Settlement Procedures Act, the Equal Credit Opportunity

Act, the Fair Housing Act, the Homeowners Protection Act, the Federal Fair Credit Reporting Act, the Fair Debt Collection Practices Act and others. Among other things, these laws prohibit payments for referrals of settlement service business, require fairness and non-discrimination in granting or facilitating the granting of credit, require cancellation of insurance and refund of unearned premiums under certain circumstances, govern the circumstances under which companies may obtain and use consumer credit information, and define the manner in which companies may pursue collection activities. Changes in these laws or regulations could adversely affect the operations and profitability of our mortgage insurance business. For example, the Department of Housing and Urban Development is considering a rule that would exempt certain mortgages that provide a single price for a package of settlement services from the prohibition in the Real Estate Settlement Procedures Act, or RESPA, against payments for referrals of settlement service business. If mortgage insurance were included among the settlement services that, when offered as a package, would be exempt from this prohibition, then mortgage lenders would have greater leverage in obtaining business concessions from mortgage insurers.

The Office of Thrift Supervision recently amended its capital regulations to increase from 80% to 90% the loan-to-value threshold in the definition of a "qualifying mortgage loan." The capital regulations assign a lower risk weight to qualifying mortgage loans than to non-qualifying loans. As a result, these new regulations no longer penalize mortgage lenders for retaining loans that have loan-to-value ratios between 80% and 90% without credit enhancements. Other regulators, including the U.S. Federal Deposit Insurance Corporation, also have raised corresponding loan-to-value thresholds for qualifying mortgage loans from 80% to 90%.

Mortgage lenders may compete with mortgage insurers as a result of legislation that removed restrictions on affiliations between banks and mortgage insurers. The Graham-Leach-Bliley Act of 1999 permits the combination of banks, insurers, including mortgage insurers, and securities firms under one holding company. This legislation may increase competition by increasing the number, size and financial strength of potential competitors. In addition, mortgage lenders that establish captive reinsurance businesses or affiliate with competing mortgage insurers may reduce their purchases of our products.

Lenders and loan aggregators also have faced new liabilities and compliance risks posed by state and local laws which have been enacted in recent years to combat "predatory lending" practices. In February 2003 and March 2004, the Ney-Lucas Responsible Lending Act of 2003 and the Prohibit Predatory Lending Act of 2004, respectively, were introduced in the U.S. House of Representatives. These bills, if enacted, would, among other things, prohibit certain lending practices on high-cost mortgages and limit the liability of persons who comply with the law. It is unclear in what form, if any, either of these bills will be enacted or what impact they would have on our business and the mortgage lending, securitization, and insurance industries generally.

We have an agreement with the Canadian government under which it guarantees the benefits payable under a mortgage insurance policy, less 10% of the original principal amount of an insured loan, in the event that we fail to make claim payments with respect to that loan because of insolvency. This guarantee provides that the government has the right to review the terms of the guarantee in certain circumstances, including if GE's ownership of our Canadian mortgage insurance company decreases below 50%. GE has informed us that it expects to reduce its equity ownership of us to below 50% within two years of the completion of this offering. That disposition would permit the Canadian government to review the terms of its guarantee and could lead to a termination of the guarantee for any new insurance written after the termination. Although we believe the Canadian government will preserve the guarantee to maintain competition in the Canadian mortgage insurance industry, any adverse change in the guarantee's terms and conditions or termination of the guarantee could have an adverse effect on our ability to continue offering mortgage insurance products in Canada.

The Australian Prudential Regulatory Authority, or APRA, regulates all financial institutions in Australia, including general, life and mortgage insurance companies. APRA's license conditions require Australian mortgage insurance companies, including ours, to be mono-line insurers, which are insurance companies that offer just one type of insurance product. However, in November 2003, APRA announced that it is considering, and has sought comment on, a proposal to eliminate the requirement that mortgage insurance companies be mono-line insurers, which APRA believes could facilitate the entry of new competitors.

APRA currently is studying the adequacy of the capital requirements that govern lenders and mortgage insurers in Australia, particularly in the event of a severe recession accompanied by a significant decline in housing values. If APRA concludes that the capital requirements that currently govern mortgage insurers are not sufficient and decides to increase the amount of capital required for mortgage insurers, we may, depending on the amount of such increase, be required to increase the capital in our Australian mortgage insurance business. This would reduce our returns on capital from those operations.

Our U.S. mortgage insurance business could be adversely affected by legal actions under RESPA.

RESPA prohibits paying lenders for the referral of settlement services, including mortgage insurance. This precludes us from providing services to mortgage lenders free of charge, charging fees for services that are lower than their reasonable or fair market value, and paying fees for services that others provide that are higher than their reasonable or fair market value. A number of lawsuits, including some that were class actions, have challenged the actions of private mortgage insurers, including our company, under RESPA, alleging that the insurers have provided products or services at improperly reduced prices in return for the referral of mortgage insurance. We and several other mortgage insurers, without admitting any wrongdoing, reached a settlement in these cases, which includes an injunction that prohibited certain specified practices and details the basis on which mortgage insurers may provide agency pool insurance, captive mortgage reinsurance, contract underwriting and other products and services and be deemed to be in compliance with RESPA. The injunction expired on December 31, 2003, and it is not clear whether the expiration of the injunction will result in new litigation against private mortgage insurers, including us, to extend the injunction or to seek damages under RESPA. We also cannot predict whether our competitors will change their pricing structure or business practices after the expiration of the injunction, which could require us to alter our pricing structure or business practices in response to their actions or suffer a competitive disadvantage, or whether any services we or they provide to mortgage lenders could be found to violate RESPA, the current injunction or any future injunction that might be issued. In addition, U.S. federal and state officials are authorized to enforce RESPA and to seek civil and criminal penalties, and we cannot predict whether these proceedings might be brought against us or other mortgage insurers. Any such proceedings could have an adverse effect on our financial condition and results of operations.

Our U.S. mortgage insurance business could be adversely affected by legal actions under the Federal Fair Credit Reporting Act.

Two actions recently have been filed against us in Illinois, each seeking certification of a nationwide class of consumers who allegedly were required to pay for our private mortgage insurance at a rate higher than our "best available rate," based upon credit information we obtained. Each action alleges that the Federal Fair Credit Reporting Act, or the FCRA, requires notice to such borrowers and that we violated the FCRA by failing to give such notice. The plaintiffs in one action allege in the complaint that they are entitled to "actual damages" and "damages within the Court's discretion of not more than $1,000 for each separate violation" of the FCRA. The plaintiffs in the other action allege that they are entitled to "appropriate actual, punitive and statutory damages" and "such other or further relief as the Court deems proper." Similar cases are pending against six other mortgage insurers. We intend to vigorously defend against these actions, but we cannot predict their outcome.

Potential liabilities in connection with our U.S. contract underwriting services could have an adverse effect on our financial condition and results of operations.

We offer contract underwriting services to many of our mortgage lenders in the U.S., pursuant to which our employees and contractors work directly with the lender to determine whether a particular mortgage applicant's loan application complies with the lender's loan underwriting guidelines or the investor's loan purchase requirements. We also assist in compiling and submitting this data to the automated underwriting systems of Fannie Mae and Freddie Mac, which then independently analyze the data.

Under the terms of our contract underwriting agreements, we agree to indemnify the lender against losses incurred in the event that we make material errors in determining whether loans processed by our contract underwriters meet specified underwriting or purchase criteria. As a result, we assume credit and interest rate risk in connection with our contract underwriting services. Worsening economic conditions, a deterioration in the quality of our underwriting services or other factors could cause our contract underwriting liabilities to increase and have an adverse effect on our financial condition and results of operations. Although we have established reserves to provide for potential claims in connection with our contract underwriting services, we have limited historical experience that we can use to establish reserves for these potential liabilities, and these reserves may not be adequate to cover liabilities that may arise.

If the European mortgage insurance market does not grow as we expect, we will not be able to execute our strategy to expand our business into this market.

We have devoted resources to marketing our mortgage insurance products in Europe, and we plan to continue these efforts. Our growth strategy depends partly upon the development of favorable legislative and regulatory policies throughout Europe that support increased homeownership and provide capital relief for institutions that insure their mortgage loan portfolios with private mortgage insurance. In furtherance of these policies, we have collaborated with government agencies to develop bank regulatory capital requirements that provide incentives to lenders to implement risk transfer strategies such as mortgage insurance, as well as governmental policies that encourage homeownership as a wealth accumulation strategy for borrowers with limited resources to make large down payments. We have invested, and we will continue to invest, significant resources to advocate such a regulatory environment at the national and pan-European levels. However, if European legislative and regulatory agencies fail to adopt these policies, then the European markets for high loan-to-value lending and mortgage insurance may not expand as we currently anticipate, and our growth strategy in those markets may not be successful.

Risks Relating to Our Separation from GE

Our separation from GE could adversely affect our business and profitability due to GE's strong brand and reputation.

As a subsidiary of GE, our businesses have marketed many of their products using the "GE" brand name and logo, and we believe the association with GE has provided many benefits, including:

- a world-class brand associated with trust, integrity and longevity;
- perception of high-quality products and services;
- preferred status among our customers, independent sales intermediaries and employees;
- strong capital base and financial strength; and
- established relationships with U.S. federal and state and non-U.S. regulators.

Following this offering, our separation from GE could adversely affect our ability to attract and retain highly qualified independent sales intermediaries and dedicated sales specialists for our products. We may be required to lower the prices of our products, increase our sales commissions and fees, change long-term selling and marketing agreements and take other action to maintain our relationship with our independent sales intermediaries and our dedicated sales specialists, all of which could have an adverse effect on our financial condition and results of operations.

After our separation from GE, some of our existing policyholders, contractholders and other customers may choose to stop doing business with us, and this could increase our rate of surrenders and withdrawals in our policies and contracts. In addition, other potential policyholders and contractholders may decide not to purchase our products because we no longer will be a part of GE.

We cannot accurately predict the effect that our separation from GE will have on our sales intermediaries, customers or employees. The risks relating to our separation from GE could materialize at various times, including:

- immediately upon the completion of this offering and the concurrent offerings, when GE's beneficial ownership in our common stock will decrease to 70% (66% if the underwriters' over-allotment option is exercised in full);
- when GE reduces its ownership in our common stock to a level below 50%; and
- when we cease using the GE name and logo in our sales and marketing materials, particularly when we deliver notices to our distributors and customers that the names of some of our insurance subsidiaries will change.

We will only have the right to use the GE brand name and logo for a limited period of time. If we fail to establish in a timely manner a new, independently recognized brand name with a strong reputation, our revenue and profitability could decline.

Upon completion of this offering, our corporate name will be "Genworth Financial, Inc.," although we and our insurance and other subsidiaries may use the GE brand name and logo in marketing our products and services. Pursuant to a transitional trademark license agreement, GE will grant us the right to use the "GE" mark and the "GE" monogram for up to five years in connection with our products and services. GE also will grant us the right to use "GE," "General Electric" and "GE Capital" in the corporate names of our subsidiaries until the earlier of twelve months after the date on which GE owns less than 20% of our outstanding common stock and five years from the date of the trademark license agreement. When our right to use the GE brand name and logo expires, we may not be able to maintain or enjoy comparable name recognition or status under our new brand. In addition, insurance regulators in the U.S. and the other countries where we do business could require us to accelerate the transition to our independent brand. If we are unable to successfully manage the transition of our business to our new brand, our reputation among our independent sales intermediaries, customers and employees could be adversely affected.

Our historical combined and pro forma financial information is not necessarily representative of the results we would have achieved as a stand-alone company and may not be a reliable indicator of our future results.

The historical combined and pro forma financial information included in this prospectus does not reflect the financial condition, results of operations or cash flows we would have achieved as a stand-alone company during the periods presented or those we will achieve in the future. This is primarily a result of the following factors:

- Our historical combined financial information reflects certain businesses that will not be included in our company following the completion of this offering. For a description of the components of our historical combined financial information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Our historical and pro forma financial information" and our combined financial statements included elsewhere in this prospectus;

- Our historical combined and pro forma financial results reflect allocations of corporate expenses from GE. Those allocations may be different from the comparable expenses we would have incurred had we operated as a stand-alone company;

- Our working capital requirements historically have been satisfied as part of GE's corporate-wide cash management policies. After our separation from GE, we may not be able to obtain financing on terms as favorable as could be obtained from or by GE. In this case, our cost of debt could be higher and our capitalization might be different from that reflected in our historical combined financial statements;

- Significant changes may occur in our cost structure, management, financing and business operations as a result of our separation from GE. These changes could result in increased costs associated with reduced economies of scale; stand-alone costs for services currently provided by GE; marketing and legal entity transition expenses related to building a company brand identity separate from GE; the need for additional personnel to perform services currently provided by GE; and the legal, accounting, compliance and other costs associated with being a public company with listed equity. See "—The terms of our arrangements with GE may be more favorable than we will be able to obtain from an unaffiliated third party. We may be unable to replace the services GE provides us in a timely manner or on comparable terms;"

- Our separation from GE and the adoption of our new brand may have an adverse effect on our relationships with distributors, customers, employees and regulators and government officials, which could result in reduced sales, increased policyholder terminations and withdrawals, increased regulatory scrutiny and disruption to our business operations;

- Under some of our agreements, our separation from GE will allow the other party to the agreement to terminate the agreement pursuant to a change of control provision, which may be triggered when GE's ownership of our company decreases to less than 50%. If the other party to any of these agreements does not wish to continue the agreement, then we may be required to terminate or modify our existing agreement or seek alternative arrangements, which could result in reduced sales, increased costs or other disruptions to our business; and

- The pro forma financial information presented in this prospectus gives effect to several significant transactions that we will implement prior to the completion of this offering, including the reinsurance transactions with UFLIC, as if those transactions were already consummated. The unaudited pro forma information gives effect to the transactions as if each had occurred as of January 1, 2003, in the case of earnings information, and December 31, 2003, in the case of financial position information. This pro forma financial information is based upon available information and assumptions that we believe are reasonable. However, this pro forma financial information is for illustrative and informational purposes only and is not intended to represent or be indicative of what our financial condition or results of operations would have been had those transactions occurred as of those dates, nor what they may be in the future.

The terms of our arrangements with GE may be more favorable than we will be able to obtain from an unaffiliated third party. We may be unable to replace the services GE provides us in a timely manner or on comparable terms.

We and GE will enter into a transition services agreement and other agreements prior to the completion of this offering. Pursuant to the transition services agreement, GE and its affiliates will agree to provide us with transitional services after this offering, including treasury, payroll and other financial services, human resources and employee benefit services, legal services, information systems and network services, and procurement and sourcing support.

We negotiated these arrangements with GE in the context of a parent-subsidiary relationship. Although GE is contractually obligated to provide us with services during the term of the transition services agreement, we cannot assure you that these services will be sustained at the same level after the expiration of that agreement, or that we will be able to replace these services in a timely manner or on comparable terms. Other agreements with GE also will govern the relationship between us and GE after this offering and will provide for the allocation of employee benefit, tax and other liabilities and obligations attributable or related to periods or events prior to the separation. They also contain terms and provisions that may be more favorable than terms and provisions we might have obtained in arm's-length negotiations with unaffiliated third parties. When GE ceases to provide services pursuant to those arrangements, our costs of procuring those services from third parties may increase. See "Arrangements Between GE and Our Company—Relationship with GE."

We have agreed to make payments to GE based on the projected amounts of certain tax benefits, and these payments will remain fixed even if, because of insufficient taxable income or as a result of reduced tax rates, our actual tax benefits are less than projected.

We will enter into a tax matters agreement with GE prior to the completion of this offering. We refer to this agreement in this prospectus as the Tax Matters Agreement. Under the Tax Matters Agreement, we will have an obligation to pay to GE a fixed amount over 15 to 25 years. This fixed obligation will equal 80% of the tax savings we are projected to realize (subject to a maximum amount) as a result of the tax elections to be made in connection with our separation from GE. Based upon current estimates, and assuming that certain elections are made by GE, the present value of our fixed obligations would be approximately $448 million. These estimates will change, however, as a result of a number of factors, including a final determination of the value of our company and its individual assets, and the present value of our obligations to GE may be larger as a result. However, we have agreed with GE that except for specified contingent benefits and excluding interest on payments we defer, our total payments to GE will not exceed $640 million. The Tax Matters Agreement generally provides for increases or reductions to our payment obligations if the current estimates underlying the projected tax benefits prove inaccurate, but it does not provide for reductions in our obligations if we fail to generate sufficient income to realize the projected tax savings or if our actual tax savings are reduced as a result of reduced tax rates. In these circumstances, we will remain obligated to pay to GE the fixed obligation, as initially projected or subsequently adjusted, even though it exceeds 80%, or even 100%, of the tax benefits we actually realize. If the amounts we are obligated to pay to GE remain fixed while the tax benefits we actually realize decline, there could be a material adverse effect on our financial condition and results of operations. See "Arrangements Between GE and Our Company—Relationship with GE—Tax Matters Agreement."

In the event of a change in control of our company, our obligations under the Tax Matters Agreement could accelerate, and we cannot be sure that we will have sufficient funds to meet these obligations.

In some circumstances, such as a change in control over the management and policies of our company (other than through a sale of our stock by GE), the amounts we will owe under the Tax Matters Agreement could accelerate, and the amounts then due and payable could be substantial. The acceleration of payments would be subject to the approval of certain state insurance regulators, and we are obligated to use our reasonable best efforts to see that these approvals are granted. In the event these approvals are granted and the acceleration of payments does occur, we cannot assure you that we will have sufficient funds available to meet these accelerated obligations when due. If we do not have sufficient funds available, we may seek to fund these obligations from dividends or other payments from our subsidiaries, but we cannot be certain that they will have sufficient funds available or be permitted to transfer them to us. See "As a holding company, we depend on the ability of our subsidiaries to transfer funds to us to pay dividends and to meet our obligations." We also may seek to fund these obligations from the proceeds of the issuance of debt or equity securities or the sale of assets, but we cannot assure you that we will be able to successfully issue any securities or consummate an asset sale.

Under the Tax Matters Agreement, GE will control certain tax returns and audits that can result in tax liability for us.

Under the Tax Matters Agreement, GE has retained control over the preparation and filing, as well as the contests, audits and amendments or other changes of certain pre-separation federal income tax returns with respect to which we remain liable for taxes. In addition, determinations regarding the allocation to us of responsibility to pay taxes for pre-separation periods will be made by GE in its reasonable discretion. Although the Tax Matters Agreement provides that we will not be liable for taxes resulting from returns filed or matters settled by GE without our consent if the return or settlement position is found to be unreasonable, taking into account both the liability that we incur and any non-Genworth tax benefit, it is possible that we will pay more taxes than we would have paid if we were permitted to control such matters.

GE has significant control over us and may not always exercise its control in a way that benefits our public stockholders.

Upon the completion of this offering and the concurrent offerings, GE will beneficially own approximately 70% of our outstanding common stock (66% if the underwriters' over-allotment option is exercised in full). GE has informed us that, following completion of this offering, it intends, subject to market conditions, to divest its remaining interest in us as soon as practicable. GE has also informed us that, in any event, it expects to reduce its interest to below 50% within two years of the completion of this offering. GE has adopted a formal Plan of Divestiture embodying this expectation to reduce its interest below 50% and has represented to the Internal Revenue Service, or IRS, that it will accomplish the divestiture. The adverse financial consequences to GE from a failure to effect the divestiture below 50% are significant. However, so long as GE continues to beneficially own more than 50% of our outstanding voting stock, GE generally will be able to determine the outcome of many corporate actions requiring stockholder approval. GE, in its capacity as the beneficial holder of all outstanding shares of our Class B Common Stock, also will have the right to elect a majority of the members of our board of directors so long as it continues to beneficially own more than 50% of our outstanding common stock and will have the right to elect a decreasing percentage of the members of our board of directors as its beneficial ownership of our common stock decreases. In addition, until the first date on which GE owns less than 20% of our outstanding common stock, the prior affirmative vote or written consent of GE is required for the following actions (subject in each case to certain agreed exceptions):

- a merger involving us or any of our subsidiaries (other than mergers involving our subsidiaries to effect acquisitions for a price less than or equal to $700 million);

- acquisitions by us or our subsidiaries of the stock or assets of another business for a price (including assumed debt) in excess of $700 million;

- dispositions by us or our subsidiaries of assets in a single transaction or a series of related transactions for a price (including assumed debt) in excess of $700 million;

- incurrence or guarantee of debt by us or our subsidiaries in excess of $700 million outstanding at any one time or that would reasonably be expected to result in a negative change in any of our credit ratings, excluding, the debt described in this prospectus that we intend to incur concurrently with, and shortly after, the completion of this offering (provided that any debt in excess of $500 million incurred under our commercial paper program and our five-year and 364-day revolving credit facilities will be subject to the $700 million limitation described above), intercompany debt (within Genworth) and liabilities under certain agreed excluded transactions and borrowings;

- issuance by us or our subsidiaries of capital stock or other securities convertible into capital stock;

- dissolution, liquidation or winding up of our company; and

- alteration, amendment, termination or repeal, or adoption of any provision inconsistent with, certain provisions of our certificate of incorporation or our bylaws.

Because GE's interests may differ from your interests, actions GE takes with respect to us, as our controlling stockholder, and with respect to those corporate actions requiring its prior affirmative written consent described above, may not be favorable to you.

We derive a significant portion of the premiums in our European payment protection insurance business from transactions with GE.

For the years ended December 31, 2003 and 2002, GE's consumer finance division and other related GE entities accounted for 19% and 14% of the gross written premiums in our European payment protection insurance business, respectively. Prior to the completion of this offering, we will enter into a five-year agreement that extends our relationship with GE's consumer finance division and provides us with the right to be the exclusive provider of payment protection insurance in Europe for GE's consumer finance operations in jurisdictions where we offer these products. However, if GE determines not to offer payment protection insurance, we may not be able to replace those revenues on a timely basis, and our financial condition and results of operations could suffer. See "Business—Protection—Products—European payment protection insurance."

If GE engages in the same type of business we conduct, our ability to successfully operate and expand our business may be hampered.

Our certificate of incorporation provides that, subject to any contractual provision to the contrary, GE will have no obligation to refrain from:

- engaging in the same or similar business activities or lines of business as us; or

- doing business with, or in competition with, any of our clients, customers or vendors.

GE is a diversified technology and services company with significant financial services businesses, including consumer finance, asset management and insurance activities. Following this offering, GE will continue to be engaged in the marketing of supplemental life insurance, including accidental death and dismemberment coverage. GE will also continue to market and underwrite dental and vision insurance, medical stop-loss insurance and primary property and casualty insurance. In addition, GE will continue to operate a significant reinsurance business, including life reinsurance, a life insurance business in the U.K. and a savings and pension business in France. Because of GE's significant financial resources, GE could have a significant competitive advantage over us should it decide to engage in businesses that compete with any of the businesses we conduct.

GE has generally agreed for five years after this offering not to use the "GE" mark or the "GE" monogram or the name "General Electric" in connection with the marketing or underwriting on a primary basis of life insurance, long-term care insurance, annuities, or group life and health insurance in the U.S., or of auto insurance products in Mexico, and the underwriting or issuing of mortgage insurance products anywhere in the world. GE's agreement to restrict the use of its brand will terminate earlier upon the occurrence of certain events, including termination of our transitional trademark license agreement with GE and our discontinuation of the use of the "GE" mark or the "GE" monogram. In addition, GE Consumer Finance, the consumer finance division of GE, has generally agreed to distribute on an exclusive basis our payment protection insurance products in certain European countries for five years, unless earlier terminated. See "Business—Protection—Products—European payment protection insurance."

Conflicts of interest may arise between us and GE that could be resolved in a manner unfavorable to us.

Questions relating to conflicts of interest may arise between us and GE in a number of areas relating to our past and ongoing relationships. Five of our directors were designated to our board of directors by GE. One of these directors is both an officer and director of GE, and the other four of these directors are also officers of GE. These directors and a number of our officers own substantial amounts of GE stock and options to purchase GE stock, and all of them participate in GE pension plans. Ownership interests of our directors or officers in GE shares, or service as a director or officer of both our company and GE, could give rise to potential conflicts of interest when a director or officer is faced with a decision that could have different implications for the two companies. These potential conflicts could arise, for example, over matters such as the desirability of an acquisition opportunity, employee retention or recruiting, or our dividend policy.

The corporate opportunity policy set forth in our certificate of incorporation addresses potential conflicts of interest between our company, on the one hand, and GE and its officers and directors who are directors of our company, on the other hand. By becoming a stockholder in our company, you will be deemed to have notice of and have consented to these provisions of our certificate of incorporation. Although these provisions are designed to resolve conflicts between us and GE fairly, we cannot assure you that any conflicts will be so resolved. The principles for resolving such potential conflicts of interest are described under "Description of Capital Stock—Provisions of Our Certificate of Incorporation Relating to Related-Party Transactions and Corporate Opportunities."

Risks Relating to This Offering

Future sales of a substantial number of shares of our common stock may depress the price of our shares.

If our stockholders sell a large number of shares of our common stock, or if we issue a large number of shares of our common stock in connection with future acquisitions, financings, or other circumstances, the market price of shares of our common stock could decline significantly. Moreover, the perception in the public market that our stockholders might sell shares of our common stock could depress the market price of those shares.

GE has informed us that, following completion of this offering and the concurrent offerings, it intends, subject to market conditions, to divest its remaining interest in us as soon as practicable. GE has also informed us that, in any event, it expects to reduce its interest to below 50% within two years of the completion of this offering. GE currently expects to reduce its interest through one or more additional public offerings of our common stock, but it is not obligated to divest our shares in this manner. See "Shares Eligible for Future Sale."

All the shares sold in this offering will be freely tradable without restriction, except for shares owned by any of our affiliates, including GE. Immediately after this offering, the public market for our common stock will include only the 145.0 million shares of Class A Common Stock that are being sold by the selling stockholder in this offering, or 166.8 million shares if the underwriters exercise their over-allotment option in full. After the offering, we intend to register 38.0 million shares of Class A Common Stock, which are reserved for issuance under our employee benefit plans. Once we register these shares, they can be sold in the public market upon issuance, subject to restrictions under the securities laws applicable to resales by affiliates. In addition, we have granted GE demand and "piggyback" registration rights with respect to the shares of our common stock it will hold upon completion of this offering. GE may exercise its demand and piggyback registration rights, and any shares so registered will be freely tradable in the public market, except for shares acquired by any of our affiliates. See "Arrangements Between GE and Our Company—Relationship with GE—Registration Rights Agreement" and "Shares Eligible for Future Sale."

GEFAHI and our directors and executive officers have entered into lock-up agreements in which they have agreed that they will not sell, directly or indirectly, any common stock for a period of 180 days from the date of this prospectus (subject to certain exceptions) without the prior written consent of Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. See "Shares Eligible for Future Sale."

Our common stock has no prior public market, and we cannot assure you that an active trading market will develop.

Prior to this offering, there has not been a market for our common stock. Although our Class A Common Stock has been approved for listing on The New York Stock Exchange, an active trading market in our Class A Common Stock might not develop or continue. If you purchase shares of Class A Common Stock in this offering, you will pay a price that was not established in a competitive market. Rather, you will pay a price that was determined through negotiations with the representatives of the underwriters based upon an assessment of the valuation of our common stock and a book-building process. The public market may not agree with or accept this valuation, in which case you may not be able to sell your shares at or above the initial offering price.

The price of our common stock may be volatile and may be affected by market conditions beyond our control.

Our share price is likely to fluctuate in the future because of the volatility of the stock market in general and a variety of factors, many of which are beyond our control, including:

- quarterly variations in actual or anticipated results of our operations (including for individual products);
- changes in financial estimates by securities analysts;
- actions or announcements by our competitors;
- regulatory actions;
- changes in the market outlook for the insurance industry;
- departure of our key personnel; and
- future sales of our common stock.

The stock market has recently experienced extreme price and volume fluctuations. The market prices of securities of insurance and financial services companies have experienced fluctuations that often have been unrelated or disproportionate to the operating results of these companies. These market fluctuations could result in extreme volatility in the price of shares of our common stock, which could cause a decline in the value of your investment. You should also be aware that price volatility may be greater if the public float and trading volume of shares of our common stock is low.

Applicable laws, provisions of our certificate of incorporation and by-laws and our Tax Matters Agreement with GE may discourage takeover attempts and business combinations that stockholders might consider in their best interests.

Applicable laws, provisions of our certificate of incorporation and by-laws and our Tax Matters Agreement may delay, deter, prevent or render more difficult a takeover attempt that our stockholders might consider in their best interests. For example, they may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging takeover attempts in the future.

Various states and non-U.S. jurisdictions in which our insurance companies are domiciled or deemed domiciled must approve any acquisition of or change in control of those insurance companies. Under most states' statutes, an entity is presumed to have control of an insurance company if it owns, directly or indirectly, 10% or more of the voting stock of that insurance company. These regulatory restrictions may delay, deter or prevent a potential merger or sale of our company, even if our board of directors decides that it is in the best interests of stockholders for us to merge or be sold. These restrictions also may delay sales by us or acquisitions by third parties of our subsidiaries.

Section 203 of the Delaware General Corporation Law may affect the ability of an "interested stockholder" to engage in certain business combinations, including mergers, consolidation or acquisitions of additional shares, for a period of three years following the time that the stockholder becomes an "interested stockholder." An "interested stockholder" is defined to include persons owning directly or indirectly 15% or more of the outstanding voting stock of a corporation. However, our certificate of incorporation provides that we will not be governed by Section 203 of the Delaware General Corporation Law until GE reduces its ownership interest in us to less than 15% of our outstanding common stock.

Our certificate of incorporation and by-laws include provisions that may have anti-takeover effects and may delay, deter or prevent a takeover attempt that our stockholders might consider in their best interests. For example, our certificate of incorporation and by-laws will:

- permit our board of directors to issue one or more series of preferred stock;
- limit the ability of stockholders to remove directors;
- limit the ability of stockholders to fill vacancies on our board of directors;
- limit the ability of stockholders to call special meetings of stockholders and take action by written consent; and
- impose advance notice requirements for stockholder proposals and nominations of directors to be considered at stockholder meetings.

Under our Tax Matters Agreement with GE, if any person or group of persons other than GE or its affiliates gains the power to direct the management and policies of our company (other than through a sale of our stock by GE), we could become obligated immediately to pay to GE the total present value of all tax benefit payments due to GE under the agreement from the time of the change in control until the end of the 25-year term of the agreement. We currently estimate this amount to be $448 million, but this estimate will vary based on a number of factors, including the value of our company and the time at which our obligation is accelerated. Similarly, if any person or group of persons other than us or our affiliates gains effective control of one of our subsidiaries (other than through a sale of our stock by GE), we could become obligated to pay to GE the total present value of all such payments due to GE allocable to that subsidiary, unless the subsidiary assumes the obligation to pay these future amounts under the Tax Matters Agreement and certain conditions are met. The acceleration of payments would be subject to the approval of certain state insurance regulators, and we are obligated to use our reasonable best efforts to see that these approvals are granted. This feature of the agreement could adversely affect a potential merger or sale of our company. It could also limit our flexibility to dispose of one or more of our subsidiaries, with adverse implications for any business strategy dependent on such dispositions. See "Arrangements Between GE and Our Company—Relationship with GE—Tax Matters Agreement."

Forward-Looking Statements

Some of the statements under "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this prospectus include forward-looking statements that are based upon our current expectations but are subject to uncertainty and changes in circumstances. These statements include forward-looking statements both with respect to us specifically and the insurance industry generally. Statements that include the words "expect," "intend," "plan," "believe," "project," "anticipate," "will," and similar statements of a future or forward-looking nature identify forward-looking statements.

These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors, many of which are beyond our control. We believe that these factors include, but are not limited to, those described under "Risk Factors" and elsewhere in this prospectus. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Use of Proceeds

We will not receive any proceeds from the sale by the selling stockholder of Class A Common Stock in this offering or of the Equity Units or Series A Preferred Stock in the concurrent offerings.

Dividend Policy

We intend to pay quarterly cash dividends on our common stock at an initial rate of $0.065 per share. The first such dividend will be declared in the third quarter of 2004 and paid in the fourth quarter. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our board of directors and will depend upon many factors, including our financial condition, earnings, capital requirements of our operating subsidiaries, legal requirements, regulatory constraints and other factors that the board of directors deems relevant.

We are a holding company and have no direct operations. As a result, our ability to pay dividends in the future will depend on receiving dividends from our subsidiaries. Our insurance subsidiaries are subject to the laws of the jurisdictions in which they are domiciled and licensed and consequently are limited in the amount of dividends that they can pay. See "Regulation."

Capitalization

Set forth below is our capitalization as of December 31, 2003, on an historical and a pro forma basis, which reflects the adjustments described in more detail in the notes to the unaudited pro forma financial information under "Selected Historical and Pro Forma Financial Information." You should read this information in conjunction with those notes, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and the related notes included elsewhere in this prospectus.

(Dollar amounts in millions, except per share amounts)	Historical	Pro forma adjustments- excluded assets and liabilities(1)	Pro forma adjustments- reinsurance transactions(2)	Pro forma adjustments- capital structure and other	Pro forma
Cash and cash equivalents	$ 1,982	$ (99)	$ (411)	$ (4)	$ 1,468
Borrowings and other obligations:					
Short-term borrowings	$ 2,239	$ (2,239)	$ —	$ 2,400(3)	$ 2,400
Long-term borrowings	529(4)	—	—	—	529
Total borrowings	2,768	(2,239)	—	2,400	2,929
Contingent note payable to GEFAHI	—	—	—	550(5)	550
Non-recourse funding obligations	600(6)	—	—	—	600
Borrowings related to securitization entities	1,018(7)	—	—	—	1,018
% senior notes due 2009 underlying Equity Units	—	—	—	600(8)	600
Series A Preferred Stock, mandatorily redeemable, liquidation preference $50 per share	—	—	—	100(9)	100
Total borrowings and other obligations	4,386	(2,239)	—	3,650	5,797
Stockholder's interest:					
Class A Common Stock, $0.001 par value; 1.5 billion shares authorized; 145.0 million shares issued and outstanding	—	—	—	—	—
Class B Common Stock, $0.001 par value; 700 million shares authorized; 344.5 million shares issued and outstanding(10)	—	—	—	—	—
Additional paid-in capital	8,377	860	402	317(11)	9,956
Total paid-in capital	8,377	860	402	317	9,956
Accumulated nonowner changes in stockholder's interest	1,672	65	(731)	—	1,006
Retained earnings	5,751	(187)	(1,836)	(3,728)(12)	—
Total stockholder's interest	15,800	738	(2,165)	(3,411)	10,962
Total capitalization	$ 20,186	$ (1,501)	$ (2,165)	$ 239	$ 16,759

(1) Reflects adjustments to exclude amounts included in our historical combined financial statements relating to certain assets and liabilities that will not be transferred to us. For more information regarding the adjustments related to the excluded assets and liabilities, see notes (a), (b), (c) and (d) to the unaudited pro forma financial information under "Selected Historical and Pro Forma Financial Information."

(2) Reflects adjustments to record the effects of the reinsurance transactions we will enter into with UFLIC in connection with this offering as described under "Arrangements Between GE and Our

Company—Reinsurance Transactions." For more information regarding the adjustments related to the reinsurance transactions, see notes (f) and (g) to the unaudited pro forma financial information under "Selected Historical and Pro Forma Financial Information."

(3) Reflects the $2.4 billion Short-term Intercompany Note that we will issue to GEFAHI in connection with our corporate reorganization. We will repay this note with proceeds from the borrowings under a $2.4 billion short-term credit facility that we will establish with a syndicate of banks concurrently with the completion of this offering. We intend to repay the borrowings under this short-term credit facility with proceeds from the issuance of approximately $1.9 billion in senior notes (which would be included in long-term borrowings) and approximately $500 million in commercial paper (which would be included in short-term borrowings), both of which we intend to complete shortly after the completion of this offering. For a description of the terms of the Short-term Intercompany Note, the credit facility, the senior notes and the commercial paper, see "Description of Certain Indebtedness—Short-term Intercompany Note" and "Description of Certain Indebtedness—New Senior Notes."

(4) Reflects the Yen Notes. We have entered into arrangements to swap our obligations under these notes to a U.S. dollar obligation with a principal amount of $491 million and bearing interest at a rate of 4.84% per annum. For a description of the terms of these notes, see "Description of Certain Indebtedness—Yen Notes."

(5) Reflects the $550 million Contingent Note that we will issue to GEFAHI in connection with our corporate reorganization. This note is non-interest-bearing, matures on the first anniversary of the completion of this offering and will be repaid solely to the extent that statutory contingency reserves from our U.S. mortgage insurance business in excess of $150 million are released and paid to us as a dividend. The release of these statutory reserves and payment of the dividend by our U.S. mortgage insurance business to us are subject to statutory limitations, regulatory approval and the absence of any impact on our financial ratings. If regulatory approval has been obtained by the first anniversary date, but our financial ratings have not been affirmed, the term of this note will be extended for a period up to twelve months to obtain affirmation of our financial ratings. Any portion of the Contingent Note that is not repaid by the first anniversary of the completion of this offering or by the extended term, if applicable, will be canceled. We will record any portion of the Contingent Note that is canceled as a capital contribution. For a description of the terms of this note, see "Description of Certain Indebtedness—Contingent Note."

(6) Reflects non-recourse funding obligations. These obligations are represented by notes that bear a floating rate of interest and mature in 2033. The notes were issued by River Lake Insurance Company, a wholly-owned captive reinsurance subsidiary of our company, to fund additional statutory reserves required by Regulation XXX. Both principal and interest payments are guaranteed by a third-party insurance company. In the event that payment of principal or interest are not made by River Lake Insurance Company for any reason, the third-party insurance company is required to make these payments. The noteholders cannot require repayment from us or any of our subsidiaries, other than River Lake Insurance Company, the direct issuer of the notes.

(7) Reflects borrowings associated with certain securitization entities that we were required to include in our financial statements upon adoption of FASB Interpretation 46, *Consolidation of Variable Interest Entities.* Upon its adoption, GE Capital, of which we are an indirect subsidiary, was required to consolidate the funding conduit it sponsored. As a result, assets and liabilities of certain previously off-balance sheet securitization entities were required to be included in our financial statements because the funding conduit no longer qualified as a third party. For more information regarding these arrangements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Off-balance Sheet Transactions."

(8) Represents notes forming part of the Equity Units. For a description of the terms of our Equity Units, see "Description of Equity Units." GEFAHI is offering the Equity Units for sale in a concurrent offering.

(9) For a description of the terms of our Series A Preferred Stock, see "Description of Capital Stock—Preferred Stock—Series A Preferred Stock." GEFAHI is offering the Series A Preferred Stock for sale in a concurrent offering.

(10) Shares of Class B Common Stock convert automatically into shares of Class A Common Stock when they are held by any person other than GE or an affiliate of GE or when GE no longer beneficially owns at least 10% of our outstanding common stock.

(11) Reflects adjustments to our paid-in capital, as described in notes (h), (i), (j), (k) and (l) to the unaudited pro forma financial information under "Selected Historical and Pro Forma Financial Information."

(12) Reflects adjustments to our retained earnings, as described in notes (h), (i), (j) and (l) to the unaudited pro forma financial information under "Selected Historical and Pro Forma Financial Information."

The foregoing table:

- excludes up to 6.1 million shares of Class A Common Stock issuable upon the exercise of 6.1 million unvested stock appreciation rights to be granted on the date of this prospectus, at an exercise price equal to the initial public offering price;

- excludes 10.1 million shares of Class A Common Stock issuable upon the exercise of unvested employee stock options to be granted on the date of this prospectus, at an exercise price equal to the initial public offering price;

- excludes 4.1 million shares of Class A Common Stock issuable upon the exercise of unvested employee stock options that will be issued on the date of this prospectus in exchange for unvested GE stock options held by our employees, at a weighted average exercise price of $25.40 per share, and 1.0 million shares of Class A Common Stock issuable upon the exercise of vested employee stock options that will be issued on the date of this prospectus in exchange for vested GE stock options

  held by our Chairman, President and Chief Executive Officer, at a weighted average exercise price of $16.83 per share;

- excludes up to 0.3 million shares of Class A Common Stock issuable upon the exercise of 0.3 million stock appreciation rights that will be issued on the date of this prospectus in exchange for unvested GE stock appreciation rights;

- excludes 1.4 million shares of Class A Common Stock issuable upon the lapse of restrictions on restricted stock units that will be issued on the date of this prospectus in exchange for GE restricted stock units;

- excludes up to 38.0 million shares of Class A Common Stock available for future issuance under our Genworth Omnibus Incentive Plan, less the number of shares of Class A Common Stock issuable in connection with the stock appreciation rights, stock options and restricted stock units described above; and

- excludes up to million shares of Class A Common Stock that we will be required to issue to settle the purchase contracts included in our Equity Units.

The number of our stock options, restricted stock units and stock appreciation rights that will be issued in exchange for GE stock options, restricted stock units and stock appreciation rights will depend upon the initial public offering price of our Class A Common Stock and the weighted-average stock price of GE common stock for the trading day immediately prior to the date of this prospectus. Information in this prospectus assumes a price of $30.85 per share of GE common stock, which was the weighted-average stock price on April 27, 2004.

Our total pro forma capitalization also does not include our liability to GE under the Tax Matters Agreement. As a consequence of our separation from GE, and the election we will make with GE to treat that separation as an asset sale under section 338 of the Internal Revenue Code, we expect to realize future tax savings that we otherwise would not realize. We are obligated, pursuant to the Tax Matters Agreement with GE, to pay to GE over a period from 15 to 25 years 80% of the projected future tax savings, subject to a maximum amount. Based on a number of assumptions, we estimate these projected payments to have a present value of $448 million. See "Arrangements Between GE and Our Company—Relationship with GE—Tax Matters Agreement" and note (k) to our pro forma financial statements under "Selected Historical and Pro Forma Financial Information."

Selected Historical and Pro Forma Financial Information

The following table sets forth selected historical combined and pro forma financial information. The selected historical financial information as of December 31, 2003 and 2002, and for the years ended December 31, 2003, 2002 and 2001 has been derived from our combined financial statements, which have been audited by KPMG LLP and are included elsewhere in this prospectus. The selected pro forma financial information as of and for the year ended December 31, 2003 is unaudited and has been derived from our combined financial statements. You should read this information in conjunction with the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations," our combined financial statements, the related notes and the accompanying independent auditors' report (which refers to a change in accounting for variable interest entities in 2003, goodwill and other intangibles in 2002, and derivative instruments and hedging activities in 2001), which are included elsewhere in this prospectus.

Prior to the completion of this offering, we will acquire substantially all of the assets and liabilities of GEFAHI. We also will acquire certain other insurance businesses currently owned by other GE subsidiaries but managed by members of the Genworth management team. These businesses include international mortgage insurance, European payment protection insurance, a Bermuda reinsurer and mortgage contract underwriting.

In consideration for the assets that we will acquire and the liabilities that we will assume in connection with our corporate reorganization, we will issue to GEFAHI the following securities:

- 489.5 million shares of our Class B Common Stock;
- $600 million of our Equity Units;
- $100 million of our Series A Preferred Stock;
- $2.4 billion Short-term Intercompany Note; and
- $550 million Contingent Note.

The liabilities we will assume from GEFAHI include the Yen Notes.

We have prepared our combined financial statements as if Genworth had been in existence throughout all relevant periods. Our historical combined financial information and statements include all businesses that were owned by GEFAHI, including those that will not be transferred to us, as well as the other insurance businesses that we will acquire from other GE subsidiaries, each in connection with our corporate reorganization.

Prior to the completion of this offering, we will enter into several significant reinsurance transactions with UFLIC, an indirect, wholly-owned subsidiary of GE. As part of these transactions, we will cede to UFLIC, effective as of January 1, 2004, policy obligations under our structured settlement contracts, which had reserves of $12.0 billion, and our variable annuity contracts, which had general account reserves of $2.8 billion and separate account reserves of $7.9 billion, each as of December 31, 2003. These contracts represent substantially all of our contracts that were in force as of December 31, 2003 for these products. In addition, effective as of January 1, 2004, we will cede to UFLIC policy obligations under a block of long-term care insurance policies that we reinsured from Travelers, which had reserves of $1.5 billion, as of December 31, 2003. In the aggregate, these blocks of business do not meet our target return thresholds, and although we remain liable under these contracts and policies as the ceding insurer, the reinsurance transactions will have the effect of transferring the financial results of the reinsured blocks to UFLIC. In addition, as part of the reinsurance transactions, UFLIC will cede to us substantially all of its in-force blocks of Medicare supplement insurance. As of December 31, 2003, these blocks of business had aggregate reserves of $19 million.

The unaudited pro forma information set forth below reflects our historical combined financial information, as adjusted to give effect to the transactions described below as if each had occurred as of January 1, 2003, in the case of earnings information, and December 31, 2003, in the case of financial position information. The following transactions are reflected in the pro forma financial information:

- the removal of certain businesses of GEFAHI that will not be transferred to us in connection with our corporate reorganization, including the Partnership Marketing Group business, an institutional asset management business and several other small businesses;
- the removal of certain liabilities that we will not assume, including an aggregate of $1.691 billion of commercial paper issued by GEFAHI and short-term borrowings from GE Capital of $548 million that were outstanding as of December 31, 2003;
- the reinsurance transactions with UFLIC, including a capital contribution of $1.836 billion that we will make to UFLIC;
- the issuance of equity and debt securities to GEFAHI in exchange for the assets that we will acquire and the liabilities that we will assume in connection with our corporate reorganization; and
- the other adjustments described below in the notes to the unaudited pro forma financial information.

The unaudited pro forma information below is based upon available information and assumptions that we believe are reasonable. The unaudited pro forma financial information is for illustrative and informational purposes only and is not intended to represent or be indicative of what our financial condition or results of operations would have been had the transactions described above occurred on the dates indicated. The unaudited pro forma information also should not be considered representative of our future financial condition or results of operations.

In addition to the pro forma adjustments to our historical combined financial statements, various other factors will have an effect on our financial condition and results of operations after the completion of this offering, including those discussed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

For information with respect to certain items that are not reflected in the pro forma financial information, see note (o) below.

(Amounts in millions, except per share amounts)	Historical 2003(1)	Historical 2002	Historical 2001	Historical 2000(2)	Historical 1999	Pro forma Year ended December 31, 2003
	Years ended December 31,					
Combined Statement of Earnings Information						
Revenues:						
Premiums	$ 6,703	$ 6,107	$ 6,012	$ 5,233	$ 4,534	$ 6,252
Net investment income	4,015	3,979	3,895	3,678	3,440	2,928
Net realized investment gains	10	204	201	262	280	38
Policy fees and other income	943	939	993	1,053	751	557
Total revenues	11,671	11,229	11,101	10,226	9,005	9,775
Benefits and expenses:						
Benefits and other changes in policy reserves	5,232	4,640	4,474	3,586	3,286	4,191
Interest credited	1,624	1,645	1,620	1,456	1,290	1,358
Underwriting, acquisition, and insurance expenses, net of deferrals	1,942	1,808	1,823	1,813	1,626	1,614
Amortization of deferred acquisition costs and intangibles(3)	1,351	1,221	1,237	1,394	1,136	1,144
Interest expense	140	124	126	126	78	138
Total benefits and expenses	10,289	9,438	9,280	8,375	7,416	8,445
Earnings from continuing operations before income taxes	1,382	1,791	1,821	1,851	1,589	1,330
Provision for income taxes	413	411	590	576	455	395
Net earnings from continuing operations	$ 969	$ 1,380	$ 1,231	$ 1,275	$ 1,134	$ 935
Pro forma earnings from continuing operations per share:						
Basic	$ 1.98					$ 1.91
Diluted	$ 1.98					$ 1.91
Pro forma shares outstanding:						
Basic	489.5					489.5
Diluted	490.0					490.0
Selected Segment Information						
Total revenues:						
Protection	$ 6,153	$ 5,605	$ 5,443	$ 4,917		$ 5,839
Retirement Income and Investments	3,781	3,756	3,721	3,137		2,707
Mortgage Insurance	982	946	965	895		982
Affinity(4)	566	588	687	817		—
Corporate and Other	189	334	285	460		247
Total	$ 11,671	$ 11,229	$ 11,101	$ 10,226		$ 9,775
Net earnings (loss) from continuing operations:						
Protection	$ 487	$ 554	$ 538	$ 492		$ 481
Retirement Income and Investments	151	186	215	250		93
Mortgage Insurance	369	451	428	414		369
Affinity(4)	16	(3)	24	(13)		—
Corporate and Other	(54)	192	26	132		(8)
Total	$ 969	$ 1,380	$ 1,231	$ 1,275		$ 935

(Dollar amounts in millions)	Historical					Pro forma
	December 31,					December 31,
	2003(1)	2002	2001	2000(2)	1999	2003
Combined Statement of Financial Position Information						
Total investments	$ 78,693	$ 72,080	$ 62,977	$ 54,978	$ 48,341	$ 59,778
All other assets	24,738	45,277	41,021	44,598	27,758	38,034
Total assets	$ 103,431	$ 117,357	$ 103,998	$ 99,576	$ 76,099	$ 97,812
Policyholder liabilities	$ 66,545	$ 63,195	$ 55,900	$ 48,291	$ 45,042	$ 66,046
Non-recourse funding obligation(5)	600	—	—	—	—	600
Short-term borrowings	2,239	1,850	1,752	2,258	990	2,400
Long-term borrowings	529	472	622	175	175	529
All other liabilities	17,718	35,088	31,559	35,865	18,646	17,275
Total liabilities	$ 87,631	$ 100,605	$ 89,833	$ 86,589	$ 64,853	$ 86,850
Accumulated nonowner changes in stockholder's interest	$ 1,672	$ 835	$ (664)	$ (424)	$ (862)	$ 1,006
Total stockholder's interest	15,800	16,752	14,165	12,987	11,246	10,962
U.S. Statutory Information						
Statutory capital and surplus	7,021	7,207	7,940	7,119	6,140	
Asset valuation reserve	413	390	477	497	500	
Other Information						
Ratio of earnings to fixed charges(6)	1.74	1.94	1.99	2.10	2.12	1.83

(1) On August 29, 2003, we sold our Japanese life insurance and domestic auto and homeowners' insurance businesses for aggregate cash proceeds of approximately $2.1 billion, consisting of $1.6 billion paid to us and $0.5 billion paid to other GE affiliates, plus pre-closing dividends. See note 4 to our combined financial statements, included elsewhere in this prospectus.

(2) During 2000, we consummated three significant business combinations:

- In July 2000, we reinsured 90% of Travelers' long-term care insurance portfolio and acquired certain related assets for $411 million;
- In April 2000, we acquired 97% of Phoenix American Life Insurance Company for $284 million; and
- Effective March 2000, we acquired the insurance policies and related assets of Toho Mutual Life Insurance Company. Our Japanese life insurance business assumed $21.6 billion of policyholder liabilities and $0.3 billion of accounts payable and accrued expenses and acquired $20.3 billion in cash, investments and other tangible assets through this transaction. We sold this business on August 29, 2003, and its results have been presented as discontinued operations.

(3) As of January 1, 2002, we adopted Statement of Financial Accounting Standards 142,*Goodwill and Other Intangible Assets,* and, in accordance with its provisions, discontinued amortization of goodwill. Goodwill amortization was $84 million, $70 million and $53 million for the years ended December 31, 2001, 2000 and 1999, respectively, excluding goodwill amortization included in discontinued operations.

(4) Reflects the results of businesses that are owned by GEFAHI but will not be transferred to us in connection with our corporate reorganization, including (a) the Partnership Marketing Group business, (b) an institutional asset management business, and (c) several other small businesses that are not part of our core ongoing business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Our historical and pro forma financial information."

(5) Reflects non-recourse funding obligations. These obligations are represented by notes that bear a floating rate of interest and mature in 2033. The notes were issued by a wholly-owned captive reinsurance subsidiary of our company, to fund certain statutory reserves. Both principal and interest payments are guaranteed by a third-party insurance company.

(6) For purposes of determining the historical ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before taxes and accounting changes plus fixed charges from continuing and discontinued operations. "Fixed charges" consist of (a) interest expense on short-term and long-term borrowings, (b) interest credited to policyholders on annuities and financial products and (c) the portion of operating leases that are representative of the interest factor. For purposes of determining the ratio of pro forma earnings to pro forma fixed charges, pro forma earnings consist of pro forma earnings from continuing operations before taxes plus pro forma fixed charges from continuing operations and fixed charges from discontinued operations. Pro forma fixed charges consist of (a) pro forma interest expense on short-term and long-term borrowings, including dividends on Series A Preferred Stock, (b) pro forma interest credited to policyholders on annuities and financial products, and (c) the portion of operating leases that are representative of the interest factor.

Pro Forma Financial Information

(Amounts in millions, except per share amounts)

	Year ended December 31, 2003				
	Historical	Pro forma adjustments—excluded assets and liabilities	Pro forma adjustments—reinsurance transactions	Pro forma adjustments—capital structure and other	Pro forma(o)
Revenues:					
Premiums	$ 6,703	$ (244)(a)	$ (207)(f)	$ —	$ 6,252
Net investment income	4,015	(62)(a) (8)(c)	(921)(f) (96)(g)	—	2,928
Net realized investment gains	10	6 (e)	24 (f) (2)(g)	—	38
Policy fees and other income	943	(260)(a)	(126)(f)	—	557
Total revenues	11,671	(568)	(1,328)	—	9,775
Benefits and expenses:					
Benefits and other changes in policy reserves	5,232	(196)(a)	(845)(f)	—	4,191
Interest credited	1,624	—	(266)(f)	—	1,358
Underwriting, acquisition, and insurance expenses, net of deferrals	1,942	(239)(a) (4)(c)	(85)(f)	—	1,614
Amortization of deferred acquisition costs and intangibles	1,351	(110)(a)	(97)(f)	—	1,144
Interest expense	140	—	—	(83)(b) 24 (i) 23 (k) 34 (m)	138
Total benefits and expenses	10,289	(549)	(1,293)	(2)	8,445
Earnings from continuing operations before income taxes	1,382	(19)	(35)	2	1,330
Provision for income taxes	413	(5)(a) (1)(c) 2 (e)	24 (f) (39)(g)	1(n)	395
Net earnings from continuing operations	$ 969	$ (15)	$ (20)	$ 1	$ 935
Pro forma earnings from continuing operations per share: (p)					
Basic	$ 1.98				$ 1.91
Diluted	$ 1.98				$ 1.91
Pro forma number of shares outstanding: (p)					
Basic	489.5				489.5
Diluted	490.0				490.0

Pro Forma Financial Information

(Dollar amounts in millions)	December 31, 2003 Historical	Pro forma adjustments—excluded assets and liabilities	Pro forma adjustments—reinsurance transactions	Pro forma adjustments—capital structure and other	Pro forma(o)
Assets					
Investments:					
Fixed maturities	$ 65,485	$ (1,310)(a)	$ (15,504)(f)	$ —	$ 47,442
		(3)(d)	(1,226)(g)		
Equity securities	600	(73)(a)	(68)(f)	—	428
		(31)(d)			
Mortgage and other loans	6,114	82 (c)	(334)(f)	—	5,676
			(186)(g)		
Policy loans	1,105	(9)(a)	—	—	1,096
Short-term investments	531	(15)(a)	—	—	516
Restricted investments held by securitization entities	1,069	—	—	—	1,069
Other invested assets	3,789	(13)(a)	(52)(f)	—	3,551
		(120)(c)			
		(53)(d)			
Total investments	78,693	(1,545)	(17,370)	—	59,778
Cash and cash equivalents	1,982	(93)(a)	(411)(g)	20 (h)	1,468
		(6)(c)		(24)(h)	
Accrued investment income	1,247	(22)(a)	(224)(f)	—	977
		(7)(d)	(17)(g)		
Deferred acquisition costs	5,788	(198)(a)	(865)(f)	—	4,725
Intangible assets	1,346	(191)(a)	(282)(f)	—	872
		(1)(d)			
Goodwill	1,728	(284)(a)	—	—	1,444
Reinsurance recoverable	2,334	(23)(a)	16,345 (f)	—	18,656
Other assets	2,069	(84)(a)	(31)(f)	—	1,648
		(6)(c)			
		(300)(d)			
Separate account assets	8,244	—	—	—	8,244
Total assets	$ 103,431	$ (2,760)	$ (2,855)	$ (4)	$ 97,812
Liabilities and Stockholder's Interest					
Liabilities:					
Future annuity and contract benefits	$ 59,257	$ (349)(a)	$ 13 (f)	$ —	$ 58,921
Liability for policy and contract claims	3,207	(144)(a)	6 (f)	—	3,069
Unearned premiums	3,616	(19)(a)	—	—	3,597
Other policyholder liabilities	465	(6)(a)	—	—	459
Other liabilities	7,051	(231)(a)	(43)(f)	57 (i)	7,215
		(176)(b)		2,400 (i)	
		(2)(c)		550 (i)	
		(439)(d)		448 (k)	
				(2,400)(m)	
Non-recourse funding obligations	600	—	—	—	600
Short-term borrowings	2,239	(2,239)(b)	—	2,400 (m)	2,400
Long-term borrowings	529	—	—	—	529
% senior notes due 2009 underlying Equity Units	—	—	—	600 (i)	600
Series A Preferred Stock, mandatorily redeemable(q)	—	—	—	100 (i)	100
Deferred income taxes	1,405	39 (a)	(666)(f)	(18)(j)	98
		68 (b)		(730)(k)	
Borrowings related to securitization entities	1,018	—	—	—	1,018
Separate account liabilities	8,244	—	—	—	8,244
Total liabilities	87,631	(3,498)	(690)	3,407	86,850
Stockholder's interest:					
Common stock(i)(r)	—	—	—	—	—
Additional paid-in capital	8,377	(1,386)(a)	402 (f)	20 (h)	9,956
		2,248 (b)		(15)(h)	
		(46)(c)		(57)(i)	
		44 (d)		46 (j)	
				282 (k)	
				41 (l)	
Accumulated non owner changes in equity					
Net unrealized investment gains	1,518	(34)(a)	(689)(f)	—	791
			(4)(g)		

Derivatives qualifying as hedges	(5)	99 (b)	(38)(f)	—	56
Foreign currency translation adjustments	159	—	—	—	159
Total accumulated non owner changes in equity	1,672	65	(731)	—	1,006
Retained earnings	5,751	(185)(a) (2)(c)	(1,836)(g)	(9)(h) (3,650)(i) (28)(j) (41)(l)	—
Total stockholder's interest	15,800	738	(2,165)	(3,411)	10,962
Total liabilities and stockholder's interest	$ 103,431	$ (2,760)	$ (2,855)	$ (4)	$ 97,812

Notes to unaudited pro forma financial information

(a) Reflects adjustments to exclude amounts included in our historical combined financial statements relating to the results of operations, assets and liabilities of businesses reported in the Affinity segment, which will not be transferred to us. For a description of our Affinity segment, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Our historical and pro forma financial information." The exclusion of these businesses from our historical combined financial statements will be accounted for as a dividend to our stockholder prior to the completion of this offering.

(b) Reflects adjustments to exclude the liabilities for commercial paper issued by GEFAHI of $1,691 million, short-term borrowings from GE Capital of $548 million, derivative contracts hedging the commercial paper cash flows of $176 million, deferred tax liability of $(68) million relating to those derivative contracts, non-owner changes in equity of $99 million, net of deferred tax, reflecting the effective portion of hedges that have not yet been reclassified to earnings, and interest expense, adjusted for qualified hedge effects, of $83 million incurred during 2003 on our commercial paper and other short-term borrowings. The commercial paper, short-term borrowing and derivative contracts liabilities will not be transferred to us and their exclusion from our historical combined financial statements will be accounted for as a capital contribution from our stockholder prior to the completion of this offering.

(c) Reflects adjustments to exclude amounts included in our historical combined financial statements relating to the results of operations, assets and liabilities of certain investment partnerships that will not be transferred to us. The exclusion of these partnerships from our historical combined financial statements will be accounted for as a dividend to our stockholder prior to the completion of this offering.

(d) Reflects adjustments to exclude payables to, receivables from, and intercompany investments in other GE companies included in our historical combined financial statements, net of deferred taxes, that will not be transferred to us. The exclusion from our historical combined financial statements of the net liability for these intercompany balances will be accounted for as a capital contribution from our stockholder prior to the completion of this offering.

(e) Reflects adjustments to exclude from results of operations net realized investment losses, and related income tax benefit, arising from sales of Affinity segment assets. In our historical combined financial statements net realized investment losses are reflected in the Corporate and Other segment.

(f) Reflects adjustments to record the effects of the reinsurance transactions we will enter into with UFLIC in connection with this offering as described under "Arrangements Between GE and Our Company—Reinsurance Transactions." As part of these transactions, we will cede to UFLIC, effective as of January 1, 2004, all of our in-force structured settlement contracts, substantially all of our in-force variable annuity contracts, and a block of long-term care insurance policies that we reinsured from Travelers in 2000. The unaudited pro forma information gives effect to the reinsurance transactions as if each had occurred as of January 1, 2003, in the case of earnings information, and December 31, 2003, in the case of financial position information. Accordingly, our unaudited pro forma earnings information excludes the effects of all reinsured contracts that were issued before January 1, 2003. We will continue to sell variable annuities and structured settlements after completion of the reinsurance transactions and will retain that business for our own account, subject to third-party reinsurance transactions in the ordinary course of business. As a result, our unaudited pro forma combined statements of earnings reflect premiums and fees from these products issued after January 1, 2003, even though these variable annuities and structured settlements will be included in the blocks of policies reinsured with UFLIC. Our net loss for 2003 from variable annuities and structured settlements issued after January 1, 2003 was $5 million. We did not issue any new policies in 2003 in the block of long-term care insurance policies that we will cede to UFLIC and we will not issue any in the future. As a result, our pro forma combined statements of earnings exclude the impact of that entire block of policies.

In connection with the reinsurance transactions, we will record a reinsurance recoverable asset of $16,345 million, including $12,056 million related to structured settlement contracts, $2,815 million related to variable annuity contracts and $1,468 million related to long-term care insurance policies.

When we enter into the reinsurance transactions we will transfer investment assets to UFLIC in exchange for the reinsurance recoverable asset from UFLIC and consequently we will not earn investment income on the investment assets transferred. The actual investment assets that will be transferred in the reinsurance transactions have been determined on an asset-by-asset basis and the pro forma financial position adjustments have been determined based upon the actual assets that will be transferred. Because a significant portion of the assets to be transferred were not owned for the entire period, the pro forma earnings adjustments were based upon a proportional allocation of investment income from the investment assets historically identified as supporting the blocks of business reinsured. Under our existing investment management strategies, multiple product lines with similar characteristics can be supported by a single portfolio of investment securities, known as "multiple product portfolios." Where the reinsurance transactions with UFLIC relate to products supported by multiple product portfolios, the pro forma net investment income and net realized investment gains (losses) attributable to the reinsured liabilities were determined using an allocation approach, applying the ratio of reinsured liabilities to the total liabilities supported by the multiple product portfolio to the portfolio's net investment income and net realized investment gains (losses), respectively.

Under the reinsurance transactions, we will receive an expense allowance to reimburse us for costs we incur to service the reinsured blocks. Actual costs and expense allowance amounts will be determined by expense studies to be conducted periodically. The pro forma adjustments have been prepared assuming that actual costs incurred during the pro forma periods, as determined under our historical cost structure and allocation methods, were reimbursed by an expense allowance.

The reinsurance transactions will be completed and accounted for at book value. We will report the reinsurance transactions on our tax returns at fair value as determined for tax purposes, giving rise to a net reduction in current and deferred income tax liabilities. The differences between the book value of assets and liabilities transferred and the ceding commission received, and their respective income tax effects, are recorded as a net capital contribution from our stockholder. The actual income tax effects will vary depending upon, among other factors, the fair value of the investment assets at the time of the reinsurance transaction.

The pro forma information does not represent the results we would have achieved had the reinsurance transactions we will enter into with UFLIC been consummated at the beginning of the periods presented, and the information presented may not be a reliable indicator of our future results.

(g) Concurrently with the reinsurance transactions described in note (f), we will contribute $1.836 billion of capital to UFLIC, which primarily represents excess statutory capital in our insurance subsidiaries, after giving effect to the reinsurance transactions. We have reflected this capital contribution to UFLIC in our unaudited pro forma financial position information as a distribution to our stockholder and a decrease in fixed maturities, mortgage loans and cash, with related adjustments to accrued investment income, deferred income taxes and other associated items. The actual investment assets that will be contributed to UFLIC have been determined on an asset-by-asset basis and the pro forma financial position adjustments have been determined based upon the actual assets that will be transferred. Because a significant portion of the assets to be transferred were not owned for the entire period, the pro forma adjustments to reduce net investment income and net realized investment gains related to the transferred assets were based upon a proportional allocation of investment income from the investment assets historically identified as representing surplus of the subsidiaries providing the assets to be contributed to UFLIC.

(h) Reflects adjustments to record a capital contribution of $20 million received by one of our combined subsidiaries from GE in March 2004 and a dividend of $24 million paid by another of our combined subsidiaries to GE in April 2004. We will record this capital contribution and dividend in our historical combined financial statements in the three months ending March 31 and June 30, 2004, respectively.

(i) Reflects adjustments to record the equity and debt securities we will issue to GEFAHI in connection with our corporate reorganization, as well as related interest expense:

1. We will issue 489.5 million shares of our Class B Common Stock to GEFAHI. Shares of Class B Common Stock convert automatically into shares of Class A Common Stock when they are held by any person other than GE or an affiliate of GE, or when GE no longer beneficially owns at least 10% of our outstanding common stock. For a description of the terms of our common stock, see "Description of Capital Stock—Common Stock." GEFAHI is offering shares of our Class A Common Stock for sale in this offering.

2. We will issue $600 million of our Equity Units to GEFAHI. We will pay holders of Equity Units quarterly contract adjustment payments on each purchase contract forming a part of the Equity Units at a rate of % per year of the stated amount of $25 per Equity Unit. The estimated present value of the contract adjustment payments on the stock purchase contracts is $57 million, which has been recorded in other liabilities with a decrease in additional paid-in capital. When we make contract adjustment payments, they will be charged to other liabilities and we will accrue interest expense on the unpaid balance at the rate of % per year. Our pro forma adjustments have been prepared based upon an assumed contract adjustment payment rate of 3.35% per year and an interest rate of 2.90% per year on the debt component of the Equity Units. For a description of the terms of our Equity Units, see "Description of Equity Units." GEFAHI is offering the Equity Units for sale in a concurrent offering.

3. We will issue $100 million of our Series A Preferred Stock, which is mandatorily redeemable, to GEFAHI. For a description of the terms of our Series A Preferred Stock, see "Description of Capital Stock—Preferred Stock—Series A Preferred Stock." The dividends on our Series A Preferred Stock will be accounted for as interest expense in our financial statements. Our pro forma interest expense adjustment has been prepared based upon an assumed dividend rate of 4.625% per year. GEFAHI is offering shares of our Series A Preferred Stock for sale in a concurrent offering.

4. We will issue the $2.4 billion Short-term Intercompany Note to GEFAHI. We intend to repay this note with proceeds from the borrowings described in note (m) below. Because this note will be outstanding only between the date of this prospectus and the completion of this offering, interest expense on this note will not be material and has not been included in our pro forma adjustments. For a description of the terms of the Short-term Intercompany Note, see "Description of Certain Indebtedness—Short-term Intercompany Note."

5. We will issue the $550 million Contingent Note to GEFAHI. This note is non-interest-bearing, matures on the first anniversary of the completion of this offering and will be repaid solely to the extent that statutory contingency reserves from our U.S. mortgage insurance business in excess of $150 million are released and paid to us as a dividend. The release of these statutory

reserves and payment of the dividend by our U.S. mortgage insurance business to us are subject to statutory limitations, regulatory approval and the absence of any impact on our financial ratings. If regulatory approval has been obtained by the first anniversary date, but our financial ratings have not been affirmed, the term of this note will be extended for a period up to twelve months to obtain affirmation of our financial ratings. Any portion of the Contingent Note that is not repaid by the first anniversary of the completion of this offering or by the extended term, if applicable, will be canceled. We will record any portion of the Contingent Note that is canceled as a capital contribution. For a description of the terms of the Contingent Note, see "Description of Certain Indebtedness—Contingent Note."

(j) Reflects adjustments to retained earnings for the first-year cost of our grant of stock options and stock appreciation rights to our management and employees and cost relating to the conversion of certain existing stock-based compensation awards upon the completion of this offering, net of a related reduction of deferred income tax liability. On the date of this prospectus, we will establish equity compensation plans pursuant to which we will (1) issue stock options to purchase 10.1 million shares of our Class A Common Stock with an exercise price equal to the initial offering price, (2) issue stock appreciation rights on 6.1 million shares of our Class A Common Stock with an exercise price equal to the initial public offering price, and (3) convert all the unvested stock options, restricted stock units and stock appreciation rights that GE previously granted to our employees and the vested GE stock options held by our Chairman, President and Chief Executive Officer into stock options, restricted stock units and stock appreciation rights issued by our company. We recognize compensation expense for share-based compensation awards based upon the fair value of the stock options in accordance with Statement of Financial Accounting Standards 123, *Accounting for Stock-Based Compensation* ("SFAS 123"). Under the measurement principles of SFAS 123, we estimate that we will recognize compensation expense related to (1) the new issuances of stock options and stock appreciation rights of $40 million, $40 million, $24 million, $14 million and $6 million for the five twelve- month periods following the completion of this offering, and (2) the conversions of existing awards of $6 million and $1 million for the two twelve-month periods following the completion of this offering. Our estimate of fair value was made using the Black-Scholes model based upon the assumed initial offering price of $22.00 per share, volatility of 34.21%, risk free interest rate of 3.5% per year, and average expected life of 6 years. For a description of our stock-based compensation plans see "Management—GE 1990 Long-Term Incentive Plan," "—Omnibus Incentive Plan" and "—Incentive Compensation Program."

(k) Reflects an adjustment to record certain effects of our Tax Matters Agreement with GE. Under the Tax Matters Agreement, GE will make, and we will join GE in making, tax elections under section 338 of the Internal Revenue Code that will treat (for tax purposes) many of the companies in our group as having sold all their assets in fully taxable sales. Under the Tax Matters Agreement, GE will control the making of these elections and related determinations. GE will be responsible for all current taxes resulting from the making of these tax elections. As a result of the section 338 elections, we will become entitled to certain tax benefits that are expected to be realized by us in the future in the ordinary course of our business and that otherwise would not have been available to us. These benefits are generally attributable to increased tax deductions for amortization of intangibles and to increased tax basis in non-amortizable investment assets. Under the Tax Matters Agreement, we will be required to make payments to GE, equal to 80% of the amount of tax we are projected to save for each tax period as the result of these increased tax benefits, subject to a maximum amount of $640 million. We estimate that this maximum amount will apply, such that these payments will aggregate $640 million, comprising $572 million resulting from temporary differences between financial reporting and tax basis of our assets and liabilities arising from the elections (and recorded as a reduction in net deferred tax liabilities) and $68 million resulting from future interest expense deductions arising under the Tax Matters

Agreement. The estimated present value of the projected payments is approximately $448 million. We have recorded this amount as our estimate of our liability to GE and have increased paid-in capital by the difference ($282 million) between that amount and the total $730 million reduction in net deferred income tax liabilities as a result of the Section 338 elections. The $730 million includes both GE's 80% share of the benefit (subject to a maximum amount), or $572 million, and our share of the benefit, or $158 million. We will record interest expense as our obligation under the Tax Matters Agreement accretes over time. Our pro forma adjustment for interest expense related to the Tax Matters Agreement has been prepared based upon an assumed interest rate of 5.01% per year.

Although these pro forma adjustments reflect detailed estimates, the estimates remain subject to certain variables, such as the value of our company and its individual assets, that will not be determined until the completion of this offering and, in some cases, after the completion of this offering. If these variables depart materially from the expectations underlying our estimates, the amounts set forth in the pro forma adjustments, and particularly the adjustment to our paid-in capital for the difference between the reduction in our net deferred income tax liabilities and the amount of our liability to GE under the Tax Matters Agreement, could increase or decrease substantially. See "Arrangements Between GE and Our Company—Tax Matters Agreement" for further description of these tax matters.

(l) Reflects an adjustment to record additional effects of our Tax Matters Agreement with GE. As described in note (k), GE generally will pay all current taxes arising from the section 338 elections. Certain taxes other than section 338 taxes will be incurred by our subsidiaries in the transaction. Under the Tax Matters Agreement, these taxes also will be paid by GE. These taxes have been estimated at $41 million, using assumptions as to, among other things, the value of our company and its individual assets. We will record these non-recurring taxes as a current tax expense when incurred, and will record GE's payment of the taxes on our behalf as an equity contribution. Because these taxes are non-recurring, we have not reflected this adjustment in the unaudited pro forma earnings information. See "Arrangements Between GE and Our Company—Relationship with GE—Tax Matters Agreement" for further description of these tax matters.

(m) Reflects an adjustment to record borrowings and related interest expense pursuant to a $2.4 billion short-term credit facility that we will establish with a syndicate of banks concurrently with the completion of this offering. We will borrow the entire amount available under that facility upon the completion of this offering to repay the Short-term Intercompany Note. For a description of the terms of this facility, see "Description of Certain Indebtedness—Short-term Credit Facility." Our pro forma adjustment for interest expense has been prepared based upon an assumed interest rate of 1.40% per year. We intend to repay the borrowings under this short-term credit facility with proceeds from the issuance of approximately $1.9 billion in senior notes (which would be included in long-term borrowings) and approximately $500 million in commercial paper (which would be included in short-term borrowings), both of which we intend to complete shortly after the completion of this offering. If these notes and commercial paper had been issued as of January 1, 2003, our pro forma interest expense for the year ended December 31, 2003 would have increased by $62 million, assuming a weighted average interest rate of 4.76% per year on the notes and 1.07% per year on the commercial paper.

(n) Reflects an adjustment to record the tax impact on other pro forma earnings adjustments at a rate of 35%.

(o) We have not reflected any adjustments in our unaudited pro forma combined financial information for the following:

1. Prior to the completion of this offering, we will enter into a number of arrangements with GE governing our separation from GE and a variety of transition matters. These include

(i) arrangements with respect to certain transition services, management consulting services, administration services for a pool of guaranteed investment contracts, or GICs, and institutional asset management services, pursuant to which we will provide services to GE, (ii) arrangements with respect to certain transition services and asset management services, pursuant to which GE will provide services to us, and (iii) arrangements with GE with respect to which GE will reimburse us for the costs of our offering of senior notes and certain other separation costs. Except as described in the notes above, we have not reflected any adjustments for the estimated effects of these arrangements, which are described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Separation from GE and related costs" and "Arrangements Between GE and Our Company—Relationship with GE."

2. We have not reflected any adjustments to exclude net investment income or net realized investment gains related to the $2,930 million dividend paid by GEFAHI in December 2003. Approximately $1,630 million of the dividend was funded from proceeds received on the sale of our Japanese life insurance and domestic auto and homeowners' insurance businesses, after deducting expenses and settlements, and the remaining $1,300 million of the dividend was funded from a portion of dividends received from our insurance subsidiaries. If the amount of the dividend funded from dividends received from our insurance subsidiaries had been invested in short-term investments during the year ended December 31, 2003, it would have earned net investment income of approximately $30 million, based on our average short-term investment yield during 2003.

3. Our payment protection insurance business in the U.K. includes a portfolio of insurance bonds and structured settlements issued to contractholders in the U.K. that had reserves of approximately $200 million as of December 31, 2003 and net earnings of approximately $1 million for the year ended December 31, 2003. We and GE have agreed, subject to receipt of required regulatory and court approvals in the U.K., to transfer ownership of the bond and structured settlement portfolio to GE as soon as practicable following the transfer of the U.K. insurance businesses to us. Pending completion of the transfer of the bond and structured settlement portfolio, we have agreed to use commercially reasonable efforts to enter into indemnity reinsurance arrangements with GE to transfer the economic benefits, obligations and risks of the bond and structured settlement portfolio to GE promptly following completion of the offering. We have not reflected any adjustments for the reinsurance transaction and subsequent portfolio transfer. The reinsurance and portfolio transfer transactions will have no material effect on our net earnings or total stockholder's interest. When completed, the reinsurance transaction will reduce cash and investments and increase reinsurance recoverable by the amount of the reserves. The subsequent portfolio transfer will remove the reinsurance recoverable and related reserves from our combined statement of financial position. See "Arrangements Between GE and Our Company—European Payment Protection Insurance Business Arrangements."

4. We expect to incur aggregate pre-tax expenses of approximately $35 million in each of 2004, 2005 and 2006 for marketing, advertising and legal entity transition expenses, reflecting primarily the costs of establishing our new brand throughout our business, including with consumers and sales intermediaries. We have not reflected any adjustments for the estimated effect of these expenses because the majority of these expenses are nonrecurring and we did not incur any material expenses relating to advertising in the periods presented. We will charge these expenses to income in the periods incurred.

5. We have not reflected any adjustments for the transition to our benefit plans under the employee matters agreement we will enter into with GE prior to the completion of this offering. Effective as of the date that GE ceases to own more than 50% of our outstanding

common stock, our applicable U.S. employees will cease to participate in the GE plans and will participate in employee benefit plans established and maintained by us. For at least the one year period following the date that GE ceases to own more than 50% of our outstanding common stock, we will establish plans that will provide our employees with benefits that that are at least substantially comparable in the aggregate to the value of those benefits provided by the GE plans. See "Arrangements Between GE and Our Company—Employee Matters Agreement" for further description of these matters.

(p) Basic and diluted earnings from continuing operations per share and the weighted average shares outstanding are calculated as set forth below:

	December 31, 2003	
(Amounts in millions, except per share amounts)	**Basic**	**Diluted**
Pro forma net earnings from continuing operations	$ 935	$ 935
Common stock	489.5	489.5
Restricted stock units and stock appreciation rights(1)		.3
Stock options(1)		.2
Purchase contracts(1)		—
Pro forma shares outstanding	489.5	490.0
Pro forma earnings from continuing operations per share	$ 1.91	$ 1.91

(1) Pro forma shares outstanding used in our calculation of pro forma diluted earnings from continuing operations per share result from 1.7 million shares of Class A Common Stock available under restricted stock units and stock appreciation rights, 5.1 million shares of Class A Common Stock available under stock options and million shares of Class A Common Stock available under purchase contracts forming part of our Equity Units, based on the treasury stock method.

(q) Reflects liquidation preference and mandatory redemption value and of $50 per share.

(r) Reflects par value of $0.001 per share, 1.5 billion shares of Class A Common Stock authorized, 145.0 million shares of Class A Common Stock issued and outstanding. Also reflects par value of $0.001 per share, 700 million shares of Class B Common Stock authorized, and 344.5 million shares of Class B Common Stock issued and outstanding.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited and unaudited historical combined financial statements and related notes as well as our unaudited pro forma combined financial statements included elsewhere in this prospectus. The discussion below contains forward-looking statements that are based upon our current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors, many of which are beyond our control. See "Forward-Looking Statements."

Overview

Our business

We are a leading insurance company in the U.S., with an expanding international presence. We have three operating segments—Protection, Retirement Income and Investments, and Mortgage Insurance.

- ***Protection.*** We offer U.S. customers life insurance, long-term care insurance and, for companies with fewer than 1,000 employees, group life and health insurance. In Europe, we offer payment protection insurance, which helps consumers meet their payment obligations in the event of illness, involuntary unemployment, disability or death. For the year ended December 31, 2003, our Protection segment had pro forma segment net earnings of $481 million.

- ***Retirement Income and Investments.*** We offer U.S. customers fixed, variable and income annuities, variable life insurance, asset management and specialized products, including guaranteed investment contracts, funding agreements and structured settlements. For the year ended December 31, 2003, our Retirement Income and Investments segment had pro forma segment net earnings of $93 million.

- ***Mortgage Insurance.*** We offer mortgage insurance products in the U.S., Canada, Australia, and Europe that facilitate homeownership by enabling borrowers to buy homes with low-down-payment mortgages. For the year ended December 31, 2003, our Mortgage Insurance segment had pro forma segment net earnings of $369 million.

We also have a Corporate and Other segment, which consists primarily of net realized investment gains (losses), most of our interest and other financing expenses, unallocated corporate income and expenses (including amounts accrued in settlement of class action lawsuits), and the results of several small, non-core businesses that are managed outside our operating segments. For the year ended December 31, 2003, our Corporate and Other segment had a pro forma segment net loss of $8 million.

Our corporate reorganization

We were incorporated in Delaware on October 23, 2003 in preparation for our corporate reorganization. Prior to the completion of this offering, we will acquire substantially all of the assets and liabilities of GEFAHI. GEFAHI is an indirect subsidiary of GE and a holding company for a group of companies that provide life insurance, long-term care insurance, group life and health insurance, annuities and other investment products and U.S. mortgage insurance. We also will acquire certain other insurance businesses currently owned by other GE subsidiaries but managed by members of the Genworth management team. These businesses include international mortgage insurance, European payment protection insurance, a Bermuda reinsurer and mortgage contract underwriting. In consideration for the assets that we will acquire and the liabilities that we will assume in connection with our corporate reorganization, we will issue to GEFAHI 489.5 million shares of our Class B Common Stock, $600 million of our Equity Units, $100 million of our Series A Preferred Stock, the

$2.4 billion Short-term Intercompany Note and the $550 million Contingent Note. See "Corporate Reorganization."

Our historical and pro forma financial information

The historical combined financial information presented in this prospectus has been derived from our combined financial statements, which have been prepared as if Genworth had been in existence throughout all relevant periods. Our historical combined financial information and statements include all businesses that were owned by GEFAHI, including those that will not be transferred to us in connection with our corporate reorganization, as well as the other insurance businesses that we will acquire from other GE subsidiaries in connection with our corporate reorganization. In addition to the three operating segments that we will have after the completion of this offering and our Corporate and Other segment, our historical combined financial statements also include the results of (1) the Partnership Marketing Group business, which offers life and health insurance, auto club memberships and other financial products and services directly to consumers through affinity marketing arrangements with a variety of organizations, (2) an institutional asset management business owned by GEFAHI, and (3) several other small businesses owned by GEFAHI that are not part of our core ongoing business.

The Partnership Marketing Group historically included UFLIC, a subsidiary that offered life and health insurance products through affinity marketing arrangements. Prior to the completion of this offering, GEFAHI's Partnership Marketing Group will transfer UFLIC to General Electric Capital Services, Inc., a direct wholly-owned subsidiary of GE. We will not acquire the Partnership Marketing Group business, the institutional asset management business or these other small businesses from GEFAHI, and their results (including UFLIC's historical results) are presented as a separate operating segment under the caption "Affinity."

Our historical combined financial statements also include our Japanese life insurance and domestic auto and homeowners' insurance businesses, which we sold on August 29, 2003, and which are presented in our historical combined financial statements as discontinued operations.

The unaudited pro forma information presented in this prospectus reflects our historical combined financial information, as adjusted to give effect to the transactions described under "Selected Historical and Pro Forma Financial Information" as if each had occurred as of January 1, 2003, in the case of earnings information, and December 31, 2003, in the case of financial position information.

Revenues and expenses

Our revenues consist primarily of the following:

- ***Protection***. The revenues in our Protection segment consist primarily of:

    - net premiums earned on individual life, individual long-term care, group life and health and payment protection insurance policies;
    - net investment income on the separate investment portfolio held by our European payment protection insurance business or allocated to this segment's other lines of business; and
    - policy fees and other income, including fees for mortality and surrender charges primarily from universal life insurance policies, and other administrative charges.

- ***Retirement Income and Investments***. The revenues in our Retirement Income and Investments segment consist primarily of:

    - net premiums earned on income annuities and structured settlements with life contingencies;
    - net investment income allocated to this segment; and

- policy fees and other income, including surrender charges, mortality and expense charges, investment management fees and commissions.

- ***Mortgage Insurance***. The revenues in our Mortgage Insurance segment consist primarily of:

  - net premiums earned on mortgage insurance policies;
  - net investment income on the segment's separate investment portfolio; and
  - policy fees and other income, including fees from contract underwriting services.

- ***Corporate and Other***. The revenues in our Corporate and Other segment consist primarily of:

  - net premiums, policy fees and other income from the insurance businesses in this segment;
  - unallocated net investment income; and
  - net realized investment gains (losses).

We allocate net investment income from our Corporate and Other segment to our Protection (except European payment protection insurance) and Retirement Income and Investments segments using an approach based principally upon the investment portfolio established to support each of those segments' products and targeted capital levels. We do not allocate net investment income from our Corporate and Other segment to our Mortgage Insurance segment or to our European payment protection insurance product within the Protection segment because they have their own separate investment portfolios, and the net investment income from those portfolios is reflected in the Mortgage Insurance and Protection segment results. In our historical combined financial statements, we allocated net investment income to our Affinity segment in the same manner that we allocated these items to our Protection and Retirement Income and Investments segments.

All net realized investment gains (losses) are reflected in the Corporate and Other segment and are not reflected in the results of any of our other segments.

Our expenses consist primarily of the following:

- benefits provided to policyholders and contractholders and changes in reserves;
- interest credited on general account balances;
- underwriting, acquisition and insurance expenses, including commissions, marketing expenses, policy and contract servicing costs, overhead and other general expenses that are not capitalized (shown net of deferrals);
- amortization of deferred policy acquisition costs and other intangible assets;
- interest and other financing expenses; and
- income taxes.

We allocate corporate expenses to each of our operating segments based on our relative equity investment in that segment.

Business trends and conditions

In recent years, our business has been, and we expect will continue to be, influenced by a number of macroeconomic, industry-wide and product-specific trends and conditions.

Market and economic environment

Macroeconomic conditions. During the last several years, the sales and financial results of our business were adversely affected by very slow economic growth, low interest rates and depressed equity markets. During 2001 and 2002, U.S. real GDP growth declined to 0.5% and 2.2%, respectively, after averaging compound annual growth of 4.1% from 1995 to 2000. Interest rates, as measured by the 10-year U.S. Treasury, reached historical 45-year lows in June 2003, declining from 6.8% in January 2000 to 3.1% in June 2003. In addition, the U.S. equity markets were marked by a severe downturn, with the S&P 500 Index declining by 51% from 1,553 at its peak in March 2000 to 768 in October 2002. These economic conditions were exacerbated by several high-profile corporate scandals and bankruptcies. During this period, our business also faced a challenging credit cycle, with the Moody's Default Index reaching 2.05% in 2002 after averaging 0.45% from 1999 to 2001. Similar economic trends and challenges prevailed outside the U.S. as well during this period.

Aging U.S. population with growing retirement income needs. According to the U.S. Social Security Administration, from 1945 to 2001, U.S. life expectancy at birth increased from 62.9 years to 73.8 years for men and from 68.4 years to 79.4 years for women, respectively, and life expectancy is expected to increase further. In addition, increasing numbers of baby boomers are approaching retirement age. The U.S. Census Bureau projects that the percentage of the U.S. population aged 55 or older will increase from approximately 21% (61 million) in 2002 to more than 29% (95 million) in 2020. These increases in life expectancy and the average age of the U.S. population heighten the risk that individuals will outlive their retirement savings. In addition, approximately $4.4 trillion of invested financial assets (25% of all U.S. invested financial assets) are held by people within 10 years of retirement and are expected to be converted to income as those people retire, according to a survey conducted by SRI Consulting Business Intelligence in 2002. We believe these trends will lead to growing demand for retirement income and investment products, such as our annuities and other investment products, that help consumers accumulate assets and provide reliable retirement income.

Growing lifestyle protection gap. The aging U.S. population and a number of other factors are creating a significant lifestyle protection gap for a growing number of individuals. This gap is the result of individuals not having sufficient financial resources, including insurance coverage, to ensure that their future assets and income will be adequate to support their desired future lifestyle. Other factors contributing to this gap include declining individual savings rates, rising healthcare and nursing home costs, and a shifting of the burden for funding protection needs from governments and employers to individuals. Recent reductions in employer-paid benefits by many companies, coupled with uncertainty over the future of government benefit programs underscore the potential for long-term benefit reductions from these traditional sources and the potential need for individuals to identify alternative sources of these benefits. At the same time, according to the U.S. Bureau of Economic Analysis, personal savings rates decreased from 10.9% in 1982 to 3.7% in 2002. Consumers are exposed to the rising costs of healthcare and nursing care during their retirement years, and some experts believe that many consumers are underinsured with respect to their protection needs. We expect these trends to result in increased demand for our life, long-term care and small group life and health insurance products.

Increasing opportunities for mortgage insurance in the U.S. and other countries. We believe a number of factors have contributed and will contribute to the growth of mortgage insurance in the U.S., Canada and Australia, where we have significant mortgage insurance operations. These factors include increasing homeownership levels (spurred in part by government housing policies that favor homeownership); expansion of low-down-payment mortgage loan offerings; legislative and regulatory policies that provide capital incentives for lenders to transfer the risks of low-down-payment mortgages to mortgage insurers; and expansion of secondary mortgage markets that require credit enhancements, such as mortgage insurance. We believe a number of these factors also are becoming evident in some European and Asian markets, where lenders increasingly are using mortgage insurance to manage the risks of their loan portfolios and to expand low-down-payment lending.

General conditions and trends affecting our businesses

Interest rate fluctuations. Fluctuations in market interest rates have a significant effect on our sales of insurance and investment products and our margins on these products. In our Protection and Retirement Income and Investments segments, declining interest rates in a low-interest-rate environment have reduced the spreads between the amounts we have paid or credited to policyholders and contractholders and the returns we earned on the investments that supported our obligations under these products. In response to the recent decline in market interest rates, we have reduced the guaranteed minimum crediting rates we offer on newly issued fixed annuity contracts in order to mitigate the adverse impact of declining interest rates on our spreads and profitability on these contracts. However, this reduction in minimum guaranteed crediting rates has had an adverse effect on our sales of these products because some of our competitors have continued to offer higher minimum rates. For example, our fixed annuity deposits declined by 60% from $2,663 million for the year ended December 31, 2002 to $1,069 million for the year ended December 31, 2003. In addition, as a result of a lower interest rate environment, our income annuity premiums and deposits declined by 27% from $979 million for the year ended December 31, 2002 to $717 million for the year ended December 31, 2003. Declining interest rates also have resulted in increased persistency in our fixed annuity and universal life insurance products because investors generally have been unable to shift assets into higher-yielding investments. Our net earnings from spread-based products in our Retirement Income and Investments segment declined by 11% from $166 million for the year ended December 31, 2002 to $138 million for the year ended December 31, 2003 as a result of reduced spreads, offset in part by increased persistency. Interest rates have stabilized in 2003, and we expect the yield on our investment portfolio also will stabilize, with the potential for increases in a rising interest rate environment.

In our Mortgage Insurance segment, declining interest rates in the U.S. have generated significant mortgage refinancing activity, which, in turn, has led to lower persistency in our U.S. mortgage insurance business, as well as increases in the volume of new mortgage insurance written and increased contract underwriting expenses. For example, our policy cancellation rates increased from 43% for the year ended December 31, 2002 to 54% for the year ended December 31, 2003. In addition, our U.S. new insurance written increased by 44% from $46.9 billion for the year ended December 31, 2002 to $67.4 billion for the year ended December 31, 2003. We expect that increasing mortgage interest rates will result in increased persistency, but also will reduce the volume of mortgage originations and of new mortgage insurance written.

Volatile equity markets. The equity markets in the U.S. and the other markets in which we invest have experienced extreme volatility and significant downturns in recent years, which has affected our financial condition and results of operations in two principal ways. First, we believe equity market downturns and volatility generally have discouraged potential new purchasers of our products from purchasing separate account products, such as variable annuities, that have returns linked to the performance of the equity markets and have caused our existing customers to withdraw cash values or reduce investments in those products. For example, our variable annuity deposits declined by 28% from $2,309 million for the year ended December 31, 2001 to $1,667 million for the year ended December 31, 2002. However, with the improved equity markets in 2003, variable annuity deposits increased by 26% to $2,102 million for the year ended December 31, 2003. Second, lower equity markets have had an adverse effect on our fee income tied to the value of the equity investments in our separate accounts and have resulted in accelerated amortization of DAC and PVFP, reflecting lower expected profits from our variable products. After the completion of this offering, the potential adverse impact of volatile equity markets will be significantly reduced as a result of our reinsurance arrangements with UFLIC, pursuant to which we will reinsure, effective as of January 1, 2004, substantially all of our in-force blocks of variable annuities. We will retain variable annuities sold after January 1, 2004 for our own account, subject to third-party reinsurance transactions in the ordinary course of business, and therefore we will bear the risk of any adverse impact of future equity market fluctuations on those annuities.

Credit default risk. As a result of the recent economic downturn and some high-profile corporate bankruptcies and scandals, the number of companies defaulting on their debt obligations increased dramatically in 2001 and 2002. These defaults and other declines in the value of some of our investments have resulted in impairment charges in recent years. Charges associated with impairments of investments were $224 million, $343 million and $289 million for the years ended December 31, 2003, 2002 and 2001, respectively. We expect that continuing economic and market improvements will lead to fewer credit defaults and lower impairment charges in our results of operations.

Investment gains. As part of GE, the yield on our investment portfolio has been affected by the practice in recent years of realizing investment gains through the sale of appreciated securities and other assets during a period of historically low interest rates. This strategy was pursued to offset impairments and losses in our investment portfolio, fund consolidations and restructurings in our business and provide current income. Our gross realized gains were $473 million, $790 million and $814 million for the years ended December 31, 2003, 2002 and 2001, respectively. These gross realized gains, net of gross realized losses, including charges from impairments of investments and realized losses from portfolio restructuring, have resulted in net realized investment gains of $10 million, $204 million and $201 million for the years ended December 31, 2003, 2002 and 2001, respectively. This strategy has had an adverse impact on the yield on our investment portfolio and our net investment income as we typically sold higher-yielding securities and reinvested the proceeds in lower-yielding securities during periods of declining or low interest rates. The impact was most significant in the Retirement Income and Investments segment, which has a higher percentage of our fixed maturities allocated to it than our other segments. As we transition to being an independent public company, our investment strategy will be to optimize investment income without relying on realized investment gains. As a result of this strategy, we expect the yield on our investment portfolio to stabilize, with the potential for increases in a rising interest rate environment. We also will seek to improve our investment yield by continuously evaluating our asset class mix and pursuing additional investment classes.

Globalization. Historically, we have derived a majority of our revenues and profits from our operations in the U.S. However, in recent years, our international business has grown and has had an increasing impact on our financial condition and results of operations. For the years ended December 31, 2003, 2002 and 2001, respectively, 18%, 14% and 14% of our revenues, and 26%, 12% and 11% of our net earnings from continuing operations were generated by our international operations. These increases were largely due to growth in our international mortgage insurance business, and we expect that we will derive an increasing portion of our total revenues and profits from outside the U.S. as our international mortgage insurance business continues to grow. Our European payment protection insurance business also derives revenues in the countries where it offers its products. We are exposed to the impact of fluctuations in exchange rates as we translate the operating results of our foreign operations into our combined financial statements. We currently do not hedge this exposure, and as a result, period-to-period comparability of our results of operations is affected by fluctuations in exchange rates. Our net earnings for the year ended December 31, 2003 included approximately $25 million due to the favorable impact of changes in foreign exchange rates. Our four principal foreign currencies are the Canadian dollar, the Australian dollar, the U.K. pound and the euro.

Ongoing operating cost reductions and efficiencies. Our underwriting, acquisition, and insurance expenses, net of deferrals, have decreased to 16.6% of our revenues in 2003 from 18.1% in 1999. We will continually focus on reducing our cost base while maintaining strong service levels for our customers. We expect to accomplish this in each of our operating units through a wide range of cost management disciplines, including consolidating operations, using low-cost operating locations, reducing supplier costs, leveraging Six Sigma and other process improvement efforts, forming dedicated teams to identify opportunities for cost reductions and investing in new technology, particularly for web-based, digital end-to-end processes.

Developments affecting our product lines

Developments in life insurance. Regulation XXX, which was adopted by nearly all states as of January 1, 2001, requires insurers to establish additional statutory reserves for term and universal life insurance policies with long-term premium guarantees. In response to this regulation, we have increased term and universal life insurance statutory reserves and changed our premium rates for term and universal life insurance products, which have contributed to lower term life insurance sales in 2003. We also have been able to improve our new business returns on equity by implementing pricing, reinsurance and capital management actions in response to Regulation XXX. See "Risk Factors—Regulation XXX may have an adverse effect on our financial condition and results of operations by requiring us to increase our statutory reserves for term life and universal life insurance or incur higher operating costs."

Developments in long-term care insurance. During 2001, 2002 and 2003, the level of annualized first-year premiums in our long-term care insurance business has remained relatively constant. This sales trend is generally consistent with the overall industry sales trend, according to reports published by LIMRA International. In addition, we have been experiencing lower lapse rates than we originally anticipated on long-term care insurance policies that we issued prior to the mid-1990s. This has adversely affected our overall claims experience on those policies. In the third quarter of 2003, we started selling our newest long-term care insurance products in selected markets. These products were priced to achieve our target returns on capital and to reflect new features and benefits, trends in lapse rates, interest rates, morbidity and adverse claims experience in certain higher risk policyholder classes. Our pricing strategy for these products has contributed to lower sales in recent periods. We are continuing to seek regulatory approvals to begin selling these products in additional markets, and we expect that their introduction into those markets initially may have a further adverse impact on our sales in the near term. We believe, however, that over time our sales will increase. We also believe that our pricing strategy is appropriate relative to the underlying risk exposure of these products and that it will lead to increased net earnings over time.

Developments in payment protection insurance. The margins of our payment protection business in the U.K. have decreased in recent years as a result of increased pricing pressure and greater competition from captive insurance arrangements by distributors that provide payment protection insurance directly to their customers. Consistent with our focus on disciplined growth and returns on capital, we are continuing to pursue arrangements that will enable us to achieve our target returns while strengthening our client relationships. In the last several years, our payment protection insurance business has expanded as a result of our strategy to enter additional markets in Continental Europe and to develop new relationships with distributors in those markets. However, we did not renew arrangements with our largest distributor of payment protection insurance (as measured by gross written premiums), a large U.K. bank that accounted for approximately 25% of the gross written premiums in our payment protection insurance business during the year ended December 31, 2003. Although we expect our revenue to decline significantly over the next few years as existing policies from these less profitable arrangements begin to run off, we believe this will have a favorable effect on our results over the long term as capital is released and redeployed into markets with potential for higher returns.

Developments in retirement income and investments. The results of our Retirement Income and Investments segment are affected primarily by interest rate fluctuations and volatile equity markets, as discussed above under "—Overview—Business trends and conditions—General conditions and trends affecting our businesses." In addition, our competitive position within many of our distribution channels depends significantly upon product features, including our crediting rates on spread-based products relative to our competitors, minimum guaranteed rates, surrender charge periods and agent commissions. We continually evaluate our competitive position based upon each of those features, and we make adjustments as appropriate to meet our target return thresholds. In late 2002 and throughout 2003, in response to declining interest rates, we reduced minimum guaranteed rates on many of our spread-based products. These reductions have had an adverse effect on our competitive position because some of our competitors have retained higher minimum guaranteed rates. In addition, some competitors have offered fixed annuity products with higher commissions and shorter surrender charge periods, and this also has had an adverse effect on our competitive position. These factors contributed to a decline in our sales of fixed annuities in 2003 and our market position in this product. Our new deposits in fixed deferred annuities decreased 60% from $2,663 million for the year ended December 31, 2002 to $1,069 million for the year ended December 31, 2003. Moreover, there were fewer requests for bids in our GIC business following the announcement in November 2003 of our planned separation from GE. We believe this decrease was due to the limited availability to our customers of information about our company prior to the completion of this offering.

Developments in mortgage insurance. The net earnings of our U.S. mortgage insurance business have been adversely affected by our ceding a larger portion of our gross premiums to captive mortgage reinsurance subsidiaries established by many of the major mortgage lenders with which we do business. Most large mortgage lenders have developed reinsurance operations that obtain net premium cessions from mortgage insurers of 25% to 40%. In order to increase our return on capital, we announced in August 2003 that, effective January 1, 2004, we generally would not renew, on their existing terms, our existing excess-of-loss risk sharing arrangements with net premium cessions in excess of 25%. We expect that these actions will result in a significant reduction in business from these lenders. We recently decided that we may, in selected cases, enter into captive reinsurance arrangements that involve premium cessions in excess of 25% in situations where the terms and conditions, including the level of reinsurance coverage afforded, will enable us to achieve our target returns on capital. In addition, we believe U.S. mortgage insurance growth has been adversely affected by the increased use of simultaneous second mortgages as an alternative to loans requiring private mortgage insurance. The adverse impact of ceding to captive reinsurers and the growth of simultaneous seconds has been offset by the positive impact in recent years of historically low loss ratios due to significant refinancing activity, home price appreciation and low levels of defaults. As a result of this refinancing activity, as of December 31, 2003, approximately 79% of our risk in force had not yet reached its anticipated highest claim frequency years, which is generally between the third and seventh year of the loan. We expect our loss experience on these loans will increase as policies continue to age.

Separation from GE and related financial arrangements

GE historically has provided a variety of products and services to us, and we have provided various products and services to GE. Prior to the completion of this offering, we will enter into a transition services agreement and various other agreements with GE that, together with a number of existing agreements that will remain in effect following this offering, will govern the relationship between GE and us after this offering. These arrangements are discussed below and described more fully under "Arrangements Between GE and Our Company" and note 18 to our combined financial statements included elsewhere in this prospectus.

Services received from GE

Support services and corporate overhead. GE historically has provided a variety of support services for our businesses, including:

- customer service, transaction processing and a variety of functional support services provided by GE Capital International Services, or GECIS;
- employee benefit processing and payroll administration, including relocation, travel, credit card processing and related services;
- employee training programs, including access to GE training courses;
- insurance coverage under the GE insurance program;
- information systems, network and related services;
- leases for vehicles, equipment and facilities; and
- other financial advisory services such as tax consulting, capital markets services, research and development activities, and use of trademarks and licenses.

We have reimbursed GE for the costs of providing these services to us. We paid GE a total of $87 million, $74 million and $52 million for these services for the years ended December 31, 2003, 2002 and 2001, respectively.

In addition, GE historically has allocated to us a share of its corporate overhead expenses for certain services provided to us, which are not specifically billed to us, including public relations, investor relations, treasury, and internal audit services. Our total expense for this allocation was $50 million, $49 million and $43 million for the years ended December 31, 2003, 2002 and 2001, respectively. We have not reimbursed these amounts to GE, and have recorded them as a capital contribution in each year. After the completion of this offering, GE will no longer allocate any of its corporate expenses to us.

GE will continue to provide us with many of the corporate services described above on a transitional basis after the completion of this offering, and we will arrange to procure other services pursuant to arrangements with third parties or through our own employees. In the case of support services provided by GECIS, we will continue to receive these services pursuant to agreements that will be amended prior to the completion of this offering. For a description of our historical, continuing and new arrangements with GE, see "Arrangements Between GE and Our Company—Relationship with GE." In the aggregate, we expect that our total costs for procuring corporate services that previously had been provided by GE will not materially exceed the amounts we historically have paid to GE for these services, including GE's allocation to us for its corporate overhead. However, we do expect to incur incremental advertising, marketing and legal entity transition expenses to establish a new brand identity, and we also expect to incur compensation expense with respect to the establishment of our new equity plans. In addition, we have obtained direct access to a variety of third-party products and services, including technology licenses, as a result of GE's relationships with those third parties. After our separation from GE, we will negotiate our own arrangements with third-party providers for these products and services, but we do not believe this will result in materially increased costs in the aggregate.

Investment management services. We have received and will continue to receive investment management services from GE Asset Management Incorporated, or GEAM, a subsidiary of GE, pursuant to agreements that will, with limited exceptions, be amended prior to the completion of this offering. We also will enter into new agreements with GE Asset Management Limited, or GEAML, an affiliate of GEAM, for investment management services in the U.K. Pursuant to the existing, amended and new agreements, the fee charged by GEAM or GEAML, as applicable, is equal to a percentage of the value of the assets under management. This percentage is established annually by agreement between GEAM or GEAML and us and is intended to reflect the cost to GEAM or GEAML of providing its services and, for the agreements with GEAML, a premium of 5%. For the years ended December 31, 2003, 2002 and 2001, our aggregate costs for investment management and related administration services provided by GEAM were approximately $61 million, $39 million and $2 million, respectively. We expect our investment management expenses to increase marginally following this offering as a result of the expenses we will incur related to our new investment department, including the transfer of some employees from GEAM to us to manage certain asset classes that GEAM previously managed. See "Arrangements Between GE and Our Company—Relationship with GE—Investment Agreements."

Reinsurance transactions. We have entered into reinsurance transactions with affiliates of GE, principally Employers Reassurance Company and ERC Life Reinsurance Corporation (formerly an affiliate of GE), which we refer to collectively as ERC, under which we have reinsured some of the risks of our insurance policies on terms comparable to those we could obtain from third parties. We have paid premiums to these affiliates of $56 million, $60 million and $58 million for the years ended December 31, 2003, 2002 and 2001, respectively. In addition, in 2002 one of our subsidiaries entered into a life reinsurance agreement with an affiliated company, GE Pensions Limited, to reinsure 95% of gross written premiums received under certain life policies. We have paid premiums to this affiliate of $100 million and $94 million for the years ended December 31, 2003 and 2002. See "Business—Reinsurance." The existing reinsurance agreements with GE will remain in force and continue in accordance with their terms after the completion of this offering.

Employee benefit plans. Historically, we have reimbursed GE for benefits it has provided to our employees under various employee benefit plans, including GE's retirement plan, retiree health and life insurance benefit plans, defined contribution savings plan and life and health insurance benefits through the GE benefit program. We incurred expenses associated with these plans of $106 million, $112 million and $103 million for the years ended December 31, 2003, 2002 and 2001, respectively. GE will continue to provide these benefits to our employees for so long as GE owns more than 50% of our outstanding common stock. See "Arrangements Between GE and our Company—Relationship with GE—Employee Matters Agreement" and note 12 to our combined financial statements included elsewhere in this prospectus. In addition to these expenses for which we have reimbursed GE, we have incurred expenses of $9 million, $6 million and $4 million for certain GE stock option and restricted stock unit grants for the years ended December 31, 2003, 2002 and 2001, respectively. As in the case of the allocation of corporate overhead, we have not reimbursed these amounts with respect to stock options and restricted stock units to GE, and have recorded them as a capital contribution in each year. After the completion of this offering, we will establish our own equity compensation plans. See "—Equity plans" below.

Credit arrangements. Historically, we have had access to funding provided by GE in the form of credit lines, revolving credit agreements and other borrowing arrangements. See "Arrangements between GE and our Company—Historical Related-Party Transactions—Credit arrangements and other amounts due from or owed to GE." In connection with our initial public offering and separation from GE, we intend to enter into new credit arrangements with unaffiliated third-parties. See "—Liquidity and Capital Resources" below.

Services provided to GE

We have provided various products and services to GE on terms comparable to those we provide to third-parties. After the completion of this offering, we expect to continue to provide many of these products and services to GE. See "Arrangements Between GE and Our Company—Historical Related-Party Transactions—Products and services provided to GE."

In addition, prior to the completion of this offering, we will enter into a series of arrangements with GE pursuant to which we will provide a variety of additional services to GE, including the arrangements discussed below. The following describes the principal impact of those service arrangements on our results of operations:

- *Transition services relating to GE and GEFAHI businesses not acquired by us.* We will provide services to certain of GE's insurance businesses that we will not acquire. These services will include finance, information systems, network services and legal and regulatory support. We will continue to provide these services for a minimum of two years and a maximum of three years in most cases. For the two years after the completion of this offering, GE generally may not terminate any of the services we provide. GE has agreed to pay us an aggregate of $40 million in eight equal quarterly installments during the first two years after this offering for our provision of the transition services to GE. The charges for the transition services generally are intended to allow the providing company to fully recover the allocated direct costs of providing the services, plus all out-of-pocket costs and expenses, generally without profit. See "Arrangements Between GE and Our Company—Relationship with GE—Transition Services Agreement."

- *Management consulting services.* We will provide management consulting services to GE for a period of five years. These services will include delivering training, providing consultation and strategic advice with respect to actuarial, regulatory and other emerging issues, planning and participating in meetings with rating agencies and regulators, participating in government relations activities and various other activities. In consideration for these services, GE will pay us a fee of $1 million per month during the first four years following the offering and $500,000 per month during the fifth year. GE cannot terminate this arrangement before the expiration of the five-year term. See "Arrangements Between GE and Our Company—Relationship with GE—Transition Services Agreement."

- *GIC investment administration services.* We entered into agreements with affiliates of GE, effective as of January 1, 2004, to manage a pool of municipal guaranteed investment contracts, or GICs, issued by GE affiliates. Pursuant to these agreements, we will originate GIC liabilities and advise the affiliates regarding the investment, administration and management of their assets that support those liabilities. Under two of those agreements, we will receive an administration fee of 0.165% per annum of the maximum program size for those affiliates, which was an aggregate of $15.0 billion as of December 31, 2003. The agreements also provide for termination fees in the event of early termination at the option of either affiliate. Under a third agreement with another affiliate, we will receive a management fee of 0.10% per annum of the book value of the investment contracts or similar securities issued by this affiliate after January 1, 2003, which was $912 million as of December 31, 2003. The fee we will receive on the contracts issued by that affiliate before January 1, 2003 will be based upon a pricing arrangement that will vary depending upon the maturities of those contracts and that affiliate's cost of capital. The book value of the contracts issued before January 1, 2003 was $2,008 million as of December 31, 2003 and is expected to generate a weighted average fee of approximately 0.35% in 2004. We also will receive reimbursement of our operating expenses under each of the agreements. The initial term of each of the three agreements will expire December 31, 2006, and unless terminated at the option of either party, each agreement automatically will renew on January 1 of each year for successive terms of one year. See "Arrangements Between GE and Our Company—Relationship with GE—Liability and Portfolio Management Agreements."

- *Institutional asset management services.* Prior to the completion of this offering, we offered a broad range of institutional asset management services to third parties. GEAM provided the portfolio management services for this business, and we provided marketing, sales and support services. We will not acquire the institutional asset management services business from GEFAHI, but we will continue to provide services to GEAM and GEFAHI related to this asset management business, including client introduction services, asset retention services and compliance support. GEFAHI will pay us a fee of up to $10 million per year for four years to provide these services. The fee will be determined based upon the level of third-party assets under management managed by GEAM over the four-year term. The agreement may not be terminated by GEAM or GEFAHI, except for non-performance or in the event that we commence a similar institutional asset management business. See "Arrangements Between GE and Our Company—Relationship with GE—Asset Management Services Agreement."

Additional arrangements with GE

In addition to the arrangements described above pursuant to which we and GE will provide services to each other, we also will enter into the following additional arrangements with GE:

- *Tax Matters Agreement.* As a consequence of our separation from GE, and the election we will make with GE to treat that separation as an asset sale under section 338 of the Internal Revenue Code, we expect to realize future tax savings that we otherwise would not realize. These future tax savings initially will be recorded on our balance sheet as a $730 million reduction in net deferred income tax liabilities. We are obligated, pursuant to the Tax Matters Agreement with GE, to pay to GE 80% of the amount of tax we are projected to save for each tax period as a result of these increased tax benefits. The present value of this obligation to GE is approximately $448 million and this liability will be recorded on our balance sheet as well. These amounts are estimates and will change as the result of a number of factors, including a final determination of the value of our company and its individual assets. However, we have agreed with GE that, with certain exceptions relating to specified contingent benefits and excluding interest on payments we defer, our total payments to GE will not exceed $640 million.

To the extent that we never realize the anticipated tax savings because we have insufficient taxable income of the appropriate character (or because of a reduction in tax rates), we may, at our option, defer payments until 2029. These deferred payments would bear interest over the term of the deferral at an interest rate of 5.01% per annum, from the time that the payments were scheduled to be made. Similarly, to the extent that we do realize the anticipated tax savings, but we realize them later than anticipated, we may, at our option, defer payments of projected but unrealized tax savings until we realize them. These deferred payments would bear interest over the term of the deferral at an interest rate of 5.01% per annum. We may also, at our option, defer payment of any interest on deferred payments until 2029, in which case it will bear interest at the rate of 5.01% per annum.

The $282 million difference between the $730 million benefit we will record as the expected future tax savings and the $448 million liability to GE we will record will be part of our net stockholder's interest. If and to the extent our Section 338 tax benefits exceed the amount of tax benefits we currently project, our additional paid-in capital would increase. As our obligation to make payments under the Tax Matters Agreement accretes over time, we will record interest expense at a rate of 5.01% per annum. Under the Tax Matters Agreement, GE also will pay certain taxes of our legal entities, other than taxes in respect of the section 338 elections described above, resulting from the various transactions implemented in connection with the separation (other than the reinsurance with UFLIC). We will record these non-recurring taxes as a current tax expense when incurred, and will record GE's payment of the taxes on our behalf as an equity contribution. See "Arrangements Between GE and Our Company—Relationship with GE—Tax Matters Agreement."

- *UFLIC reinsurance arrangements.* Prior to the completion of this offering, we will enter into several significant reinsurance transactions with UFLIC, an indirect, wholly-owned subsidiary of

GE. Under the terms of the agreements governing these reinsurance transactions, we will transfer to UFLIC assets equal to the policyholder liabilities related to the ceded blocks of business and will record a reinsurance recoverable asset for the amount of the policyholder liabilities reinsured, except with respect to the in-force liabilities for the variable annuity separate accounts, for which there is no asset transfer. We will continue to have a separate account liability in the amount of the policyholder liabilities related to the separate account assets which we are not transferring to UFLIC. We will remain liable under these contracts and policies as the ceding insurer and, as a result, will continue to carry insurance reserve liabilities for the reinsured policies on our balance sheet. In connection with the Medicare supplement insurance assumed by us, UFLIC will transfer to us cash and other investments, and we will record a reinsurance liability, equal to the policyholder liabilities related to this assumed block of business. Our total reinsurance recoverable for all of our reinsurance arrangements as of December 31, 2003, on an historical and pro forma basis, was $2.3 billion and $18.7 billion, respectively.

The reinsurance transactions will have the effect of transferring the financial results of the reinsured blocks of business (except for Medicare supplement insurance) from us to UFLIC and the Medicare supplement insurance block of business from UFLIC to us. With respect to the long-term care insurance policies reinsured to UFLIC, we will retain an interest in the future profitability of the block if it exceeds certain thresholds. We also will continue to administer all the policies reinsured by UFLIC, and we will receive an expense allowance to reimburse us for the costs we incur to service these policies. See "Arrangements Between GE and Our Company—Reinsurance Transactions."

Equity plans

Our key employees currently participate in a number of GE's equity compensation plans. Before 2002, we recorded compensation expense related to our employees' participation in those plans over the vesting period of the awards based upon their intrinsic value at the grant date. For grants issued after January 1, 2002, we have recognized compensation expense for share-based compensation awards over the vesting period of the awards based upon their fair value at the grant date in accordance with SFAS 123, *Accounting for Stock-Based Compensation*. We incurred compensation expense of $6 million and $9 million for the years ended December 31, 2002 and 2003, respectively, and expect to incur expenses of $7 million and $4 million in the years ended December 31, 2004 and 2005, respectively, for 2002 and prior awards to our employees' under these plans.

Upon completion of this offering, we will establish our own equity compensation plans. Under these plans, unvested GE stock options, vested stock options held by our Chairman, President and Chief Executive Officer, GE stock appreciation rights and GE restricted stock units will be canceled and converted into awards of our company, and we also will grant new stock options in our company in connection with our initial public offering and separation from GE. The GE stock options, stock appreciation rights and restricted stock units will be converted based upon a ratio equal to the initial offering price of our common stock, divided by the weighted average stock price of GE common stock for the trading day immediately preceding the date of the completion of this offering. The converted securities, if unvested, generally will continue to vest over their original vesting periods. We anticipate the unvested converted awards will have approximately the same fair value at the date of the conversion as the GE awards being replaced. Consequently, we do not expect to incur any material incremental compensation expense for the unvested converted awards. We will incur additional compensation expense as the result of conversions of vested stock options and issuances of stock options and stock appreciation rights in connection with our initial public offering. For these stock options and stock appreciation rights, we expect to incur a charge to income of approximately

$46 million, $41 million, $24 million, $14 million and $6 million for the five twelve-month periods following the completion of the offering.

Advertising costs

We expect to incur aggregate expenses of approximately $35 million in each of the years ending December 31, 2004, 2005 and 2006 on marketing, advertising and legal entity transition expenses, reflecting primarily the costs of establishing our new brand throughout our business, including with consumers and sales intermediaries.

Critical accounting policies

The accounting policies discussed in this section are those that we consider to be particularly critical to an understanding of our financial statements because their application places the most significant demands on our ability to judge the effect of inherently uncertain matters on our financial results. For all of these policies, we caution that future events rarely develop exactly as forecast, and our management's best estimates may require adjustment.

Reserves. We calculate and maintain reserves for the estimated future payment of claims to our policyholders and contractholders based on actuarial assumptions and in accordance with industry practice and U.S. GAAP. Many factors can affect these reserves, including economic and social conditions, inflation, healthcare costs, changes in doctrines of legal liability and damage awards in litigation. Therefore, the reserves we establish are necessarily based on extensive estimates, assumptions and our analysis of historical experience. Our results depend significantly upon the extent to which our actual claims experience is consistent with the assumptions we used in determining our reserves and pricing our products. Our reserve assumptions and estimates require significant judgment and, therefore, are inherently uncertain. We cannot determine with precision that the ultimate amounts that we will pay for actual claims or the timing of those payments will be consistent with our reserve assumptions.

Insurance reserves differ for long- and short-duration insurance policies and annuity contracts. Measurement of long-duration insurance reserves (such as guaranteed renewable term life, whole life and long-term care insurance policies) is based on approved actuarial methods, but necessarily includes assumptions about expenses, mortality, morbidity, lapse rates and future yield on related investments. Short-duration contracts (such as payment protection insurance) are accounted for based on actuarial estimates of the amount of loss inherent in that period's claims, including losses incurred for which claims have not been reported. Short-duration contract loss estimates rely on actuarial observations of ultimate loss experience for similar historical events.

Estimates of mortgage insurance reserves for losses and loss adjustment expenses are based on notices of mortgage loan defaults and estimates of defaults that have been incurred but have not been reported by loan servicers, using assumptions of claim rates for loans in default and the average amount paid for loans that result in a claim. As is common accounting practice in the mortgage insurance industry and in accordance with U.S. GAAP, loss reserves are not established for future claims on insured loans that are not currently in default.

Deferred acquisition costs. Deferred acquisition costs, or DAC, represents costs which vary with and are primarily related to the sale and issuance of our insurance policies and investment contracts that are deferred and amortized over the estimated life of the related insurance policies. These costs include commissions in excess of ultimate renewal commissions, solicitation and printing costs, sales material and some support costs, such as underwriting and contract and policy issuance expenses. DAC is subsequently amortized to income, over the lives of the underlying contracts, in relation to the anticipated recognition of premiums or gross profits.

The amortization of DAC for traditional long-duration insurance products (including guaranteed renewable term life, life-contingent structured settlements and immediate annuities and long-term care insurance) is determined as a level proportion of premium based on commonly accepted actuarial methods and reasonable assumptions established when the contract or policy is issued about mortality, morbidity, lapse rates, expenses, and future yield on related investments. Amortization for annuity contracts without significant mortality risk and investment and universal life products is based on estimated gross profits and is adjusted as those estimates are revised. The DAC amortization methodology for our variable products (variable annuities and variable universal life insurance) includes a long-term equity market average appreciation assumption of 8.5%. When actual returns vary from the expected 8.5%, we assume a reversion to this mean over a 3- to 12-year period, subject to the imposition of ceilings and floors. The assumed returns over this reversion period are limited to the 85th percentile of historical market performance.

We regularly review all of these assumptions and periodically test DAC for recoverability. For deposit products, if the current present value of estimated future gross profits is less than the unamortized DAC for a line of business, a charge to income is recorded for additional DAC amortization. For other products, if the benefit reserves plus anticipated future premiums and interest earnings for a line of business are less than the current estimate of future benefits and expenses (including any unamortized DAC), a charge to income is recorded for additional DAC amortization or for increased benefit reserves.

Unfavorable experience with regard to expected expenses, investment returns, mortality, morbidity, withdrawals or lapses, may cause us to increase the amortization of DAC or to record a charge to increase benefit reserves. In recent years, the portion of estimated product margins required to amortize DAC and PVFP has increased in most lines of our business, with the most significant impact on investment products, primarily as the result of lower investment returns.

Present value of future profits. In conjunction with the acquisition of a block of life insurance policies or investment contracts, a portion of the purchase price is assigned to the right to receive future gross profits arising from existing insurance and investment contracts. This intangible asset, called the present value of future profits, or PVFP, represents the actuarially estimated present value of future cash flows from the acquired policies. PVFP is amortized, net of accreted interest, in a manner similar to the amortization of DAC. We regularly review our assumptions and periodically test PVFP for recoverability in a manner similar to our treatment of DAC.

Goodwill impairment. Goodwill resulting from acquisitions is tested for impairment at least annually using a fair value approach, which requires the use of estimates and judgment. To the extent the carrying amount of goodwill exceeds its fair value, an impairment charge to income would be recorded.

Valuation of investment securities. We obtain values for actively traded securities from external pricing services. For infrequently traded securities, we obtain quotes from brokers or we estimate values using internally developed pricing models. These models are based upon common valuation techniques and require us to make assumptions regarding credit quality, liquidity and other factors that affect estimated values.

Impairment of investment securities. We regularly review investment securities for impairment in accordance with our impairment policy, which includes both quantitative and qualitative criteria. Our quantitative criteria include length of time and amount that each security position is in an unrealized loss position, and for fixed maturities, whether the issuer is in compliance with terms and covenants of the security. Our qualitative criteria include the financial strength and specific prospects for the issuer as well as our intent to hold the security until recovery. We actively perform comprehensive market research, monitor market conditions and segment our investments by credit risk in order to minimize impairment risks. See "—Liquidity and Capital Resources—Impairments of investment securities," "Business—Risk Management," "Business—Investments" and note 5 to our combined financial statements, included elsewhere in this prospectus.

Historical Combined and Pro Forma Results of Operations

The following table sets forth our historical combined and pro forma results of operations. This information should be read in conjunction with the additional information regarding our results of operations by segment set forth under "—Historical Combined and Pro Forma Results of Operations by Segments."

The pro forma financial information reflects our historical results of operations as adjusted to reflect the various adjustments described under "Selected Historical and Pro Forma Financial Information." The pro forma financial information principally reflects the exclusion from our results of operations of the structured settlement, variable annuity and long-term care insurance in-force blocks that we will cede to UFLIC in connection with the reinsurance transactions; the exclusion from our results of operations of certain businesses, including the Affinity segment, and other assets and liabilities of GEFAHI that will not be transferred to us in connection with our corporate reorganization; and the inclusion in our results of operations of incremental interest expense associated with the consideration to be issued to GEFAHI in connection with our corporate reorganization, including $600 million of our Equity Units, $100 million of our Series A Preferred Stock and the $2.4 billion Short-term Intercompany Note. Pro forma revenues and benefits and expenses are lower than our historical revenues and benefits and expenses primarily as a result of the exclusion of revenues and expenses related to the reinsured blocks of business and the Affinity segment.

	Historical			Pro forma
	Years ended December 31,			Year ended December 31,
(Dollar amounts in millions)	2003	2002	2001	2003
Revenues:				
Premiums	$ 6,703	$ 6,107	$ 6,012	$ 6,252
Net investment income	4,015	3,979	3,895	2,928
Net realized investment gains	10	204	201	38
Policy fees and other income	943	939	993	557
Total revenues	11,671	11,229	11,101	9,775
Benefits and expenses:				
Benefits and other changes in policy reserves	5,232	4,640	4,474	4,191
Interest credited	1,624	1,645	1,620	1,358
Underwriting, acquisition and insurance expenses, net of deferrals	1,942	1,808	1,823	1,614
Amortization of deferred acquisition costs and intangibles	1,351	1,221	1,237	1,144
Interest expense	140	124	126	138
Total benefits and expenses	10,289	9,438	9,280	8,445
Earnings from continuing operations before income taxes	1,382	1,791	1,821	1,330
Provision for income taxes	413	411	590	395
Net earnings from continuing operations	$ 969	$ 1,380	$ 1,231	$ 935

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002

Premiums. Our premiums consist primarily of premiums earned on individual life, long-term care, group life and health and payment protection insurance policies, income annuities and structured settlements with life contingencies, variable life insurance policies, and mortgage insurance policies. Premiums increased $596 million, or 10%, to $6,703 million for the year ended December 31, 2003 from $6,107 million for the year ended December 31, 2002. This increase was primarily the result of a $500 million increase in our Protection segment, a $54 million increase in our Retirement Income and

Investments segment, and a $39 million increase in our Mortgage Insurance segment. The increase in our Protection segment was primarily attributable to increases in payment protection insurance premiums as a result of changes in foreign exchange rates and growth of the in-force block as well as growth in long-term care insurance premiums. The increase in our Retirement Income and Investments segment was primarily attributable to an increase in life-contingent structured settlement premiums, offset in part by a decrease in life-contingent income annuities. The increase in our Mortgage Insurance segment was primarily attributable to an increase in international mortgage insurance premiums, offset in part by a decrease in U.S. mortgage insurance premiums.

Net investment income. Net investment income represents the income earned on our investments. Net investment income increased $36 million, or 1%, to $4,015 million for the year ended December 31, 2003 from $3,979 million for the year ended December 31, 2002. This increase in net investment income was primarily the result of a $7,874 million, or 11%, increase in average invested assets. This increase was offset in part by a decrease in weighted average investment yields, primarily attributable to investments in the U.S., to 5.2% for the year ended December 31, 2003 from 5.8% for the year ended December 31, 2002.

Net realized investment gains. Net realized investment gains consist of gross realized investment gains and gross realized investment (losses), including charges related to impairments. Net realized investment gains decreased $194 million to $10 million for the year ended December 31, 2003 from $204 million for the year ended December 31, 2002. For the year ended December 31, 2003, gross realized gains and (losses) were $473 million and $(463) million, respectively. The realized gains for the year ended December 31, 2003 included a $43 million gain from a securitization of certain financial assets. Realized losses for the year ended December 31, 2003 included $224 million of impairments. These impairments were attributable to fixed maturities, equity securities and other investments ($126 million, $83 million and $15 million, respectively). The fixed maturities impairments primarily related to securities issued by companies in the transportation, mining and metals, utilities and energy and technology and communications industries ($36 million, $28 million, $12 million and $11 million, respectively). In addition, $30 million of fixed maturities impairments were realized on asset-backed securities. The equity securities impairments related to mutual fund and common stock investments ($37 million and $46 million, respectively). The other investments impairments primarily related to impairment of limited partnership investments. For the year ended December 31, 2002, gross realized gains and (losses) were $790 million and $(586) million, respectively. The realized gains for the year ended December 31, 2002 included $29 million from a securitization of certain financial assets. Realized losses for the year ended December 31, 2002 included $343 million of impairments. These impairments were attributable to fixed maturities, equity securities and other investments ($193 million, $133 million and $17 million, respectively). The fixed maturities impairments primarily related to securities issued by companies in the technology and communications and airline industries ($131 million and $27 million, respectively). The technology and communication industry impairments include $83 million related to securities issued by WorldCom Inc. and its affiliates. The equity securities impairments related to mutual fund and common stock investments ($81 million and $52 million, respectively). The other investments impairments are related to impairment of limited partnership and other private equity investments.

Policy fees and other income. Policy fees and other income consist primarily of cost of insurance and surrender charges assessed on universal life insurance policies, fees assessed against policyholder and contractholder account values, and commission income. Policy fees and other income increased $4 million to $943 million for the year ended December 31, 2003 from $939 million for the year ended December 31, 2002. This increase was the result of a $38 million increase in our Corporate and Other segment and a $10 million increase in our Mortgage Insurance segment, offset in part by a $18 million decrease in our Retirement Income and Investments segment, a $15 million decrease in our Protection segment, and a $11 million decrease in the Affinity segment. The increase in our Corporate and Other segment was primarily attributable to interest income resulting from the consolidation of two securitization entities in our financial statements in connection with our adoption of FASB Interpretation 46 ("FIN 46"), *Consolidation of Variable Interest Entities*, on July 1, 2003. The increase in our Mortgage Insurance segment was primarily attributable to higher contract underwriting fees related to increased refinancing activity in the U.S. and higher fees from increased volume in our international mortgage insurance business. The decrease in our Retirement Income and Investments segment was primarily attributable to decreases in commission income and fee income on variable annuities. The decrease in our Protection segment was primarily attributable to a decrease in administrative fees from our group life and health insurance business. The decrease in the Affinity segment was primarily attributable to the decision to discontinue certain products and distribution relationships that did not meet our target return thresholds.

Benefits and other changes in policy reserves. Benefits and other changes in policy reserves consist primarily of reserve activity related to current claims and future policy benefits on life, long-term care, group life and health and payment protection insurance policies, structured settlements and income annuities with life contingencies and claim costs incurred related to mortgage insurance products. Benefits and other changes in policy reserves increased $592 million, or 13%, to $5,232 million for the year ended December 31, 2003 from $4,640 million for the year ended December 31, 2002. This increase was primarily the result of a $367 million increase in our Protection segment, a $102 million increase in our Retirement Income and Investments segment and a $69 million increase in our Mortgage Insurance segment. The increase in our Protection segment was primarily attributable to an increase in changes in policy reserves for long-term care insurance, payment protection insurance and life insurance. The increase in our Retirement Income and Investments segment was primarily attributable to an increase in changes in policy reserves for structured settlements. The increase in our Mortgage Insurance segment was primarily attributable to favorable loss development on prior year reserves.

Interest credited. Interest credited represents interest credited on behalf of policyholder and contractholder general account balances. Interest credited decreased $21 million, or 1%, to $1,624 million for the year ended December 31, 2003 from $1,645 million for the year ended December 31, 2002. This decrease was primarily the result of a $24 million decrease in our Retirement Income and Investments segment that was primarily attributable to lower credited rates on GICs and funding agreements, offset in part by an increase in interest credited resulting from more variable annuity policyholders selecting the fixed account option on their contracts, on which we credit interest. The decrease in interest credited was also the result of a reduction in our weighted average crediting rates to 3.3% for the year ended December 31, 2003 from 3.6% for the year ended December 31, 2002.

Underwriting, acquisition and insurance expenses, net of deferrals. Underwriting, acquisition and insurance expenses, net of deferrals, represent costs and expenses related to the acquisition and ongoing maintenance of insurance and investment contracts, including commissions, policy issue expenses and other underwriting and general operating costs. These costs and expenses are net of amounts that are capitalized and deferred, which are primarily costs and expenses which vary with and are primarily related to the sale and issuance of our insurance policies and investment contracts, such as first year commissions in excess of ultimate renewal commissions and other policy issue expenses. These expenses increased $134 million, or 7%, to $1,942 million for the year ended December 31, 2003 from $1,808 million for the year ended December 31, 2002. This increase was primarily the result of a $99 million increase in our Protection segment, a $66 million increase in our Mortgage Insurance segment, and a $31 million increase in our Corporate and Other segment, offset in part by a $73 million decrease in the Affinity segment. The increase in our Protection segment was primarily attributable to growth of the payment protection insurance in-force block. The increase in our Mortgage Insurance segment was primarily attributable to higher expenses associated with increased refinancing activity in the U.S., continued investment in our international mortgage insurance business and higher indemnity liabilities for U.S. contract underwriting claims, which are included as other liabilities in our statement of financial position. U.S contract underwriting indemnification claims arise out of our contract underwriting agreements, pursuant to which we agree to indemnify lenders against losses incurred in the event that we make material errors during the underwriting process. These claims are classified in this line item (and not in "Benefits and other changes in policy reserves") because they do not relate to insured events. Our indemnification liabilities related to U.S. contract underwriting claims increased as the result of our updating the assumptions we used to calculate these indemnity liabilities to reflect recent underwriting experience and the increase in the volume of mortgage loans underwritten due to significant refinancing activity. The increase in our Corporate and Other segment was primarily attributable to an increase in reserves for a class action litigation settlement. The decrease in the Affinity segment was primarily attributable to cost saving initiatives that reduced compensation and benefits and other general expenses.

Amortization of deferred acquisition costs and intangibles. Amortization of deferred acquisition costs and intangibles consists primarily of the amortization of acquisition costs that are capitalized and PVFP and, for years prior to 2002, goodwill. Amortization increased $130 million, or 11%, to $1,351 million for the year ended December 31, 2003 from $1,221 million for the year ended December 31, 2002. This increase was primarily the result of a $155 million increase in our Protection segment, offset in part by a $20 million decrease in our Retirement Income and Investments segment. The increase in our Protection segment was primarily attributable to growth of the payment protection insurance in-force block. The decrease in our Retirement Income and Investments segment was primarily attributable to the impact of accelerated amortization in 2002 due to lower equity valuations of assets in our variable annuity separate accounts.

Interest expense. Interest expense increased $16 million, or 13%, to $140 million for the year ended December 31, 2003 from $124 million for the year ended December 31, 2002. This increase was primarily the result of $27 million of interest expense associated with securitization entities that were consolidated in our financial statements in connection with our adoption of FIN 46, beginning in the third quarter of 2003, and $3 million of interest paid on non-recourse funding obligations, issued in the third and fourth quarters of 2003, supporting certain term life insurance policies. These increases were offset in part by a $14 million decrease in interest expense that was primarily the result of lower average short-term borrowings and long-term borrowings.

Provision for income taxes. Provision for income taxes increased $2 million to $413 million for the year ended December 31, 2003 from $411 million for the year ended December 31, 2002. The effective tax rate was 29.9% and 22.9% for the years ended December 31, 2003 and 2002, respectively. This increase in effective tax rate was primarily the result of a $152 million decrease in income tax expense for the year ended December 31, 2002 that was attributable to a favorable settlement with the Internal Revenue Service related to the treatment of certain reserves for obligations to policyholders on life insurance contracts, offset in part by dividend received deduction benefits realized in 2003. Excluding the effect of the settlement, our effective tax rate would have been 29.9% and 31.4% for the years ended December 31, 2003 and 2002, respectively.

Net earnings from continuing operations. Net earnings from continuing operations decreased by $411 million, or 30%, to $969 million for the year ended December 31, 2003 from $1,380 million for the year ended December 31, 2002. This decrease was primarily the result of a reduction in net realized investment gains and the impact of a favorable settlement with the IRS in 2002. The decline in net earnings from continuing operations reflects decreases in segment net earnings in our Protection, Retirement Income and Investments, Mortgage Insurance and Corporate and Other segments, offset in part by increased segment net earnings in the Affinity segment.

Year Ended December 31, 2002 Compared to Year Ended December 31, 2001

Premiums. Premiums increased $95 million, or 2%, to $6,107 million for the year ended December 31, 2002 from $6,012 million for the year ended December 31, 2001. This increase was primarily the result of a $173 million increase in our Protection segment, offset in part by a $39 million decrease in the Affinity segment, a $32 million decrease in our Retirement Income and Investments segment and a $21 million decrease in our Mortgage Insurance segment. The increase in our Protection segment was primarily attributable to increases in long-term care insurance and payment protection insurance premiums, offset in part by a decrease in life insurance premiums. The decrease in the Affinity segment was primarily attributable to the decision to discontinue certain products and distribution relationships that did not meet our target return thresholds. The decrease in our Retirement Income and Investment segment was primarily attributable to a decrease in premiums from life-contingent structured settlements, offset in part by an increase in premiums from income annuities. The decrease in our Mortgage Insurance segment was primarily attributable to a decrease in premiums from our U.S. mortgage insurance business, offset in part by an increase in premiums from our international mortgage insurance business.

Net investment income. Net investment income increased $84 million, or 2%, to $3,979 million for the year ended December 31, 2002 from $3,895 million for the year ended December 31, 2001. This increase was primarily the result of an increase of $8,802 million, or 15%, in average invested assets. This increase was offset in part by a decrease in our weighted average investment yields, primarily attributable to investments in the U.S., to 5.8% for the year ended December 31, 2002 from 6.5% for the year ended December 31, 2001.

Net realized investment gains. Net realized investment gains increased $3 million, or 1%, to $204 million for the year ended December 31, 2002 from $201 million for the year ended December 31, 2001. For the year ended December 31, 2002, gross realized gains and (losses) were $790 million and $(586) million, respectively. The realized gains for the year ended December 31, 2002 included $29 million attributable to a securitization of certain financial assets. Realized losses for the year ended December 31, 2002 included $343 million of impairments. These impairments were attributable to fixed maturities, equity securities and other investments ($193 million, $133 million and $17 million, respectively). The fixed maturities impairments primarily related to securities issued by companies in the technology and communications and airline industries ($131 million and $27 million, respectively). The technology and communication industry impairments include $83 million related to securities issued by WorldCom Inc. and its affiliates. The equity securities impairments related to mutual fund and common stock investments ($81 million and $52 million, respectively). The other investments impairments are related to impairment of limited partnership and other private equity investments. For the year ended December 31, 2001, gross realized gains and (losses) were $814 million and $(613) million, respectively. The realized gains for the year ended December 31, 2001 included $145 million attributable to securitization of certain financial assets. Realized losses for the year ended December 31, 2001 included $289 million of impairments. These impairments were attributable to fixed maturities, equity securities and other investments ($201 million, $78 million and $10 million, respectively). The fixed maturities impairments primarily related to securities issued by companies in the technology and communications and utilities and energy industries ($85 million and $81 million respectively). The utilities and energy industry impairments include $80 million related to securities issued by Enron Corp. The equity securities impairments related to common stock and mutual fund investments were $64 million and $14 million, respectively.

Policy fees and other income. Policy fees and other income decreased $54 million, or 5%, to $939 million for the year ended December 31, 2002 from $993 million for the year ended December 31, 2001. This decrease was primarily the result of a $56 million decrease in the Affinity segment and a $28 million decrease in our Protection segment, offset in part by a $27 million increase in our Retirement Income and Investments segment. The decrease in the Affinity segment was primarily attributable to our decision to discontinue certain products and distribution relationships that did not meet our target return thresholds. The decrease in our Protection segment was primarily attributable to a return to a normal level of policy fees in 2002 following the recognition in 2001 of deferred policy fees resulting from the favorable mortality experience in certain universal life insurance products. The increase in our Retirement Income and Investments segment was attributable to the acquisition of a small asset management company at the end of 2001, offset in part by a decrease in fee income on variable annuity products.

Benefits and other changes in policy reserves. Benefits and other changes in policy reserves increased $166 million, or 4%, to $4,640 million for the year ended December 31, 2002 from $4,474 million for the year ended December 31, 2001. This increase was primarily the result of a $250 million increase in our Protection segment and a $33 million increase in our Retirement Income and Investments segment, offset in part by a $104 million decrease in our Mortgage Insurance segment. The increase in our Protection segment was primarily attributable to increases in changes in policy reserves for long-term care insurance and payment protection insurance. The increase in the Retirement Income and Investments segment was primarily attributable to an increase in changes in policy reserves for income annuities, offset in part by a decrease in changes in policy reserves for structured settlements. The decrease in our Mortgage Insurance segment was primarily attributable to favorable loss development on prior year reserves.

Interest credited. Interest credited increased $25 million, or 2%, to $1,645 million for the year ended December 31, 2002 from $1,620 million for the year ended December 31, 2001. This increase was primarily the result of a $20 million increase in our Protection segment that was primarily attributable to increased policyholder account balances in universal life and corporate-owned life insurance products. The increase in interest credited was also the result of a $5 million increase in our Retirement Income and Investments segment that was primarily attributable to an increase in policyholder accounts attributable to higher sales of annuity products. These increases were offset in part by a reduction in our weighted average crediting rates attributable to the lower interest rate environment to 3.6% for the year ended December 31, 2002 from 4.0% for the year ended December 31, 2001.

Underwriting, acquisition and insurance expenses, net of deferrals. Underwriting, acquisition and insurance expenses, net of deferrals, decreased $15 million, or 1%, to $1,808 million for the year ended December 31, 2002 from $1,823 million for the year ended December 31, 2001. This decrease was primarily the result of a $113 million decrease in our Protection segment and a $8 million decrease in the Affinity segment, offset in part by a $53 million increase in our Mortgage Insurance segment, a $34 million increase in our Retirement Income and Investments segment, and a $19 million increase in our Corporate and Other segment. The decrease in our Protection segment was primarily attributable to a decrease in periodic payment protection insurance products resulting in lower current expense; a major customer's decision to underwrite its own payment protection insurance policies; and reduced expenses associated with a discontinued block of accident and health insurance policies in our long-term care insurance business. The decrease in the Affinity segment was primarily attributable to reduced compensation and benefits and other cost-saving initiatives. The increase in our Mortgage Insurance segment was primarily attributable to growth in our international mortgage insurance business, increased expenses in the U.S. due to increased underwriting volume from higher refinancing activity, and the impact of a decrease in the liability associated with U.S. contract underwriting indemnifications in 2001 as the result of our updating of the assumptions we used to calculate these indemnity liabilities to reflect recent underwriting experience where loss experience was lower than we had anticipated. The increase in our Retirement Income and Investments segment was primarily attributable to the operations of a small asset management company acquired at the end of 2001. The increase in our Corporate and Other segment was primarily attributable to costs incurred to close certain facilities resulting from relocations to Richmond, Virginia.

Amortization of deferred acquisition costs and intangibles. Amortization of deferred acquisition costs and intangibles decreased $16 million, or 1%, to $1,221 million for the year ended December 31, 2002 from $1,237 million for the year ended December 31, 2001. This decrease was the result of a $40 million decrease in the Affinity segment and a $12 million decrease in our Mortgage Insurance segment, offset in part by a $29 million increase in our Retirement Income and Investments segment and a $7 million increase in our Protection segment. The decrease in the Affinity segment was primarily attributable to an adjustment in the fourth quarter of 2002 to reflect actual membership lapse rates as compared with the lapse rates projected at the time of purchase. The decrease in our Mortgage Insurance segment was primarily attributable to discontinuation of goodwill amortization in accordance with SFAS 142. The increase in our Retirement Income and Investments segment was primarily attributable to accelerated amortization of deferred acquisition costs for variable annuity products associated with the decrease in asset values resulting from declines in the equity markets. The increase in our Protection segment was primarily attributable to growth in the payment protection insurance in-force block, offset in part by the discontinuation of amortization of goodwill in accordance with SFAS 142 and a decrease associated with the amortization for PVFP of the block of long-term care insurance reinsured from Travelers.

Interest expense. Interest expense decreased $2 million, or 2%, to $124 million for the year ended December 31, 2002 from $126 million for the year ended December 31, 2001. This decrease was primarily the result of lower interest rates on borrowings, offset in part by higher average borrowings.

Provision for income taxes. Provision for income taxes decreased $179 million, or 30%, to $411 million for the year ended December 31, 2002 from $590 million for the year ended December 31, 2001. The effective tax rate was 22.9% and 32.4% for the years ended December 31, 2002 and 2001, respectively. This decrease in effective tax rate was primarily the result of a $152 million decrease in income tax expense for the year ended December 31, 2002 that was attributable to a favorable settlement with the IRS related to the treatment of certain reserves for obligations to policyholders on life insurance contracts. Excluding the effect of this item, our effective tax rate would have been 31.4% and 32.4% for the years ended December 31, 2002 and 2001, respectively. The decrease was also the result of our discontinuation of goodwill amortization in accordance with SFAS 142.

Net earnings from continuing operations. Net earnings from continuing operations increased by $149 million, or 12%, to $1,380 million for the year ended December 31, 2002 from $1,231 million for the year ended December 31, 2001. This increase was primarily the result of the lower provision for income taxes primarily attributable to the favorable settlement with the IRS. The increase in net earnings from continuing operations reflects increases in segment net earnings in our Protection, Mortgage Insurance and Corporate and Other segments, offset in part by decreases in segment net earnings in our Retirement Income and Investments and Affinity segments.

Historical Combined and Pro Forma Results of Operations by Segment

Set forth below is historical combined financial information for each of our operating segments after the completion of this offering (Protection, Retirement Income and Investments and Mortgage Insurance), together with our Corporate and Other segment and the Affinity segment. Set forth below also is pro forma financial information for our Protection, Retirement Income and Investments, Mortgage Insurance and Corporate and Other segments. The pro forma financial information for the Mortgage Insurance segment reflects an adjustment to its financial position to remove assets and liabilities that will not be transferred to us in connection with our corporate reorganization. There were no material revenues or expenses associated with these assets and liabilities. Pro forma financial information is not provided for the Affinity segment because we will not be acquiring that segment from GEFAHI. All pro forma segment information is calculated on the same basis as the segment information presented in our audited historical combined financial statements. See note 23 to our audited historical combined financial statements included elsewhere in this prospectus.

Management regularly reviews the performance of each of our operating segments based on the after-tax net earnings (loss) of the segment, which excludes: (1) net realized investment gains (losses), (2) interest expense and other debt financing expenses that are incurred at our holding company level, (3) amounts reserved for the settlement in principle of the class action litigation relating to sales practices in our life insurance business, and (4) advertising and marketing costs and severance and restructuring charges. Although these excluded items are significant to our consolidated financial performance, we believe that the presentation of segment net earnings (loss) enhances our understanding and assessment of the results of operations of our operating segments by highlighting net earnings (loss) attributable to the normal, recurring operations of our business. However, segment net earnings (loss) is not a substitute for net income determined in accordance with U.S. GAAP.

	Historical			Pro forma
	Years ended December 31,			Year ended December 31,
(Dollar amounts in millions)	2003	2002	2001	2003
Revenues by segment:				
Protection	$ 6,153	$ 5,605	$ 5,443	$ 5,839
Retirement Income and Investments	3,781	3,756	3,721	2,707
Mortgage Insurance	982	946	965	982
Affinity	566	588	687	—
Corporate and Other	189	334	285	247
Total revenues	$ 11,671	$ 11,229	$ 11,101	$ 9,775
Segment net earnings (loss):				
Protection	$ 487	$ 554	$ 538	$ 481
Retirement Income and Investments	151	186	215	93
Mortgage Insurance	369	451	428	369
Affinity	16	(3)	24	—
Corporate and Other	(54)	192	26	(8)
Total segment net earnings (loss)	$ 969	$ 1,380	$ 1,231	$ 935
Total assets by segment (as of the year ended):				
Protection	$ 29,254	$ 27,104	$ 24,647	$ 28,776
Retirement Income and Investments	55,614	53,624	50,512	52,665
Mortgage Insurance	6,110	6,066	5,830	6,087
Affinity	2,315	2,317	2,211	—
Corporate and Other	10,138	28,246	20,798	10,284
Total assets	$ 103,431	$ 117,357	$ 103,998	$ 97,812

Protection segment

The following table sets forth the historical and pro forma results of operations relating to our Protection segment. The pro forma financial information reflects adjustments to give effect to the reinsurance transactions in which we will cede to UFLIC a block of long-term care insurance policies that we reinsured from Travelers in 2000 and we will assume from UFLIC in-force blocks of Medicare supplement insurance policies. There were no pro forma adjustments to policy fees and other income, interest credited or interest expense because the long-term care insurance policies we will cede to UFLIC, and the Medicare supplement insurance polices UFLIC will cede to us, in connection with the reinsurance transactions do not generate such fees, interest credited or interest expense. Pro forma revenues and benefits and expenses are lower than our historical revenues and benefits and expenses primarily as a result of exclusion of revenues and benefits and expenses related to the reinsured long-term care insurance policies.

(Dollar amounts in millions)	Historical			Pro forma
	Years ended December 31,			Year ended December 31,
	2003	2002	2001	2003
Revenues:				
Premiums	$ 4,588	$ 4,088	$ 3,915	$ 4,381
Net investment income	1,199	1,136	1,119	1,092
Policy fees and other income	366	381	409	366
Total revenues	6,153	5,605	5,443	5,839
Benefits and expenses:				
Benefits and other changes in policy reserves	2,997	2,630	2,380	2,745
Interest credited	365	362	342	365
Underwriting, acquisition and insurance expenses, net of deferrals	1,029	930	1,043	994
Amortization of deferred acquisition costs and intangibles	1,001	846	839	981
Interest expense	3	—	—	3
Total benefits and expenses	5,395	4,768	4,604	5,088
Earnings before income taxes	758	837	839	751
Provision for income taxes	271	283	301	270
Segment net earnings	$ 487	$ 554	$ 538	$ 481

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002

Premiums. Premiums increased $500 million, or 12%, to $4,588 million for the year ended December 31, 2003 from $4,088 million for the year ended December 31, 2002. This increase was primarily the result of a $265 million increase in payment protection insurance premiums, with $155 million of that increase attributable to changes in foreign exchange rates and $110 million of that increase attributable to growth of the in-force block. The increase was also the result of a $232 million increase in long-term care insurance premiums that was primarily attributable to growth of the in-force block.

Net investment income. Net investment income increased $63 million, or 6%, to $1,199 million for the year ended December 31, 2003 from $1,136 million for the year ended December 31, 2002. This increase was primarily the result of an increase in invested assets, offset in part by declining yields on investments in the lower interest rate environment.

Policy fees and other income. Policy fees and other income decreased $15 million, or 4%, to $366 million for the year ended December 31, 2003 from $381 million for the year ended December 31, 2002. This decrease was primarily the result of a $13 million decrease in administrative fees from our group life and health insurance business that was primarily attributable to higher lapse rates.

Benefits and other changes in policy reserves. Benefits and other changes in policy reserves increased $367 million, or 14%, to $2,997 million for the year ended December 31, 2003 from $2,630 million for the year ended December 31, 2002. This increase was primarily the result of a $267 million increase in changes in reserves and benefit payments resulting from the normal, expected increases in claims volume associated with the aging of the long-term care insurance in-force block. The increase was also the result of a $69 million increase in changes in policy reserves attributable to growth of the payment protection insurance in-force block, of which $34 million was attributable to a lower amount of favorable loss development on prior-year reserves, and a $38 million increase in life insurance reserves.

Interest credited. Interest credited increased $3 million, or 1%, to $365 million for the year ended December 31, 2003 from $362 million for the year ended December 31, 2002. This increase was primarily the result of increased policyholder account balances on corporate-owned life insurance policies, offset in part by decreased crediting rates for universal life insurance policies.

Underwriting, acquisition, insurance and other expenses, net of deferrals. Underwriting, acquisition, insurance and other expenses, net of deferrals increased $99 million, or 11%, to $1,029 million for the year ended December 31, 2003 from $930 million for the year ended December 31, 2002. This increase was primarily the result of an $83 million increase attributable to growth in the payment protection insurance in-force block that was primarily associated with an increase in net commission expense.

Amortization of deferred acquisition costs and intangibles. Amortization of deferred acquisition costs and intangibles increased $155 million, or 18%, to $1,001 million for the year ended December 31, 2003 from $846 million for the year ended December 31, 2002. This increase was primarily the result of a $96 million increase resulting from growth of the payment protection insurance in-force block. The increase was also the result of a $33 million increase primarily attributable to additional investment income due to early bond calls within the universal life insurance investment portfolio and to favorable universal life insurance claims experience, both of which accelerated amortization of deferred acquisition costs and intangibles. In addition, $19 million of the increase was the result of the impact of the amortization of PVFP in 2002 for the block of long-term care insurance reinsured from Travelers.

Interest expense. Interest expense increased $3 million for the year ended December 31, 2003 from $0 million for the year ended December 31, 2002. This increase was the result of interest paid on non-recourse funding obligations, issued in the third and fourth quarters of 2003, supporting certain term life insurance policies.

Provision for income taxes. Provision for income taxes decreased $12 million, or 4%, to $271 million for the year ended December 31, 2003 from $283 million for the year ended December 31, 2002. The effective tax rate was 35.8% and 33.8% for the years ended December 31, 2003 and 2002, respectively. This increase in effective tax rate was primarily the result of a decrease in certain foreign tax loss and dividend benefits.

Segment net earnings. Segment net earnings decreased by $67 million, or 12%, to $487 million for the year ended December 31, 2003 from $554 million for the year ended December 31, 2002. The decrease in segment net earnings primarily reflects decreases in net earnings for life, payment protection and group life and health insurance products, offset in part by increases in net earnings for long-term care insurance products. The decrease in life insurance was primarily attributable to an increase in life insurance reserves, as well as accelerated amortization of deferred acquisition costs and intangibles related to additional investment income resulting from early bond calls and favorable claims experience. The decrease in payment protection insurance was primarily attributable to higher underwriting, acquisition, insurance and other expenses, net of deferrals, and the impact of the recognition in 2002 of certain foreign tax loss benefits. The decrease in group life and health insurance was primarily attributable to lower administration fees due to higher lapse rates. The increase in long-term care insurance was primarily attributable to growth in the in-force blocks.

Year Ended December 31, 2002 Compared to Year Ended December 31, 2001

Premiums. Premiums increased $173 million, or 4%, to $4,088 million for the year ended December 31, 2002 from $3,915 million for the year ended December 31, 2001. This increase was primarily the result of a $110 million increase in long-term care insurance premiums that was primarily attributable to growth of the in-force block. The increase was also the result of an $81 million increase in payment protection insurance premiums, with $40 million of that increase attributable to growth of the in-force block and $41 million attributable to changes in foreign exchange rates. These increases were offset in part by a $27 million decrease in term life insurance premiums that was primarily attributable to a term life insurance in-force reinsurance transaction in which certain premiums were ceded by us to a third-party reinsurer.

Net investment income. Net investment income increased $17 million, or 2%, to $1,136 million for the year ended December 31, 2002 from $1,119 million for the year ended December 31, 2001. This increase was primarily the result of an increase in invested assets, offset in part by declining yields on investments in the lower interest rate environment.

Policy fees and other income. Policy fees and other income decreased $28 million, or 7%, to $381 million for the year ended December 31, 2002 from $409 million for the year ended December 31, 2001. This decrease was primarily the result of a return to a normal level of policy fees in 2002 following the recognition in 2001 of deferred policy fees resulting from favorable mortality experience in certain universal life insurance products.

Benefits and other changes in policy reserves. Benefits and other changes in policy reserves increased $250 million, or 11%, to $2,630 million for the year ended December 31, 2002 from $2,380 million for the year ended December 31, 2001. This increase was primarily the result of a $221 million increase in reserves and benefit payments resulting from the normal, expected increase in claims volume associated with the aging of the long-term care insurance in-force block. The increase was also the result of a $41 million increase in changes in policy reserves attributable to growth of the payment protection insurance in-force block. These increases were offset in part by a $12 million decrease in changes in policy reserves for group life and health insurance that were primarily attributable to favorable experience in our long-term disability product.

Interest credited. Interest credited increased $20 million, or 6%, to $362 million for the year ended December 31, 2002 from $342 million for the year ended December 31, 2001. This increase was primarily the result of increased policyholder account balances on universal life and corporate-owned life insurance policies.

Underwriting, acquisition, insurance and other expenses, net of deferrals. Underwriting, acquisition, insurance and other expenses, net of deferrals decreased $113 million, or 11%, to $930 million for the year ended December 31, 2002 from $1,043 million for the year ended December 31, 2001. This decrease was primarily the result of a $72 million decrease attributable to a decrease in periodic payment protection insurance products resulting in lower current expense and to a major customer's decision to underwrite its own payment protection insurance. The decrease was also the result of a $30 million decrease primarily attributable to a discontinued block of accident and health insurance policies in our long-term care insurance business.

Amortization of deferred acquisition costs and intangibles. Amortization of deferred acquisition costs and intangibles increased $7 million, or 1%, to $846 million for the year ended December 31, 2002 from $839 million for the year ended December 31, 2001. This increase was primarily the result of an $85 million increase attributable to growth of the payment protection insurance in-force block. This increase was offset in part by a $52 million decrease attributable to discontinuation of amortization of goodwill in accordance with SFAS 142. The increase was also offset in part by a $19 million decrease associated with the amortization of PVFP for the block of long-term care insurance reinsured from Travelers.

Interest expense. There was no interest expense for the years ended December 31, 2002 and 2001.

Provision for income taxes. Provision for income taxes decreased $18 million, or 6%, to $283 million for the year ended December 31, 2002 from $301 million for the year ended December 31, 2001. The effective tax rate was 33.8% and 35.9% for the years ended December 31, 2002 and 2001, respectively. This decrease in effective tax rate was primarily the result of an increase in certain foreign tax loss and dividend benefits, as well as the discontinuation of goodwill amortization in accordance with SFAS 142.

Segment net earnings. Segment net earnings increased $16 million, or 3%, to $554 million for the year ended December 31, 2002 from $538 million for the year ended December 31, 2001. This increase was primarily attributable to the discontinuance in 2002 of goodwill amortization. The increase in segment net earnings reflects increases in net earnings for payment protection and group life and health insurance products and decreases in net earnings for life and long-term care insurance products (excluding, in each case, the effect of any discontinuation of goodwill amortization). The increase in payment protection insurance was primarily attributable to dividends received deduction benefits and certain foreign tax benefits. The increase in group life and health insurance was primarily attributable to favorable experience in our long-term disability product. The decrease in life insurance was primarily attributable to the impact of the recognition in 2001 of deferred policy fees and the term life insurance in-force reinsurance transaction. The decrease in long-term care insurance was primarily attributable to an increase in claims volume.

Retirement Income and Investments segment

The following table sets forth the historical and pro forma results of operations relating to our Retirement Income and Investments segment. The pro forma financial information reflects adjustments to give effect to the reinsurance transactions in which we will cede to UFLIC our in-force blocks of structured settlements and substantially all of our in-force blocks of variable annuities. There were no pro forma adjustments to premiums because the structured settlements we will cede are single premium products and do not have renewal premiums. The variable annuity products we will cede are deposit contracts, and their deposits are not recorded as premiums. Pro forma revenues and expenses are lower than our historical revenues and expenses primarily as a result of the exclusion of revenues and expenses related to the reinsured blocks of variable annuities and structured settlements.

	Historical			Pro forma
	Years ended December 31,			Year ended December 31,
(Dollar amounts in millions)	2003	2002	2001	2003
Revenues:				
Premiums	$ 1,045	$ 991	$ 1,023	$ 1,045
Net investment income	2,511	2,522	2,482	1,563
Policy fees and other income	225	243	216	99
Total revenues	3,781	3,756	3,721	2,707
Benefits and expenses:				
Benefits and other changes in policy reserves	1,871	1,769	1,736	1,278
Interest credited	1,259	1,283	1,278	993
Underwriting, acquisition and insurance expenses, net of deferrals	232	221	187	182
Amortization of deferred acquisition costs and intangibles	190	210	181	113
Total benefits and expenses	3,552	3,483	3,382	2,566
Earnings before income taxes	229	273	339	141
Provision for income taxes	78	87	124	48
Segment net earnings	$ 151	$ 186	$ 215	$ 93

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002

Premiums. Premiums increased $54 million, or 5%, to $1,045 million for the year ended December 31, 2003 from $991 million for the year ended December 31, 2002. This increase was primarily the result of a $92 million increase in premiums for life-contingent structured settlements that was attributable to higher sales of this product. This increase was offset in part by a $31 million decrease in premiums for life-contingent income annuities that was primarily attributable to lower sales of this product resulting from a reduction of crediting and payout rates in 2003 in the lower interest rate environment.

Net investment income. Net investment income decreased $11 million to $2,511 million for the year ended December 31, 2003 from $2,522 million for the year ended December 31, 2002. This decrease was primarily the result of declining yields on investments, which more than offset the impact of an increase in invested assets.

Policy fees and other income. Policy fees and other income decreased $18 million, or 7%, to $225 million for the year ended December 31, 2003 from $243 million for the year ended December 31, 2002. This decrease was the result of a $10 million decrease in commission income and an $8 million decrease in fee income on annuities primarily attributable to lower equity values of the assets in our variable annuity separate accounts.

Benefits and other changes in policy reserves. Benefits and other changes in policy reserves increased $102 million, or 6%, to $1,871 million for the year ended December 31, 2003 from $1,769 million for the year ended December 31, 2002. This increase was the result of a $107 million increase in changes in policy reserves for structured settlements attributable to higher sales of this product.

Interest credited. Interest credited decreased $24 million, or 2%, to $1,259 million for the year ended December 31, 2003 from $1,283 million for the year ended December 31, 2002. This decrease was primarily the result of lower credited rates on GICs and funding agreements attributable to the lower interest rate environment, offset in part by an increase in interest credited attributable to more variable annuity policyholders selecting the fixed account option on their contracts, on which we credit interest.

Underwriting, acquisition, insurance and other expenses, net of deferrals. Underwriting, acquisition, insurance and other expenses, net of deferrals increased by $11 million, or 5%, to $232 million for the year ended December 31, 2003 from $221 million for the year ended December 31, 2002. This increase was primarily the result of an increase in general operating expenses, offset in part by an increase in deferrals of acquisition costs resulting from increased sales of variable annuities with bonus features, for which a portion of the benefit expense is deferred and amortized over the life of the product.

Amortization of deferred acquisition costs and intangibles. Amortization of deferred acquisition costs and intangibles decreased $20 million, or 10%, to $190 million for the year ended December 31, 2003 from $210 million for the year ended December 31, 2002. This decrease was primarily the result of the impact of a $26 million increase in accelerated amortization of deferred acquisition costs in 2002 that was primarily attributable to lower equity valuations of assets in our variable annuity separate accounts.

Provision for income taxes. Provision for income taxes decreased $9 million, or 10%, to $78 million for the year ended December 31, 2003 from $87 million for the year ended December 31, 2002. The effective tax rate was 34.1% and 31.9% for the year ended December 31, 2003 and 2002, respectively. This increase in effective tax rate was the result of the impact of higher dividends received deduction benefits related to separate account annuity products in 2002.

Segment net earnings. Segment net earnings decreased $35 million, or 19%, to $151 million for the year ended December 31, 2003 from $186 million for the year ended December 31, 2002. This decrease in segment net earnings was primarily the result of lower policy fees and other income and declining yields on invested assets. The decrease in segment net earnings reflects decreases in net earnings for structured settlement, fixed annuity and GIC products and an increase in net earnings for variable annuity products. The decrease in structured settlements and GICs was primarily attributable to lower reinvestment rates. The decrease in fixed annuities was primarily attributable to higher amortization of deferred acquisition costs. The increase in variable annuities was primarily attributable to tax benefits resulting from higher dividend deductions on our separate accounts.

Year Ended December 31, 2002 Compared to Year Ended December 31, 2001

Premiums. Premiums decreased $32 million, or 3%, to $991 million for the year ended December 31, 2002 from $1,023 million for the year ended December 31, 2001. This decrease was primarily the result of a $185 million decrease in premiums for life-contingent structured settlements attributable to lower sales of these products. This decrease was offset in part by a $151 million increase in premiums for income annuities attributable to higher sales.

Net investment income. Net investment income increased $40 million, or 2%, to $2,522 million for the year ended December 31, 2002 from $2,482 million for the year ended December 31, 2001. This increase was primarily the result of an increase in invested assets, offset in part by declining yields on investments in the lower interest rate environment.

Policy fees and other income. Policy fees and other income increased $27 million, or 13%, to $243 million for the year ended December 31, 2002 from $216 million for the year ended December 31, 2001. This increase was primarily the result of a $39 million increase in fee income attributable to the acquisition of a small asset management company at the end of 2001. This increase was offset in part by a $14 million decrease in fee income on variable annuities primarily attributable to lower equity values in our variable annuity separate accounts.

Benefits and other changes in policy reserves. Benefits and other changes in policy reserves increased $33 million, or 2%, to $1,769 million for the year ended December 31, 2002 from $1,736 million for the year ended December 31, 2001. This increase was primarily the result of a $186 million increase in changes in policy reserves that was attributable to higher sales of life-contingent income annuities. This increase was offset in part by a $146 million reduction in changes in policy reserves established for structured settlements that was attributable to lower sales of structured settlements.

Interest credited. Interest credited increased $5 million to $1,283 million for the year ended December 31, 2002 from $1,278 million for the year ended December 31, 2001. This increase was primarily the result of an increase in policyholder account balances attributable to higher sales of annuity products, including GICs, funding agreements, fixed annuities, income annuities and fixed accounts of variable annuities. This increase was offset in part by lower interest crediting rates, particularly on GICs and funding agreements, attributable to the lower interest rate environment.

Underwriting, acquisition, insurance and other expenses, net of deferrals. Underwriting, acquisition, insurance and other expenses, net of deferrals, increased $34 million, or 18%, to $221 million for the year ended December 31, 2002 from $187 million for the year ended December 31, 2001. This increase was primarily the result of expenses attributable to the operations of a small asset management company that we acquired at the end of 2001.

Amortization of deferred acquisition costs and intangibles. Amortization of deferred acquisition costs and intangibles increased $29 million, or 16%, to $210 million for the year ended December 31, 2002 from $181 million for the year ended December 31, 2001. This increase was primarily the result of an increase of $26 million that was attributable to accelerated amortization of deferred acquisition costs for our variable annuity products associated with the decrease in separate account asset values resulting from declines in the equity markets.

Provision for income taxes. Provision for income taxes decreased $37 million, or 30%, to $87 million for the year ended December 31, 2002 from $124 million for the year ended December 31, 2001. The effective tax rate was 31.9% and 36.6% for the years ended December 31, 2002 and 2001, respectively. This decrease in effective tax rate was the result of higher dividend received deduction benefits related to separate account annuity products, an increase in tax reserves related to the segment's products and the discontinuation of goodwill amortization in accordance with SFAS 142.

Segment net earnings. Segment net earnings decreased $29 million, or 13%, to $186 million for the year ended December 31, 2002 from $215 million for the year ended December 31, 2001. This decrease in segment net earnings was primarily the result of declining yields on invested assets. The decrease in segment net earnings reflects decreases in net earnings for fixed and variable annuity and structured settlement products and an increase in net earnings for GIC products. The decrease in variable annuities was attributable to declining fee income associated with lower equity values of the assets in our separate accounts and accelerated amortization of deferred acquisition costs. The decrease for fixed annuities and structured settlements was primarily attributable to declining yields on investments. The increase in GICs was primarily attributable to growth in the in-force block.

Mortgage Insurance segment

The following table sets forth the historical results of operations relating to our Mortgage Insurance segment. The Mortgage Insurance segment's results of operations are not affected by any of the pro forma adjustments.

	Historical		
	Years ended December 31,		
(Dollar amounts in millions)	2003	2002	2001
Revenues:			
Premiums	$ 716	$ 677	$ 698
Net investment income	218	231	227
Policy fees and other income	48	38	40
Total revenues	982	946	965
Benefits and expenses:			
Benefits and other changes in policy reserves	115	46	150
Underwriting, acquisition and insurance expenses, net of deferrals	299	233	180
Amortization of deferred acquisition costs and intangibles	37	39	51
Total benefits and expenses	451	318	381
Earnings before income taxes	531	628	584
Provision for income taxes	162	177	156
Segment net earnings	$ 369	$ 451	$ 428

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002

Premiums. Premiums increased $39 million, or 6%, to $716 million for the year ended December 31, 2003 from $677 million for the year ended December 31, 2002. This increase was primarily the result of an $88 million increase in premiums in our international mortgage insurance business, $24 million of which was attributable to changes in foreign exchange rates. This increase in international premiums was offset in part by a $26 million decrease in premiums in our U.S. mortgage insurance business that was primarily attributable to higher premiums ceded in captive reinsurance transactions and a $23 million decrease in premiums that was primarily attributable to lower persistency resulting from increased refinancing activity.

Net investment income. Net investment income decreased $13 million, or 6%, to $218 million for the year ended December 31, 2003 from $231 million for the year ended December 31, 2002. This decrease was primarily the result of a $42 million decrease in net investment income that was primarily attributable to a decrease in invested assets resulting from the payment of dividends by the U.S. mortgage insurance business to our holding company. The decrease was also the result of declining yields on investments. These decreases were offset in part by a $29 million increase in net investment income resulting from additional invested assets in our international mortgage insurance business, $10 million of which was due to changes in foreign exchange rates.

Policy fees and other income. Policy fees and other income increased $10 million, or 26%, to $48 million for the year ended December 31, 2003 from $38 million for the year ended December 31, 2002. This increase was the result of a $5 million increase in fees for contract underwriting services attributable to higher refinancing activity in the U.S. and a $5 million increase in fees from increased volume in our international mortgage insurance business.

Benefits and other changes in policy reserves. Benefits and other changes in policy reserves increased $69 million, or 150%, to $115 million for the year ended December 31, 2003 from $46 million for the year ended December 31, 2002. This increase was the result of a $60 million increase primarily attributable to a lower amount of favorable loss development on prior year reserves and a $9 million increase in paid claims on U.S. flow mortgage insurance offset in part by a $4 million decrease primarily attributable to favorable loss development on U.S. bulk mortgage insurance, and a $4 million increase primarily attributable to an increase in loans in default associated with higher insurance in force levels in our international mortgage insurance business.

Underwriting, acquisition, insurance and other expenses, net of deferrals. Underwriting, acquisition, insurance and other expenses, net of deferrals, increased $66 million, or 28%, to $299 million for the year ended December 31, 2003 from $233 million for the year ended December 31, 2002. This increase was the result of a $37 million increase in expenses that was primarily attributable to a significant increase in underwriting volume associated with refinancing activity in the U.S., an $11 million increase attributable to higher indemnity liabilities for U.S. contract underwriting claims as the result of updating of the assumptions we used to calculate these indemnity liabilities to reflect recent underwriting experience and the increase in the volume of mortgage loans underwritten due to significant refinancing activity and a $18 million increase attributable to continued investment in our international mortgage insurance business.

Amortization of deferred acquisition costs and intangibles. Amortization of deferred acquisition costs and intangibles decreased $2 million, or 5%, to $37 million for the year ended December 31, 2003 from $39 million for the year ended December 31, 2002. This decrease was primarily the result of the amortization of a lower amount of U.S. deferred expenses, offset by the higher volume in our international mortgage insurance business.

Provision for income taxes. Provision for income taxes decreased $15 million, or 8%, to $162 million for the year ended December 31, 2003 from $177 million for the year ended December 31, 2002. The effective tax rate was 30.5% and 28.2% for the year ended December 31, 2003 and 2002, respectively. This increase in effective tax rate was primarily the result of a greater proportion of foreign income taxed at a higher rate than in the U.S. Our Mortgage Insurance segment's effective tax rate is significantly below the statutory rate primarily as the result of tax-exempt investment income.

Segment net earnings. Segment net earnings decreased $82 million, or 18%, to $369 million for the year ended December 31, 2003 from $451 million for the year ended December 31, 2002. This decrease was primarily the result of a $141 million decrease in U.S. net earnings, offset in part by a $59 million increase in international net earnings. The decrease in U.S. net earnings was primarily attributable to greater losses from less favorable loss development on prior year reserves, decreases in premiums from increased ceding and lower persistency, and increases in underwriting expenses from refinancing activity and contract underwriting indemnification liabilities as the result of our updating the assumptions used to calculate these indemnity liabilities to reflect recent underwriting experience and increased volume. The increase in international net earnings was primarily the result of growth in our international mortgage insurance business.

Year Ended December 31, 2002 Compared to Year Ended December 31, 2001

Premiums. Premiums decreased $21 million, or 3%, to $677 million for the year ended December 31, 2002 from $698 million for the year ended December 31, 2001. This decrease was primarily the result of a $37 million decrease in premiums in our U.S. mortgage insurance business attributable to higher premiums ceded in captive reinsurance transactions. The decrease was also the result of a $13 million decrease in premiums in our U.S. mortgage insurance business primarily attributable to lower persistency associated with increased refinancing activity in the U.S. These decreases were offset in part by a $29 million increase in premiums primarily attributable to growth in our international mortgage insurance business.

Net investment income. Net investment income increased $4 million, or 2%, to $231 million for the year ended December 31, 2002 from $227 million for the year ended December 31, 2001. This increase was primarily the result of an $11 million increase that was primarily attributable to an increase in invested assets in our international mortgage insurance business, offset in part by a $7 million decrease that was primarily attributable to declining yields on U.S. investments in the lower interest rate environment.

Policy fees and other income. Policy fees and other income decreased $2 million, or 5%, to $38 million for the year ended December 31, 2002 from $40 million for the year ended December 31, 2001. This decrease was primarily the result of the impact of a $13 million gain recognized in 2001 on the sale of our flood zone determination business. This decrease was offset in part by an $11 million increase in fees for contract underwriting services attributable to higher refinancing activity in the U.S.

Benefits and other changes in policy reserves. Benefits and other changes in policy reserves decreased $104 million, or 69%, to $46 million for the year ended December 31, 2002 from $150 million for the year ended December 31, 2001. This decrease was the result of a $73 million decrease primarily attributable to favorable loss development on prior year reserves on U.S. flow mortgage insurance. During 2002, we updated our loss reserve factors to reflect our recent favorable experience with respect to severity and frequency of defaults. Our severity and frequency of defaults were favorably affected by housing appreciation, increased housing supply and demand and other U.S. macroeconomic factors, in addition to our loss mitigation activities. This decrease was offset by an $8 million increase in paid claims on U.S. flow mortgage insurance, a $26 million decrease primarily attributable to favorable loss development on prior year reserves for U.S. bulk mortgage insurance and a $13 million decrease primarily attributable to a lower number of loans in default and favorable loss development on prior-year reserves in our international mortgage business.

Underwriting, acquisition, insurance and other expenses, net of deferrals. Underwriting, acquisition, insurance and other expenses, net of deferrals, increased $53 million, or 29%, to $233 million for the year ended December 31, 2002 from $180 million for the year ended December 31, 2001. This increase was primarily the result of a $12 million increase attributable to growth in our international mortgage insurance business, a $6 million increase in expenses in the U.S. primarily attributable to the significant increase in underwriting volume associated with higher refinancing activity, and the impact of a $35 million decrease in 2001 for U.S. contract underwriting indemnification liabilities as the result of our updating of the assumptions we used to calculate these indemnity liabilities to reflect recent underwriting experience where loss experience was lower than we had anticipated.

Amortization of deferred acquisition costs and intangibles. Amortization of deferred acquisition costs and intangibles decreased $12 million, or 24%, to $39 million for the year ended December 31, 2002 from $51 million for the year ended December 31, 2001. This decrease was primarily the result of our discontinuation of goodwill amortization in accordance with SFAS 142 and the amortization of a lower amount of U.S. deferred expenses.

Provision for income taxes. Provision for income taxes increased $21 million, or 13%, to $177 million for the year ended December 31, 2002 from $156 million for the year ended December 31, 2001. The effective tax rate was 28.2% and 26.7% for the years ended December 31, 2002 and 2001, respectively. This increase in effective tax rate was primarily the result of a reduced benefit from tax-exempt investment income, a greater proportion of foreign income taxed at a higher rate than in the U.S., and the impact of the 2001 release of deferred income taxes to reflect a decrease in the tax rates in certain countries in which we operate.

Segment net earnings. Segment net earnings increased $23 million, or 5%, to $451 million for the year ended December 31, 2002 from $428 million for the year ended December 31, 2001. This increase was primarily the result of a $23 million increase in international net earnings and flat U.S. net earnings. The increase in international net earnings was primarily attributable to increases in earned premiums and net investment income and favorable loss development on prior year reserves, offset in part by increases in expenses related to such growth. Flat U.S. net earnings were primarily attributable to lower losses resulting from a decrease in loans in default and favorable loss development on prior-year reserves, offset by decreases in premiums from higher premiums ceded and lower persistency and increases in expenses as the result of our updating of the assumptions we used to calculate U.S. contract underwriting indemnification liabilities in 2001 to reflect recent underwriting experience.

Affinity segment

The following table sets forth the historical results of operations relating to the Affinity segment. Pro forma financial information is not presented for the Affinity segment because we will not acquire any of the Affinity segment businesses from GEFAHI.

	Historical		
	Years ended December 31,		
(Dollar amounts in millions)	2003	2002	2001
Revenues:			
Premiums	$ 244	$ 247	$ 286
Net investment income	62	70	74
Policy fees and other income	260	271	327
Total revenues	566	588	687
Benefits and expenses:			
Benefits and other changes in policy reserves	196	180	188
Underwriting, acquisition and insurance expenses, net of deferrals	239	312	320
Amortization of deferred acquisition costs and intangibles	110	116	156
Total benefits and expenses	545	608	664
Earnings (loss) before income taxes	21	(20)	23
Provision (benefit) for income taxes	5	(17)	(1)
Segment net earnings (loss)	$ 16	$ (3)	$ 24

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002

Total revenues. Total revenues decreased $22 million, or 4%, to $566 million for the year ended December 31, 2003 from $588 million for the year ended December 31, 2002. This decrease was primarily the result of lower premiums and other income attributable to our decision to discontinue certain products and distribution relationships that did not meet our target return thresholds. This decrease was offset in part by an increase in premiums attributable to a reinsurance transaction in which certain premiums were ceded to us by the purchaser of a discontinued operation.

Total benefits and expenses. Total benefits and expenses decreased $63 million, or 10%, to $545 million for the year ended December 31, 2003 from $608 million for the year ended

December 31, 2002. This decrease was primarily the result of our decision to discontinue certain products and distribution relationships and implement cost savings initiatives that reduced compensation and benefits, as well as other general expenses. Our decision to discontinue certain products and distribution relationships and implement cost savings initiatives also reduced our deferrable expenses, resulting in a decrease in amortization of deferred acquisition costs and intangibles. These decreases were offset in part by an increase in benefits and expenses attributable to a reinsurance transaction in which certain benefits and expenses were ceded to us by the purchaser of a discontinued operation.

Provision (benefit) for income taxes. Provision (benefit) for income taxes increased $22 million to $5 million for the year ended December 31, 2003 from $(17) million for the year ended December 31, 2002. This increased provision was the result of a foreign loss valuation allowance.

Segment net earnings (loss). Segment net earnings (loss) increased $19 million to $16 million for the year ended December 31, 2003 from $(3) million for the year ended December 31, 2002. This increase was primarily the result of our discontinuation of products and distribution relationships that did not meet our target return thresholds and reductions of compensation and benefit expenses and other general expenses resulting from cost savings initiatives.

Year Ended December 31, 2002 Compared to Year Ended December 31, 2001

Total revenues. Total revenues decreased $99 million, or 14%, to $588 million for the year ended December 31, 2002 from $687 million for the year ended December 31, 2001. This decrease was primarily the result of lower premiums and other income attributable to our decision to discontinue certain products and distribution relationships that did not meet our target return thresholds.

Total benefits and expenses. Total benefits and expenses decreased $56 million, or 8%, to $608 million for the year ended December 31, 2002 from $664 million for the year ended December 31, 2001. This decrease was primarily the result of lower amortization of deferred acquisition costs and intangibles that was primarily attributable to an adjustment in the fourth quarter of 2002 to reflect actual membership lapse rate performance as compared with the lapse rates projected at the time of purchase. The decrease was also the result of reduced compensation and benefits, other cost-saving initiatives and decreased changes in policy reserves primarily attributable to lower revenues.

Provision (benefit) for income taxes. Provision (benefit) for income taxes decreased $16 million to $(17) million for the year ended December 31, 2002 from $(1) million for the year ended December 31, 2001. This reduced provision was the result of our discontinuation of goodwill amortization in accordance with SFAS 142.

Segment net earnings (loss). Segment net earnings (loss) decreased $27 million to $(3) million for the year ended December 31, 2002 from $24 million for the year ended December 31, 2001. This decrease was primarily the result of the decrease in revenues attributable to our discontinuance of products and distribution relationships that did not meet our target return thresholds.

Corporate and Other segment

The following table sets forth summary historical and pro forma financial results of operations relating to our Corporate and Other segment for the periods below. The pro forma financial information reflects adjustments described under "Selected Historical and Pro Forma Financial Information." There were no pro forma adjustments to premiums or policy fees and other income because there are no premiums or policy fees and other income in the Corporate and Other segment that will be ceded to UFLIC in connection with the reinsurance transactions. Pro forma net investment income increased as a result of net investment income earned on excess surplus assets that will be transferred from the Protection and Retirement Income and Investments segments to the Corporate and Other segment, offset in part by a decrease attributable to reduced net investment income related to the $1.836 billion capital contribution that we will make to UFLIC. Pro forma total revenues increased primarily as a result of the adjustments to net investment income as described, and the exclusion from our results of operations of net realized investment gains (losses) related to the long-term care insurance, structured settlement and variable annuity products we will cede to UFLIC in connection with the reinsurance transactions and net realized investment gains (losses) related to the Affinity segment. Pro forma total expenses were primarily affected by the inclusion of incremental interest expense attributable to our revised debt structure after the completion of this offering.

	Historical			Pro forma
	Years ended December 31,			Year ended December 31,
(Dollar amounts in millions)	2003	2002	2001	2003
Revenues:				
Premiums	$ 110	$ 104	$ 90	$ 110
Net investment income (loss)	25	20	(7)	55
Net realized investment gains	10	204	201	38
Policy fees and other income	44	6	1	44
Total revenues	189	334	285	247
Expenses:				
Unallocated corporate expenses	121	77	69	121
Interest expense	137	124	126	135
Other operating expenses	88	60	54	84
Total expenses	346	261	249	340
Earnings (loss) before income taxes	(157)	73	36	(93)
Provision (benefit) for income taxes	(103)	(119)	10	(85)
Segment net earnings (loss)	$ (54)	$ 192	$ 26	$ (8)

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002

Premiums. Premiums increased $6 million, or 6%, to $110 million for the year ended December 31, 2003 from $104 million for the year ended December 31, 2002. This increase was primarily the result of a $4 million increase in premiums attributable to our Mexican auto insurer.

Net investment income (loss). Net investment income (loss) increased $5 million, or 25%, to $25 million for the year ended December 31, 2003 from $20 million for the year ended December 31, 2002.

Net realized investment gains. See the comparison for this line item under "—Historical Combined and Pro Forma Results of Operations."

Policy fees and other income. Policy fees and other income increased $38 million to $44 million for the year ended December 31, 2003 from $6 million for the year ended December 31, 2002. This increase was primarily attributable to interest income from two securitization entities that were consolidated in our financial statements in connection with our adoption of FIN 46, beginning in the third quarter of 2003. See "—Off-Balance-Sheet Transactions."

Unallocated corporate expenses. Unallocated corporate expenses primarily consist of general and other expenses that are not allocated for segment reporting purposes. These amounts include items such as class-action litigation settlements, advertising and marketing costs, severance and restructuring charges and other corporate-level expenses. Unallocated corporate expenses increased $44 million, or 57%, to $121 million for the year ended December 31, 2003 from $77 million for the year ended December 31, 2002. This increase was primarily the result of a $50 million increase in litigation reserves attributable to an increase in reserves for a settlement in principle that we reached in October 2003 in connection with class action litigation relating to sales practices in our life insurance business. See "Business—Legal Proceedings."

Interest expense. Interest expense consists of interest and other financing charges related to all of our holding company debt that is not allocated for segment reporting purposes. Interest expense increased $13 million, or 10%, to $137 million for the year ended December 31, 2003 from $124 million for the year ended December 31, 2002. This increase was primarily the result of $27 million of interest expense associated with securitization entities that were consolidated in our financial statements in connection with our adoption of FIN 46, beginning in the third quarter of 2003. This increase was offset in part by a $14 million decrease in interest expense that was primarily the result of lower average borrowings.

Other operating expenses. Other operating expenses primarily consist of benefits and other changes in policy reserves and general expenses of several small non-core businesses that are managed in our Corporate and Other segment. Other operating expenses increased $28 million, or 47%, to $88 million for the year ended December 31, 2003 from $60 million for the year ended December 31, 2002. This increase was primarily the result of higher expenses of our Bermuda reinsurer primarily attributable to the impact of a 2002 novation of a portion of its leased equipment physical damage program to a third party, offset in part by the impact of the recognition in 2002 of $5 million of goodwill impairment for our Mexican auto insurance business resulting from our implementation of SFAS 142.

Provision (benefit) for income taxes. Provision (benefit) for income taxes decreased $16 million to $(103) million for the year ended December 31, 2003 from $(119) million for the year ended December 31, 2002. This decrease was the result of the recognition in 2002 of a favorable settlement with the IRS related to the treatment of certain reserves for obligations to policyholders of life insurance contracts, offset in part by lower pre-tax earnings, a one-time reduction in UK taxes related to the restructuring of our UK legal entities, and increased dividends received deduction benefits. Changes to tax expense for our Corporate and Other segment are primarily the result of tax-exempt investment income and other items not directly allocated to specific products or segments.

Segment net earnings (loss). Segment net earnings (loss) decreased $246 million to $(54) million for the year ended December 31, 2003 from $192 million for the year ended December 31, 2002. This decrease was primarily the result of the decrease in benefit for income taxes attributable to the impact of the 2002 favorable settlement with the IRS, the decrease in net realized investment gains and higher litigation reserves for the year ended December 31, 2003.

Year Ended December 31, 2002 Compared to Year Ended December 31, 2001

Premiums. Premiums increased $14 million, or 16%, to $104 million for the year ended December 31, 2002 from $90 million for the year ended December 31, 2001. This increase was the result of a $9 million increase in premiums from our Mexican auto insurer and a $5 million increase in premiums from our Bermuda reinsurer.

Net investment income (loss). Net investment income (loss) increased $27 million to $20 million for the year ended December 31, 2002 from $(7) million for the year ended December 31, 2001. This increase was primarily the result of higher income on private equity investments reflecting stabilization in the equity markets.

Net realized investment gains (losses). See the comparison for this line item under "—Historical Combined and Pro Forma Results of Operations."

Policy fees and other income. Policy fees and other income increased $5 million to $6 million for the year ended December 31, 2002 from $1 million for the year ended December 31, 2001. This increase was primarily the result of fee income attributable to a securitization of certain financial assets and an increase in policy fees from our Mexican auto insurer.

Unallocated corporate expenses. Unallocated corporate expenses increased $8 million, or 12%, to $77 million for the year ended December 31, 2002 from $69 million for the year ended December 31, 2001. This increase was primarily the result of costs incurred to close certain facilities resulting from relocations to Richmond, Virginia.

Interest expense. Interest expense decreased $2 million, or 2%, to $124 million for the year ended December 31, 2002 from $126 million for the year ended December 31, 2001. This decrease was primarily the result of lower interest rates on borrowings, offset in part by an increase in average borrowings.

Other operating expenses. Other operating expenses increased $6 million, or 11%, to $60 million for the year ended December 31, 2002 from $54 million for the year ended December 31, 2001. This increase was primarily the result of a goodwill impairment charge recorded in connection with the adoption of SFAS 142.

Provision (benefit) for income taxes. Provision (benefit) for income taxes decreased $129 million to $(119) million for year ended December 31, 2002 from $10 million for the year ended December 31, 2001. This decrease was the result of a favorable settlement with the IRS regarding the treatment of certain reserves for obligations to life insurance policyholders and reduced benefit from tax exempt investment income, offset in part by higher pre-tax earnings.

Segment net earnings. Segment net earnings increased $166 million to $192 million for the year ended December 31, 2002 from $26 million for the year ended December 31, 2001. This increase was primarily the result of the decrease in the provision for income taxes attributable to the 2002 favorable settlement with the IRS and higher net investment income primarily resulting from higher income on private equity investments reflecting stabilization in equity markets.

Liquidity and Capital Resources

After the completion of this offering, we will conduct all our operations through our operating subsidiaries. Dividends from our subsidiaries and permitted payments to us under our tax sharing arrangements with our subsidiaries will be our principal sources of cash to pay stockholder dividends and to meet our obligations.

Our primary uses of funds at our holding company level include payment of general operating expenses, payment of principal, interest and other expenses related to holding company debt, payment of dividends on our common and preferred stock, amounts we will owe to GE under the Tax Matters Agreement contract, adjustment payments on our Equity Units, contributions to subsidiaries, and, potentially, acquisitions. We intend to pay quarterly cash dividends on our common stock at an initial rate of $0.065 per share. The first such dividend will be declared in the third quarter of 2004 and paid in the fourth quarter. However, the declaration and payment of future dividends to holders of our common stock will be at the discretion of our board of directors. Our payment of dividends to our stockholders will depend partly upon our receipt of dividends from our insurance and other operating subsidiaries. In addition, our Series A Preferred Stock will bear dividends at an annual rate of % of the liquidation value of $50 per share. We also have agreed to pay quarterly contract adjustment payments with respect to our Equity Units at an annual rate of % of the stated amount of $25 per Equity Unit.

On December 15, 2003, we paid a dividend of $2,930 million. This included the distribution of proceeds from the sale of our Japanese life insurance and domestic auto and homeowners' insurance businesses, which closed on August 29, 2003, and other dividends received from our insurance subsidiaries. We declared and paid dividends of $3,168 million to our parent during 2003. We declared dividends of $171 million to our parent during 2002, of which $107 million was paid in 2002 and $64 million was paid in 2003. We declared dividends of $31 million in 2001, of which $6 million was paid in 2001 and $25 million was paid in 2002.

The payment of dividends and other distributions to us by our insurance subsidiaries is regulated by insurance laws and regulations. In general, dividends in excess of prescribed limits are deemed "extraordinary" and require insurance regulatory approval. See "Regulation." During the years ended December 31, 2003, 2002 and 2001, we received dividends from our insurance subsidiaries of $1,472 million ($1,400 million of which were deemed "extraordinary"), $840 million ($375 million of which were deemed "extraordinary") and $410 million (none of which were deemed "extraordinary"), respectively. In addition, during the years ended December 31, 2003, 2002 and 2001, we received dividends from insurance subsidiaries related to discontinued operations of $495 million, $62 million and $0, respectively.

Based on statutory results as of December 31, 2003, our subsidiaries could pay dividends of $1,121 million to us in 2004 without obtaining regulatory approval. However, as a result of the dividends we will pay in connection with our corporate reorganization, most of our insurance subsidiaries will not be able to pay us any additional dividends for the twelve months following this offering without prior regulatory approval. As part of our corporate reorganization, we will retain cash at the holding company level which we believe will be adequate to fund our dividend payments, debt service, obligations under the Tax Matters Agreement and other obligations until our insurance subsidiaries can resume paying ordinary dividends to us. In addition, the ability of our insurance subsidiaries to pay dividends to us, and our ability to pay dividends to our stockholders, are also subject to various conditions imposed by the rating agencies for us to maintain our ratings.

In addition to dividends from our insurance subsidiaries, our other sources of funds will include service fees we receive from GE, as described under "—Overview—Separation from GE and related financial arrangements—Services provided to GE," payments from our subsidiaries pursuant to tax sharing arrangements that we will enter into after the completion of this offering, borrowings pursuant to credit facilities that we intend to establish shortly after the completion of this offering, and proceeds from the offering of senior notes and the sale of commercial paper, which we intend to complete shortly after the completion of this offering.

In consideration for the assets that we will acquire and the liabilities that we will assume in connection with our corporate reorganization, we will issue to GEFAHI 489.5 million shares of our Class B Common Stock, $600 million of our Equity Units, $100 million of our Series A Preferred Stock, the $2.4 billion Short-term Intercompany Note and the $550 million Contingent Note. The Short-term Intercompany Note matures on   , 2004. The Contingent Note is a non-interest-bearing note that matures on the first anniversary of the completion of this offering and will be repaid solely to the extent that statutory contingency reserves from our U.S. mortgage insurance business in excess of $150 million are released and paid to us as a dividend. Under applicable insurance regulations, annual additions to the statutory contingency reserves must equal at least 50% of premiums earned, and these statutory reserves generally cannot be withdrawn for 10 years. We believe that the significant refinancing activity in the U.S. in recent years has resulted in significant excess statutory contingency reserves because an unusually large number of mortgages are being refinanced before they reach the time they historically are most likely to become delinquent. We intend to seek the accelerated release of a portion of these statutory reserves to repay the Contingent Note. The release of the statutory reserves and payment of the dividend by our U.S. mortgage insurance business to us are subject to statutory limitations, regulatory approval and the absence of any impact on our financial ratings. If regulatory approval has been obtained by the first anniversary date, but our financial ratings have not been affirmed, the term of the Contingent Note will be extended for a period up to twelve months to obtain affirmation of our financial ratings. Any portion of the Contingent Note that is not repaid by the first anniversary of the completion of this offering or by the extended term, if applicable, will be canceled. We will record any portion of the Contingent Note that is canceled as a capital contribution. See "Description of Certain Indebtedness—Contingent Note."

If our U.S. mortgage insurance business effects an accelerated release from its statutory contingency reserve and distributes such released funds to us, we intend to retain the first $150 million of those funds in a segregated account at our holding company to pay debt servicing expenses and dividends on our common stock. Of this amount, we expect that $50 million will be available for disbursement during 2005, and $100 million will be available for disbursement during 2006.

The liabilities we will assume from GEFAHI include the Yen Notes, which are ¥60 billion aggregate principal amount of 1.6% notes due 2011 issued by GEFAHI, ¥3 billion of which GEFAHI currently holds and will transfer to us. We have entered into arrangements to swap our obligations under these notes to a U.S. dollar obligation with a principal amount of $491 million and bearing interest at a rate of 4.84% per annum. See "Description of Certain Indebtedness—Yen Notes." We also will be entering into a Tax Matters Agreement with GE, which represents an obligation by us to GE, estimated to have a present value of approximately $448 million. See "Arrangements Between GE and Our Company—Tax Matters Agreement."

We intend to repay the $2.4 billion Short-term Intercompany Note to GEFAHI with proceeds from the borrowings under a $2.4 billion short-term credit facility that we intend to establish with a syndicate of banks concurrently with the completion of this offering. We intend to repay the borrowings under this short-term credit facility with proceeds from the issuance of approximately $1.9 billion in senior notes and approximately $500 million in commercial paper, both of which we intend to complete shortly after the completion of this offering. The senior notes are expected to consist of multiple series with varying maturities. The commercial paper will be issued under a $1 billion commercial paper program we intend to establish. We may issue additional commercial paper under this program from time to time. We will enter into $2 billion of revolving credit facilities, including a $1 billion 364-day facility and a $1 billion five-year facility. The revolving credit facilities will support our commercial paper program and will provide us with liquidity to meet general funding requirements. See "Description of Certain Indebtedness." However, our ability to borrow under these facilities and to issue commercial paper in excess of $500 million will be subject to GE's right as the holder of the Class B Common Stock to approve our incurrence of debt in excess of $700 million outstanding at any one time (subject to certain exceptions). See "Description of Capital Stock—Approval Rights of Holders of Class B Common Stock."

We believe the proposed senior notes and commercial paper offerings and credit facilities, together with anticipated cash flows from operations, will provide us with sufficient liquidity to meet our operating requirements for the foreseeable future.

Net cash provided by operating activities was $3,716 million, $4,883 million and $2,229 million for the years ended December 31, 2003, 2002 and 2001, respectively. Cash flows from operating activities are affected by the timing of premiums received, fees received and investment income. Cash provided by operating activities decreased $1,167 million for the year ended December 31, 2003, compared to the year ended December 31, 2002. During both periods, principal sources of cash included sales of income annuities with life contingencies and long-term care insurance, as well as sales of structured settlements with life contingencies and term-life insurance. Cash provided by operating activities decreased primarily because of a payment of $440 million during the fourth quarter of 2003 of intercompany balances due to GE Capital included in other liabilities. Cash provided by operating activities increased $2,654 million for the year ended December 31, 2002, compared to the year ended December 31, 2001, primarily reflecting growth in sales of the products discussed above, as well as the timing of cash settlement for other assets and liabilities.

As an insurance business, we typically generate positive cash flows from operating and financing activities, as premiums and deposits collected from our insurance and investment products exceed benefits paid and redemptions, and we invest the excess. Accordingly, in analyzing our cash flow we focus on the change in the amount of cash available and used in investing activities. Net cash used in investing activities was $681 million, $6,525 million and $7,068 million for the years ended December 31, 2003, 2002, and 2001, respectively.

The decrease in net cash used in investing activities for the year ended December 31, 2003, compared to the year ended December 31, 2002, of $5,844 million was the result of both less cash provided by operating activities of $1,167 million, as discussed above, and more cash used in financing activities of $5,007 million. Within our investing activities, during 2003, we received $2,126 million of proceeds and dividends associated with the sale of our Japanese life insurance and domestic auto and homeowners' insurance businesses.

Net cash (used in) provided by financing activities was ($2,714) million, $2,293 million and $4,627 million for the years ended December 31, 2003, 2002 and 2001, respectively. The increase in cash used by financing activities for the year ended December 31, 2003, compared to the year ended December 31, 2002, of $5,007 million was primarily the result of both lower deposits and higher redemptions of investment contracts, as a result of the lower interest rate environment, equity market downturns and volatility and pricing actions we took. These factors contributed to an increase in the use of net cash from investment contracts by $3,202 million. In addition, dividends paid to our stockholder, net of capital contributions received, increased by $2,871 million. These increased uses of cash were partially offset by a net increase in cash provided from borrowings of $1,066 million, consisting of a net increase in short-term borrowings, including commercial paper, of $466 million, and an increase in non-recourse funding obligations of $600 million.

For the year ended December 31, 2002, compared to the year ended December 31, 2001, the $543 million decrease in cash used in investing activities resulted from reduced cash provided by financing activities, primarily from both lower sales and higher redemptions of investment contracts, as a result of the lower interest rate environment and customer uncertainty about the direction of equity markets, combined with pricing actions we took, reducing the net cash provided from investment contracts by $2,155 million, along with a greater increase in cash and cash equivalents of $863 million. These decreases in sources of cash available for investment were partially offset by the increase in net cash provided by operating activities of $2,654 million, as discussed above.

The liquidity requirements of our insurance subsidiaries principally relate to the liabilities associated with their various insurance and investment products, operating costs and expenses, the payment of dividends to us, contributions to their subsidiaries, payment of principal and interest on their outstanding debt obligations and income taxes. Liabilities arising from insurance and investment products include the payment of benefits, as well as cash payments in connection with policy surrenders and withdrawals, policy loans and obligations to redeem funding agreements under applicable put option provisions.

Historically, our insurance subsidiaries have used cash flow from operations and sales of investment securities to fund their liquidity requirements. Our insurance subsidiaries' principal cash inflows from operating activities derive from premiums, annuity deposits and policy and contract fees and other income, including commissions, cost of insurance, mortality, expense and surrender charges, contract underwriting fees, investment management fees, and dividends and distributions from their subsidiaries. The principal cash inflows from investment activities result from repayments of principal, sales of invested assets and investment income.

We also have entered into annually renewable floating rate funding agreements, which are deposit-type products that generally credit interest on deposits at a floating rate tied to an external market index. Purchasers of annually renewable funding agreements include money market funds, bank common trust funds and other short-term investors. Some of our funding agreements contain "put" provisions, through which the contractholder has an option to terminate the funding agreement for any reason after giving notice within the contract's specified notice period, which is generally 90 days but can be less than 30 days. GE Capital has agreed to guarantee our obligations under certain annually renewable funding agreements that were issued prior to November 18, 2003 and certain renewals with a final maturity on or before June 30, 2005. As of December 31, 2003, the aggregate amount of outstanding funding agreements with put option features was approximately $2.9 billion, including $450 million with put option notice periods of 30 days or less.

Our insurance subsidiaries maintain investment strategies intended to provide adequate funds to pay benefits without forced sales of investments. Products having liabilities with longer durations, such as certain life insurance and long-term care insurance policies, are matched with investments having similar estimated lives such as long-term fixed maturities and mortgage loans. Shorter-term liabilities are matched with fixed maturities that have short- and medium-term fixed maturities. In addition, our insurance subsidiaries hold highly liquid, high-quality short-term investment securities and other liquid investment-grade fixed maturities to fund anticipated operating expenses, surrenders, and withdrawals. On a pro forma basis, as of December 31, 2003, our total cash and invested assets was $61.2 billion. Our investments in privately placed fixed maturities, mortgage loans, policy loans, limited partnership interests, real estate and restricted investments held by securitization entities are relatively illiquid.

These asset classes represented approximately 30% of the carrying value of our total cash and invested assets as of December 31, 2003, on a pro forma basis.

Total assets decreased $14.0 billion, or 12%, on an historical combined basis, from $117.4 billion as of December 31, 2002 to $103.4 billion as of December 31, 2003. The decrease primarily resulted from the sale of our Japanese life insurance and domestic auto and homeowners' insurance businesses, which had total assets of $22.1 billion classified as assets held for sale as of December 31, 2002. Excluding this sale, total assets would have increased $8.1 billion, or 8%. Total investments increased $6.6 billion, or 9%, on an historical combined basis, for the same comparison period, primarily reflecting net purchases of securities. Excluding investments and the sale of our Japanese life insurance and domestic auto and homeowners' insurance businesses, all other assets increased $1.5 billion, or 7%, over the same period, primarily resulting from a $760 million increase in separate account assets.

Pro forma total assets were $97.8 billion as of December 31, 2003, compared to $103.4 billion on an historical combined basis. The decrease was primarily attributable to $2.8 billion of assets that will not be transferred to us in connection with our corporate reorganization and a $2.8 billion net decrease in assets in connection with the reinsurance transactions with UFLIC.

Total liabilities decreased $13.0 billion, or 13%, on an historical combined basis, from $100.6 billion as of December 31, 2002 to $87.6 billion as of December 31, 2003. This decrease primarily resulted from the sale of GEFAHI's Japanese life insurance and domestic auto and homeowners' insurance businesses, which had total liabilities of $20.0 billion classified as liabilities associated with assets held for sale as of December 31, 2002. Excluding this sale, total liabilities would have increased $7.0 billion, or 9%. Future annuity and contract benefits increased $2.7 billion, or 5%, primarily as a result of growth in our annuity and long-term care businesses. The increase also included a $760 million increase in separate account liabilities and a $1.1 billion increase of liabilities associated with the consolidation of certain securitization entities in the third quarter of 2003 in accordance with FIN 46.

Pro forma total liabilities were $86.9 billion as of December 31, 2003, compared to $87.6 billion on an historical combined basis. The decrease was primarily attributable to $3.5 billion of liabilities that will not be transferred to us in connection with our corporate reorganization. The decrease was also attributable to $690 million of liabilities associated with reinsurance transactions with UFLIC primarily consisting of a $666 million decrease in deferred income taxes. These decreases were partially offset by $3.4 billion of liabilities incurred in connection with our corporate reorganization, consisting primarily of $600 million of our Equity Units, $100 million of our Series A Preferred Stock, which is mandatorily redeemable, the $2.4 billion Short-term Intercompany Note and the $550 million Contingent Note, partially offset by a net reduction in liabilities of $282 million attributable to the joint tax election with GE under section 338(h)(10) less the liability for amounts due to GE under the Tax Matters Agreement related to this election.

Contractual obligations

We enter into long-term obligations to third-parties in the ordinary course of our operations. These obligations, as of December 31, 2003, on a pro forma basis, are set forth in the table below. However, we do not believe that our cash flow requirements can be assessed based upon an analysis of these obligations. The most significant factor affecting our future cash flows is our ability to earn and collect cash from our customers. Future cash outflows, whether they are contractual obligations or not, also will vary based upon our future needs. Although some outflows are fixed, others depend on future events. Examples of fixed obligations include our obligations to pay principal and interest on fixed-rate borrowings. Examples of obligations that will vary include obligations to pay interest on variable-rate borrowings and insurance liabilities that depend on future interest rates and market performance. Many of our obligations are linked to cash-generating contracts. These obligations include payments to contractholders that assume those contractholders will continue to make deposits in accordance with the terms of their contracts. In addition, our operations involve significant expenditures that are not based upon "commitments." These include expenditures for income taxes and payroll.

(Dollar amounts in millions)	Pro forma payments due by period				
	Total	2004	2005-2006	2007-2008	2009 and thereafter
Borrowings(1)	$ 4,836	$ —	$ 2,950	$ —	$ 1,886
Operating lease obligations	215	48	62	78	27
Purchase obligations(2)	9	8	1	—	—
Insurance liabilities(3)	16,264	6,199	5,694	2,467	1,904
Other contractual liabilities(4)	645	31	74	84	456
Total contractual obligations	$ 21,969	$ 6,286	$ 8,781	$ 2,629	$ 4,273

(1) Includes our existing non-recourse funding obligations, long-term borrowings and new borrowings described in notes (i) and (m) to our pro forma financial information, included under "Selected Historical and Pro Forma Financial Information."

(2) Includes contractual minimum programming commitments; excludes funding commitments and items described in note (o) to our pro forma financial information.

(3) Primarily includes guaranteed investment contracts and funding agreements, structured settlements and income annuities (including contracts we will reinsure to UFLIC, because we remain the primary obligor under those contracts), based upon scheduled payouts; excludes insurance liabilities that do not have maturity dates.

(4) Because their future cash outflows are uncertain, the following non-current liabilities are excluded from this table: deferred taxes (except the Tax Matters Agreement, which is included, as described in note (k) to our pro forma financial information), derivatives, deferred revenue and certain other items.

Impairments of investment securities

We regularly review investment securities for impairment in accordance with our impairment policy, which includes both quantitative and qualitative criteria. Quantitative measures include length of time and amount that each security position is in an unrealized loss position, and for fixed maturities, whether the issuer is in compliance with terms and covenants of the security. Our qualitative criteria include the financial strength and specific prospects for the issuer as well as our intent to hold the security until recovery. Our impairment reviews involve our finance and risk teams as well as the portfolio management and research capabilities of GEAM. Our qualitative review attempts to identify those issuers with a greater than 50% chance of default in the coming twelve months. These securities are characterized as "at-risk" of impairment. As of December 31, 2003, securities "at risk" of impairment had aggregate unrealized losses of $40 million.

For fixed maturities, we recognize an impairment charge to earnings in the period in which we determine that we do not expect either to collect principal and interest in accordance with the contractual terms of the instruments or to recover based upon underlying collateral values, considering events such as a payment default, bankruptcy or disclosure of fraud. For equity securities, we recognize an impairment charge in the period in which we determine that the security will not recover to book value within a reasonable period. We determine what constitutes a reasonable period on a security-by-security basis based upon consideration of all the evidence available to us, including the magnitude of an unrealized loss and its duration. In any event, this period does not exceed 18 months for common equity securities. We measure impairment charges based upon the difference between the book value of a security and its fair value. Fair value is based upon quoted market price, except for certain infrequently traded securities where we estimate values using internally developed pricing models. These models are based upon common valuation techniques and require us to make assumptions regarding credit quality, liquidity and other factors that affect estimated values. The carrying value of infrequently traded securities as of December 31, 2003 was $14.1 billion.

In the years ended December 31, 2003, 2002 and 2001, we recognized impairment losses of $224 million, $343 million and $289 million, respectively. We generally intend to hold securities in unrealized loss positions until they recover. However, from time to time, we sell securities in the ordinary course of managing our portfolio to meet diversification, credit quality, yield and liquidity requirements. In the year ended December 31, 2003, the pre-tax realized investment loss incurred on the sale of fixed maturities and equity securities was $239 million. The aggregate fair value of securities sold during that year was $5,220 million, which was approximately 96% of book value.

The following tables present the gross unrealized losses and estimated fair values of our investment securities, on an historical basis, aggregated by investment type and length of time that individual investment securities have been in a continuous unrealized loss position, as of December 31, 2003:

	Less Than 12 Months				
(Dollar amounts in millions)	**Amortized cost or cost**	**Estimated fair value**	**Gross unrealized losses**	**% underwater**	**# of securities**
Fixed maturities:					
U.S. government and agencies	$ 228	$ 210	$ (18)	7.9%	11
State and municipal	119	118	(1)	0.8%	31
Government—non U.S.	501	493	(8)	1.6%	142
U.S. corporate (including public utilities)	5,948	5,738	(210)	3.5%	458
Corporate—non U.S.	1,573	1,530	(43)	2.7%	198
Asset backed	914	900	(14)	1.5%	95
Mortgage backed	2,065	2,001	(64)	3.1%	247
Subtotal, fixed maturities	11,348	10,990	(358)	3.2%	1,182
Equity securities	53	51	(2)	3.8%	58
Total temporarily impaired securities	$ 11,401	$ 11,041	$ (360)	3.2%	1,240
% Underwater—fixed maturities:					
<20% Underwater	$ 11,219	$ 10,898	$ (321)	2.9%	1,144
20-50% Underwater	128	92	(36)	28.1%	24
>50% Underwater	1	—	(1)	100.0%	14
Total fixed maturities	11,348	10,990	(358)	3.2%	1,182
% Underwater—equity securities:					
<20% Underwater	53	51	(2)	3.8%	40
20-50% Underwater	—	—	—	—	9
>50% Underwater	—	—	—	—	9
Total equity securities	53	51	(2)	3.8%	58
Total temporarily impaired securities	$ 11,401	$ 11,041	$ (360)	3.2%	1,240
Investment grade	$ 10,471	$ 10,185	$ (286)	2.7%	1,032
Below investment grade	810	739	(71)	8.8%	141
Not rated—fixed maturities	67	66	(1)	1.5%	9
Not rated—equities	53	51	(2)	3.8%	58
Total temporarily impaired securities	$ 11,401	$ 11,041	$ (360)	3.2%	1,240

(Dollar amounts in millions)	12 Months or More Amortized cost or cost	Estimated fair value	Gross unrealized losses	% underwater	# of securities
Fixed maturities:					
U.S. government and agencies	$ —	$ —	$ —	—	—
State and municipal	1	1	—	—	1
Government—non U.S.	12	12	—	—	6
U.S. corporate (including public utilities)	1,084	975	(109)	10.1%	134
Corporate—non U.S.	158	148	(10)	6.3%	30
Asset backed	111	110	(1)	0.9%	9
Mortgage backed	172	171	(1)	0.6%	19
Subtotal, fixed maturities	1,538	1,417	(121)	7.9%	199
Equity securities	49	43	(6)	12.2%	47
Total temporarily impaired securities	$ 1,587	$ 1,460	$ (127)	8.0%	246
% Underwater—fixed maturities:					
<20% Underwater	$ 1,439	$ 1,352	$ (87)	6.0%	169
20-50% Underwater	92	63	(29)	31.5%	23
>50% Underwater	7	2	(5)	71.4%	7
Total fixed maturities	1,538	1,417	(121)	7.9%	199
% Underwater—equity securities:					
<20% Underwater	26	25	(1)	3.8%	27
20-50% Underwater	23	18	(5)	21.7%	20
>50% Underwater	—	—	—	—	—
Total equity securities	49	43	(6)	12.2%	47
Total temporarily impaired securities	$ 1,587	$ 1,460	$ (127)	8.0%	246
Investment grade	$ 718	$ 691	$ (27)	3.8%	90
Below investment grade	820	726	(94)	11.5%	109
Not rated—fixed maturities	—	—	—	—	—
Not rated—equities	49	43	(6)	12.2%	47
Total temporarily impaired securities	$ 1,587	$ 1,460	$ (127)	8.0%	246

The investment securities in an unrealized loss position for less than twelve months account for $360 million, or 74%, of our total unrealized losses. Of the securities in this category, there were five securities with an unrealized loss in excess of $5 million. These five securities had aggregate unrealized losses of $30 million. The amount of the unrealized loss on these securities is driven primarily by the relative size of the holdings, the par values of which range from $40 million to $75 million.

The investment securities in an unrealized loss position for twelve months or more account for $127 million, or 26%, of our total unrealized losses. There are 68 fixed-maturity securities in three industry groups that account for $78 million or 61% of the unrealized losses in this category.

Forty-one of these 68 securities are in the transportation sector and are related to the airline industry. Ninety-nine percent of our airline securities are collateralized by commercial aircraft associated with five domestic airlines. The collateral underlying these securities consists of commercial jet aircraft. We believe these security holdings are in a loss position as a result of ongoing negative market reaction to difficulties in the commercial airline industry. In accordance with our impairment policy described above, we have recognized $30 million and $27 million in other-than-temporary impairments during 2003 and 2002, respectively, associated with the airline industry due to either bankruptcies or restructurings. These holdings were written down to estimated fair value based upon the present value of expected cash flows associated with revised lease terms or the value of the underlying aircraft. As of December 31, 2003 we expect to collect full principal and interest in accordance with the contractual terms of the instruments of our remaining holdings in airline securities. For those airline securities which we have previously impaired, we expect to recover our carrying amount based upon underlying aircraft collateral values.

Eighteen of these 68 securities are in the industrial sector and are primarily in the chemical and paper and timber products industries. Within this sector, there are two issuers, comprising five of the 18 securities, which represent $17 million of the unrealized losses in this sector. Each of the other securities in this sector has unrealized losses of less than $3 million. These two issuers, one of which is in the chemical industry and one of which is in the timber products industry, are current on all terms, show improving trends with regards to liquidity and security price and are not considered at risk of impairment. Our other holdings issued by the chemical company are in unrealized gain positions. Our other holdings issued by the timber products company are collateralized by assets, which provide greater than 100% coverage of the outstanding obligations based on the most recent valuations performed.

The remaining nine of these 68 securities are in the consumer-non cyclical sector and are primarily in the consumer products and retail industries. Within this sector, there is one issuer, comprising two of the nine securities, which represents $13 million of the unrealized losses in this sector. This one issuer, a national retail chain, is current on all terms, shows improving trends with regard to liquidity and security price, and is not considered at risk of impairment. Our other holdings issued by this company are in unrealized gain positions. The remainder of the securities in this sector each have unrealized losses less than $1 million.

In the remaining industry sectors, no single issuer of fixed-maturity securities has an unrealized loss greater than $5 million.

The equity securities in an unrealized loss position for twelve months or more are preferred stocks with fixed maturity-like characteristics and mutual fund investments. No single security has an unrealized loss greater than $5 million.

Off-balance Sheet Transactions

We have used off-balance sheet securitization transactions to mitigate and diversify our asset risk position and to adjust the asset class mix in our investment portfolio by reinvesting securitization proceeds in accordance with our approved investment guidelines.

We have not used securitization transactions to provide us with additional liquidity, and we do not anticipate using securitization transactions for that purpose in the future. The transactions we have used involved securitizations of some of our receivables and investments that were secured by commercial mortgage loans, fixed maturities or other receivables, consisting primarily of policy loans. Total securitized assets remaining as of December 31, 2003 and 2002 were $1.6 billion and $1.9 billion, respectively.

Securitization transactions resulted in net gains, before taxes, of approximately $43 million, $29 million and $145 million for the years ended December 31, 2003, 2002 and 2001, respectively, and were included in net realized investment gains (losses) in our financial statements.

We have arranged for the assets that we have transferred in securitization transactions to be serviced by us directly, or pursuant to arrangements with GEAM and with General Motors Acceptance Corporation. Servicing activities include ongoing review, credit monitoring, reporting and collection activities.

We have entered into credit support arrangements in connection with our securitization transactions. Pursuant to these arrangements, as of December 31, 2003, we provided limited recourse for a maximum of $119 million of credit losses. To date we have not been required to make any payments under any of the credit support agreements. These agreements will remain in place throughout the life of the related entities.

GE Capital, our indirect parent, provides credit and liquidity support to a funding conduit it sponsored, which exposes it to a majority of the risks and rewards of the conduit's activities and therefore makes GE Capital the primary beneficiary of the funding conduit. Upon adoption of FIN 46, GE Capital was required to consolidate the funding conduit because of this financial support. As a result, assets and liabilities of certain previously off-balance sheet securitization entities, for which we were the transferor, were required to be included in our financial statements because the funding conduit no longer qualified as a third party. Because these securitization entities lost their qualifying status, we were required to include $1.2 billion of securitized assets and $1.1 billion of associated liabilities in our Combined Statement of Financial Position in July 2003. The assets and liabilities associated with these securitization entities have been reported in the corresponding financial statement captions in our Combined Statement of Financial Position, and the assets are noted as restricted due to the lack of legal control we have over them. These balances will decrease as the assets mature because we will not sell any additional assets to these consolidated entities.

Our inclusion of these assets and liabilities does not change the economic or legal characteristics of the asset sales. Liabilities of these consolidated entities will be repaid with cash flows generated by the related assets. Credit recourse to us remains limited to the credit support described above. We included $36 million of revenue, $2 million of general expenses and $27 million of interest expense associated with these newly consolidated entities in our historical combined financial statements for the period from July 1 to December 31, 2003. Our consolidation of these securitization entities had no effect on our previously reported earnings.

The following table summarizes the assets and liabilities associated with the securitization entities we included in our Combined Statement of Financial Position, which are part of our Corporate and Other segment as of December 31, 2003:

(Dollar amounts in millions)	Historical
Assets:	
Restricted investments held by securitization entities	$ 1,069
Other assets	65
Total(1)	$ 1,134
Liabilities:	
Borrowings related to securitization entities	$ 1,018
Other liabilities	59
Total	$ 1,077

(1) Includes $51 million of retained interests in securitized assets now consolidated.

For additional information regarding our securitization transactions, see notes 2 and 20 to our combined financial statements, included elsewhere in this prospectus.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of the loss of fair value resulting from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and equity prices. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying financial instruments are traded. The following is a discussion of our market risk exposures and our risk management practices.

We enter into market-sensitive instruments primarily for purposes other than trading. The carrying value of our investment portfolio as of December 31, 2003 and 2002 was $77.6 billion and $72.1 billion, respectively, of which 84% and 84%, respectively, was invested in fixed maturities. The primary market risk to our investment portfolio is interest rate risk associated with investments in fixed maturities. We mitigate the market risk associated with our fixed maturities portfolio by matching the duration of our fixed maturities with the duration of the liabilities that those securities are intended to support.

The primary market risk for our long-term borrowings and Equity Units is interest rate risk at the time of maturity or early redemption, when we may be required to refinance these obligations. We continue to monitor the interest rate environment and to evaluate refinancing opportunities as maturity dates approach.

We are exposed to equity risk on our holdings of common stocks and other equities. We manage equity price risk through industry and issuer diversification and asset allocation techniques.

We also have exposure to foreign currency exchange risk. Our international operations generate revenues denominated in local currencies, and we invest cash generated outside the U.S. in non-U.S.-denominated securities. Although investing in securities denominated in local currencies limits the effect of currency exchange rate fluctuation on local operating results, we remain exposed to the impact of fluctuations in exchange rates as we translate the operating results of our foreign operations into our historical combined financial statements. We currently do not hedge this exposure. For the year ended December 31, 2003, 2002 and 2001, respectively, 26%, 12% and 11% of our net earnings from continuing operations were generated by our international operations.

We use derivative financial instruments, such as interest rate and currency swaps, currency forwards and option-based financial instruments, as part of our risk management strategy. We use these derivatives to mitigate interest rate and currency risk by:

- Reducing the risk between the timing of the receipt of cash and its investment in the market;
- Matching the currency of invested assets with the liabilities they support;
- Converting the asset duration to match the duration of the liabilities; and
- Protecting against the early termination of an asset or liability.

As a matter of policy, we have not and will not engage in derivative market-making, speculative derivative trading or other speculative derivatives activities.

Sensitivity analysis

Sensitivity analysis measures the impact of hypothetical changes in interest rates, foreign exchange rates and other market rates or prices on the profitability of market-sensitive financial instruments.

The following discussion about the potential effects of changes in interest rates, foreign currency exchange rates and equity market prices is based on so-called "shock-tests," which model the effects of interest rate, foreign exchange rate and equity market price shifts on our financial condition and results of operations. Although we believe shock tests provide the most meaningful analysis permitted by the rules and regulations of the Securities and Exchange Commission, they are constrained by several factors, including the necessity to conduct the analysis based on a single point in time and by their inability to include the extraordinarily complex market reactions that normally would arise from the market shifts modeled. Although the following results of shock tests for changes in interest rates, foreign currency exchange rates and equity market prices may have some limited use as benchmarks, they should not be viewed as forecasts. These forward-looking disclosures also are selective in nature and address only the potential impacts on our financial instruments. They do not include a variety of other potential factors that could affect our business as a result of these changes in interest rates, currency exchange rates and equity market prices.

One means of assessing exposure of our fixed maturities portfolio to interest rate changes is a duration-based analysis that measures the potential changes in market value resulting from a hypothetical change in interest rates of 100 basis points across all maturities. This is sometimes referred to as a parallel shift in the yield curve. Under this model, with all other factors constant and assuming no offsetting change in the value of our liabilities, we estimated that such an increase in interest rates would decrease the market value of our fixed income securities portfolio by approximately $4.0 billion, based on our securities positions as of December 31, 2003.

One means of assessing exposure to changes in foreign currency exchange rates is to model effects on reported earnings using a sensitivity analysis. We analyzed our combined currency exposure as of December 31, 2003, including financial instruments designated and effective as hedges to identify assets and liabilities denominated in currencies other than their relevant functional currencies. Net unhedged exposures in each currency were then remeasured, generally assuming a 10% decrease in currency exchange rates compared to the U.S. dollar. Under this model, with all other factors constant, we estimated at year end 2003 that such a decrease would have an insignificant effect on our net earnings from continuing operations for the year ended December 31, 2004.

One means of assessing exposure to changes in equity market prices is to estimate the potential changes in market values on our equity investments resulting from a hypothetical broad-based decline in equity market prices of 10%. Under this model, with all other factors constant, we estimated that such a decline in equity market prices would decrease the market value of our equity investments by approximately $40 million, based on our equity positions as of December 31, 2003. In addition, fluctuations in equity market prices affect our revenues and returns from our separate account and private asset management products, which depend upon fees that are related primarily to the value of assets under management.

Counterparty credit risk

We manage counterparty credit risk on an individual counterparty basis, which means that gains and losses are netted for each counterparty to determine the amount at risk. When a counterparty exceeds credit exposure limits in terms of amounts owed to us, typically as the result of changes in market conditions (see table below), no additional transactions are executed until the exposure with that counterparty is reduced to an amount that is within the established limit. All swaps are executed under master swap agreements containing mutual credit downgrade provisions that provide the ability to require assignment or termination in the event either party is downgraded below Moody's A3 or S&P's A-.

Swaps, purchased options and forwards with contractual maturities longer than one year are conducted within the credit policy constraints provided in the table below. Our policy allows for derivative transactions with lower rated counterparties (Moody's "Aa3" and S&P's "AA-") if the agreements governing such transactions require both parties to provide collateral supporting exposures above the unsecured credit limit. Our policy requires foreign exchange forwards with contractual maturities shorter than one year to be executed with counterparties having a credit rating by Moody's of A-1 and by S&P of P-1 and the credit limit for these transactions is $150 million per counterparty.

The following table sets forth our counterparty credit rating criteria as of December 31, 2003:

	Credit rating	
	Moody's	Standard & Poor's
Term of transaction		
Up to five years	Aa3	AA-
Greater than five years	Aaa	AAA
Credit exposure limit		
Up to $50 million	Aa3	AA-
Up to $75 million	Aaa	AAA

The conversion of interest rate and currency risk into credit risk requires us to monitor counterparty credit risk actively. As of December 31, 2003 and 2002, there were no notional amounts of long-term derivatives for which the counterparty was rated below Aa3 by Moody's.

The following table sets forth an analysis of our counterparty credit risk exposures as of the dates indicated:

	Percentage of notional derivative exposure by counterparty credit rating			
	Historical			Pro forma
	December 31,			December 31,
	2003	2002	2001	2003
Moody's rating				
Aaa	95%	91%	98%	93%
Aa	5%	9%	2%	7%
	100%	100%	100%	100%

Seasonality

In general, our business as a whole is not seasonal in nature. However, in our Mortgage Insurance segment, the level of defaults, which increases the likelihood of losses, tends to decrease in the first and second quarters of the calendar year and increase in the third and fourth quarters. As a result, we have experienced lower levels of losses resulting from defaults in the first and second quarters, as compared with the third and fourth quarters.

Inflation

In general, we do not believe that inflation has had a material effect on our historical combined results of operations, except insofar as inflation may affect interest rates. See "—Quantitative and Qualitative Disclosures About Market Risk—Market risk" and "Risk Factors—Risks Relating to Our Business—Interest rate fluctuations could adversely affect our cash flow and profitability."

New Accounting Standards

Currently effective

FIN 46. FIN 46, *Consolidation of Variable Interest Entities,* became effective for us on July 1, 2003. As described above, as a result of the adoption of FIN 46, GE Capital was required to consolidate a funding conduit it sponsored. As a result, assets and liabilities of certain previously off-balance sheet securitization entities were required to be included in our financial statements because the funding conduit no longer qualified as a third party.

B36. SFAS 133 Implementation Issue B36 ("B36"), *Modified Coinsurance Arrangements with Debt Instruments that Incorporate Credit Risk Exposures that are Unrelated or Only Partially Related to the*

Creditworthiness of the Obligor under those Instruments, became effective for us on October 1, 2003. B36 provides that modified coinsurance arrangements, where the ceding insurer withholds funds, may include an embedded derivative that must be bifurcated from the host instrument. The adoption of B36 did not have a material impact on our financial position upon adoption and, based upon our current and expected reinsurance arrangements, we do not expect a material impact on our results of operations or financial condition.

SFAS 150. Statement of Financial Accounting Standards 150 ("SFAS 150"), *Accounting for Certain Financial Instruments with characteristics of both Liabilities and Equity*, became effective for us for the quarter ended September 30, 2003. SFAS 150 requires issuers to classify the following three types of freestanding financial instruments as liabilities: mandatorily redeemable financial instruments, obligations to repurchase the issuer's equity interests by transferring assets and certain obligations to issue a variable number of shares. The adoption of SFAS 150 did not have a material impact on our results of operations or financial condition.

SOP 03-1. In July 2003, the American Institute of Certified Public Accountants issued Statement of Position 03-1 ("SOP 03-1"), *Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts*, which we adopted on January 1, 2004. This statement provides guidance on separate account presentation and valuation, the accounting for sales inducements and the classification and valuation of long-duration contract liabilities. Prior to adopting SOP 03-1 we held reserves for both variable annuity guaranteed minimum death benefits and the higher-tier annuitization benefit on two-tiered annuities. To record these reserves in accordance with SOP 03-1, we released $10 million, or 7%, of our two-tiered annuity reserves as well as $3 million of guaranteed minimum death benefit reserves. After giving effect to the impact of the additional deferred acquisition cost amortization related to these reserve releases, we recorded a $5 million benefit in cumulative effect of accounting changes, net of taxes, which is not reflected in net earnings from continuing operations.

Corporate Reorganization

Our History

Prior to the completion of this offering and the concurrent offerings, our businesses were owned by GE, a global diversified technology and services company. In the 1980s and 1990s, GE pursued a strategy of developing and acquiring insurance businesses, targeting attractive segments that included the U.S. and international mortgage and life insurance markets.

We entered the U.S. mortgage insurance business in 1981 through a start-up in Cincinnati, Ohio. In 1983, we acquired a competitor, American Mortgage Insurance, located in Raleigh, North Carolina and moved our mortgage insurance headquarters there. In the late 1980s and early 1990s, we acquired several other U.S. mortgage insurers or their books of business. We also acquired mortgage insurance operations in Canada and Australia and launched a start-up business in Europe as part of our strategy to expand into international markets.

We entered the life insurance business in 1993 through our acquisition of GNA Corp., a leading provider of annuities through the bank distribution channel. From 1993 to 2000, we successfully completed the acquisition and integration of 13 key businesses, which significantly expanded the breadth of our product offerings and the scope of our distribution capabilities. We maintained a disciplined focus on effectively integrating the operations of each business we acquired.

In recent years, we have been reviewing our businesses, with the objective of focusing on segments where we have competitive advantage and the greatest potential for growth and returns on capital. We began to redeploy our capital in accordance with that strategy in 2002 and have exited certain product lines, distribution relationships and business units where we lacked long-term competitive advantage, could not deploy capital efficiently or could not achieve our targeted returns. In August 2003, we sold our Japanese life insurance operations and our domestic auto and homeowners' insurance businesses to American International Group, Inc. We also repriced certain products for higher risk-adjusted margins and lowered production targets for products that were not achieving our targeted returns on capital. At the same time, GE has been reviewing its long-term strategy and has actively sought to reduce its investment in insurance businesses and redeploy some of the capital required by those businesses to its other businesses. For example, in December 2003, GE sold substantially all of its financial guaranty insurance business to a consortium led by The PMI Group, Inc.

We have benefited from GE's commitment to operational execution, continuous process improvement, cost productivity, risk management, technology and development of managerial talent. We believe these skills and values provide us with a significant competitive advantage, and we intend to retain them as an integral part of our culture. We also believe our independence from GE will provide us with a number of benefits, allowing us to:

- execute a strategy for our insurance business independent from GE's overall corporate strategy;
- obtain direct access to capital markets;
- use our stock for selective acquisitions; and
- align employee incentive plans more closely with the performance of our company.

Formation of Genworth Financial, Inc.

We were incorporated in Delaware on October 23, 2003 in preparation for our corporate reorganization and this offering. We were incorporated solely for this purpose and have not engaged in any activities or formed any subsidiaries, except in preparation for our corporate reorganization and this offering and the concurrent offerings.

Prior to the completion of this offering, we will acquire substantially all of the assets and liabilities of GEFAHI. GEFAHI is an indirect subsidiary of GE and a holding company for a group of companies that provide life insurance, long-term care insurance, group life and health insurance, annuities and other investment products and U.S. mortgage insurance. We also will acquire certain other insurance businesses currently owned by other GE subsidiaries but managed by members of the Genworth management team. These businesses include international mortgage insurance, European payment protection insurance, Viking Insurance Company, which is a Bermuda-based reinsurer primarily of leased equipment insurance and consumer credit insurance, and mortgage contract underwriting. All of our businesses will be transferred to us prior to the completion of this offering through stock transfers, except for the European payment protection business, which will be transferred to us initially through a combination of stock transfers and reinsurance arrangements. See "Arrangements Between GE and Our Company—European Payment Protection Insurance Business Arrangements."

In consideration for the assets that we will acquire and the liabilities that we will assume in connection with our corporate reorganization, we will issue to GEFAHI the following securities:

- 489.5 million shares of our Class B Common Stock. For a description of the terms of our common stock, see "Description of Capital Stock—Common Stock."
- $600 million of our Equity Units. For a description of the terms of our Equity Units, see "Description of Equity Units." GEFAHI is offering the Equity Units for sale in a concurrent offering.
- $100 million of our Series A Preferred Stock. For a description of the terms of our Series A Preferred Stock, see "Description of Capital Stock—Preferred Stock —Series A Preferred Stock." GEFAHI is offering shares of our Series A Preferred Stock for sale in a concurrent offering.
- $2.4 billion Short-term Intercompany Note. For a description of the terms of this note, see "Description of Certain Indebtedness—Short-term Intercompany Note."
- $550 million Contingent Note. For a description of the terms of this note, see "Description of Certain Indebtedness—Contingent Note."

The liabilities we will assume from GEFAHI include the Yen Notes, which are ¥60 billion aggregate principal amount of 1.6% notes due 2011 issued by GEFAHI, ¥3 billion of which GEFAHI currently holds and will transfer to us. We have entered into arrangements to swap our obligations under these notes to a U.S. dollar obligation with a principal amount of $491 million and bearing interest at a rate of 4.84% per annum.

Prior to the completion of this offering and the concurrent offerings, GEFAHI will own 100% of our outstanding common stock, which will consist solely of Class B Common Stock. Shares of Class B Common Stock convert automatically into shares of Class A Common Stock when they are held by any person other than GE or an affiliate of GE. As a result, all the shares of common stock offered in this offering consist of Class A Common Stock. Upon the completion of this offering and the concurrent offerings, GE will beneficially own (through GEFAHI) approximately 70% of our outstanding common stock, if the underwriters' over-allotment option is not exercised, and 66%, if it is exercised in full. GE has informed us that, after completion of this offering, it intends, subject to market conditions, to divest its remaining interest in us as soon as practicable. GE has also informed us that, in any event, it expects to reduce its interest to below 50% within two years of the completion of this offering. GE currently expects to reduce its interest through one or more additional public offerings of our common stock, but it is not obligated to divest our shares in this or any other manner.

Prior to the completion of this offering, we will enter into a number of arrangements with GE governing our separation from GE and a variety of transition and other matters, including our relationship with GE while GE remains a significant stockholder in our company. These arrangements include several significant reinsurance transactions with Union Fidelity Life Insurance Company, or UFLIC, an indirect subsidiary of GE. As part of these transactions, we will cede to UFLIC, effective as of January 1, 2004, policy obligations under our structured settlement contracts, which had reserves of $12.0 billion, and our variable annuity contracts, which had general account reserves of $2.8 billion and separate account reserves of $7.9 billion, each as of December 31, 2003. These contracts represent substantially all of our contracts that were in force as of December 31, 2003 for these products. In addition, effective as of January 1, 2004, we will cede to UFLIC policy obligations under a block of long-term care insurance policies that we reinsured from Travelers, which had reserves of $1.5 billion, as of December 31, 2003. In the aggregate, these blocks of business do not meet our target return thresholds, and although we remain liable under these contracts and policies as the ceding insurer, the reinsurance transactions will have the effect of transferring the financial results of the reinsured blocks to UFLIC. We are continuing new sales of structured settlement, variable annuity and long-term care insurance products, and we expect to achieve our targeted returns on these new sales. In addition, we will continue to service these blocks of business, which will preserve our operating scale and enable us to service and grow our new sales of these products. See "Arrangements Between GE and Our Company."

Business

We are a leading insurance company in the U.S., with an expanding international presence, serving the life and lifestyle protection, retirement income, investment and mortgage insurance needs of more than 15 million customers. We have leadership positions in key products that we expect will benefit from a number of significant demographic, governmental and market trends. We distribute our products and services through an extensive and diversified distribution network that includes financial intermediaries, independent producers and dedicated sales specialists. We conduct operations in 20 countries and have approximately 5,850 employees.

We have the following three operating segments:

- ***Protection.*** We offer U.S. customers life insurance, long-term care insurance and, for companies with fewer than 1,000 employees, group life and health insurance. In Europe, we offer payment protection insurance, which helps consumers meet their payment obligations in the event of illness, involuntary unemployment, disability or death. In 2003, we were the the leading provider of individual long-term care insurance and the sixth-largest provider of term life insurance in the U.S., according to LIMRA International (in each case based upon gross written premiums). We believe we are a leading provider of term life insurance through brokerage general agencies in the U.S. and that this channel is the largest and fastest-growing distribution channel for term life insurance. Our leadership in long-term care insurance is based upon almost 30 years of product underwriting and claims experience. This experience has enabled us to build and benefit from what we believe is the largest actuarial database in the long-term care insurance industry. For the year ended December 31, 2003, our Protection segment had pro forma segment net earnings of $481 million.

- ***Retirement Income and Investments.*** We offer U.S. customers fixed, variable and income annuities, variable life insurance, asset management, and specialized products, including guaranteed investment contracts, funding agreements and structured settlements. We are an established provider of these products and, in 2003, we were the leading provider of income annuities in the U.S., according to LIMRA International (based upon total premiums and deposits). For the year ended December 31, 2003, our Retirement Income and Investments segment had pro forma segment net earnings of $93 million.

- ***Mortgage Insurance.*** In the U.S., Canada, Australia and Europe, we offer mortgage insurance products that facilitate homeownership by enabling borrowers to buy homes with low-down-payment mortgages. These products generally also aid financial institutions in managing their capital efficiently by reducing the capital required for low-down-payment mortgages. In 2003, according to *Inside Mortgage Finance*, we were the fourth-largest provider of mortgage insurance in the U.S. (based upon new insurance written), and we believe we are the largest provider of private mortgage insurance outside the U.S., with leading mortgage insurance operations in Canada, Australia and the U.K. and a growing presence in Continental Europe. The net premiums written in our international mortgage insurance business have increased by a compound annual growth rate of 46% for the three years ended December 31, 2003. For the year ended December 31, 2003, our Mortgage Insurance segment had pro forma segment net earnings of $369 million.

We also have a Corporate and Other segment, which consists primarily of net realized investment gains (losses), most of our interest and other financing expenses, unallocated corporate income and expenses, and the results of several small, non-core businesses that are managed outside our operating segments. For the year ended December 31, 2003, our Corporate and Other segment had a pro forma segment net loss of $8 million.

We had $11.0 billion of total stockholder's interest and $97.8 billion of total assets as of December 31, 2003, on a pro forma basis. For the year ended December 31, 2003, on a pro forma basis, our revenues were $9.8 billion and our net earnings from continuing operations were $935 million. Upon the completion of this offering, we expect our principal life insurance companies to have financial strength ratings of "AA-" (Very Strong) from S&P, "Aa3" (Excellent) from Moody's and "A+" (Superior) from A.M. Best, and we expect our rated mortgage insurance companies to have financial strength ratings of "AA" (Very Strong) from S&P, "Aa2" (Excellent) from Moody's and "AA" (Very Strong) from Fitch. The "AA" and "AA-" ratings are the third- and fourth-highest of S&P's 21 ratings categories, respectively. The "Aa2" and "Aa3" ratings are the third- and fourth-highest of Moody's 21 ratings categories, respectively. The "A+" rating is the second-highest of A.M. Best's 15 ratings categories. The "AA" rating is the third-highest of Fitch's 24 ratings categories.

Market Environment and Opportunities

We believe we are well positioned to benefit from a number of significant demographic, governmental and market trends, including the following:

- ***Aging U.S. population with growing retirement income needs.*** According to the U.S. Social Security Administration, from 1945 to 2001, U.S. life expectancy at birth increased from 62.9 years to 73.8 years for men and from 68.4 years to 79.4 years for women, respectively, and life expectancy is expected to increase further. In addition, increasing numbers of baby boomers are approaching retirement age. The U.S. Census Bureau projects that the percentage of the U.S. population aged 55 or older will increase from approximately 21% (61 million) in 2002 to more than 29% (95 million) in 2020. These increases in life expectancy and the average age of the U.S. population heighten the risk that individuals will outlive their retirement savings. In addition, approximately $4.4 trillion of invested financial assets (25% of all U.S. invested financial assets) are held by people within 10 years of retirement and are expected to be converted to income as those people retire, according to a survey conducted by SRI Consulting Business Intelligence in 2002. We believe these trends will lead to growing demand for products, such as our annuities and other investment products, that help consumers accumulate assets and provide reliable retirement income.

- ***Growing lifestyle protection gap.*** The aging U.S. population and a number of other factors are creating a significant lifestyle protection gap for a growing number of individuals. This gap is the result of individuals not having sufficient financial resources, including insurance coverage, to ensure that their future assets and income will be adequate to support their desired future lifestyle. Other factors contributing to this gap include declining individual savings rates, rising healthcare and nursing home costs, and a shifting of the burden for funding protection needs from governments and employers to individuals. For example, many companies have reduced employer-paid benefits in recent years, and the Social Security Administration projected in 2003 that the annual costs of Social Security will exceed the program's tax revenue under current law in 2018, creating the potential for both long-term benefit reductions from these traditional sources and the need for individuals to identify alternative sources for these benefits. In addition, according to the U.S. Bureau of Economic Analysis, personal savings rates decreased from 10.9% in 1982 to 3.7% in 2002. Consumers are exposed to the rising costs of healthcare and nursing care during their retirement years, and some experts believe that many consumers are underinsured with respect to their protection needs. For example, according to the American Society on Aging and Conning Research & Consulting, approximately 70% of individuals in the U.S. aged 65 and older will require long-term care at some time in their lives, but in 2001, only 7% of individuals in the U.S. aged 55 and older had long-term care insurance. Moreover, the most recent Survey of Consumer Finances conducted by the Federal Reserve Board found that the median household's life insurance coverage decreased in recent years to 1.4 times household income, which we believe leaves a significant life insurance protection gap for individuals and families. We expect these trends to result in increased demand for our life, long-term care and small group life and health insurance products.

- ***Increasing opportunities for mortgage insurance in the U.S. and other countries.*** We believe a number of factors have contributed and will contribute to the growth of mortgage insurance in the U.S., Canada and Australia, where we have significant mortgage insurance operations. These factors include increasing homeownership levels (spurred in part by government housing policies that favor homeownership); expansion of low-down-payment mortgage loan offerings; legislative and regulatory policies that provide capital incentives for lenders to transfer the risks of low-down-payment mortgages to mortgage insurers; and expansion of secondary mortgage markets that require credit enhancements, such as mortgage insurance. We believe a number of these factors also are becoming evident in some European and Asian markets, where lenders increasingly are using mortgage insurance to manage the risks of their loan portfolios and to expand low-down-payment lending.

Competitive Strengths

We believe the following competitive strengths will enable us to capitalize on opportunities in our targeted markets:

- ***Leading positions in diversified targeted markets.*** We have established leading positions in our targeted markets. In our Protection segment, we are a leading provider of several core products including term life insurance and individual long-term care insurance in the U.S. and payment protection insurance in Europe. In our Retirement Income and Investments segment, we are the leading provider of income annuities. In our Mortgage Insurance segment, we have leading operations in the U.S., Canada, Australia, and the U.K. We believe our leading positions provide us with the scale necessary to compete effectively in these markets as they continue to grow. We also believe our strong presence in multiple markets provides balance to our business, reduces our exposure to adverse economic trends affecting any one market and provides stable cash flow to fund growth opportunities.

- ***Product innovation and smart breadth.*** We have a tradition of developing innovative financial products to serve the needs of our customers. For example, we were the first to introduce long-term care insurance plans that enable married couples to share long-term care insurance benefits. We also introduced the GE Retirement Answer®, a guaranteed income annuity product that mitigates a number of the risks that accompany traditional guaranteed minimum income benefits offered by many of our competitors. We offer a breadth of products that meet the needs of consumers throughout the various stages of their lives. We refer to our approach to product diversity as "smart" breadth because we are selective in the products we offer and strive to maintain appropriate return and risk thresholds when we expand the scope of our product offerings. We believe our reputation for innovation and our smart breadth of products enable us to sustain strong relationships with our distributors. It also positions us to benefit from the current trend among distributors to reduce the number of insurers with whom they maintain relationships, while at the same time providing distributors continued access to a breadth of products.

- ***Extensive, multi-channel distribution network.*** We have extensive distribution reach and offer consumers access to our products through a broad network of financial intermediaries, independent producers and dedicated sales specialists. In addition, we maintain strong relationships with leading distributors by providing a high level of specialized and differentiated distribution support, such as product training, advanced marketing and sales solutions, financial product design for affluent customers and technology solutions that support the distributors' sales efforts, and by pursuing joint business improvement efforts. For example, in our mortgage insurance business, our AU Central® Internet platform provides lenders real-time access to multiple automated underwriting systems at the point of sale, helping them to originate loans more easily and efficiently. We also offer a joint business improvement program (originally developed by GE), called "At the Customer For the Customer," or ACFC, through which we help our independent sales intermediaries increase sales and realize greater cost and operational efficiencies in their businesses. We believe programs such as AU Central® and ACFC have been favorably received by our distributors and helped to differentiate us from our competitors.

- ***Technology-enhanced, scalable, low-cost operating platform.*** We have pursued an aggressive approach to cost-management and continuous process improvement. We employ an extensive array of cost management disciplines, including aggressive integration efforts, forming dedicated teams to identify opportunities for cost reductions and the continuous improvement of business processes. This has enabled us to reduce our recurring operating expenses and provide funds for new growth and technology investments. We also have developed sophisticated technological tools that enhance performance by automating key processes and reducing response times and process variations. These tools also make it easier for our customers and distributors to do business with us. For example, we recently introduced GENIUS®, a proprietary digital platform that automates our term life and long-term care insurance new business processing and improves the consistency and accuracy of our underwriting decisions. GENIUS® is designed to substantially shorten the cycle time from receipt-of-application to issuance-of-policy and significantly reduce our policy acquisition costs. In addition, we have centralized our operations and have established scalable, low-cost operating centers in Virginia, North Carolina, India and Ireland.

- ***Disciplined risk management with strong compliance practices.*** Risk management and regulatory compliance are critical parts of our business, and we are recognized in the insurance industry for our excellence in these areas. We employ comprehensive risk management processes in virtually every aspect of our operations, including product development, underwriting, investment management, asset-liability management and technology development programs. We have an experienced group of more than 130 professionals dedicated exclusively to our risk management processes. As part of GE, we have been able to develop and share best practices for risk management across GE's financial services businesses. These best practices include an in-force product review process, an early-warning system to identify emerging risks and leading-edge tools for investment risk assessment. We believe our disciplined risk management processes have enabled us to avoid a number of the pricing and product design pitfalls that have affected other participants in the insurance industry. For example, we have not offered a traditional guaranteed minimum income benefit with our variable annuities as offered by many of our competitors because we concluded the exposures inherent in these benefits exceed our permissible risk tolerance. In our mortgage insurance business, we have substantially limited our exposure to the riskier portions of the bulk and sub-prime mortgage insurance market. We take a similar disciplined approach to legal and regulatory compliance and have approximately 200 professionals dedicated to these matters. Throughout our company we instill a strong commitment to integrity in business dealings and compliance with applicable laws and regulations. In recognition of this commitment, we have received the American Council of Life Insurers' Integrity First Award for compliance in both 2001 and 2002.

- ***Strong balance sheet and high-quality investment portfolio.*** We believe our size, ratings and capital strength provide us with a significant competitive advantage. We have a diversified, high-quality investment portfolio with $59.8 billion of investment securities, as of December 31, 2003, on a pro forma basis. More than 93% of our fixed maturities had ratings equivalent to investment-grade, and less than 1% of our total investment portfolio consisted of equity securities, as of December 31, 2003, on a pro forma basis. We also actively manage the relationship between our investment assets and our insurance liabilities. Our prudent approach to managing our balance sheet reflects our commitment to maintaining financial strength.

- ***Experienced and deep management team.*** Our senior management team has an average of approximately 17 years of experience in the financial services industry. We have adopted GE's recognized practices for successfully developing managerial talent at all levels of our organization and have instilled a performance- and execution-oriented corporate culture that we will continue to foster as an independent company.

Growth Strategies

Our objective is to increase operating earnings and enhance returns on equity. We intend to pursue this objective by focusing on the following strategies:

- ***Capitalize on attractive growth trends in three key markets.*** We have positioned our product portfolio and distribution relationships to capitalize on the attractive growth prospects in three key markets:

  Retirement income, where we believe growth will be driven by a variety of favorable demographic trends and the approximately $4.4 trillion of invested financial assets in the U.S. that are held by people within 10 years of retirement (according to SRI Consulting Business Intelligence). Our products are designed to enable the growing retired population to convert their invested assets into reliable retirement income.

  Protection, particularly long-term care insurance, where we believe growth will be driven by the increasing protection needs of the expanding aging population and a shifting of the burden for funding these needs to individuals from governments and employers. For example, according to the American Society on Aging and Conning Research & Consulting, approximately 70% of individuals in the U.S. aged 65 and older will require long-term care at some time in their lives, but in 2001, only 7% of individuals in the U.S. aged 55 and older had long-term care insurance.

  International mortgage insurance, where we continue to see attractive growth opportunities with the expansion of homeownership and low-down-payment loans. The net premiums written in our international mortgage insurance business have increased by a compound annual growth rate of 46% for the three years ended December 31, 2003. Our international mortgage insurance operations had net earnings of $144 million for the year ended December 31, 2003, or 39% of the total net earnings of our Mortgage Insurance segment.

- ***Further strengthen and extend our distribution channels.*** We intend to further strengthen and extend our distribution channels by continuing to differentiate ourselves in areas where we believe we have distinct competitive advantages. These areas include:

  Product and service innovations, as illustrated by new product introductions, such as the introduction in 2002 of our GE Retirement Answer® and our introduction of innovative private mortgage insurance products in the European market, which we believe have been well received by customers and have generated new distribution relationships for us. Our service innovations include programs such as our policyholder wellness initiatives in our long-term care insurance business and our AU Central® Internet platform in our mortgage insurance business.

Collaborative approach to key distributors, which includes a joint business improvement program (originally developed by GE), called "At the Customer, For the Customer," or ACFC, and our platinum customer service desks, which have benefited our distributors and helped strengthen our relationships with them.

Technology initiatives, such as our GENIUS® underwriting system, which makes it easier for distributors to do business with us, improves our term life and long-term care insurance underwriting speed and accuracy, and lowers our operating costs.

- ***Enhance returns on capital and increase margins.*** We believe we will be able to enhance our returns on capital and increase our margins through the following:

Rigorous product pricing and return discipline. We intend to maintain strict product pricing disciplines that are designed to achieve our target returns on capital. Over the past two years, we introduced restructured pricing on newly issued policies in a number of product lines in each of our operating segments, which we believe will increase our expected returns on new business. In addition, we exited products that were not achieving our target returns. We expect our returns on capital to improve as the benefits of these actions emerge over time and as we continue our focus on maintaining target returns in the future.

Capital efficiency enhancements. We continually seek opportunities to use our capital more efficiently to support our business, while maintaining our ratings and strong capital position. For example, in 2003, we took actions to reduce the statutory capital required to support most of our new term and universal life insurance policies. We expect these actions will enhance the returns on equity on these blocks of business over time. In addition, we expect that the returns for our U.S. mortgage insurance business will increase as a result of our 2003 decision to reduce excess capital at our mortgage insurance subsidiaries by operating at an "AA/Aa2" rating level.

Investment income enhancements. As part of GE, the yield on our investment portfolio has been affected by the practice in recent years of realizing investment gains through the sale of appreciated securities and other assets during a period of historically low interest rates. This strategy was pursued to offset impairments in our bond portfolio, fund consolidations and restructurings in our business and provide current income. As we transition to being an independent public company, our investment strategy will be to optimize investment income without relying on realized investment gains. As a result of this strategy, we expect the yield on our investment portfolio to stabilize, with the potential for increases in a rising interest rate environment. We also will seek to improve our investment yield by continuously evaluating our asset class mix and pursuing additional investment classes.

Ongoing operating cost reductions and efficiencies. We will continually focus on reducing our cost base while maintaining strong service levels for our customers. We expect to accomplish this in each of our operating units through a wide range of cost management disciplines, including consolidating operations, using low-cost operating locations, reducing supplier costs, leveraging Six Sigma and other process improvement efforts, forming dedicated teams to identify opportunities for cost reductions and investing in new technology, particularly for web-based, digital end-to-end processes.

- ***Pursue acquisitions opportunistically.*** We intend to continue to complement our core growth strategy through selective acquisitions designed to enhance our earnings and returns, the breadth of our product portfolio, or our distribution reach. We have successfully completed the acquisition and integration of 13 key businesses since 1993. As a public company, we will have direct access to capital markets, which we believe will enable us to raise external capital in an efficient manner to facilitate selective acquisitions.

Protection

Through our Protection segment, we offer life insurance, long-term care insurance, European payment protection insurance and employment-based group life and health insurance. The following table sets forth, on an actual and pro forma basis, selected financial information regarding our Protection segment as of the dates and for the periods indicated:

	Historical			Pro forma
	As of or for the years ended December 31,			As of or for the year ended December 31,
(Dollar amounts in millions)	2003	2002	2001	2003
Net earned premiums				
Life insurance	$ 698	$ 685	$ 711	$ 698
Long-term care insurance	1,775	1,543	1,433	1,568
European payment protection insurance	1,507	1,242	1,161	1,507
Group life and health insurance	608	618	610	608
Total net earned premiums	$ 4,588	$ 4,088	$ 3,915	$ 4,381
Revenues, net of reinsurance				
Life insurance	$ 1,444	$ 1,432	$ 1,511	$ 1,444
Long-term care insurance	2,417	2,087	1,921	2,103
European payment protection insurance	1,615	1,372	1,303	1,615
Group life and health insurance	677	714	708	677
Total revenues, net of reinsurance	$ 6,153	$ 5,605	$ 5,443	$ 5,839
Segment net earnings				
Life insurance	$ 211	$ 252	$ 287	$ 211
Long-term care insurance	171	164	159	165
European payment protection insurance	64	82	58	64
Group life and health insurance	41	56	34	41
Total segment net earnings	$ 487	$ 554	$ 538	$ 481
Assets				
Life insurance	$ 11,742	$ 10,710	$ 10,218	$ 11,742
Long-term care insurance	11,757	10,711	8,651	11,279
European payment protection insurance	4,074	3,866	4,108	4,074
Group life and health insurance	1,681	1,817	1,670	1,681
Total assets	$ 29,254	$ 27,104	$ 24,647	$ 28,776

Life insurance

Overview

Life insurance provides protection against financial hardship after the death of an insured by providing cash payments to the beneficiaries of the policyholder. According to the American Council of Life Insurers, sales of new life insurance coverage in the U.S. were $2.9 trillion in 2002, and total life insurance coverage in the U.S. was $16.3 trillion as of December 31, 2002. Excluding variable life insurance, the sales of which have been adversely affected by recent stock market volatility, annualized premiums for life insurance increased by an average of 9.1% per year from 1999 to 2002, according to LIMRA International.

Our principal life insurance product is term life, which provides life insurance coverage with guaranteed level premiums for a specified period of time with little or no buildup of cash value that is payable upon lapse of the coverage. We have been a leading provider of term life insurance for more than two decades, and, in 2003, we were the sixth-largest provider of term life insurance in the U.S., based upon gross written premiums, according to LIMRA International, and we believe we are a leading provider of term life insurance through brokerage general agencies in the U.S. In addition to term life insurance, we offer universal life insurance products, which are designed to provide protection for the entire life of the insured and may include a buildup of cash value that can be used to meet the policyholder's particular financial needs during his lifetime. Our life insurance business also includes a closed block of whole life insurance that is in run-off. Whole life insurance offers the beneficiary benefits in the event of the insured's death for his entire life, provided premiums have been paid when due. Whole life insurance also allows for the buildup of cash value but has no investment feature.

We price our insurance policies based primarily upon our own historical experience in the risk categories that we target. Our pricing strategy is to target individuals in preferred risk categories and offer them attractive products at competitive prices. Preferred risks include healthier individuals who generally have family histories that do not present increased mortality risk. As of December 31, 2003, approximately 82% of our in-force life insurance policies covered individuals in preferred risk categories. We also have significant expertise in evaluating people with health problems and offer appropriately priced coverage for people who meet our underwriting criteria. Our mortality experience generally has compared favorably to the assumptions we have used in pricing our products, and we believe this is indicative of the quality of our underwriting decision-making. In addition, the persistency of our policies also has compared favorably to our pricing assumptions.

We have been able to improve our returns on equity on new business by implementing pricing, reinsurance and capital management actions in response to Regulation XXX, which requires insurers to establish additional statutory reserves for term and universal life insurance policies with long-term premium guarantees. Virtually all our newly issued term and universal life insurance business is now affected by Regulation XXX.

We offer our life insurance products primarily through an extensive network of independent brokerage general agencies located throughout the U.S. We also offer our life insurance products through affluent market producer groups, financial intermediaries and dedicated sales specialists. We believe there are opportunities to expand our sales through each of these distribution channels.

The following table sets forth selected financial information regarding our life insurance products as of the dates and for the periods indicated:

(Dollar amounts in millions)	Historical		
	As of or for the years ended December 31,		
	2003	2002	2001
Term life insurance			
Net earned premiums	$ 664	$ 635	$ 661
Annualized first-year premiums(1)	106	138	105
Revenues, net of reinsurance	747	720	753
Future policy benefits/policy account balances, net of reinsurance	634	567	559
Life insurance in force, net of reinsurance (face amount)	296,942	263,622	278,720
Life insurance in force, before reinsurance (face amount)	457,738	416,305	375,244
Universal and whole life insurance			
Net earned premiums and deposits	402	406	412
Annualized first-year deposits(1)	57	57	41
Revenues, net of reinsurance	697	712	758
Future policy benefits/policy account balances, net of reinsurance	4,509	4,439	4,393
Life insurance in force, net of reinsurance (face amount)	43,726	44,663	45,721
Life insurance in force, before reinsurance (face amount)	53,074	54,587	54,228
Total life insurance(2)			
Net earned premiums and deposits	1,066	1,041	1,073
Annualized first-year premiums(1)	106	138	105
Annualized first-year deposits(1)	57	57	41
Revenues, net of reinsurance	1,444	1,432	1,511
Future policy benefits/policy account balances, net of reinsurance	5,143	5,006	4,952
Life insurance in force, net of reinsurance (face amount)	340,668	308,285	324,441
Life insurance in force, before reinsurance (face amount)	510,812	470,892	429,472

(1) Annualized first-year premiums for term life insurance and deposits for universal life insurance reflect the amount of business we generated during each period shown and do not include renewal premiums or deposits on policies written during prior periods. We consider annualized first-year premiums and deposits to be a measure of our operating performance because they represent a measure of new sales of insurance policies during a specified period, rather than a measure of our revenues or profitability during that period. This operating measure enables us to compare our operating performance across periods without regard to revenues or profitability related to policies sold in prior periods or from investments or other sources.

(2) Excludes life insurance written through our group life and health insurance business, a corporate-owned life insurance run-off block managed by our long-term care insurance business and variable life insurance written through our Retirement Income and Investments segment.

Products

Term life insurance

Our term life insurance policies provide a death benefit if the insured dies while the coverage is in force. Term life policies lapse with little or no required payment by us at the end of the coverage period if the insured is still alive. We also offer policyholders the right to convert most of our term insurance policies to specified universal or variable universal life insurance policies issued by us. We seek to reduce the mortality risk associated with conversion by restricting its availability to certain ages and by limiting the period during which the conversion option can be exercised.

Our primary term life insurance products have guaranteed level premiums for initial terms of 5, 10, 15, 20 or 30 years. In addition, our 5-year products offer, at the end of the initial term, a second 5-year term of level premiums, which may or may not be guaranteed. After the guaranteed period expires, premiums increase annually and the policyholder has the option to continue under the current policy by paying the increased premiums without demonstrating insurability or qualifying for a new policy by submitting again to the underwriting process. Coverage continues until the insured reaches the policy expiration age or the policyholder ceases to make premium payments or otherwise terminates the policy, including potentially converting to a permanent plan of insurance. The termination of coverage is called a lapse. For newer policies, we seek to reduce lapses at the end of the guaranteed period by gradually grading premiums to the attained age scale of the insured over the five years following the guaranteed period. After this phase-in period, premiums continue to increase as the insured ages.

Universal life insurance

Our universal life insurance policies provide policyholders with lifetime death benefit coverage, the ability to accumulate assets on a flexible, tax-deferred basis, and the option to access the cash value of the policy through a policy loan, partial withdrawal or full surrender. Our universal life products allow policyholders to adjust the timing and amount of premium payments. We credit premiums paid, less certain expenses, to the policyholder's account and from that account deduct regular expense charges and certain risk charges, known as cost of insurance, which generally increase from year to year as the insured ages. Our universal life insurance policies accumulate cash value that we pay to the insured when the policy lapses or is surrendered. Most of our universal life policies also include provisions for surrender charges for early termination and partial withdrawals. As of December 31, 2003, 54% of our in-force block of universal life insurance was subject to surrender charges. We also sell joint, second-to-die policies that are typically used for estate planning purposes. These policies insure two lives rather than one, with the policy proceeds paid after the death of both insured individuals.

We credit interest on policyholder account balances at a rate determined by us, but not less than a contractually guaranteed minimum. Our in-force universal life insurance policies generally have minimum guaranteed crediting rates ranging from 4.0% to 6.0% for the life of the policy, with a majority of those products currently crediting rates between 4.0% and 5.5%. The most frequent minimum guaranteed crediting rate as of December 31, 2003 was 4%. With interest rates currently at or near historical lows, we are seeking regulatory authorization to reduce our minimum guaranteed crediting rates for new policies.

Underwriting and pricing

We believe that effective underwriting and pricing are significant drivers of the profitability of our life insurance business, and we have established rigorous underwriting and pricing practices to maximize our profitability. We retain most of the risk we currently underwrite (89% in the second half of 2003), thereby minimizing the premiums ceded to reinsurers. Our retention policy is to reinsure all risks in excess of $1 million per life, and the reinsured amount is generally based on the policy amount at the time of issue. We set pricing assumptions for expected claims, lapses, investment returns, expenses and customer demographics based on our own relevant experience and other factors. Our strategy is to price our products competitively for our target risk categories and not, necessarily, to be equally competitive in all categories.

Our current underwriting guidelines place each insurable life insurance applicant in one of eight primary risk categories, depending upon current health, medical history and other factors. Each of these eight categories has specific health criteria, including the applicant's history of using nicotine products. We consider each life insurance application individually and apply our guidelines to place each applicant in the appropriate risk category, regardless of face value or net amount at risk. We may decline an applicant's request for coverage if his health or lifestyle assessment is unacceptable to us. We do not delegate underwriting decisions to independent sales intermediaries or to our dedicated sales specialists. Instead, all underwriting decisions are made by our own underwriting personnel or by our automated underwriting system. We often share information with our reinsurers to gain their insights on potential mortality and underwriting risks and to benefit from their broad expertise. We use the information we obtain from the reinsurers to help us develop effective strategies to manage those risks.

We use independent laboratories to analyze blood and urine samples from applicants and to report their findings to us using standard laboratory techniques and metrics. For applicants of certain ages and for policies with higher face amounts, we collect and evaluate other medical information, such as EKGs and treadmill tests. We ask for comprehensive medical reports on an applicant when we believe existing medical risk factors make it appropriate to do so. We also actively monitor emerging medical technologies and diagnostic indicators, and we incorporate those in our underwriting process based on cost-effectiveness and market acceptance. We believe our monitoring and evaluation process facilitates more effective underwriting decisions and thereby improves our mortality performance.

A key part of our life insurance underwriting program is the streamlined, technology-enhanced process called GENIUS®, which automates new business processing for term life insurance. With this proprietary digital platform, our automated systems are capable of making up to 50% of our underwriting decisions. GENIUS® is designed to significantly shorten the cycle time from receipt-of-application to issuance-of-policy and to reduce our policy acquisition costs. GENIUS® also improves the consistency and accuracy of our underwriting decisions by reducing information and decision-making variation.

Long-term care insurance

Overview

We offer individual long-term care insurance products that provide protection against the high and escalating costs of long-term health care provided in the insured's home and in assisted living and nursing facilities. Insureds become eligible for benefits when they are incapable of performing certain activities of daily living or when they become cognitively impaired. In contrast to health insurance, long-term care insurance provides coverage for skilled and custodial care provided outside of a hospital. The typical claim covers a duration of care of 3 to 24 months.

We were the leading provider of individual long-term care insurance in 2003, according to LIMRA International, based upon number of policies sold and annualized first-year premiums. We established ourselves as a pioneer in long-term care insurance almost 30 years ago. Since that time, we have accumulated extensive pricing and claims experience, which we believe is the most comprehensive in the industry and has enabled us to build what we believe is the largest actuarial database in the industry. We believe our experience gives us a deep understanding of what is required for long term, consistent success and has enabled us to develop a disciplined growth strategy built on a foundation of strong risk management, product innovation and a diversified distribution strategy.

Total individual long-term care insurance premiums for in-force policies in the U.S. increased from approximately $2.4 billion in 1997 to $6.6 billion in 2003, according to LIMRA International, representing a compound annual growth rate of 18.4%. We believe the long-term care insurance market will continue to expand over time as the result of aging demographics, increasing medical costs, the lack of alternate sources to cover these costs (such as Medicare) and increasing public awareness of the need for long-term care insurance. According to the American Society on Aging and Conning Research & Consulting, approximately 70% of individuals in the U.S. aged 65 and older will require long-term care at some time in their lives, but in 2001, only 7% of individuals in the U.S. aged 55 and older had long-term care insurance.

Given the relatively low penetration rate for long-term care insurance, we expect that sales of this product will increase with the growing public awareness of the discrepancy between long-term care costs and Medicare and other public benefits. As the leading provider of individual long-term care insurance, we have made significant investments to further the education and awareness of the benefits of long-term care insurance. Examples of these investments include the national sponsorship of the Alzheimer's Association annual Memory Walk, the creation of a national long-term care awareness day, and free access to our Center for Financial Learning website.

Our rigorous focus on risk management in long-term care insurance is a key part of our disciplined growth strategy and we believe it has differentiated us from our competitors. This focus includes strong pricing disciplines, intelligent product positioning, experienced-based underwriting, sound claims adjudication, disciplined asset-liability management and extensive in-force monitoring processes. Our critical product pricing assumptions such as lapse rates, investment yields, mortality and morbidity are based upon 30 years of experience. As part of our approach to product pricing we stress test all our morbidity and other pricing assumptions through stochastic modeling. Our products are positioned to be particularly attractive to certain segments of the population, based on age and marital status, where we see consistent, favorable claims experience. Our extensive pricing and claims experience and databases enable us to perform in depth analysis so that we can respond to emerging experience and execute product pricing strategies to achieve target returns. We have comprehensive underwriting processes including an experienced team of underwriters, the use of field underwriting procedures that leverage our 1,800 long term care sales specialists, and advanced analytics and technology to improve our risk assessment and operating efficiency. We believe we have one of the largest and most experienced claims organizations in the industry. Our claims adjudication process includes a pre-eligibility assessment by an experienced health professional to establish preliminary claims eligibility, followed by an on-site assessment and care coordination phase to validate eligibility and to design an appropriate plan of care. To mitigate exposure to interest rate risk, including interest rate risk on the investment of in-force premiums, we execute investment and hedging strategies designed to closely match the duration of assets and liabilities related to our long-term care policies. Finally, our in-force monitoring processes include on-going evaluations of product performance, external validation of risks and various simulation tests including stochastic modeling.

Throughout our history, we have consistently been a leader in product innovation. We were one of the first long-term care insurers to offer home care coverages and the first to offer shared plan coverage for married couples. We developed these innovations based upon our risk analytics and in response to policyholder needs and emerging claims experience. Our most recent innovations have included our policyholder wellness initiatives that are designed to improve the overall health of our policyholders. These initiatives provide valuable services to our policyholders, reduce claims expenses and differentiate us from our competitors.

We have a network of diversified sales channels for our long-term care insurance products and services, including a dedicated sales team of approximately 1,800 specialists that accounted for 57% of our annualized first-year premiums in the year ended December 31, 2003. The balance of our new business comes from various other distribution relationships with financial intermediaries, independent producers and other affinity programs. More than 300 dedicated associates support these diversified distribution channels.

The following table sets forth, on an actual and pro forma basis, selected financial information regarding our long-term care insurance business, which includes long-term care insurance, Medicare supplement insurance, as well as several run-off blocks of accident and health insurance and corporate-owned life insurance, as of the dates and for the periods indicated:

	Historical			Pro forma
	As of or for the years ended December 31,			As of or for the year ended December 31,
	2003	2002	2001	2003
(Dollar amounts in millions)				
Net earned premiums	$ 1,775	$ 1,543	$ 1,433	$ 1,568
Annualized first-year premiums(1)	240	257	255	240
Revenues, net of reinsurance	2,417	2,087	1,921	2,103
Reserves	8,907	7,606	6,473	8,926

(1) Annualized first-year premiums reflect the amount of business we generated during each period shown and do not include renewal premiums on policies written during prior periods. We consider annualized first-year premiums to be a measure of our operating performance because they represent a measure of new sales of insurance policies during a specified period, rather than a measure of our revenues or profitability during that period. This operating measure enables us to compare our operating performance across periods without regard to revenues or profitability related to policies sold in prior periods or from investments or other sources.

Products

Our principal product is individual long-term care insurance. Prior to the mid-1990s, we issued primarily indemnity policies, which provide for fixed daily amounts for long-term care benefits. Since the mid-1990s, we have offered primarily reimbursement policies, which provide for reimbursement of documented expenses for nursing home, assisted living facilities or home care expenses. As of December 31, 2003, our in-force policies consisted of approximately 84% reimbursement policies and 16% indemnity policies, measured on a pro forma premium-weighted basis. Reimbursement policies permit us to review individual claims expenses and, therefore, provide greater control over claims cost management than indemnity policies.

Our current long-term care insurance product offerings include a comprehensive coverage product that includes features such as no elimination period for home-care benefits, international coverage and a choice between monthly maximum expense limits and daily limits. We also offer a lower-priced alternative that allows customization of individual benefit plans, including an option that provides reimbursement for 50% of home-care benefits.

Our products provide customers with a choice of a maximum period of coverage from two years to ten years, as well as lifetime coverage. Our current products also provide customers with different choices for the maximum reimbursement limit for their policy, with $100 to $150 per day being the most common choices nationwide. Our new policies can be purchased with a benefit increase option that provides for increases in the maximum reimbursement limit at a fixed rate of 5% per year, which helps to mitigate customers' exposure to increasing long-term care costs. Many long-term care insurance policies sold in the industry have a feature referred to as an elimination period that is a minimum period of time that an insured must incur the direct cost of care before becoming eligible for policy benefits. Although many of our new policies have no elimination period for home care coverage, the majority of our new policies do have an elimination period for care provided in assisted living and nursing facilities. All of these product features allow customers to tailor their coverage to meet their specific requirements and allow us to price our products with better predictability regarding future claim costs.

We sell our long-term care insurance policies on a guaranteed renewable basis, which means that we are required to renew the policies each year as long as the premium is paid. The terms of all our long-term care insurance policies permit us to increase premiums during the premium-paying period if appropriate in light of our experience with a relevant group of policies, although historically it has been our practice not to do so. We may increase premiums on a group of policies in response to those policies' performance, subject to the receipt of regulatory approvals. However, we may not increase premiums due to changes in an individual's health status or age.

In addition to our individual long-term care insurance products, we also offer a group long-term care insurance program for GE employees in the U.S. This group program currently consists of approximately 40,000 long-term care insurance policies and accounted for approximately $24 million of premiums for the year ended December 31, 2003.

We also offer Medicare supplement insurance that provides coverage for Medicare-qualified expenses that are not covered by Medicare because of applicable deductibles or maximum limits. Medicare supplement insurance often appeals to a similar sector of the population as long-term care insurance, and we believe we will be able to use our marketing and distribution strengths for long-term care insurance products to increase sales of Medicare supplement insurance.

The financial results of our long-term care insurance business also include the results of our Medicare supplement insurance product and several small run-off blocks of accident and health insurance products and corporate-owned life insurance. We believe that these blocks of business do not have a material effect on the results of our long-term care insurance business.

Prior to the completion of this offering, we will reinsure a block of our in-force long-term care insurance business with UFLIC, and we will assume a small in-force block of Medicare supplement insurance from UFLIC. See "Arrangements Between GE and Our Company—Reinsurance Transactions."

Underwriting and pricing

We employ extensive medical underwriting policies and procedures to assess and quantify risks before we issue our long-term care insurance policies. For individual long-term care products, we use underwriting criteria that are similar to, but separate from, those we use in underwriting life insurance products. Depending upon an applicant's age and health status, we use a variety of underwriting information sources to determine morbidity risk, or the probability that an insured will be unable to perform activities of daily living or suffer cognitive impairment, and eligibility for insurance. The process entails a comprehensive application that requests health, prescription drug and lifestyle- and activity-related information. Higher-risk applicants are also required to participate in an assessment process by telephone or in person. A critical element of this assessment process is a cognitive exam to identify early cognitive impairments. In addition, an experienced long-term care insurance underwriter conducts a comprehensive review of the application, the results of the assessment process and, in many cases, complete medical records from the applicant's physicians.

To streamline the underwriting process and improve the accuracy and consistency of our underwriting decisions, we implemented the GENIUS® automated underwriting technology in our long-term care insurance business beginning in January 2003. We currently process approximately 25% of our long-term care insurance applications through GENIUS®, and we expect to introduce further enhancements in 2004 that will increase the use of GENIUS® in processing our long-term care insurance applications.

We believe we have one of the largest and most experienced long-term care insurance claims management operations in the industry. Our claims adjudication process includes, with respect to newer policies, a pre-claim assessment by an experienced health professional who establishes preliminary claims eligibility, followed by an on-site assessment and care coordination phase to validate eligibility and to work with the customer in determining an appropriate plan of care. Continued claims eligibility is verified through an ongoing eligibility assessment for existing claimants. We will continue to make investments in new processes and technologies that will improve the efficiency and effectiveness of our long-term care insurance expense tracking and claims decision-making process.

The overall profitability of our long-term care insurance policies depends to a large extent on the degree to which our claims experience, morbidity and mortality experience, lapse rates and investment yields match our pricing assumptions. We believe we have the largest actuarial database in the industry, derived from almost 30 years of experience in offering long-term care insurance products. This database has provided substantial claims experience and statistics regarding morbidity risk, which has helped us to develop a sophisticated pricing methodology tailored to segmented risk categories, depending upon marital status, medical history and other factors. We continually monitor trends and developments that may affect the risk, pricing and profitability of our long-term care insurance products and adjust our new product pricing and other terms as appropriate. We also work with a Medical Advisory Board, composed of independent experts from the medical and nursing care industries, that provides insights on emerging morbidity and medical trends, enabling us to be more proactive in our risk segmentation, pricing and product development strategies.

European payment protection insurance

Overview

We provide payment protection insurance to customers throughout Europe. Payment protection insurance helps consumers meet their payment obligations on outstanding financial commitments, such as mortgages, personal loans or credit cards, in the event of a misfortune such as illness, involuntary unemployment, temporary incapacity, permanent disability or death. We currently offer payment protection insurance in the U.K., where we have offered the product for more than 30 years, and in 12 other European markets, including Denmark, Finland, France, Germany, Ireland, Italy, The Netherlands, Norway, Portugal, Spain, Sweden and Switzerland.

Finaccord, an industry research firm, estimates that, in 2002, gross written premiums for payment protection insurance with an involuntary unemployment, temporary incapacity, permanent disability or death element were approximately €25.7 billion in the U.K. and the six other European countries it reviewed. Between 1998 to 2002, Finaccord estimates that the average annual growth rates in these seven countries were approximately 10% for retail lending balances and 16.9% for mortgage loans. The U.K. is the largest and most mature market compared to the Republic of Ireland and countries in Continental Europe. Although recent growth rates and margins have varied throughout Continental Europe, they are generally significantly higher than in the U.K.

We distribute our payment protection products primarily through financial institutions, such as major European banks, which offer our insurance products in connection with underlying loans or other financial products they sell to their customers. Under these arrangements, the distributors typically take responsibility for branding and marketing the products, allowing us to take advantage of their distribution capabilities, while we take responsibility for pricing, underwriting and claims payment. As of December 31, 2003, we had arrangements with approximately 87 distributors, including 63 outside the U.K.

We continue to implement innovative methods for distributing our payment protection insurance products, including using web-based tools that provide our distributors with a cost-effective means of applying and selling our products in combination with a broad range of underlying financial products. We believe these innovative methods also will make it easier to establish arrangements with new distributors.

During the year ended December 31, 2003, we entered into 31 new arrangements with financial institutions in Continental Europe and the Republic of Ireland and one new arrangement in the U.K. As we enter into new arrangements and as existing arrangements become due for renewal, we are focused on maintaining a disciplined approach to growth, with an emphasis on arrangements that achieve our targeted returns on capital and increase our operating earnings.

For a description of the arrangements pursuant to which we will acquire the European payment protection business from affiliates of GE, see "Arrangements Between GE and Our Company—European Payment Protection Insurance Business Arrangements."

Products

Our principal product is payment protection insurance, which can support any loan, credit agreement or other financial commitment. Depending upon the type of financial product or commitment, our policies may cover all or a portion of the policyholder's obligation or may cover monthly payments for a fixed period of time. We are able to customize the circumstances under which benefits are paid from among the range of events that can prevent policyholders from meeting their payment obligations. In the event of a policyholder's illness, involuntary unemployment or other temporary inability to work, we cover monthly payment obligations until the policyholder is able to return to work, usually subject to a maximum period of 24 months. In the event of a policyholder's death or permanent disability, we typically repay the entire covered obligation.

In addition to payment protection insurance, we offer related consumer protection products, primarily in the U.K., including:

- Personal accident insurance, which provides a lump-sum benefit in the event that the policyholder sustains a temporary or permanent disability or death as the result of an accident;

- Guaranteed asset protection, which, in the event of an automobile accident, covers any shortfall between the insured value of the vehicle and any outstanding balance under the related loan;

- Purchase protection, which covers losses in the event that products purchased with a credit or debit card are lost, damaged or stolen within a specified period after purchase; and

- Travel insurance, which provides benefits following certain events, such as trip cancellation, medical emergency or death, and the incurrence of legal expenses while traveling. We decided to discontinue this business as of January 1, 2004 because of unfavorable returns, although we will continue to write new consumer policies under our existing contracts with distributors until these contracts expire.

With the exception of our travel insurance arrangements, we will continue to evaluate opportunities to take advantage of our European operations and distribution infrastructure to offer these, and other consumer protection insurance products, more broadly throughout Europe.

The following table sets forth selected financial information regarding our payment protection insurance and other related consumer protection insurance products as of the dates and for the periods indicated:

	Historical		
	As of or for the years ended December 31,		
(Dollar amounts in millions)	2003	2002	2001
Gross written premiums	$ 1,532	$ 1,548	$ 1,229
Net earned premiums	1,507	1,242	1,161
Total revenues, net of reinsurance	1,615	1,372	1,303
Losses and loss adjustment expenses	376	307	266
Reserves	2,425	2,342	1,949

We work with our distributors to design and promote insurance products in ways that best complement their product strategies and risk profiles and to ensure that our products comply with all applicable consumer regulations. Through this close cooperation, we believe there are opportunities to increase the benefit of these arrangements by extending our payment protection insurance products across the full range of consumer finance products offered by our distributors. We are also working closely with our distributors to help them increase the percentage of their customers who purchase our protection insurance at the time they enter into a loan or financial commitment and reduce the percentage of customers who elect not to renew our policies upon expiration. Consumers generally pay premiums for our insurance to our distributors, who in turn forward these payments to us, typically net of commissions.

The following table sets forth gross written premiums for payment protection insurance and other related consumer protection products, based upon the residence of the consumer (not the location of the distributor) for each of the periods indicated:

	Historical		
	Years ended December 31,		
(Dollar amounts in millions)	2003	2002	2001
Gross written premiums by region			
U.K. and Republic of Ireland	$ 1,097	$ 1,231	$ 960
France	193	147	130
Nordic region(1)	136	104	76
Southern region(2)	76	43	47
Central region(3)	30	23	16
Total gross written premiums	$ 1,532	$ 1,548	$ 1,229

(1) Finland, Sweden, Norway and Denmark.

(2) Portugal, Spain and Italy.

(3) Germany, Switzerland and The Netherlands.

Our payment protection insurance business is concentrated with relatively few large distributors, and our top five distributors accounted for 64% of our gross written premiums during the year ended December 31, 2003, compared to 68% during the year ended December 31, 2002. Similarly, during the year ended December 31, 2003, the U.K. accounted for approximately 58% of our gross written premiums. Our top five U.K. distributors accounted for 52% of our total gross written premiums.

For the years ended December 31, 2003 and 2002, GE's consumer finance division and other related GE entities accounted for 19% and 14% of our European payment protection insurance gross written premiums, respectively. Prior to the completion of this offering, we will enter into a five-year agreement, subject to certain early termination provisions, that extends our relationship with GE's consumer finance division and provides us with the right to be the exclusive provider of payment protection insurance in Europe for GE's consumer finance operations in jurisdictions where we offer these products.

Consistent with our focus on disciplined growth and returns on capital, as we enter into new arrangements and review existing arrangements with distributors, we will seek to manage these arrangements and deploy capital where we believe we can achieve the highest returns while strengthening our client relationships. In some cases, particularly in the U.K., we have arrangements in place that account for significant revenue without a corresponding benefit to returns on capital. As these arrangements come up for renewal, we intend to reprice these arrangements more favorably, or if this is not possible for competitive or other reasons, in most cases we will not renew them. For example, we did not renew arrangements with our largest distributor (as measured by gross written premiums), a large U.K. bank, which accounted for 25% of gross written premiums during the year ended December 31, 2003, when these arrangements expired at the end of 2003. Although we expect our revenue to decline significantly over the next few years as existing policies from these less profitable arrangements begin to run off, we believe this will not have a material impact on our operating earnings and will have a favorable effect on our returns as capital is released and redeployed into markets with potential for higher growth and returns.

We are continuing to diversify and expand our base of distributors. We are also exploring growth opportunities in Central and Eastern Europe, which we believe will be increasingly receptive to payment protection insurance as consumer lending further develops in those markets. In addition, we believe the accession of additional countries to the European Union will facilitate our entry into those markets.

Underwriting and pricing

We have more than 30 years of experience in underwriting payment protection insurance. Consistent with market practices, our payment protection insurance currently is underwritten and priced on a program basis, by type of product and by distributor, rather than on the basis of the characteristics of the individual policyholder. In setting prices, we take into account the underlying obligation, the particular product features and the average customer profile of the distributor (including data such as customer age, gender and occupation). We also consider morbidity and mortality rates, lapse rates and investment yields in pricing our products. We believe our experience in underwriting allows us to provide competitive pricing to distributors and generate targeted returns and profits for our business.

Group life and health insurance

Overview

We offer a full range of employment-based benefit products and services to employers with fewer than 1,000 employees, as well as select groups within larger companies that require highly customized benefit plans. We refer to our group life and health insurance business as the Employee Benefits Group. This group's products include group non-medical insurance products, such as dental, vision, life and disability insurance; group medical insurance products, such as stop loss insurance and fully insured medical; and individual voluntary products. We use an independent network of approximately 5,000 licensed group life and health insurance brokers and agents, supported by our nationwide sales force of approximately 100 employees, to distribute our group life and health insurance products. Individual voluntary products are sold through employers and other worksite-based groups using a network of independent insurance producers. As of December 31, 2003, our Employee Benefits Group provided employment-based benefit products and services to more than 29,000 organizations, including approximately 2.2 million plan participants.

Many of the employers in our target market do not have large human resource departments with individuals devoted to benefit design, administration and budgeting. As a result, we work closely with independent group benefit brokers and the end customer or employer to design benefit plans to meet the employer's particular requirements. Our customers are small and mid-size employers that require knowledgeable independent group benefit brokers and insurance company representatives to understand their individual financial needs and employee profiles and to structure benefit plans that are appropriate for their particular size, geographical markets and resources. We believe our extensive experience and expertise in group life and health insurance products provide us with opportunities to foster close broker relationships and to assist employers in designing benefit plans, as well as selling traditional insurance products.

The following table sets forth selected financial information regarding our group life and health insurance products as of the dates and for the periods indicated:

	Historical		
	As of or for the years ended December 31,		
(Dollar amounts in millions)	2003	2002	2001
Net earned premiums			
Group non-medical insurance	$ 393	$ 402	$ 440
Group medical insurance	179	178	136
Individual voluntary products	36	38	34
Total net earned premiums	$ 608	$ 618	$ 610
Annualized first-year premiums(1)			
Group non-medical insurance	$ 95	$ 93	$ 79
Group medical insurance	35	58	57
Individual voluntary products	14	17	13
Total annualized first-year premiums	$ 144	$ 168	$ 149
Revenues, net of reinsurance			
Group non-medical insurance	$ 428	$ 448	$ 491
Group medical insurance	210	224	179
Individual voluntary products	39	42	38
Total revenues, net of reinsurance	$ 677	$ 714	$ 708
Reserves			
Group non-medical insurance	$ 1,034	$ 1,036	$ 1,021
Group medical insurance	62	72	64
Individual voluntary products	40	39	38
Total reserves	$ 1,136	$ 1,147	$ 1,123
Coverages(2)			
Group non-medical insurance	40,802	41,234	40,689
Group medical insurance	1,517	1,823	1,745
Individual voluntary products	3,446	3,320	3,531

(1) Annualized first-year premiums reflect the amount of business we generated during each period shown and do not include renewal premiums on policies written during prior periods. We consider annualized first-year premiums to be a measure of our operating performance because they

represent a measure of new sales of insurance policies during a specified period, rather than a measure of our revenues or profitability during that period. This operating measure enables us to compare our operating performance across periods without regard to revenues or profitability related to policies sold in prior periods or from investments or other sources.

(2) "Coverages" refers to covered groups within a line of coverage. A "covered group" consists of all the employees of a covered company or a select group of employees within a company. A covered group with multiple lines of coverage is counted separately for each line of coverage.

Products

We offer a full range of employee benefits products for the group, group voluntary and individual voluntary markets. We sell group benefits exclusively to employers, which pay all or most of the applicable premiums. We sell group voluntary and individual voluntary benefits through employers to employees, who generally pay all or most of the premiums through payroll deductions. Coverage in both group and group voluntary benefits generally ceases upon the termination of employment, whereas coverage in individual voluntary benefits continues after the termination of employment. Voluntary benefit products enable an employer to expand its available employee benefits without adding to the company's costs. As a result, these programs allow employees to select benefit packages to meet their individual and family needs and budgets, generally at lower premiums than they would pay for comparable benefit packages assembled independently. Employers help to administer group and group voluntary benefits, and we administer individual voluntary benefits with little involvement from employers.

Group non-medical insurance

Our group non-medical insurance consists of dental and vision, life and disability insurance products.

Dental and vision insurance. Our group dental coverage provides benefits to insured employees and their eligible dependents for specified dental services. We also offer dental managed-care plans, which provide differentiated benefit levels depending upon whether the dental provider is a member of a nationwide network. Vision coverage generally is offered as a supplement to dental coverage.

Life insurance. Our group term life insurance product provides benefits in the event of an insured employee's death. The death benefit can be based upon an individual's earnings or occupation, or can be fixed at a set dollar amount. Our products also include optional accidental death and dismemberment coverage as a supplement to our term life insurance policies. This coverage provides benefits for an insured employee's loss of life, limb or sight as a result of accidental death or injury.

Disability insurance. Our group long-term disability coverage is designed to cover the risk of employee loss of income during prolonged periods of disability. Our group short-term disability coverage provides partial replacement of an insured employee's weekly earnings in the event of disability resulting from an injury or illness. Benefits can be a set dollar amount or based upon a percentage of earnings.

Group medical insurance

Our group medical insurance consists of stop loss insurance and fully insured medical.

Stop loss insurance. Our stop loss insurance coverage is written for employers that self-insure their employee medical benefits and covers the risk of higher-than-expected claims experience. Our coverage provides reimbursement for claims in excess of a predetermined level.

We recently launched GE Health Manager™, which is an integrated self-funded medical benefits program that provides employers with stop-loss reinsurance coverage coupled with administrative services. GE Health Manager™ provides simplified on-line administration and effective claims management to employers in our target market. This integrated product provides us with the ability to analyze claims expenses and frequencies and suggest alternative premium structures and customized services to reduce employers' benefits costs.

Fully insured medical. Our group medical coverage provides benefits for insured employees and their dependents for hospital, surgical and ancillary medical expenses. We offer several types of plans with a wide range of plan features, such as indemnity plans, which contain deductibles and co-insurance payments, and preferred provider organization plans, or PPO plans, which reduce deductibles and co-insurance payments for medical services provided by members of a preferred provider network of healthcare providers.

We have purchased excess-of-loss reinsurance coverage to limit our exposure to losses from our group medical insurance policies. This reinsurance covers losses in excess of specified amounts arising from individual claims, as well as aggregate claims from a single group. Our annualized first-year premiums for group medical coverage declined in recent years in part as a result of our decision to concentrate our fully-insured medical plans in limited segments of the employer market where we believe we can achieve our target returns.

Individual voluntary products

We offer individual voluntary life and health insurance and annuity contracts through worksite marketing programs in which our representatives visit employer premises and make presentations to employees. Our individual health coverage consists primarily of short-term disability benefits with benefit periods generally ranging from nine months to two years. Although the policies are sold in connection with a benefit package offered to company employees, each policyholder receives an individual policy, and coverage can continue after termination of employment if the policyholder continues to make premium payments.

Underwriting and pricing

Group insurance pricing is different from individual product pricing in that it reflects the group's claims experience, when appropriate. The risk characteristics of each group are reviewed at the time the policy is issued and each year thereafter, resulting in ongoing adjustments to the group's pricing. The key rating and underwriting criteria are the group's demographic composition, including the age, gender and family composition of the group's members, the industry of the group, geographic location, regional economic trends, plan design and the group's prior claims experience.

We have a data warehouse that is integrated with all our claims processing systems. The data warehouse contains at least seven years of experience for each product that helps us predict future experience by modeling the impact of changes in current rates against historic claims. Our automated underwriting quotation and renewal systems efficiently process low-risk cases and identify high-risk cases for further underwriter review. We also have developed proprietary automated underwriting techniques that enhance the speed and accuracy of, and reduce variations in, our underwriting decision-making.

Competition

We face significant competition in all our Protection segment operations. Our competitors include other large and highly rated insurance carriers. Some of these competitors have greater resources than we do, and many of them offer similar products and use similar distribution channels. We also face competition in our life, long-term care and group insurance product lines for independent sales intermediaries and our dedicated sales specialists. This competition is based primarily upon product pricing and features, compensation and benefits structure and support services offered. We continuously provide technology upgrades and enhanced training, and we seek to improve service for our independent sales intermediaries and dedicated sales specialists.

In our European payment protection insurance business, we are one of the few payment protection insurance providers with operations across Europe. Our competitors are divided into two broad groups: the large pan-European payment protection providers and local competitors, consisting principally of smaller national insurance companies. We also compete with captive insurers, particularly in the U.K., as our distributors increasingly consider the benefits of providing payment protection insurance directly to their customers.

Retirement Income and Investments

Overview

Through our Retirement Income and Investments segment, we offer fixed deferred, fixed immediate, and variable deferred annuities. We offer these products to a broad range of consumers, generally aged 45 and older, who want to accumulate tax-deferred assets for retirement, desire a tax-efficient source of income during their retirement, and seek to protect against outliving their assets during retirement. According to LIMRA International, sales of individual annuities were $220 billion in 2002, the last year for which industry data regarding aggregate sales of individual annuities is available, compared to $185 billion in 2001. For the year ended December 31, 2003, based upon total premiums and deposits, we were the largest provider of income annuities in the U.S., according to LIMRA International.

We offer fixed and variable deferred annuities, in which assets accumulate until the contract is surrendered, the contractholder dies or the contractholder begins receiving benefits under an annuity payout option, as well as retirement or fixed immediate annuities, in which payments begin within one year of issue and continue for a fixed period or for life. We believe our wide range of fixed annuity products has provided a stable source of asset growth during volatile equity and bond markets in recent years, and our variable annuity offerings continue to appeal to contractholders who wish to participate in returns linked to equity and bond markets. We also offer variable life insurance through our Retirement Income and Investments segment because this product provides investment features that are similar to our variable annuity products.

In addition to our annuity and variable life insurance products, we also offer a number of specialty products, including guaranteed investment contracts, or GICs, funding agreements and structured settlements. We sell GICs to ERISA-qualified plans, such as pension and 401(k) plans, and we sell funding agreements to money market funds that are not ERISA-qualified and to other institutional investors. Our structured settlements provide an alternative to a lump sum settlement generally in a personal injury lawsuit and typically are purchased by property and casualty insurance companies for the benefit of an injured claimant with benefits scheduled to be paid throughout a fixed period or for the life of the claimant. In addition, we offer private asset management services for affluent individual investors.

We structure our annuity products through a rigorous pricing and underwriting process designed to achieve targeted returns based upon each product's risk profile and our expected rate of investment returns. We compete for sales of annuities through competitive pricing policies and innovative product design. For example, we recently introduced the GE Retirement Answer®, or GERA™, which is an annuity product that guarantees a minimum income stream to the contractholder at the end of an accumulation period, but avoids a number of the risks to the insurer that generally accompany traditional products with guaranteed minimum income benefits. We also expect to continue to differentiate ourselves through other innovative products, and we are developing a suite of additional retirement income products for launch in 2004.

We offer our annuities and other investment products primarily through financial institutions and specialized brokers, as well as independent accountants and independent advisers associated with our captive broker dealer.

The following table sets forth selected information regarding the products we offer through our Retirement Income and Investments segment as of the dates and for the periods indicated:

	Historical		
	As of or for the years ended December 31,		
(Dollar amounts in millions)	2003	2002	2001
Spread-Based Retail Products			
Fixed annuities			
Account value net of reinsurance, beginning of period	$ 13,753	$ 11,965	$ 10,753
Deposits	1,069	2,663	2,434
Interest credited	603	606	552
Surrenders and benefits	(1,248)	(1,471)	(1,763)
Product charges	(11)	(10)	(11)
Account value net of reinsurance, end of period	$ 14,166	$ 13,753	$ 11,965
Income annuities			
Account value net of reinsurance, beginning of period	$ 4,673	$ 4,002	$ 3,456
Net earned premiums and deposits	717	979	786
Interest credited	292	277	253
Surrenders and benefits	(650)	(562)	(471)
Product charges	(24)	(23)	(22)
Account value net of reinsurance, end of period	$ 5,008	$ 4,673	$ 4,002
Structured settlements(1)			
Account value, beginning of period	$ 11,544	$ 11,098	$ 10,279
Net earned premiums and deposits	581	516	856
Interest credited	827	797	770
Surrenders and benefits	(912)	(847)	(778)
Product charges	(23)	(20)	(29)
Account value, end of period	$ 12,017	$ 11,544	$ 11,098
Total annualized first-year premiums from spread-based retail products(2)	$ 1,045	$ 991	$ 1,023
Total deposits on spread-based retail products(3)	1,322	3,167	3,053
Spread-Based Institutional Products			
GICs and funding agreements			
Account value, beginning of period	$ 10,274	$ 8,693	$ 5,800
Deposits (4)	3,702	3,862	4,228
Interest credited	296	230	315
Surrenders and benefits (4)	(4,745)	(2,511)	(1,650)
Account value, end of period	$ 9,527	$ 10,274	$ 8,693
Total deposits on spread-based institutional products(3)(4)	$ 3,702	$ 3,862	$ 4,228

(Dollar amounts in millions)	Historical		
	As of or for the years ended December 31,		
	2003	2002	2001
Fee-Based Products			
Variable annuities(1)			
Account value, beginning of period	$ 9,048	$ 10,168	$ 10,700
Deposits	2,102	1,667	2,309
Interest credited and investment performance	1,356	(1,091)	(1,530)
Surrenders and benefits	(1,483)	(1,571)	(1,172)
Product charges	(119)	(125)	(139)
Account value, end of period	$ 10,904	$ 9,048	$ 10,168
Variable life insurance			
Deposits	$ 45	$ 47	$ 53
Future policy benefits/policy account balances, net of reinsurance	12	8	3
Separate account liability	269	220	255
Life insurance in force	3,630	3,628	3,476
Asset management			
Revenues	32	40	—
Deposits(5)	760	650	—
Assets under management	2,395	1,762	1,836
Total deposits on fee-based products(3)	2,907	2,364	2,362

(1) Prior to the completion of this offering, we will cede to UFLIC, effective as of January 1, 2004, all of our in-force structured settlement contracts and substantially all of our in-force variable annuity contracts.

(2) Represents annualized first-year premiums earned on spread-based income annuities and structured settlements with life contingencies. Annualized first-year premiums reflect the amount of business we generated during each period shown and do not include renewal premiums on policies written during prior periods. We consider annualized first-year premiums to be a measure of our operating performance because they represent a measure of new sales of insurance policies during a specified period, rather than a measure of our revenues or profitability during that period. This operating measure enables us to compare our operating performance across periods without regard to revenues or profitability related to policies sold in prior periods or from investments or other sources.

(3) Represents deposits received on spread-based non-life-contingent products and on fee-based products. We consider deposits, like annualized first-year premiums, to be a measure of our operating performance because they represent a measure of additional investments by our customers during a specified period, rather than a measure of our revenues or profitability during that period.

(4) "Surrenders and benefits" include contracts that have matured but are redeposited with our company and reflected as deposits. In the years ended December 31, 2003, 2002 and 2001, surrenders and benefits of spread-based institutional products included $1,675 million, $800 million and $485 million, respectively, that was redeposited and reflected under "Deposits."

(5) Our clients own the assets deposited in our asset management products, and we receive a management fee based on the amount of assets under management.

The following table sets forth, on an actual and pro forma basis, selected financial information regarding our Retirement Income and Investments segment as of the dates and for the periods indicated:

	As of or for the years ended December 31,			Pro forma As of or for the year ended December 31,
	2003	2002	2001	2003
(Dollar amounts in millions)				
Net earned premiums				
Spread-based retail products	$ 1,045	$ 991	$ 1,023	$ 1,045
Spread-based institutional products	—	—	—	—
Fee-based products	—	—	—	—
Total net earned premiums	$ 1,045	$ 991	$ 1,023	$ 1,045
Revenues, net of reinsurance				
Spread-based retail products	$ 3,111	$ 3,028	$ 2,992	$ 2,238
Spread-based institutional products	346	419	464	346
Fee-based products	324	309	265	123
Total revenues, net of reinsurance	$ 3,781	$ 3,756	$ 3,721	$ 2,707
Segment net earnings				
Spread-based retail products	$ 109	$ 119	$ 164	$ 60
Spread-based institutional products	29	47	43	29
Fee-based products	13	20	8	4
Total segment net earnings	$ 151	$ 186	$ 215	$ 93
Assets				
Spread-based retail products	$ 34,255	$ 33,493	$ 30,377	$ 32,112
Spread-based institutional products	9,346	10,175	9,129	9,346
Fee-based products	12,013	9,956	11,006	11,207
Total assets	$ 55,614	$ 53,624	$ 50,512	$ 52,665

Products

Spread-Based Retail Products

Fixed annuities

We offer fixed single premium deferred annuities, or SPDAs, which provide for a single premium payment at time of issue, an accumulation period and an annuity payout period at some future date. We also offer fixed annuities that permit additional deposits to be made into the contract after the time of issue. During the accumulation period, we credit the account value of the annuity with interest earned at an interest rate, called the crediting rate. The crediting rate is guaranteed initially for a period of one to seven years, at the contractholders' option, and thereafter is subject to change based upon competitive factors, prevailing market rates and product profitability. Each contract also has a minimum guaranteed crediting rate. Our fixed annuity contracts are funded by our general account, and the accrual of interest during the accumulation period is generally on a tax-deferred basis to the owner. The majority of our fixed annuity contractholders retain their contracts for 5 to 10 years. After the period specified in the annuity contract, the contractholder may elect to take the proceeds of the annuity as a single payment or over time.

Our fixed annuity contracts permit the contractholder at any time during the accumulation period to withdraw all or part of the single premium paid, plus the amount credited to his account, subject to contract provisions such as surrender charges that vary depending upon the terms of the product. The contracts impose surrender charges that typically vary from 5.0% to 8.0% of the account value, starting in the year of deposit and decreasing to zero over a 5- to 9-year period. The contractholder also may withdraw annually up to 10% of the account value without penalty. Approximately $10.4 billion, or 73.8% of the total account value of our fixed annuities as of December 31, 2003, were subject to surrender charges.

At least once each month, we set an interest crediting rate for newly issued fixed SPDAs and additional deposits. We maintain the initial crediting rate for a minimum period of one year or the guarantee period, whichever is longer. Thereafter, we may adjust the crediting rate no more frequently than once per year for any given deposit. Our in-force fixed annuity products generally have minimum guaranteed crediting rates ranging from 3.0% to 5.5% for the life of the contract, and currently we are crediting rates between 3.0% and 4.2% on a majority of those products. The most frequent minimum guaranteed crediting rate as of December 31, 2003 was 3.0%. We are in the process of filing new products with lower minimum guaranteed crediting rates and, as of December 31, 2003, we have received regulatory approval from 45 states. As a result, most of our recently issued annuity contracts have minimum guaranteed crediting rates between 1.5% and 3.0%. Minimum guaranteed rates will not change for our in-force contracts.

Our earnings from fixed annuities are based upon the spread between the crediting rate on our fixed annuity contracts and the returns we earn on our investment of premiums in our general account.

Income annuities

We offer income annuities, also known in the industry as single premium immediate annuities, or SPIAs, which provide for a single premium at the time of issue and guarantee a series of payments beginning within one year of the issue date and continuing over a period of years.

Our income annuities differ from deferred annuities in that they provide for contractually guaranteed payments that begin within one year of issue. Income annuities are not subject to surrender or borrowing by the contractholder, and therefore they provide us with the opportunity to match closely the underlying investment of the deposit received to the cash benefits to be paid under a policy and provide for an anticipated margin for expenses and profit, subject to credit, reinvestment and, in some cases, mortality risk.

The two most common types of income annuities are the life-contingent annuity, which makes payments for the life of a contractholder, and the joint and survivor annuity, which continues to make payments to a second contractholder, such as a spouse, after the death of the contractholder. We also offer period certain annuities, which make payments for a minimum period from 5 to 20 years even if the contractholder dies within the term certain period. Income annuities typically are sold to contractholders approaching retirement. We anticipate higher sales of income annuities with the demographic shift toward more people reaching retirement age and focusing on their need for dependable retirement income.

Structured settlements

Structured settlement contracts provide an alternative to a lump-sum settlement, generally in a personal injury lawsuit, and typically are purchased by property and casualty insurance companies for the benefit of an injured claimant. The structured settlements provide scheduled payments over a fixed period or, in the case of a life-contingent structured settlement, for the life of the claimant with a guaranteed minimum period of payments. These settlements offer tax-advantaged, long-range financial security to the injured party and facilitate claim settlement for the property and casualty insurance carrier. Structured settlement contracts are long-term in nature, guarantee a fixed benefit stream and generally do not permit surrender or borrowing against the amounts outstanding under the contract.

Prior to the completion of this offering, GE Capital guaranteed some of our structured settlement contracts. After the completion of this offering, GE Capital will no longer guarantee any of our new structured settlement contracts.

Prior to the completion of this offering, we will reinsure all of our in-force structured settlements business with UFLIC. See "Arrangements Between GE and Our Company —Reinsurance Transactions." We intend to continue to write structured settlements on a limited, opportunistic basis at targeted returns, capitalizing on our experience and relationships in this product which may result in decreased sales of structured settlements.

Spread-Based Institutional Products

Guaranteed investment contracts and funding agreements

We offer guaranteed investment contracts, or GICs, and funding agreements, which are deposit-type products that pay a guaranteed return to the contractholder on specified dates. GICs are purchased by ERISA-qualified plans, including pension and 401(k) plans. Funding agreements are purchased by institutional accredited investors for various kinds of funds and accounts that are not ERISA-qualified. Purchasers of funding agreements include money market funds, bank common trust funds and other corporate and trust accounts and private investors in the U.S. and other countries.

Substantially all our GICs allow for the payment of benefits at contract value to ERISA plan participants prior to contract maturity in the event of death, disability, retirement or change in investment election. We carefully underwrite these risks before issuing a GIC to a plan and historically have been able to effectively manage our exposure to these benefit payments. Our GICs typically credit interest at a fixed interest rate and have a fixed-maturity generally ranging from two to six years. Contractholders may terminate our GICs upon 90 days' notice, but subject to an adjustment to the contract value for changes in the level of interest rates from the time the GIC was issued.

Our funding agreements generally credit interest on deposits at a floating rate tied to an external market index. To hedge our exposure to fluctuations in interest rates, we invest the proceeds backing floating-rate funding agreements in floating-rate assets. Some of our funding agreements are purchased by money market funds, bank common trust funds and other short-term investors. These funding agreements typically are renewed annually, and generally contain "put" provisions, through which the contractholder has an option to terminate the funding agreement for any reason after giving notice within the contract's specified notice period, which is generally 90 days but can be less than 30 days. GE Capital has agreed to guarantee our obligations under these funding agreements that were issued prior to November 18, 2003 and certain renewals with a final maturity on or before June 30, 2005. As of December 31, 2003, the aggregate amount outstanding of these funding agreements was approximately $2.9 billion, of which $2.4 billion had put option features, including $450 million with put option notice periods of 30 days or less, compared to an aggregate of $3.7 billion as of December 31, 2002. We issue the remainder of our funding agreements to trust accounts to back medium-term notes purchased by investors. These funding agreements contain no early termination provisions and typically are issued for terms of one to seven years. As of December 31, 2003, the aggregate amount of these type of funding agreements was $3.0 billion, compared to $3.1 billion as of December 31, 2002.

In addition to the GICs that we offer, effective as of January 1, 2004, we entered into three agreements with affiliates of GE to manage a pool of municipal guaranteed investment contracts issued by those affiliates. Pursuant to these agreements, we will originate GIC liabilities and advise the GE affiliates regarding the investment, administration and management of their assets that support those liabilities. Under two of those agreements, we will receive an administration fee of 0.165% per annum of the maximum program size for those GE affiliates, which was an aggregate of $15.0 billion as of December 31, 2003. The agreements also provide for termination fees in the event of early termination at the option of either affiliate. Under a third agreement with another affiliate, we will receive a management fee of 0.10% per annum of the book value of the investment contracts or similar securities issued by this affiliate after January 1, 2003, which was $912 million as of December 31, 2003. The fee we will receive on the contracts issued by that affiliate before January 1, 2003 will be based upon a pricing arrangement that will vary depending upon the maturities of those contracts and that affiliate's cost of capital. The book value of the contracts issued before January 1, 2003 was $2,008 million as of December 31, 2003 and is expected to generate a weighted average fee of approximately 0.35% in 2004. We also will receive reimbursement of our operating expenses under each of the agreements. The initial term of each of the three agreements will expire December 31, 2006, and unless terminated at the option of either party, each agreement will automatically renew on January 1 of each year for successive terms of one year. See "Arrangements Between GE and Our Company—Relationship with GE—Liability and Portfolio Management Agreements."

Fee-Based Products

Variable annuities

We offer variable annuities that allow the contractholder to make payments into separate investment accounts, as determined by the contractholder. Like a deferred fixed annuity, a deferred variable annuity has an accumulation period and a payout period. The main difference between our fixed annuity products and our variable annuity products is that the variable annuities allow the contractholder to allocate all or a portion of his account value to separate accounts that invest in investment accounts that are distinct from our general account and track the performance of selected mutual funds, including offerings from Fidelity, AIM and GE. There is no guaranteed minimum rate of return in these subaccounts, and the contractholder bears the entire risk associated with the performance of these subaccounts. Some of our variable annuities also permit the contractholder to allocate all or a portion of his account value to our general account, in which case we credit interest at specified rates, subject to certain guaranteed minimums, which are comparable to the minimum rates in effect for our fixed annuities.

Similar to our fixed annuities, our variable annuity contracts permit the contractholder to withdraw all or part of the premiums paid, plus the amount credited to his account, subject to contract terms such as surrender charges. The cash surrender value of a variable annuity contract depends upon the value of the assets that have been allocated to the contract, how long those assets have been in the contract and the investment performance of the mutual funds to which the contractholder has allocated assets.

Variable annuities provide us with fee-based revenue in the form of expense charges and, in some cases, mortality charges. These fees equal a percentage of the contractholder's assets in the separate account and typically range from 1.25% to 1.70% per annum. We also receive fees charged on assets allocated to our separate account to cover administrative costs, as well as a portion of the management fees from the mutual funds in which assets are invested.

We also offer variable annuities with fixed account options and with bonus features. Variable annuities with fixed account options enable the contractholder to allocate a portion of his account value to the fixed account, which pays a fixed interest crediting rate. The portion of the account value allocated to the fixed account option represents general account liability for us and functions similarly to a traditional fixed annuity, whereas for the portion allocated to the separate account, the contractholder bears the investment risk. Our variable annuities with bonus features entitle the contractholder to an additional increase to his account value upon making a deposit. However, variable annuities with bonus features are subject to different surrender charge schedules and expense charges than variable annuities without the bonus feature.

We provide our variable annuity contractholders with the option to purchase, as a separate rider, a guaranteed minimum death benefit, or GMDB, which provides the contractholder's survivors a minimum account value upon the contractholder's death. As of December 31, 2003, the account value of our variable annuities with GMDBs was approximately $10.5 billion, with related death benefit exposure of approximately $1.6 billion. We have reinsured approximately 62% of the account value and 86% of this in-force exposure. Assuming every contractholder died on December 31, 2003, as of that date, contracts with GMDB features not covered by reinsurance had an account value of $3.9 billion and a related death benefit exposure of $234 million net amount at risk. In addition to reinsurance, prior to our adoption of SOP 03-1 on January 1, 2004, we established reserves equal to the accumulated value of the charges for the benefit less any actual death benefit claims. In recent years, because of adverse claims experience and other factors, reinsurers began to withdraw from this market. Consequently, in June 2003, we stopped reinsuring all of our newly issued variable annuity contracts with GMDB features. In May 2003, we raised prices of, and reduced certain benefits under, our newly issued GMDBs. We continue to evaluate our pricing of GMDB features and intend to seek regulatory approval for additional price increases when appropriate.

We continually review potential new variable annuity products and pursue only those where we believe we can achieve targeted returns in light of the risks involved. Unlike several of our competitors, we have not offered variable annuity products with traditional guaranteed minimum income benefits, or GMIBs, or with guaranteed minimum accumulation benefits, or GMABs. Traditional GMIB products guarantee a specified minimum appreciation rate for a defined period of time after annuity payments commence. GMAB products guarantee a customer's account value will be no less than the original investment at the end of a specified accumulation period, plus a specified interest rate.

Although we do not offer traditional GMIBs or GMABs, we have been able to capitalize on the demand for products with guarantees with our GERA™ product, which we launched in April 2002. GERA™ is a variable deferred annuity that has a minimum 10-year scheduled deposit period for customers who desire guaranteed minimum income streams at the end of an accumulation period. If a contractholder makes the required scheduled deposits, he is guaranteed a minimum income stream at the end of the accumulation period. The income stream may exceed the guaranteed minimum based upon the performance of the separate accounts underlying the product. As of December 31, 2003, we had $139 million of lump-sum deposits and collected scheduled periodic deposits for this product. Based on key product design features, some of which have patents pending, we believe GERA™ allows us to provide our customers a guaranteed income annuity product that mitigates a number of the risks that accompany traditional guaranteed minimum income benefits offered by many of our competitors.

Prior to the completion of this offering, we will reinsure our in-force variable annuities business, excluding the GERA™ product and a small block of contracts in run-off, with UFLIC. See "Arrangements Between GE and Our Company—Reinsurance Transactions."

Variable life insurance

We offer variable life insurance products that provide insurance coverage through a policy that gives the policyholder flexibility in investment choices and, in some products, in premium payments and coverage amounts. Our variable life products enable the policyholder to allocate all or a portion of his premiums to separate accounts that invest in investment accounts that are distinct from our general account and track the performance of selected mutual funds, including funds from Fidelity, AIM and GE. There is no guaranteed minimum rate of return in these subaccounts, and the policyholder bears the entire risk associated with the performance of these subaccounts. Some of our variable life insurance products also permit the policyholder to allocate all or a portion of his account value to our general account, in which case we credit interest at specified rates, subject to certain guaranteed minimums, which are comparable to the minimum rates in effect for our fixed annuities.

Similar to our variable annuity products, we collect specified mortality and expense charges, fees charged on assets allocated to the separate account to cover administrative services and costs, and a portion of the management fees from the various underlying mutual funds in which the assets are invested. We collect cost of insurance charges on our variable life insurance products to compensate us for the mortality risk of the guaranteed death benefit, particularly in the early years of the policy when the death benefit is significantly higher than the value of the policyholder's account.

Asset management

We offer asset management services to affluent individual investors. Most of our clients for these services have accumulated significant retirement capital, and our principal asset management strategy is to help protect their retirement assets while taking advantage of opportunities for capital appreciation. Our asset management clients are referred to us through their financial advisers. We work with these financial advisers to develop portfolios consisting of individual securities, mutual funds and variable annuities designed to meet each client's particular investment objectives. Our products consist of separately managed accounts, managed mutual funds accounts, and managed variable annuity services. For each of these products, we receive a management fee based upon the amount of assets under management.

A separately managed account is an individually managed client account in which multiple institutional money managers purchase a diversified portfolio of individual stocks on a client's behalf, in accordance with the client's defined needs and objectives. Our clients directly own the stocks in their individual portfolios, and we continuously monitor and evaluate each money manager and the investment performance in each portfolio. We also offer clients access to managed accounts investing in a variety of mutual funds, including funds offered by GE. By working in cooperation with our clients' financial advisers, we seek to achieve each client's investment objectives by selecting the optimal mutual funds.

Our asset management services generally require minimum investments of $50,000. As of December 31, 2003, we managed more than $2 billion for more than 15,000 accounts worldwide.

Prior to the completion of this offering, we offered a broad range of institutional asset management services to third parties. GEAM provided the portfolio management services for this business, and we provided marketing, sales and support services. We will not acquire the institutional asset management services business from GEFAHI, but we will continue to provide services to GEAM and GEFAHI related to this asset management business, including client introduction services, asset retention services and compliance support. GEFAHI will pay us a fee of up to $10 million per year for four years to provide these services. The fee will be determined based upon the level of third-party assets under management managed by GEAM over the four-year term.

Underwriting and pricing

We generally do not underwrite individual lives in our annuity products, other than structured settlements and some income annuities. Instead, we price our products based upon our expected investment returns and our expectations for mortality, longevity and persistency for the group of our contractholders as a whole, taking into account mortality improvements in the general population and our historical experience. We price variable and immediate deferred annuities by analyzing longevity and persistency risk, volatility of expected earnings on our assets under management, and the expected time to retirement. We price our GICs using customized pricing models that estimate both expected cash flows and likely variance from those expectations caused by reallocations of assets by plan participants. We price income annuities and structured settlements using our mortality experience and assumptions regarding continued improvement in annuitant longevity, as well as assumptions regarding investment yields at the time of issue and thereafter.

Competition

As in our Protection segment, we face significant competition in all our Retirement Income and Investments businesses. Many other companies actively compete for sales in our markets, including other major insurers, banks, other financial institutions, mutual fund and money asset management firms and specialty providers. In many of our product lines, we face competition from competitors that have greater market share or breadth of distribution, offer a broader range of products, services or features, assume a greater level of risk, have lower profitability expectations or have higher claims-paying ratings than we do. Many competitors offer similar products and use similar distribution channels. The substantial expansion of banks' and insurance companies' distribution capacities and expansion of product features in recent years has intensified pressure on margins and production levels and has increased the level of competition in many of our business lines.

We believe competition in our Retirement Income and Investments businesses is based on several factors, including product features, customer service, brand reputation, penetration of key distribution channels, breadth of product offering, product innovations and price.

Mortgage Insurance

Overview

Through our Mortgage Insurance segment, we offer mortgage insurance in the U.S., Australia, Canada and Europe.

Private mortgage insurance expands homeownership opportunities by enabling borrowers to buy homes with "low-down-payment mortgages," which are usually defined as loans with a down payment of less than 20% of the home's value. Low-down-payment mortgages are sometimes also referred to as high loan-to-value mortgages. Mortgage insurance products increase the funds available for residential mortgages by protecting mortgage lenders and investors against loss in the event of a borrower's default. These products generally also aid financial institutions in managing their capital efficiently by reducing the capital required for low-down-payment mortgages. If a borrower defaults on mortgage payments, private mortgage insurance reduces and, in some instances, eliminates the loss to the insured institution. Private mortgage insurance also facilitates the sale of mortgage loans in the secondary mortgage market.

We have been providing mortgage insurance products and services in the U.S. since 1981 and now operate in all 50 states in the U.S. and the District of Columbia. For the year ended December 31, 2003, according to *Inside Mortgage Finance*, we were the fourth-largest provider of mortgage insurance in the U.S. (based upon new insurance written). We expanded our operations internationally throughout the 1990s and today we believe we are the largest provider of mortgage insurance outside the U.S. In 2002, we were the leading provider in Australia based upon new policies written according to Insurance Statistics Australia Limited, and one of two major insurers in Canada. We also are one of the leading private mortgage insurance providers in the U.K. and have a growing presence in the developing private mortgage insurance market in Continental Europe. In addition to private mortgage insurance, we provide lenders with various underwriting and other products and services related to home mortgage lending.

The following table sets forth selected financial information regarding our U.S. and international mortgage insurance business, as of and for the periods indicated:

	Historical		
	As of or for the years ended December 31,		
(Dollar amounts in millions)	2003	2002	2001
Assets			
U.S. mortgage insurance	$ 3,806	$ 4,650	$ 4,801
International mortgage insurance	2,304	1,416	1,029
Total assets	$ 6,110	$ 6,066	$ 5,830
Primary insurance in force			
U.S. mortgage insurance	$ 122,200	$ 120,600	$ 125,400
International mortgage insurance	136,300	79,800	53,900
Total primary insurance in force	$ 258,500	$ 200,400	$ 179,300
Risk in force			
U.S. mortgage insurance	$ 26,900	$ 29,600	$ 32,100
International mortgage insurance(1)	43,400	25,700	16,700
Total risk in force	$ 70,300	$ 55,300	$ 48,800
New insurance written			
U.S. mortgage insurance	$ 67,400	$ 46,900	$ 47,100
International mortgage insurance	39,200	28,200	16,100
Total new insurance written	$ 106,600	$ 75,100	$ 63,200
Net premiums written			
U.S. mortgage insurance	$ 486	$ 529	$ 592
International mortgage insurance	464	311	205
Total net premiums written	$ 950	$ 840	$ 797
Net premiums earned			
U.S. mortgage insurance	$ 501	$ 550	$ 600
International mortgage insurance(2)	215	127	98
Total net premiums earned	$ 716	$ 677	$ 698
Total revenues, net of reinsurance			
U.S. mortgage insurance	$ 665	$ 750	$ 812
International mortgage insurance	317	196	153
Total revenues, net of reinsurance	$ 982	$ 946	$ 965
Benefits and expenses			
U.S. mortgage insurance	$ 358	$ 254	$ 316
International mortgage insurance	93	64	65
Total benefits and expenses	$ 451	$ 318	$ 381
Segment net earnings			
U.S. mortgage insurance	$ 225	$ 366	$ 366
International mortgage insurance	144	85	62
Total segment net earnings	$ 369	$ 451	$ 428

Loss ratio(3)			
U.S. mortgage insurance	20%	6%	21%
International mortgage insurance	7%	9%	24%
Total loss ratio	16%	7%	21%
Expense ratio(4)			
U.S. mortgage insurance	53%	41%	32%
International mortgage insurance	17%	17%	20%
Total expense ratio	35%	32%	29%

(1) Our businesses in Australia, New Zealand and Canada currently provide 100% coverage on the majority of the loans we insure in those markets. For the purpose of representing our risk in-force, we have computed an "Effective Risk in Force" amount, which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in-force has been calculated by applying to insurance in-force a factor that represents our highest expected average per-claim payment for any one underwriting year over the life of our businesses in Australia, New Zealand and Canada. As of December 31, 2003 this factor was 35% in each of Australia, New Zealand and Canada.

(2) Most of our international mortgage insurance policies provide for single premiums at the time that loan proceeds are advanced. We initially allocate most of the single premiums to unearned premium reserves and recognize the premium earned over time according to an actuarially determined multi-year schedule. As of December 31, 2003, our unearned premium reserves were $1.2 billion.

(3) The ratio of incurred losses and loss adjustment expense to net premiums earned.

(4) The ratio of an insurer's general expenses to net premiums written. In our business, general expenses consist of underwriting, acquisition and insurance expenses, net of deferrals, and amortization of DAC and intangibles.

U.S. mortgage insurance

Overview

The U.S. private mortgage insurance industry is defined in large part by the requirements and practices of Fannie Mae, Freddie Mac and other large mortgage investors. Fannie Mae and Freddie Mac purchase residential mortgages from mortgage lenders and investors, as part of their governmental mandate to provide liquidity in the secondary mortgage market. In 2003, Fannie Mae purchased approximately 38% of all the mortgage loans originated in the U.S., and Freddie Mac purchased approximately 22%, according to information published by *Inside the GSEs*. Mortgages guaranteed by Fannie Mae or Freddie Mac totaled more than $3.35 trillion as of December 31, 2003, or approximately 45% of the total outstanding mortgage debt in the U.S. In connection with these activities, Fannie Mae and Freddie Mac also have established mortgage loan origination, documentation, servicing and selling requirements and standards for the loans they purchase. Fannie Mae and Freddie Mac are "government sponsored enterprises," and we refer to them in this prospectus as the "GSEs."

The GSEs may purchase mortgages with unpaid principal amounts up to a specified maximum. The maximum single-family principal balance loan limit eligible for purchase by the GSEs is called the "conforming loan limit." It is currently $333,700 and subject to annual adjustment. Each GSE's Congressional charter generally prohibits it from purchasing a mortgage where the loan-to-value ratio exceeds 80% of home value unless the portion of the unpaid principal balance of the mortgage which is in excess of 80% of the value of the property securing the mortgage is insured against default by lender recourse, participation or by a qualified insurer. As a result, high loan-to-value mortgages purchased by Fannie Mae or Freddie Mac generally are insured with private mortgage insurance. Fannie Mae and Freddie Mac purchased approximately 68% of the loans we insured as of December 31, 2003.

The aggregate value of non-FHA and non-VA mortgage loans originated below the conforming loan limit and with loan-to-value ratios above 80% was $694 billion, $460 billion and $340 billion for the years ended December 2003, 2002 and 2001, respectively, according to *Inside Mortgage Finance* and *Marketrac*.

The majority of our U.S. mortgage insurance policies provide default loss protection on a portion (typically 10%-40%) of the balance of an individual mortgage loan. Most of our primary mortgage insurance policies are "flow" insurance policies, which cover individual loans at the time the loan is originated. We also enter into "bulk" transactions with lenders and investors in selected instances, under which we insure a portfolio of loans for a negotiated price. Bulk insurance constituted less than 2% of our new risk written for the years ended December 31, 2003 and 2002.

In addition to flow and bulk primary mortgage insurance business, we have previously written mortgage insurance on a pool basis. Under pool insurance, the mortgage insurer provides coverage on a group of specified loans, typically for 100% of all losses on every loan in the portfolio, subject to an agreed aggregate loss limit. We ceased writing pool insurance in 1993, with the exception of a limited amount of insurance we wrote for state housing finance agencies and in connection with a sale of loans by an affiliate.

The following table sets forth new risk written and risk in force in our U.S. mortgage insurance business, by product type, as of and for the periods indicated:

	Historical		
	As of or for the years ended December 31,		
(Dollar amounts in millions)	2003	2002	2001
New risk written			
Flow insurance	$ 12,612	$ 10,547	$ 9,843
Bulk insurance(1)	189	53	998
Pool insurance(2)	2	—	—
Total	$ 12,803	$ 10,600	$ 10,841
Risk in force			
Flow insurance	$ 25,396	$ 27,573	$ 28,620
Bulk insurance	410	431	652
Pool insurance	1,046	1,638	2,824
Total	$ 26,852	$ 29,642	$ 32,096

(1) A small portion of our bulk insurance is classified as pool insurance under MICA reporting rules.

(2) We do not offer traditional pool insurance, which generally is characterized as providing 100% per loan coverage (except for a limited amount that we wrote for state housing finance agencies and in connection with a sale of loans by an affiliate).

Products and services

Primary mortgage insurance

Flow insurance. Flow insurance is primary mortgage insurance placed on an individual loan when the loan is originated. Our primary mortgage insurance covers default risk on first mortgage loans generally secured by one- to four-unit residential properties, and can be used to protect mortgage lenders and investors from default on any type of residential mortgage loan instrument that we have approved. Our insurance covers a specified coverage percentage of a "claim amount" consisting of unpaid loan principal, delinquent interest and certain expenses associated with the default and subsequent foreclosure. As the insurer, we generally are required to pay the coverage percentage of a claim amount specified in the primary policy, but we also have the option to pay the lender an amount equal to the unpaid loan principal, delinquent interest and certain expenses incurred with the default and foreclosure, and acquire title to the property. In addition, the claim amount may be reduced or eliminated if the loss on the defaulted loan is reduced as a result of the lender's disposition of the property. The lender selects the coverage percentage at the time the loan is originated, often to comply with investor requirements to reduce the loss exposure on loans purchased by the investor.

For a 30-year fixed-rate mortgage, the most common mortgage product in the U.S., the GSEs generally require coverage percentages of 30% for loan-to-value ratios, determined at loan origination, of 90.01%-95.00%, 25% for loan-to-value ratios of 85.01%-90.00% and 12% for loan-to-value ratios of 80.01%-85.00%. However, the GSEs may alter their coverage requirements and propose different product structures, and we also offer a range of other mortgage insurance products that provide greater or lesser coverage amounts.

The borrower's mortgage loan instrument generally requires the borrower to pay the mortgage insurance premium. In other cases, no insurance requirement is imposed upon the borrower, in which case the lender pays the premium and recovers those payments through the interest rate charged on the mortgage. Our mortgage insurance premiums for flow insurance typically are paid monthly, but premiums also may be paid annually or in a single, lump-sum payment. During each of the last three years, the monthly premium plan represented more than 98% of our flow new insurance written, with the annual premium plan and the single premium plan representing the balance of our new insurance written.

We are not permitted to terminate our mortgage insurance coverage in force, except for non-payment of premium or material breach of policy conditions. The insurance remains renewable at the option of the policyholder, usually at the renewal rate fixed when the loan was initially insured. As a result, we are not able to raise prices on existing policies to respond to unanticipated default patterns. In addition, our policyholders may cancel their insurance at any time at their option, including when a mortgage is repaid, which may be accelerated by mortgage refinancings in times of falling interest rates. Cancellations are generally driven primarily by the prevailing interest rate environment and the cancellation policies of the GSEs and other investors.

Under the U.S. Homeowners Protection Act, or the HPA, a borrower generally has the right to terminate private mortgage insurance coverage on loans closed after July 28, 1999 that are secured by a single-dwelling property that is the borrower's primary residence when certain loan-to-value ratio thresholds are met. In general, a borrower may stop making mortgage insurance payments when the loan-to-value ratio is scheduled to reach 80% (based upon the loan's amortization schedule established at loan origination) if the borrower so requests and if certain requirements relating to the borrower's payment history and the property's value since origination are satisfied. In addition, a borrower's obligation to make payments for private mortgage insurance generally terminates regardless of whether a borrower so requests when the loan-to-value ratio reaches 78% of the unpaid principal balance of the mortgage. Some states require mortgage servicers to notify borrowers periodically of the circumstances in which they may request a mortgage servicer to cancel private mortgage insurance. Some states allow the borrower to request that the mortgage servicer cancel private mortgage insurance or require the mortgage servicer to cancel such insurance automatically when the circumstances permitting cancellation occur.

Refinancings due to declining interest rates, coupled with strong appreciation of housing values, resulted in relatively high policy cancellation rates of 54% for the year ended December 31, 2003, compared to 43% and 36% for the years ended December 31, 2002 and 2001, respectively. However, the relatively high cancellation rates during these periods were partially offset by relatively high volumes of new insurance written. Our flow new risk written was 20% higher in 2003 than in 2002, 7% higher in 2002 than in 2001, and 59% higher in 2001 than in 2000. The significant increase in 2001 was due primarily to the significant refinancing activity that began that year.

Bulk insurance. Under our primary bulk insurance, we insure a portfolio of loans in a single, bulk transaction. Generally, in our bulk insurance, the individual loans in the insured portfolio are insured to specified levels of coverage, and there is an aggregate loss limit applicable to all of the insured loans. We base the premium on our bulk insurance upon our evaluation of the overall risk of the insured loans included in a transaction, and we negotiate the premium directly with the securitizer or other owner of the loans. Most of our bulk insurance business relates to loans financed by lenders who participate in the mortgage programs sponsored by the Federal Home Loan Banks. Premiums for bulk transactions generally are paid monthly by lenders or investors or a securitization vehicle in connection with a securitization transaction or the sale of a loan portfolio.

The loans we insure in bulk transactions typically consist of prime credit-quality loans with loan-to-value ratios of 50% to 95%. Because of the relatively high credit quality of these borrowers, some of these loans are made based upon less documentation of borrower income or assets than is typically required by GSEs and other investors. We generally have avoided the riskier portions of the sub-prime segments of the market, because we believe market pricing for mortgage insurance on sub-prime bulk transactions has not been adequate and we have had concerns regarding the volatility of this segment. However, we may consider insuring such loans where we believe our return and risk criteria are met. Loans that we insure in bulk transactions with loan-to-value ratios above 80% typically have primary mortgage insurance on a flow basis, written either by us or another private mortgage insurer. Our mortgage insurance coverage levels in bulk transactions typically range from 10% to 40%.

Pool insurance

In addition to our flow and bulk primary mortgage insurance, we previously have written mortgage insurance on a pool basis. Pool insurance generally is used as an additional credit enhancement for secondary market mortgage transactions. We ceased writing pool insurance in 1993 (with the exception of a limited amount of insurance that we wrote for state housing finance agencies and have routinely reinsured and in connection with a sale of loans by an affiliate) because of relatively high losses on pool policies, resulting primarily from inadequate pricing, loss severity and risk concentration in certain parts of the country. However, we will consider writing pool insurance for state housing finance agencies and others where we believe our return and risk criteria are met.

Our remaining pool insurance in force, which relates primarily to policies written between 1990 and 1993, generally covers the loss on a defaulted mortgage loan that exceeds either the claim payment under the primary coverage (if primary insurance is required on that loan) or the total loss (if that loan does not require primary insurance), in each case up to a stated aggregate loss limit. Mortgage loans that we insured in pool insurance with loan-to-value ratios above 80% typically are covered by flow mortgage insurance, written either by us or another private mortgage insurer.

Contract underwriting services

We perform fee-based contract underwriting services for mortgage lenders. Historically, lenders and mortgage insurers each maintained underwriting staffs and performed separate, and in many ways duplicative, underwriting activities with respect to each mortgage loan. Over time, lenders and mortgage insurers have developed a number of arrangements designed to eliminate those inefficiencies. The provision of underwriting services by mortgage insurers serves this purpose and speeds the approval process.

The principal contract underwriting service we provide is determining whether the data relating to a borrower and a proposed loan contained in a mortgage loan application file complies with the lender's loan underwriting guidelines or the investor's loan purchase requirements. In connection with that service, we also compile the application data and submit it to the automated underwriting systems of Fannie Mae and Freddie Mac, which independently analyze the data to determine if the proposed loan complies with their investor requirements. If the loan being reviewed requires mortgage insurance under the applicable lender or investor criteria, we also underwrite the loan to our mortgage insurance guidelines and issue the appropriate mortgage insurance coverage. We believe our contract underwriting services appeal to mortgage lenders because they enable lenders to reduce their costs and improve their operating efficiencies.

Under the terms of our contract underwriting agreements, we agree to indemnify the lender against losses incurred in the event that we make material errors in determining whether loans processed by our contract underwriters meet specified underwriting or purchase criteria.

New risk written by our contract underwriters represented 23% of our new risk written for the year ended December 31, 2003, compared to 26% and 21% for the years ended December 31, 2002 and 2001, respectively.

Risk mitigation arrangements

Preferred Partner Program. We have established a Preferred Partner Program, pursuant to which we pay lenders fees for services that improve the quality of the loans that they refer to us for primary mortgage insurance. These services include:

- counseling services provided to individual borrowers designed to improve the quality of the loans and thereby reduce the chance that they will default on their loans;
- consumer education programs designed to explain the benefits of private mortgage insurance to consumers generally; and
- technology services that facilitate efficient interaction with lenders, which enables us to process applications more quickly and accurately.

The credit characteristics of the mortgage loans generated through the Preferred Partner Program generally are stronger than the average credit characteristics across our entire loan portfolio, as measured by OmniScore®, our proprietary mortgage scoring model. We believe the benefits and cost savings we derive through the enhanced credit characteristics of these loans exceed our costs of maintaining the Preferred Partner Program.

Secondary market coverage. We have entered into secondary market coverage, or SMC, arrangements with Fannie Mae and Freddie Mac under which the existing primary insurance coverage on an identified portfolio of eligible loans purchased by a GSE is restructured to reallocate risk of loss between the insurer and the insured. The restructured loans are eligible loans purchased in a given year by the GSE from identified originating lenders. The restructuring involves our reducing primary coverage on each loan in the portfolio to the minimum level permitted under the GSEs' charters, and adding supplemental coverage that is subject to a "stop-loss" which, if reached, results in the GSE suffering greater losses than they would suffer if the primary coverage were not reduced. In addition, the GSEs provide us with a variety of services under these agreements, including providing various periodic reports, property marketing services, and information on product and market trends.

Captive reinsurance. Captive reinsurance is a reinsurance program in which we share portions of our U.S. mortgage insurance risk written on loans originated or purchased by lenders with captive reinsurance companies, or captive reinsurers, affiliated with these lenders. In return, we cede to the captive reinsurers an agreed portion of our gross premiums on flow insurance written. New insurance written through the bulk channel generally is not subject to these arrangements.

The following table sets forth selected financial information regarding our captive reinsurance arrangements, as of and for the periods indicated:

	Historical		
	As of or for the years ended December 31,		
	2003	2002	2001
Primary new risk written subject to captive reinsurance arrangements, as a percentage of total primary new risk written	75%	77%	61%
Primary risk in force subject to captive reinsurance arrangements, as a percentage of total primary risk in force	64%	55%	42%
Gross written premiums ceded pursuant to captive reinsurance arrangements, as a percentage of total gross written premiums	23%	18%	12%

We believe that the increases in the percentages of primary new risk written and primary risk in force subject to captive reinsurance agreements were driven by a higher percentage of new insurance written generated by lenders having captive reinsurance programs during a period of high refinancing activity. Many large mortgage lenders have developed captive reinsurance affiliates, and the recent consolidation among large mortgage lenders has resulted in an increased percentage of mortgage loans originated by lenders with captive reinsurance programs. The recent low-interest-rate environment has generated significant refinancing activity in recent years, which has resulted in increased concentration of mortgage loans with larger lenders that tend to use captive reinsurance arrangements.

In order to increase our return on capital, we announced in August 2003 that, effective January 1, 2004, we generally would not renew, on their existing terms, our existing excess-of-loss risk sharing arrangements with net premium cessions in excess of 25%. Most large mortgage lenders have developed reinsurance operations that obtain net premium cessions from mortgage insurers of 25% to 40%. We expect that these actions will result in a significant reduction in business from these lenders. We recently decided that we may, in selected cases, enter into captive reinsurance arrangements that involve premium cessions in excess of 25% in situations where the terms and conditions, including the level of reinsurance coverage, will enable us to achieve our target returns on capital.

As of December 31, 2003, other than reinsurance under captive arrangements, we reinsured less than 1% of our mortgage insurance in force.

Customers

Our principal mortgage insurance customers are originators of residential mortgage loans, such as mortgage banks, savings institutions, commercial banks, mortgage brokers, credit unions and other lenders, who typically determine which mortgage insurer or insurers they will use for the placement of mortgage insurance written on loans they originate. To obtain primary insurance written on a flow basis, a mortgage lender must first apply for and receive from us a mortgage guaranty master policy. In recent years, there has been significant consolidation among the largest lenders, which now underwrite a substantial portion of all the mortgages written in the U.S. The top ten lenders accounted for 48% of our flow new insurance written for the year ended December 31, 2003, compared to 40% for the year ended December 31, 1998.

We are focused on expanding our presence throughout the mortgage loan market by providing superior customer sales support, product offerings designed to meet the specific needs of our customers, and technology products designed to enable customers to reduce costs and expand revenues. In addition, as discussed under "—Operations and Technology," we have developed web based technology services that enable our customers to interact more efficiently with us.

Underwriting and pricing

Loan applications for all loans we insure are reviewed to evaluate each individual borrower's ability to repay the proposed mortgage loan, the characteristics of the loan and the value of the underlying property. This analysis generally includes reviewing the following criteria:

- the borrower's credit strength and history, as reported by credit reporting agencies;
- the borrower's debt-to-income ratios;
- the loan-to-value ratio;
- the type of mortgage instrument;
- the purpose of the loan;
- the type of property; and
- appraisals to confirm the property market value is fairly stated.

Loan applications for primary mortgage insurance are reviewed by our employees directly as part of our traditional underwriting process or by our contract underwriters as we process mortgage loan applications that require mortgage insurance. Some mortgage lenders also underwrite loan applications for mortgage insurance under a delegated underwriting program, in which we permit approved lenders to commit us to insure loans using underwriting guidelines that we have previously approved. Before granting a lender delegated underwriting authority, our risk management personnel review the lender's underwriting experience and processes, loan quality and specific loan programs to be included in the delegated program. In addition, we conduct audits on a sample of the delegated loans we insure to confirm that lenders with delegated authority adhere to approved underwriting guidelines and procedures.

The majority of mortgage loans we insure today are underwritten using Fannie Mae's and Freddie Mac's automated underwriting systems, or AUS, which lenders have widely adopted due to the GSEs' requirements and the efficiencies that AUS provide. We have evaluated loans approved by Fannie Mae's and Freddie Mac's AUS and, like other mortgage insurers, we generally have agreed to insure loans approved by these systems. Under the delegated underwriting program, lenders may use their own AUS provided that we have reviewed and approved their system. AUS have automated many of the underwriting steps that were previously performed by underwriters on a manual basis and use sophisticated mortgage scoring methodologies to evaluate borrower default risk. Although we review AUS before allowing their use under our delegated program, under which lenders have the responsibility to determine whether the loans comply with our approved underwriting guidelines, a potential risk to us of using AUS is that factors that we might otherwise evaluate in making an underwriting decision are not considered if not required by the AUS.

Loans insured under our delegated underwriting program accounted for approximately 59% of our total risk in force as of December 31, 2003, compared to 56% and 52% as of December 31, 2002 and 2001, respectively. The percentage of new risk written by delegated underwriters was 62% for the year ended December 31, 2003, compared to 61% for the year ended December 31, 2002 and 60% for the year ended December 31, 2001.

In pricing mortgage insurance policies, we generally target substantially similar returns on capital regardless of the loan-to-value ratio, product type and depth of coverage. We establish premium rates principally on the basis of long-term claims experience in the industry, reflecting periods of lower and higher losses and various regional economic downturns. We believe that over the long term each region of the U.S. will be subject to similar factors affecting risk of loss on insurance written, and therefore we generally use a nationally based premium rate policy, rather than a regional, local or lender-based policy. Our premium rates vary with the coverage percentage and the perceived risk of a claim on the insured loan, which takes into account the loan-to-value ratio, the type of mortgage and the term of the mortgage. Our premium rates also reflect our expectations, based upon our analysis of historical data, of the persistency of the policies in our book of business. Our premium rates also take into account competitive alternatives available to consumers, including rates offered by other mortgage insurers.

Our premium rates also consider the location of the borrower's credit score within a range of credit scores. In accordance with industry practice, we use the "FICO" score as one indicator of a borrower's credit quality. Fair Isaac and Company, or FICO, developed the "FICO" credit scoring model to calculate a FICO score based upon a borrower's credit history. The higher the credit score, the lower the likelihood that a borrower will default on a loan. FICO credit scores range up to 850, with a score of 620 or more generally viewed as a "prime" loan and a score below 620 generally viewed as a "sub-prime" loan. "A minus" loans generally are loans where the borrowers have FICO credit scores between 575 and 660, and where the borrower has a blemished credit history. As of December 31, 2003, on a risk in force basis, approximately 92% of our flow insurance loans had FICO credit scores of at least 620, approximately 6% had FICO credit scores between 575 and 619, and approximately 2% had FICO scores of 574 or less.

As of December 31, 2003, on a risk in force basis, approximately 87% of our bulk insurance loans had FICO credit scores of at least 620, approximately 7% had FICO credit scores between 575 and 619, and approximately 6% had FICO scores of 574 or less. The majority of loans we currently insure in bulk transactions meet the conforming loan limit and have FICO credit scores of at least 620. After 2001, we significantly reduced writing insurance of loans in bulk transactions that included non-conforming and lesser-quality loans, such as "A minus" loans and "sub-prime" loans, because we believe market pricing was inadequate to compensate us for the risk.

Loan portfolio

The following table sets forth selected financial information regarding our U.S. primary mortgage insurance loan portfolio as of the dates indicated:

	Historical		
	December 31,		
(Dollar amounts in millions)	2003	2002	2001
Primary risk-in-force lender concentration (by original applicant)	$ 25,805	$ 28,004	$ 29,272
Top 10 lenders	12,047	12,538	11,979
Top 20 lenders	14,392	15,360	15,118
Loan-to-value ratio			
95.01% and above	3,431	2,538	1,909
90.01% to 95.00%	10,759	12,313	13,129
80.01% to 90.00%	10,868	11,681	12,582
80.00% and below	747	1,472	1,652
Total	$ 25,805	$ 28,004	$ 29,272
Loan grade			
Prime	$ 23,408	$ 26,025	$ 27,687
A minus and sub-prime	2,397	1,979	1,585
Total	$ 25,805	$ 28,004	$ 29,272
Loan type			
Fixed rate mortgage	$ 24,354	$ 26,619	$ 27,798
Adjustable rate mortgage	1,451	1,385	1,474
Total	$ 25,805	$ 28,004	$ 29,272
Mortgage term			
15 years and under	$ 1,489	$ 1,214	$ 940
More than 15 years	24,316	26,790	28,332
Total	$ 25,805	$ 28,004	$ 29,272

Loans in default and claims

Our default management process begins with notification by the loan servicer of a default on an insured loan. "Default" is defined in our master policies as the borrower's failure to pay when due an amount equal to the scheduled monthly mortgage payment under the terms of the mortgage. Generally, the master policies require an insured to notify us of a default no later than 10 days after the borrower has been in default by three monthly payments. In most cases, however, defaults are reported earlier. We generally consider a loan to be in default and establish reserves if the borrower has failed to make a required mortgage payment for two consecutive months. Borrowers default for a variety of reasons, including a reduction of income, unemployment, divorce, illness, inability to manage credit and interest rate levels. Borrowers may cure defaults by making all of the delinquent loan payments or by selling the property in full satisfaction of all amounts due under the mortgage. In most cases, defaults that are not cured result in a claim under our policy.

The following table sets forth the number of loans insured, the number of loans in default and the default rate for our U.S. mortgage insurance portfolio:

	Historical		
	December 31,		
	2003	2002	2001
Primary Insurance			
Insured loans in force	950,157	993,906	1,064,880
Loans in default	32,207	33,278	33,387
Percentage of loans in default (default rate)	3.4%	3.3%	3.1%
Flow loans in force	839,891	948,224	1,018,895
Flow loans in default	29,787	30,194	30,906
Percentage of flow loans in default (default rate)	3.5%	3.2%	3.0%
Bulk loans in force	110,266	45,682	45,985
Bulk loans in default	2,420	3,084	2,481
Percentage of bulk loans in default (default rate)	2.2%	6.8%	5.4%
A minus and sub-prime loans in force	75,584	63,646	52,934
A minus and sub-prime loans in default	6,881	5,547	4,271
Percentage of A minus and sub-prime loans in default (default rate)	9.1%	8.7%	8.1%
Pool Insurance			
Insured loans in force	37,702	55,195	88,987
Loans in default	855	1,505	2,135
Percentage of loans in default (default rate)	2.3%	2.7%	2.4%

Primary insurance default rates differ from region to region in the U.S. at any one time depending upon economic conditions and cyclical growth patterns. The two tables below set forth our primary default rates for the various regions of the U.S. and the ten largest states by our risk in force as of December 31, 2003. Default rates are shown by region based upon location of the underlying property, rather than the location of the lender.

	Percent of primary risk in force as of December 31,	Default rate		
		December 31,		
	2003	2003	2002	2001
U.S. Regions				
Southeast(1)	22%	3.59%	3.51%	3.36%
South Central(2)	16%	3.65%	3.45%	3.06%
Northeast(3)	13%	3.88%	3.87%	3.85%
Pacific(4)	13%	2.54%	2.94%	2.90%
North Central(5)	12%	2.71%	2.94%	2.84%
Great Lakes(6)	9%	4.33%	4.08%	3.47%
Plains(7)	6%	2.54%	2.43%	2.23%
Mid-Atlantic(8)	5%	2.94%	3.25%	3.26%
New England(9)	4%	2.79%	2.82%	2.48%
Total	100%	3.38%	3.34%	3.14%

(1) Alabama, Arkansas, Florida, Georgia, Mississippi, North Carolina, South Carolina and Tennessee.

(2) Arizona, Colorado, Louisiana, New Mexico, Oklahoma, Texas and Utah.

(3) New Jersey, New York and Pennsylvania.

(4) Alaska, California, Hawaii, Nevada, Oregon and Washington.

(5) Illinois, Minnesota, Missouri and Wisconsin.

(6) Indiana, Kentucky, Michigan and Ohio.

(7) Idaho, Iowa, Kansas, Montana, Nebraska, North Dakota, South Dakota and Wyoming.

(8) Delaware, Maryland, Virginia, Washington, D.C. and West Virginia.

(9) Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

	Percent of primary risk in force as of December 31,	Default rate December 31,		
	2003	2003	2002	2001
Florida	7.79%	2.75%	3.08%	3.39%
California	7.14%	1.91%	2.45%	2.69%
Texas	6.73%	4.15%	3.80%	3.41%
New York	5.61%	3.47%	3.46%	3.70%
Illinois	5.31%	3.23%	3.66%	3.76%
Pennsylvania	3.82%	4.38%	4.49%	4.34%
North Carolina	3.82%	4.12%	3.68%	3.27%
Georgia	3.57%	4.68%	4.40%	3.95%
Ohio	3.52%	4.64%	4.20%	3.67%
Arizona	3.52%	3.18%	3.52%	2.92%

Claim activity is not spread evenly throughout the coverage period of a primary insurance book of business. Based upon our experience, the majority of claims on primary mortgage insurance loans occur in the third through seventh years after loan origination, and relatively few claims are paid during the first two years after loan origination. Primary insurance written from the period from January 1, 1998 through December 31, 2001 represented 20% of our primary insurance in force as of December 31, 2003. This portion of our loan portfolio is in its expected peak claim period with respect to traditional primary loans. We believe our "A minus" and "sub-prime" loans will have earlier incidences of default than our prime loans. "A minus" loans represented 2.7% of our primary insurance in force as of December 31, 2003 and 1.5% as of December 31, 2002, and "sub-prime" loans represented 5.1% of our primary insurance in force as of December 31, 2003 and 5.1% as of December 31, 2002.

The following table sets forth the dispersion of our primary insurance in force and risk in force as of December 31, 2003, by year of policy origination and average annual mortgage interest rate since we began operations in 1981:

Policy Year	Average rate	Primary insurance in force	Percent of total	Primary risk in force	Percent of total
1981-92	9.20%	$ 2,163	1.77%	$ 480	1.86%
1993	7.41%	1,585	1.30%	329	1.28%
1994	7.66%	1,803	1.47%	391	1.52%
1995	8.21%	1,294	1.06%	347	1.34%
1996	7.90%	1,499	1.23%	402	1.56%
1997	7.82%	1,375	1.12%	367	1.42%
1998	7.11%	3,846	3.15%	973	3.77%
1999	7.26%	4,915	4.02%	1,198	4.64%
2000	8.06%	3,404	2.78%	808	3.13%
2001	7.44%	12,076	9.88%	2,819	10.93%
2002	6.51%	25,776	21.09%	5,861	22.71%
2003	5.63%	62,491	51.13%	11,830	45.84%
Total portfolio	6.37%	$ 122,227	100.00%	$ 25,805	100.00%

Primary mortgage insurance claims paid for the year ended December 31, 2003 were $99 million, compared to $80 million and $81 million for the years ended December 31, 2002 and 2001, respectively. Pool insurance claims paid for the year ended December 31, 2003 were $1 million, compared to $2.8 million and $4.0 million for the years ended December 31, 2002 and 2001, respectively.

The frequency of defaults may not correlate directly with the number of claims received because the rate at which defaults are cured is influenced by borrowers' financial resources and circumstances and regional economic differences. Whether an uncured default leads to a claim principally depends upon the borrower's equity at the time of default and the borrower's or the insured's ability to sell the home for an amount sufficient to satisfy all amounts due under the mortgage loan. When we receive notice of a default, we use a proprietary model to determine whether a delinquent loan is a candidate for work-out. When the model identifies such a candidate, our loan workout specialists prioritize cases for loss mitigation based upon the likelihood that the loan will result in a claim. Loss mitigation actions include loan modification, extension of credit to bring a loan current, foreclosure forbearance, pre-foreclosure sale, and deed-in-lieu. We believe these loss mitigation efforts often are an effective way to reduce our claim exposure and ultimate payouts.

Our policies require the insured to file a claim with us, specifying the claim amount (unpaid principal, interest and expenses), no later than 60 days after it has acquired title to the underlying property, usually through foreclosure. The claim amount is subject to our review and possible adjustment. Depending upon the applicable state foreclosure law, an average of approximately 16 months elapse from the date of default to the filing of a claim on an uncured default. Our master policies exclude coverage for physical damage whether caused by fire, earthquake or other hazard where the borrower's default was caused by an uninsured casualty.

We have the right to rescind coverage and refuse to pay a claim if it is determined that the insured or its agents misrepresented material information in the insurance application. In addition, where loans are underwritten by lenders through our delegated underwriting program, we have the right to rescind coverage if the loan was not underwritten in compliance with our approved guidelines.

Within 60 days after a claim and supporting documentation have been filed, we have the option:

- to pay the claim amount, multiplied by coverage percentage specified in the certificate of insurance;

- in the event the property is sold pursuant to an agreement made prior to payment of the claim, which we refer to as a pre-arranged sale, to pay the lesser of 100% of the claim amount less the proceeds of sale of the property, or the claim amount multiplied by the coverage percentage; or

- to pay the lender an amount equal to the unpaid loan principal, delinquent interest and certain expenses incurred with the default and foreclosure, and acquire title to the property. We bear the risk of any loss in connection with the acquisition and sale of the property.

For the year ended December 31, 2003, we settled a majority of the primary insurance claims processed for payment on the basis of a pre-arranged sale.

Titles to the properties that we purchased have been sold to, and will continue to be held by, GE Mortgage Services, an affiliate of GE. As of December 31, 2003, GE Mortgage Services owned approximately $5 million of residential properties from claim settlements. In addition, GE Mortgage Services held $11 million in residential loans as of December 31, 2003 relating to loss mitigation activities, for which we have indemnified it against loss.

The ratio of the claim paid to the unpaid principal amount multiplied by the coverage percentage is referred to as "claim severity." The main determinants of claim severity are the age of the mortgage loan, the value of the underlying property, accrued interest on the loan, expenses advanced by the insured and foreclosure expenses. These amounts depend partly upon the time required to complete foreclosure, which varies depending upon state laws. Pre-foreclosure sales, acquisitions and other early workout efforts help to reduce overall claim severity. Our average primary mortgage insurance claim severity was 93%, 93% and 97% for the years 2003, 2002 and 2001, respectively.

Competition

We compete primarily with U.S. and state government agencies, other private mortgage insurers, mortgage lenders and other investors, the GSEs and, potentially, the Federal Home Loan Banks. We also compete, indirectly, with structured transactions in the capital markets and with other financial instruments designed to mitigate credit risk.

U.S. and state government agencies. We and other private mortgage insurers compete for flow business directly with U.S. federal and state governmental and quasi-governmental agencies, principally the FHA and, to a lesser degree, the VA. The following table sets forth the relative mortgage insurance market share of FHA/VA and private mortgage insurers over the past five years:

	U.S. federal government and private mortgage insurance market share				
	December 31,				
	2003	2002	2001	2000	1999
FHA/VA	36.4%	35.6%	37.3%	41.4%	47.6%
Private mortgage insurance	63.6%	64.4%	62.7%	58.6%	52.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: *MICA 2002 Factbook (1999-2002), IMF (2003)*

Loans insured by the FHA cannot exceed maximum principal amounts that are determined by a percentage of the conforming loan limit. For 2004, the maximum FHA loan amount for homes with one dwelling unit in "high cost" areas is $290,319. Although the VA does not specify a maximum loan limit, VA loans are generally $240,000 or less. We and other private mortgage insurers are not limited as to maximum individual loan amounts that we can insure.

In January 2001, the FHA reduced the up-front mortgage insurance premium it charges on loans from 2.25% to 1.5% of the original loan amounts. The FHA has also streamlined its down-payment formula, making FHA insurance more competitive with private mortgage insurance in areas with higher home prices. These and other legislative and regulatory changes could cause future demand for private mortgage insurance to decrease.

In addition to competition from the FHA and the VA, we and other private mortgage insurers face competition from state-supported mortgage insurance funds in several states, including California, Illinois and New York. From time to time, other state legislatures and agencies consider expansions of the authority of their state governments to insure residential mortgages.

Government entities with which we compete typically do not have the same capital requirements and do not have the same profit objectives as we do. Although private companies establish pricing terms for their products to achieve targeted returns, these government entities may offer products on terms designed to accomplish social or political objectives or reflect other non-economic goals.

Private mortgage insurers. The private mortgage insurance industry is highly competitive. The private mortgage insurance industry currently consists of seven mortgage insurers plus our company.

The other companies are Mortgage Guaranty Insurance Corporation; PMI Mortgage Insurance Company; CMG Mortgage Insurance Company, a joint venture in which PMI is one of the partners; Radian Guaranty Inc.; Republic Mortgage Insurance Co., an affiliate of Old Republic International; Triad Guaranty Insurance Corp.; and United Guaranty Residential Insurance Company, an affiliate of American International Group, Inc. Assured Guaranty Ltd., currently a subsidiary of ACE Limited, has announced its intention to offer mortgage insurance in the U.S., and we believe other companies also may be considering offering mortgage insurance.

Mortgage lenders and other investors. We and other mortgage insurers compete with transactions structured by mortgage lenders to avoid mortgage insurance on low-down-payment mortgage loans. These transactions include self-insuring and simultaneous second loans, which separate a mortgage with a loan-to-value ratio of more than 80%, which generally would require mortgage insurance, into two loans, a first mortgage with a loan to-value-ratio of 80% and a simultaneous second mortgage for the excess portion of the loan. Simultaneous second loans are also often known as "80-10-10 loans," because they often comprise a first mortgage with an 80% loan-to-value ratio, a second mortgage with a 10% loan-to-value ratio and the remaining 10% paid in cash by the buyer, rather than a first mortgage with a 90% loan-to-value ratio. However, simultaneous seconds also can be structured as 80-15-5 loans or 80-20-0 loans, as well as other configurations.

Over the past several years, we believe the volume of simultaneous second loans as an alternative to loans requiring private mortgage insurance has increased substantially. We believe this recent increase reflects the following factors:

- the lower cost of simultaneous second loans compared to the cost of mortgage insurance, due to the current low-interest-rate environment and the emerging popularity of 15- and 30-year amortizing simultaneous seconds;

- the fact that second mortgage interest is generally tax-deductible, whereas mortgage insurance payments currently are not tax-deductible (although from time to time there have been proposed legislative initiatives to permit deductions for mortgage insurance payments); and

- adverse consumer, broker and realtor perceptions of private mortgage insurance.

Mortgage lenders also may compete with mortgage insurers as a result of legislation that has removed restrictions on affiliations between banks and insurers. The Graham-Leach-Bliley Act of 1999 permits the combination of banks, insurers and securities firms under one holding company. This legislation may increase competition by increasing the number, size and financial strength of potential competitors. In addition, mortgage lenders that establish or affiliate with competing mortgage insurers may reduce their purchases of our products.

We also compete with structured transactions in the capital markets and with other financial instruments designed to mitigate the risk of mortgage defaults, such as credit default swaps and credit linked notes, with lenders who forego mortgage insurance (self-insure) on loans held in their portfolios, and with mortgage lenders who maintain captive mortgage insurance and reinsurance programs.

The GSEs—Fannie Mae and Freddie Mac. As the predominant purchasers of conventional mortgage loans in the U.S., Fannie Mae and Freddie Mac provide a direct link between mortgage origination and capital markets. As discussed above under "—Primary mortgage insurance," most high loan-to-value mortgages purchased by Fannie Mae or Freddie Mac are insured with private mortgage insurance issued by an insurer deemed qualified by the GSEs. Our mortgage insurance company is a qualified insurer with both GSEs.

Private mortgage insurers may be subject to competition from Fannie Mae and Freddie Mac to the extent the GSEs are compensated for assuming default risk that would otherwise be insured by the private mortgage insurance industry. Fannie Mae and Freddie Mac each have programs under which an up-front delivery fee may be paid to the GSE so that primary mortgage insurance coverage may be substantially reduced compared to the coverage requirements that would apply in the absence of the fee payment. Moreover, in October 1998, Freddie Mac's charter was amended to give Freddie Mac flexibility to use credit enhancements other than private mortgage insurance for low-down-payment mortgages. Although this amendment was repealed, if the legislation is reintroduced and adopted, and the GSEs permitted to purchase low-down-payment loans that are not insured by private mortgage insurance, it is likely that the size of the market for private mortgage insurance would contract significantly.

The GSEs are currently subject to oversight by the Department of Housing and Urban Development, or HUD. In October 2000, HUD announced new GSE mortgage purchase requirements, known as affordable housing goals. Under these goals, which became effective in 2001, at least 50% of all loans purchased by the GSEs must support low- and moderate-income homebuyers, and 31% of such loans must be on properties in underserved areas. We believe that the GSEs' goals to expand purchases of affordable housing loans have increased the size of the mortgage insurance market. The GSEs also have expanded programs to include commitments to purchase certain volumes of loans with loan-to-value ratios greater than 95%.

Private mortgage insurers must satisfy requirements set by the GSEs to be eligible to insure loans sold to the GSEs, and the GSEs have the ability to implement new eligibility requirements for mortgage insurers. They also have the authority to change the pricing arrangements for purchasing retained-participation mortgages as compared to insured mortgages, increase or reduce required mortgage insurance coverage percentages, and alter or liberalize underwriting standards on low-down-payment mortgages they purchase.

Federal Home Loan Banks. In October 1999, the Federal Housing Finance Board, or FHF Board, adopted resolutions that authorize each Federal Home Loan Bank, or FHLB, to offer Mortgage Partnership Finance Programs, or MPF Programs, to purchase single-family conforming mortgage loans originated by participating member institutions. In July 2000, the FHF Board gave permanent authority to each FHLB to purchase these loans from member institutions without any volume cap. Purchases of loans under the MPF Program have steadily increased in the past several years.

The MPF Program is similar to the purchase of mortgage loans by the GSEs. Although not required to do so, the FHLBs currently use mortgage insurance on substantially all mortgage loans with a loan-to-value ratio above 80% and have become a source of increasing new business for us. However, to the extent that the FHLBs purchased uninsured mortgage loans or used other credit-enhancement products, the MPF Program could result in a decrease in the size of the market for private mortgage insurance.

International mortgage insurance

We have significant mortgage insurance operations in Australia and Canada, two of the largest markets for mortgage insurance products outside the U.S., as well as in the smaller New Zealand market and the developing European market. The net premiums written in our international mortgage insurance business have increased by a compound annual growth rate of 46% for the three years ended December 31, 2003. Insurance in-force for our international mortgage insurance business contributed 53% of our total insurance in-force as of December 31, 2003, compared to 40% as of December 31, 2002.

The mortgage loan markets in the U.S., Canada, Australia and New Zealand are well developed. Although mortgage insurance plays an important role in each of these markets, the markets vary significantly and are influenced in large part by the different cultural, economic and regulatory conditions in each market. We believe the following factors have contributed to the growth of robust mortgage insurance demand in these countries:

- A desire by lenders to offer low-down-payment mortgage loans to facilitate the expansion of their business;
- The recognition of the higher default risk inherent in low-down-payment lending and the need for specialized underwriting expertise to conduct this business prudently;
- Government housing policies that support increased homeownership;
- Government policies that support the use of securitization and secondary market mortgage sales, in which third-party credit enhancement is often used, as a source of funding and liquidity for mortgage lending; and
- Bank regulatory capital policies that provide incentives to lenders to transfer some or all of the increased credit risk on low-down-payment mortgages to third parties, such as mortgage insurers.

We believe a number of these factors are becoming evident in certain markets throughout Europe and Asia and provide attractive opportunities for us to expand our mortgage insurance business in those markets.

Based upon our experience in the mature markets, we believe a favorable regulatory framework is important to the development of an environment in which lenders routinely extend high loan-to-value loans and use products such as mortgage insurance to protect against default risk or obtain capital relief. As a result, we have advocated that governmental and policymaking agencies throughout our markets adopt legislative and regulatory policies that support increased homeownership and capital relief for lenders and mortgage investors that insure their loan portfolios with private mortgage insurance. Although the products we offer in each of our international markets differ, they represent substantially similar risk propositions and involve similar business practices. We have developed significant expertise in mature markets, and we intend to leverage this experience in developing markets as we continue to encourage regulatory authorities to implement incentives for private mortgage insurance as an effective risk management strategy.

We believe the proposed revisions to a set of regulatory rules and procedures governing global bank capital standards that were introduced by the Basel Committee of the Bank for International Settlements, known as Basel II, also may encourage further growth of international mortgage insurance. Basel II, which is expected to become effective in 2006, has been designed to reward banks that have developed effective risk management systems by allowing them to hold less capital than banks with less effective systems. For example, Basel II may reward a lender that transfers some risk of mortgage default to a third-party insurer by reducing the amount of capital that the lender must hold to back a mortgage. However, the details of the regulatory capital requirements in Basel II remain under discussion, and therefore we cannot predict the benefits that ultimately will be provided to lenders, or how any such benefits may affect the opportunities for the growth of mortgage insurance.

We also intend to expand into Asian countries that have high demand for mortgage loan financing and underserved housing needs. We believe lenders in these countries will seek to expand their consumer mortgage loan portfolios, while maintaining strong risk and capital management routines. With the expected implementation of the new Basel II standards, we believe we will be well positioned to assist lenders in these markets in meeting those goals and in complying with the anticipated complexity of the risk-based capital and operating standards.

Canada

We entered the Canadian mortgage insurance market in 1995 with our acquisition of certain assets and employees from the Mortgage Insurance Corporation of Canada, and we now operate in every province and territory. We are the only private mortgage insurer in the Canadian market. Our mortgage insurance operations in Canada accounted for approximately 55% of our total international mortgage insurance revenues for the year ended December 31, 2003.

Products

We offer two products in Canada: primary flow insurance and portfolio credit enhancement insurance. As of December 31, 2003, primary flow insurance represented 77% and portfolio credit enhancement represented 23% of our mortgage insurance in force. Our principal product is primary flow insurance, which is similar to the primary flow insurance we offer in the U.S. Regulations in Canada require the use of mortgage insurance for all mortgage loans extended by banks, trust companies and insurers, where the loan-to-value ratio exceeds 75%. Mortgage insurance in Canada is typically single premium and provides 100% coverage, in contrast to the U.S., where monthly premiums and lower coverage levels are typical. Under the single-premium plan, lenders usually collect the single premium from prospective borrowers at the time the loan proceeds are advanced and remit the amount to us as the mortgage insurer. We in turn allocate most of the proceeds to unearned premium reserves, invest those proceeds and recognize the premium revenues over time according to an actuarially determined multi-year schedule.

We also provide portfolio credit enhancement insurance to lenders that have originated loans with loan-to-value ratios of less than 75%. These policies provide lenders with immediate capital relief from applicable bank regulatory capital requirements and facilitate the securitization of mortgages in the Canadian market. In both primary flow insurance and portfolio policies, our mortgage insurance in Canada provides insurance coverage for the entire unpaid loan balance, including interest, selling costs and expenses, following the sale of the underlying property.

The leading mortgage product in the Canadian market is a mortgage with the interest rate fixed for the first five years of the loan. After the fifth year, the loan becomes due and payable and the borrower must negotiate its renewal, at which time the borrower may choose to have the interest rate float or have it fixed for an additional period. Lenders typically charge a mortgage pre-payment penalty that serves as a disincentive for borrowers to refinance their mortgages. Changes in interest rates, adverse economic conditions and high levels of borrowing affect the frequency of defaults and claims with respect to these loans, which may adversely affect our loss experience.

Government guarantee

We have an agreement with the Canadian government under which it guarantees the benefits payable under a mortgage insurance policy, less 10% of the original principal amount of an insured loan, in the event that we fail to make claim payments with respect to that loan because of insolvency. We pay the Canadian government a risk premium for this guarantee and make other payments to a reserve fund in respect of the government's obligation. Because banks are not required to maintain regulatory capital on an asset backed by a sovereign guarantee, our 90% sovereign guarantee permits lenders purchasing our mortgage insurance to reduce their regulatory capital charges for credit risks on mortgages by 90%.

Our agreement with the Canadian government provides that we and the government are entitled to review the terms of the guarantee when certain pricing assumptions have changed or other events have occurred that cause either party to believe that these changes or other events have resulted in unfairness, prejudice or obvious hardship. In this event, the agreement requires us to negotiate in good faith for six months to make such modifications as are required to remove or modify the unfairness, prejudice or obvious hardship. If we and the government are unable to agree on appropriate changes to the guarantee, the matter must be referred to binding arbitration.

In addition, our agreement with the Canadian government provides that the government has the right to review the terms of the guarantee if GE's ownership of our Canadian mortgage insurance company decreases below 50% or certain other events occur that affect the purposes of the agreement or the government's risk or exposure under the guarantee. In this event, the agreement requires us to negotiate in good faith to make such modifications as are required to remove or modify any unfairness, prejudice or obvious hardship that may have resulted from the change in ownership or other events. If we are unable to agree on appropriate modifications within six months, the agreement may be terminated for any new insurance written after the termination. GE has informed us that it expects to reduce its equity ownership of us to below 50% within two years of the completion of this offering. That disposition would permit the Canadian government to review the terms of its guarantee and could lead to a modification or termination of the guarantee. Although we believe the Canadian government will preserve the guarantee to maintain competition in the Canadian mortgage insurance industry, any adverse change in the guarantee's terms and conditions or termination of the guarantee could have a material adverse effect on our ability to continue offering mortgage insurance products in Canada.

Customers

The nine largest mortgage originators in Canada, consisting of banks, trust companies, and credit unions, collectively provide more than 80% of the financing for Canada's residential mortgage financing. These nine originators provided us with 85% of our new insurance written for the year ended December 31, 2003, compared with 86% for the year ended December 31, 2002 and 89% for the year ended December 31, 2001. Other market participants include regional banks, trust companies, and credit unions.

Competitors

The only other mortgage insurance competitor in Canada is the Canada Mortgage and Housing Corporation, or CMHC, which is a Crown corporation owned by the Canadian government. Because CMHC is a government-owned entity, its mortgage insurance provides lenders with 100% capital relief from bank regulatory requirements. CMHC also operates the Canadian Mortgage Bond Program, which provides lenders the ability to efficiently guaranty and securitize their mortgage loan portfolios. We compete with CMHC primarily based upon our reputation for high-quality customer service, quick decision-making on insurance applications, strong underwriting expertise and flexibility in terms of product development. In July 2003 the CMHC announced a 15% reduction in rates, which we have matched. This rate reduction, as well as any further similar actions taken by the CMHC, may cause our future revenue in our Canadian mortgage insurance business to decline. In addition, as in other markets, we compete in Canada with alternative products and financial structures, such as credit default swaps and captive insurers owned by lenders, that are designed to transfer credit default risk on mortgage loans.

Australia and New Zealand

We entered the Australian mortgage insurance market in 1997 with our acquisition of the operating assets of the Housing Loans Insurance Corporation, or HLIC, from the Australian government. We entered the New Zealand mortgage insurance market in 1999 as an expansion of our Australian operations. Our mortgage insurance operations in Australia and New Zealand accounted for approximately 36% of our total international mortgage insurance revenues for the year ended December 31, 2003.

Products

In Australia and New Zealand, we offer primary flow insurance, known as "lenders mortgage insurance," or LMI, and portfolio credit enhancement policies. As of December 31, 2003, LMI represented 89% and portfolio credit enhancement represented 11% of our mortgage insurance in force in Australia and New Zealand. Our principal product is LMI, which is similar to the primary flow insurance we offer in Canada, with single premiums and 100% coverage. Lenders usually collect the single premium from prospective borrowers at the time the loan proceeds are advanced and remit the amount to us as the mortgage insurer. We in turn allocate most of the proceeds to unearned premium reserves, invest those proceeds and recognize the premium revenues over time according to an actuarially determined multi-year schedule.

We provide LMI on a flow basis to two types of customers: banks, building societies and credit unions; and non-bank mortgage originators, called mortgage managers. Banks, building societies and credit unions generally acquire LMI only for residential mortgage loans with loan-to-value ratios above 80%, because reduced capital requirements apply to high loan-to-value residential mortgages only if they have been insured by an "A" rated, or equivalently rated, mortgage insurance company that is regulated by the Australian Prudential Regulation Authority, or APRA. Our insurance subsidiary that serves the Australian and New Zealand markets has financial-strength ratings of "AA" (Very Strong) from S&P and Fitch and a rating of "Aa2" (Excellent) from Moody's. There is no comparable capital incentive to purchase mortgage insurance for mortgages with loan-to-value ratios below 80%. The "AA" rating is the third-highest of S&P's 21 ratings categories and the third-highest of Fitch's 24 ratings categories. The "Aa2" rating is the third-highest of Moody's 21 ratings categories.

Mortgage managers fund their operations primarily through the issuance of mortgage-backed securities. Because they are not regulated by APRA, they do not have the same capital incentives as banks for acquiring LMI. However, they use LMI as the principal form of credit enhancement for these securities and generally purchase insurance for every loan they originate, without regard to the loan-to-value ratio.

We also provide portfolio credit enhancement policies to APRA-regulated lenders that have originated loans for securitization in the Australian market. Portfolio mortgage insurance serves as an important source of credit enhancement for the Australian securitization market, and our portfolio credit enhancement coverage generally is purchased for low loan-to-value, seasoned loans written by APRA-regulated institutions. To date, a market for these portfolio credit enhancement policies has not developed in New Zealand to the same extent as in Australia.

In both primary LMI and portfolio credit enhancement policies, our mortgage insurance provides insurance coverage for the entire unpaid loan balance, including selling costs and expenses, following the sale of the security property. Most of the loans we insure in Australia and New Zealand are variable rate mortgages with loan terms of between 20 and 30 years.

In connection with our acquisition of the operating assets of HLIC in 1997, we agreed to service a mortgage insurance portfolio that was retained by the Australian government. We receive a small amount of management fees for handling claims and providing loss mitigation and related services, but we did not acquire HLIC's originated insurance policies and do not bear any risk on those policies.

Customers

The ten largest mortgage originators in Australia, consisting of seven banks and three mortgage managers, collectively provide more than 80% of Australia's and New Zealand's residential mortgage financing. These ten originators provided us with 78% of our new insurance written for the year ended December 31, 2003, compared with 77% and 74% for the years ended December 31, 2002 and 2001, respectively. Other market participants in Australian and New Zealand mortgage lending include regional banks, building societies and credit unions.

Competitors

The Australian and New Zealand mortgage insurance markets are served by one other independent LMI company, PMI, as well as various lender-affiliated captive mortgage insurance companies. We compete with PMI primarily based upon our reputation for high-quality customer service, quick decision making on insurance applications, strong underwriting expertise and flexibility in terms of product development. As in Canada, we also compete in Australia and New Zealand with alternative products and financial structures that are designed to transfer credit default risk on mortgage loans.

APRA's license conditions require Australian mortgage insurance companies, including ours, to be mono-line insurers, which are insurance companies that offer just one type of insurance product. However, in November 2003, APRA announced that it is considering, and has sought comment on, a proposal to eliminate the requirement that mortgage insurance companies be mono-line insurers, which APRA believes could facilitate the entry of new competitors.

Europe

We began our European operations in 1994 in the U.K., which is Europe's largest market for mortgage loan originations. We expanded into five additional countries between 1999 and 2003, and we continue to explore opportunities in other European countries. Mortgage insurance originating in the U.K. accounted for approximately 81% of our European mortgage insurance in force as of December 31, 2003. This large concentration in the U.K. is attributable primarily to the fact that we have been operating in that country considerably longer than in any other European country. Our mortgage insurance operations in Europe accounted for approximately 9% of our total international mortgage insurance revenues for the year ended December 31, 2003.

Products

Our European business currently consists principally of primary flow insurance on adjustable-rate mortgages. As is the case in our other non-U.S. markets, most primary flow insurance policies written in Europe are structured with single premium payments. Our primary flow insurance generally provides first-loss coverage in the event of default on a portion (typically 10%-20%) of the balance of an individual mortgage loan. We believe that, over time, there is an opportunity to provide additional products with higher coverage percentages to reduce the risks to lenders of low-down-payment lending to levels similar to those in more mature mortgage insurance markets. We also recently began offering portfolio credit enhancement policies to lenders that have originated loans for securitization in select European markets.

Customers

As a result of our strategy to expand organically into new markets in Europe with attractive growth potential, our portfolio of international mortgage insurance in force in Europe is concentrated in the countries where we have been active for the longest period of time and with customers with whom we have been doing business for the longest period of time. We expect this concentration to diminish over time. Our customers are primarily banks and mortgage investors, and our largest customer in Europe, which is a bank in the U.K., accounted for 48% of our new insurance written in the European markets for the year ended December 31, 2003, compared with 67% and 92% for the years ended December 31, 2002 and 2001, respectively. This customer periodically reviews its needs for external risk mitigation, including mortgage insurance, and recently has indicated to us that it may cease to purchase mortgage insurance. We are in discussions regarding alternative arrangements to retain our relationship with this customer. In any event, we believe that any decline in new insurance written with this customer will be offset by increased business from our existing and future customers.

Competitors

Our European business faces competition from both traditional mortgage insurance companies as well as providers of alternative credit enhancement products. Our competitors are both public and private entities. Public mortgage guarantee facilities exist in The Netherlands, Sweden, Finland and Italy, which provide (except in The Netherlands) first-loss coverage at premium rates and coverage levels similar to ours. We also face competition from affiliates of other U.S. private mortgage insurers, such as PMI, Radian and United Guaranty Residential Insurance Company, as well as multi-line insurers primarily in the U.K. and the Republic of Ireland, such as Norwich Union, Legal & General and Royal & SunAlliance. In April 2004, PMI purchased Royal & SunAlliance's mortgage insurance business in the U.K.

We also face competition from alternative credit enhancement products, such as personal guarantees on high loan-to-value loans, second mortgages and bank guarantees, and captive insurance companies organized by lenders. Lenders also have sought other forms of risk transfer, such as the use of capital market solutions through credit derivatives. In addition, some European lenders have chosen to price for and retain the additional credit risk, effectively self-insuring their low-down-payment loans. We believe that our global expertise, coverage flexibility, and strong ratings provide a very valuable offering compared with competitors and alternative products.

Loan portfolio

The following table sets forth selected financial information regarding the effective risk in force of our international mortgage insurance loan portfolio as of the dates indicated:

	Historical		
	December 31,		
(Dollar amounts in millions)	2003	2002	2001
Loan-to-value ratio			
95.01% and above	$ 132	$ 12	$ 11
90.01% to 95.00%	11,549	6,884	4,486
80.01% to 90.00%	15,762	8,718	5,563
80.00% and below	15,926	10,091	6,651
Total	$ 43,369	$ 25,705	$ 16,711
Loan type			
Fixed rate mortgage	$ —	$ —	$ —
Adjustable rate mortgage	43,369	25,705	16,711
Total	$ 43,369	$ 25,705	$ 16,711
Mortgage term			
15 years and under	$ 17,493	$ 11,813	$ 8,694
More than 15 years	25,876	13,892	8,017
Total	$ 43,369	$ 25,705	$ 16,711

Our businesses in Australia, New Zealand and Canada currently provide 100% coverage on the majority of the loans we insure in those markets. The table above presents effective risk in force, which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in force has been calculated by applying to insurance in force a factor that represents our highest expected average per-claim payment for any one underwriting year over the life of our businesses in Australia, New Zealand and Canada. As of December 31, 2003 this factor was 35% in each of Australia, New Zealand and Canada.

Loans in default and claims

The claim process in our international mortgage insurance business is similar to the process we follow in our U.S. mortgage insurance business. "See—Mortgage Insurance—U.S. mortgage insurance—Loans in default and claims." The following table sets forth the number of loans insured, the number of loans in default and the default rate for our international mortgage insurance portfolio:

	Historical		
	December 31,		
	2003	2002	2001
Primary insurance			
Insured loans in force	1,282,731	1,054,703	790,294
Loans in default	4,926	3,641	3,471
Percentage of loans in default (default rate)	0.4%	0.4%	0.4%
Flow loans in force	1,044,131	753,314	549,039
Flow loans in default	4,679	3,268	3,262
Percentage of flow loans in default (default rate)	0.5%	0.4%	0.6%
Portfolio credit enhancement loans in force	238,600	301,389	241,255
Portfolio credit enhancement loans in default	247	373	209
Percentage of portfolio credit enhancement loans in default (default rate)	0.1%	0.1%	0.1%

Corporate and Other

Our Corporate and Other segment consists of net realized investment gains (losses), and unallocated corporate income and expenses (including amounts accrued in settlement of class action lawsuits), interest, and other financing expenses that are incurred at our holding company level. This segment also includes the results of Viking Insurance Company, GE Seguros and a few other small, non-core businesses that are managed outside our operating segments.

Our subsidiary, Viking Insurance Company, is a Bermuda-based reinsurer primarily of leased equipment insurance and consumer credit insurance underwritten by American Bankers Insurance Company, or ABIC. GE's Vendor Financial Services business purchases property and casualty insurance from ABIC on behalf of certain of its lessees to cover leased equipment. ABIC then reinsures those policies with Viking. GE's Card Services business develops and markets credit insurance through credit card issuers, retailers and banks. These credit insurance policies also are underwritten by ABIC and then reinsured with Viking.

Viking also has an in-force block of reinsurance of U.S. and Canadian consumer auto warranties and property and casualty gap insurance that protects consumers from the risk of loss on any difference between the value of an automobile and any loans secured by it. We do not intend to enter into any new warranty or gap insurance reinsurance treaties, and we intend to place the existing treaties in run-off, with the remaining program expiring over the next four years.

GE has informed us that Vendor Financial Services intends to cease purchasing new insurance coverage on behalf of lessees through ABIC, as of March 1, 2004, and Card Services intends to phase out marketing credit insurance over the next several years. GE Capital has agreed to take all commercially reasonable efforts to maintain the relevant existing insurance and reinsurance relationships, but we expect Viking's reinsurance programs with GE's Card Services business and Vendor Financial Services to decline steadily over the next several years and, ultimately, be discontinued. With respect to Card Services' credit insurance, GE Capital may decide to encourage a switch of existing coverages to another program. In that event, GE Capital has agreed to pay Viking an amount equal to the net underwriting income that Viking is projected to receive as reinsurer from the date of discontinuation of any credit insurance program through December 31, 2008. See "Agreements Between GE and our Company—Relationship with GE—Agreement Regarding Continued Reinsurance by Viking."

Our subsidiary, GE Seguros, is a small Mexican-domiciled multi-line insurer. We acquired this business in 1995 and currently hold 99.6% of its outstanding shares. GE Seguros is licensed to sell property and casualty, life and health insurance in Mexico.

GE Seguros currently writes primarily motor vehicle coverage for personal and commercial domestic vehicles and personal coverage for tourist vehicles. It also writes a small amount of homeowners', commercial property, transport and life insurance. GE Seguros distributes its products through independent agents in Mexico and, for the tourist auto business, it also distributes its products through agents located in key U.S. border locations. GE Seguros maintains agency relationships through its branch offices in ten major Mexican cities.

Viking, GE Seguros and other small, non-core businesses had aggregate net earnings of $28 million, $42 million and $47 million for the years ended December 31, 2003, 2002 and 2001.

Distribution

We distribute our products through an extensive and diversified distribution network that is balanced between independent sales intermediaries, including financial intermediaries and independent producers, and dedicated sales specialists. We believe this access to a variety of distribution channels enables us to respond effectively to changing consumer needs and distribution trends. We have strategically positioned our multi-channel distribution network to capture a broad share of the distributor and consumer markets and to accommodate different consumer preferences in how to purchase insurance and financial services products.

Protection and Retirement Income and Investments segments

Our Protection and Retirement Income and Investments segments both distribute their products through the following channels:

- Financial intermediaries, including banks, securities brokerage firms, and independent broker/dealers;
- Independent producers, including brokerage general agencies, affluent market producer groups and specialized brokers; and
- Dedicated sales specialists, including long-term care sales agents and affiliated networks of both accountants and personal financial advisers.

The following table sets forth our annualized first-year premiums and deposits for the products in our Protection and Retirement Income and Investments segments (other than our European payment protection insurance business), categorized by each of our distribution channels. For our European payment protection business, the following table sets forth gross written premiums because historically we have not tracked annualized first-year premiums for this business.

	Historical			
	Year ended December 31, 2003			
(Dollar amounts in millions)	Financial Intermediaries	Independent producers	Dedicated sales specialists	Total
Annualized first-year Premiums and Deposits(1)				
Protection				
Life insurance	$ 10	$ 145	$ 8	$ 163
Long-term care insurance	53	51	136	240
Group life and health insurance	—	144	—	144
Retirement Income and Investments				
Spread-based retail products	1,386	897	84	2,367
Spread-based institutional products(2)	—	3,702	—	3,702
Fee-based products	2,005	803	99	2,907
Gross Written Premiums				
Protection				
European payment protection insurance	1,381	151	—	1,532

(1) Annualized first-year premiums and deposits reflect the amount of business we generated during a specified period. We consider annualized first-year premiums and deposits to be a measure of our operating performance because they represent a measure of new sales of insurance policies and additional investments by our customers during a specified period, rather than a measure of our revenues or profitability during that period.

(2) Deposits on spread-based institutional products include contracts that have matured but are redeposited with our company. In the year ended December 31, 2003, deposits of spread-based institutional products included $1,675 million that was redeposited.

Financial intermediaries

We have selling agreements with approximately 900 financial intermediaries in the U.S., including banks, securities brokerage firms and independent broker/dealers. We use financial intermediaries to distribute a significant portion of our fixed, variable and income annuities and other investment products, and long-term care insurance. They also distribute a small portion of our life insurance policies to their individual clients. We have approximately 100 wholesalers in the U.S. who are our employees and who work to develop sales relationships with new financial intermediaries and to expand sales through existing financial intermediaries. In addition, we have 87 distributors, most of which are financial intermediaries, for our European payment protection insurance products.

Independent producers

Brokerage general agencies. We distribute most of our products, including life insurance, annuities and long-term care insurance through approximately 500 independent brokerage general agencies, or BGAs, located throughout the U.S. Approximately 270 of these BGAs distribute our life insurance, annuities and long-term care insurance products, and approximately 230 of them are long-term care insurance specialists and generally distribute only our long-term care insurance products. These BGAs market our products, and those of other insurance companies, through a network of approximately 243,500 independent brokers who are licensed and appointed to sell our products.

Affluent market producer groups. We have preferred carrier relationships with several industry leading affluent market producer groups. Through these relationships, we have access to approximately 5,000 producers who are licensed and appointed to sell our products. These groups target high-net-worth individuals, which we define to include households with at least $1 million of liquid assets, as well as small to medium-size businesses, which we define as those with fewer than 1,000 employees. We distribute life insurance, long-term care insurance and annuity products through these groups.

Specialized brokers. We distribute many of our products through brokers that specialize in a particular insurance or investment product and deliver customized service and support to their clients. We use a network of approximately 350 specialized independent brokers to distribute income annuities and structured settlements. We believe we have one of the oldest and largest distribution systems for structured settlements, and our relationships with many of these specialized brokers date back more than 20 years. We distribute our group life and health insurance products and services through an independent network of approximately 5,000 licensed group life and health brokers and agents that are supported by our nationwide sales force of approximately 100 employees. These group brokers and agents typically specialize in providing employee benefit and retirement solution services to employers. We also distribute GICs and funding agreements through a group of approximately 35 specialized brokers and investment managers.

Dedicated sales specialists

Long-term care agents. We have approximately 1,800 sales agents who specialize in selling our long-term care insurance products, 70 of which are product specialists who assist our independent sales intermediaries in selling our long-term care insurance products. They also sell our Medicare supplement insurance product and the products of other insurers on a select basis. We employ the individuals who manage and support the dedicated sales specialists. We compensate our long-term care agents primarily on a commission basis. To support lead generation for this channel, we have a comprehensive direct mail and marketing program, including mass marketing and affinity strategies that target members of various organizations, such as travel, social and professional organizations. We also identify prospective customers through educational seminars, policyholder referrals and targeted promotions linked to our national advertising campaigns.

Accountants and personal financial advisers. We have more than 2,000 affiliated personal financial advisers, of whom approximately 1,700 are accountants, who sell our annuity and insurance products including variable products, third-party mutual funds and other investment products through our wholly-owned broker/dealers. In the past several years, accountants have been increasingly responsible for assisting their clients with long-term financial planning, as well as traditional accounting and tax-related services. As a result, we believe accountants provide us with an opportunity for growth as a distribution channel. We distribute primarily annuities and other investment products through this distribution channel.

Mortgage Insurance

We distribute our mortgage insurance products through our dedicated sales force of more than 100 employees located throughout the U.S. This sales force primarily markets to financial institutions and mortgage originators, which in turn offer mortgage insurance products to borrowers. In addition to our field sales force, we also distribute our products through a telephone sales force serving our small lender and broker customer segments, as well as through our "Action Center" which provides live phone and web chat based support for all our customer segments.

We also maintain a dedicated sales force that markets our mortgage insurance products to lenders in Canada, Australia, New Zealand, and Europe. As in the U.S. market, our sales force markets to financial institutions and mortgage originators, who in turn offer mortgage insurance products to borrowers.

Marketing

In addition to the breadth and variety of our distribution channels, we have differentiated our approach to the market through product breadth, technology services, specialized support for our distributors and innovative marketing programs tailored to particular consumer groups. We also have developed a comprehensive strategy to promote our new corporate brand after the completion of our initial public offering and our separation from GE.

We offer a breadth of products that meet the needs of consumers throughout the various stages of their lives. We refer to our approach to product diversity as "smart" breadth because we are selective in the products we offer and strive to maintain appropriate return and risk thresholds when we expand the scope of our product offerings. We believe our reputation for innovation and our smart breadth of products enable us to sustain strong relationships with our distributors and position us to benefit from the current trend among distributors to reduce the number of insurers with whom they maintain relationships, while at the same time they continue to be able to access a broad range of products. We also have developed sophisticated technological tools that enhance performance by automating key processes and reducing response times and process variations. These tools also make it easier for our customers and distributors to do business with us.

We maintain strong relationships with leading distributors by providing a high level of specialized and differentiated distribution support, such as product training, advanced marketing and sales solutions, financial product design for affluent customers and technology solutions that support the distributors' sales efforts and by pursuing joint business improvement efforts. We also sponsor various advisory councils with independent sales intermediaries and dedicated sales specialists to gather their feedback on industry trends, new product suggestions and ways to enhance our relationships. For the past several years, we have offered programs to share our Six Sigma process quality methods with our distributors. To this end, we have participated in a joint business improvement initiative (originally developed by GE), called "At the Customer For the Customer," or ACFC, through which we help our independent sales intermediaries increase sales and realize greater efficiencies in their businesses. We believe ACFC has been favorably received by our distributors and has helped to differentiate us from our competitors. During 2003, our independent sales intermediaries initiated more than 200 projects through the ACFC program.

We have designed innovative marketing programs that target different consumer groups. For example, we sponsor the GE Center for Financial Learning, which provides a web site to promote financial literacy. The site has won more than 35 Internet and industry awards and contains detailed information about various insurance and investment products and financial decisions facing consumers. The site was developed with the help of leading academic experts and financial professionals who also serve on the GE Center for Financial Learning's Advisory Board. This website is devoted solely to financial education and does not sell or promote any products. However, we believe the website contributes to the recognition of our products and services and generates loyalty among independent sales intermediaries and consumers.

We also have been actively marketing our products to U.S. Latino customers, who we believe are substantially underserved by insurance and investment products, despite being the largest minority group in the U.S. As part of this campaign, we recruit Spanish-speaking agents, translate various marketing materials into Spanish, advertise our services on Telemundo Spanish television, participate in Latin American street fairs, and, as part of the GE Center for Financial Learning, operate a Spanish-language web site devoted to financial education for U.S. Latinos.

Our other innovative marketing programs include our two mobile marketing units that visit more than 50 communities each year to generate publicity and sales opportunities for our products, our coordination of the national Long-Term Care Awareness Day, and our sponsorship of the Alzheimer Association's annual Memory Walk across the U.S.

Branding has been, and will continue to be, an important aspect of our total marketing program. We currently use the GE brand name and logo in nearly all our marketing and distribution activities, including product names, product brochures, websites, stationery, signage, advertising and promotions. In addition, many of our insurance subsidiaries incorporate "GE," "General Electric" or "GE Capital" in their corporate names. Pursuant to a transitional trademark license agreement, GE will grant us the right to use the "GE" mark and the "GE" monogram for up to five years in connection with our products and services. GE also will grant us the right to use "GE," "General Electric" and "GE Capital" in the corporate names of our subsidiaries until the earlier of twelve months after the date on which GE owns less than 20% of our outstanding common stock and five years from the date of the trademark license agreement. In addition, insurance regulators in the U.S. and the other countries where we do business could require us to accelerate the transition to our independent brand. See "Arrangements Between GE and Our Company—Relationship with GE—Intellectual Property Arrangements—Transitional Trademark License Agreement."

Our branding strategy is to establish our new Genworth brand expeditiously while we continue to use the GE brand name and logo with customers. We are planning a phased brand rollout. Our first phase will emphasize the relationship between Genworth and the GE brand with continued references to GE and the GE brand in selective marketing materials. Within 12 months of the completion of our initial public offering, we intend to re-brand most standard communications materials with the Genworth logo, name and corporate identity, including the references to GE. During 2004 and 2005, we also intend to promote the Genworth brand through various communications, such as advertising, promotions, print media, the Internet, public relations efforts, and special events for distributors and consumers. We intend to customize our brand transition strategy for each of our distribution channels.

We expect to incur aggregate expenses of approximately $35 million in each of the years ending December 31, 2004, 2005 and 2006 on marketing, advertising and legal entity transition expenses, reflecting primarily the costs of establishing our new brand throughout our business, including with consumers and sales intermediaries.

Risk Management

Overview

Risk management is a critical part of our business, and we have adopted rigorous risk management processes in virtually every aspect of our operations, including product development, underwriting, investment management, asset-liability management, and technology development projects. The primary objective of these risk management processes is to reduce the variations we experience from our expected results. We have an experienced group of more than 130 professionals, including actuaries, statisticians and other specialists, dedicated exclusively to our risk management process. We believe we have benefited from the sophisticated risk management techniques that GE applies throughout its businesses, and we have emphasized our adherence to those techniques as a competitive advantage in marketing and managing our products. We intend to maintain a prudent and highly disciplined risk management strategy as an independent company.

New product introductions

Our risk management process begins with the development and introduction of new products and services. We have established a rigorous product development process that specifies a series of required analyses, reviews and approvals for any new product. This process includes a review of the market opportunity and competitive landscape for each proposed product, major pricing assumptions and methodologies, return expectations, reinsurance strategies, underwriting criteria and business risks and potential mitigating factors. Before we introduce a new product in the market, we establish a monitoring program with specific performance targets and leading indicators, which we monitor frequently to identify any deviations from expected performance so that when necessary, we can take prompt corrective action. All new products require approval by our senior management team. We use a similarly rigorous process to introduce variations to existing products and to introduce existing products through new distribution channels.

Product performance reviews

The Risk Committee for our Protection and Retirement Income and Investments segments includes our President and Chief Executive Officer, Chief Risk Officer, Chief Financial Officer, Head of Product Management, Chief Investment Officer and Chief Actuary. The Risk Committee reviews each of our products on a regular cycle, typically approximately twice per year. These reviews include an analysis of the major drivers of profitability, underwriting performance, variations from expected results, regulatory and competitive environment and other factors affecting product performance. In addition, we initiate special reviews when a product's performance fails to meet any of the indicators we established during that product's introductory review process. If a product does not meet our performance criteria, we consider adjustments in pricing, design and marketing or ultimately discontinuing sales of that product. We review our underwriting, pricing and risk selection strategies on a regular basis to ensure that our products remain progressive, competitive and consistent with our marketing and profitability objectives. We are also subject to periodic external audits by our reinsurers, which provide us with valuable insights into other innovative risk management practices.

In managing the risks of our Mortgage Insurance segment, we carefully monitor portfolio trends and product performance, including credit quality, product concentrations and claims development. We evaluate trends in our portfolio through various means, including comparison of results to pre-established targets and to our historical experience, analysis of borrower credit scores, and use of our own proprietary mortgage scoring model, OmniScore®. We obtain borrower FICO scores and other credit data directly from credit bureaus when available, thereby enabling us to independently evaluate the credit quality of loans submitted to us. We also regularly evaluate the profitability of our products in light of market conditions and forecasts developed during the product development process. As in our other segments, if a mortgage insurance product's performance fails to meet any of the indicators we established during that product's introductory review process or otherwise shows negative trends, we consider changes to our product guidelines, price adjustments, limiting our exposure or discontinuing the offering of that product. We also assess portfolio quality and loan performance at the lender account level using OmniScore®, FICO scores and other credit data and our historical claims experience. Our risk management team conducts portfolio quality and loan performance reviews with lenders as required, during which we consider and address any significant trends and performance issues. We also review the profitability of lender accounts on a quarterly basis to ensure that our business with these lenders is achieving anticipated performance levels and to identify trends requiring remedial action. Corrective actions may include changes to our underwriting guidelines, product mix or other programs with lenders.

Asset-liability management

We maintain segmented investment portfolios for the majority of our product lines. This enables us to perform an ongoing analysis of the interest rate risks associated with each major product line, in addition to the interest rate risk for our overall enterprise. We analyze the behavior of our liability cash flows across a wide variety of future interest rate scenarios, reflecting policy features and expected policyholder behavior. We also analyze the behavior of our asset portfolio across the same scenarios. We believe this analysis shows the sensitivity of both our assets and liabilities to large and small changes in interest rates and enables us to manage our assets and liabilities more effectively.

Portfolio diversification

We use strict limits to avoid concentrations of risk in our investment portfolio. The techniques we use to manage our exposure to credit risk, interest rate risk and market valuation risk are discussed in further detail below under "—Investments."

In managing our mortgage insurance risk exposure, we carefully monitor geographic concentrations in our portfolio and the condition of housing markets in each country in which we operate. We monitor our concentration of risk in force at the regional, state and major metropolitan area levels on a quarterly basis. In the U.S., we evaluate the condition of housing markets in major metropolitan areas with our proprietary OmniMarket℠ model, which rates housing markets based on variables such as economic activity, unemployment, mortgage delinquencies, home sales trends and home price changes. We also regularly monitor factors that affect home prices and their affordability by region and major metropolitan area.

Actuarial databases and information systems

Our extensive actuarial databases and innovative information systems technology are important tools in our risk management programs. We believe we have the largest actuarial database for long-term care insurance claims with almost 30 years of experience in offering those products. We also have substantial experience in offering individual life insurance products, and we have developed a large database of claims experience, particularly in preferred risk classes, which provides significant predictive experience for mortality.

We use advanced and, in some cases, proprietary technology to manage variations in our underwriting process. For example, our GENIUS® new business processing system uses digital underwriting technology that is designed to reduce policy issue times, lower our operating costs and increase the consistency and accuracy of our underwriting process by reducing decision-making variation. In our mortgage insurance business we use borrower credit scores, our proprietary mortgage scoring model, OmniScore®, and our extensive database of mortgage insurance experience to evaluate new products and portfolio performance. OmniScore® uses the borrower's credit score and additional data concerning the borrower, the loan and the property, including loan-to-value ratio, loan type, loan amount, property type, occupancy status and borrower employment to predict the likelihood of having to pay a claim. In the U.S., OmniScore® also incorporates our assessment of the housing market in which a property is located, as evaluated with our OmniMarket℠ model. We believe this additional mortgage data and housing market assessment significantly enhances OmniScore's® predictive power over the life of the loan. We perform portfolio analysis on an ongoing basis to determine if modifications are required to our product offerings, underwriting guidelines or premium rates.

Compliance

We take a disciplined approach to legal and regulatory compliance practices and throughout our company instill a strong commitment to integrity in business dealings and compliance with applicable laws and regulations. In recognition of this commitment, we have received the American Council of Life Insurers' Integrity First Award in both 2001 and 2002. We have approximately 140 employees dedicated to compliance matters.

Operations and Technology

Service and support

We have a dedicated team of approximately 5,000 service and support personnel (including our operations through an arrangement with a GE subsidiary in India) who assist our sales intermediaries and customers with their service needs. We use advanced and, in some cases, proprietary, patent-pending technology to provide customer service and support, and we operate service centers that leverage technology, integrated processes, and Six Sigma process management techniques.

In our Protection and Retirement Income and Investments segments, we interact directly and cost-effectively with our independent sales intermediaries and dedicated sales specialists through secure websites, which have enabled them to transact business with us electronically, obtain information about our products, submit applications, check application and account status and view commission information. We also provide our independent sales intermediaries and dedicated sales specialists with account information to disseminate to their customers through the use of industry-standard XML communications. Our technology teams actively participate in the development of industry standards and have received early adopter awards from industry organizations such as the Association for Cooperative Operations Research and Development, or ACORD.

We also have introduced technologically advanced services to customers in our Mortgage Insurance segment. Historically, lenders submitted applications for mortgage insurance via mail, courier or fax. If we approved the loan, we would issue a certificate of insurance to the lender. Advances in technology now enable us to accept applications through electronic submission and to issue electronic insurance commitments and certificates. Our AU Central® Internet platform provides lenders real-time access to multiple automated underwriting systems at the point of sale, helping them to originate loans more easily and efficiently. For the year ended December 31, 2003, we issued approximately 82% of our U.S. mortgage insurance commitments electronically, compared to 78% for the year ended December 31, 2002 and 55% for the year ended December 31, 2001. Through our Internet-enabled information systems, lenders can receive information about their loans in our database, as well as make corrections, file notices and claims, report settlement amounts, verify loan information and access payment histories. We also assist in workouts through LMO Fast-Track, which we believe is the mortgage insurance industry's first on-line workout approval system, allowing lenders to request and obtain authorization from us for them to provide workout solutions to their borrowers.

Operating centers

We have centralized our operations and have established scalable, low-cost operating centers in Virginia, North Carolina, India and Ireland. We expect to realize additional efficiencies from further facility rationalization, which includes centralizing additional U.S. operations and consolidating mailrooms and print centers. Through an arrangement with GE, we have a substantial team of professionals in India who provide a variety of services to us, including customer service, transaction processing, and functional support including finance, investment research, actuarial, risk and marketing resources to our insurance operations. Most of the personnel in India have college degrees, and many have graduate degrees. See "Arrangements Between GE and Our Company—Relationship with GE—Arrangements regarding our operations in India" for a description of this arrangement.

Technology capabilities

We employ approximately 560 information technology professionals throughout our organization. These include approximately 30 project managers, all of whom have been certified by the Project Management Institute to design and develop new technological capabilities.

We rely on proprietary processes for project approval, execution, risk management and benefit verification as part of our approach to technology investment. We hold, or have applied for, more than 120 patents. Our technology team is experienced in large-scale project delivery, including many insurance administration system consolidations and the development of Internet-based servicing capabilities. We continually manage technology costs by standardizing our technology infrastructure, consolidating application systems, reducing servers and storage devices, and managing project execution risks.

We work with associates from GE's Global Research Center to develop new technologies that help deliver competitive advantages to our company. After our separation from GE, we will complete our existing projects with the GE Global Research Center under their current terms. We also may work on new projects with the GE Global Research Center in the future. All new projects will be pursuant to individual agreements that will be negotiated on mutually agreeable terms. See "Arrangements Between GE and Our Company—Relationship with GE—Transition Services Agreement."

Six Sigma

We believe we have greatly enhanced our operating efficiency and generated significant cost savings by using a highly disciplined quality management and process optimization methodology known as Six Sigma, which relies on the rigorous use of statistical techniques to assess process variations and defects. Six Sigma is a quality program consisting of a combination of GE proprietary and licensed materials, concepts, methodologies and software tools. The program uses a disciplined methodology to define, measure, analyze, improve and control the features and performance of a company's products and processes. Six Sigma creates a rigorous process analysis supported by data to measure defect levels in a given process or product. By measuring defects and identifying their root causes, processes and products can be improved to deliver and sustain higher levels of performance as measured by timeliness, accuracy, cost and customer satisfaction.

We have a team of approximately 300 employees who have received extensive training and certification in Six Sigma, an additional 1,400 employees have received standard Six Sigma certification, and nearly all our employees have attained a basic level of competence in the Six Sigma methodology.

Pursuant to the transition services agreement that we will enter into with GE prior to the completion of this offering, GE, at no cost to us, will ensure that we will be able to continue to use our Six Sigma program in a manner consistent with our use prior to the completion of this offering.

Reserves

We calculate and maintain reserves for the estimated future payment of claims to our policyholders and contractholders based on actuarial assumptions and in accordance with U.S. GAAP and industry accounting practices. Many factors can affect these reserves and liabilities, including economic and social conditions, inflation, healthcare costs, changes in doctrines of legal liability and damage awards in litigation. Therefore, the reserves and liabilities we establish are necessarily based on extensive estimates, assumptions and our analysis of historical experience. Our results depend significantly upon the extent to which our actual claims experience is consistent with the assumptions we used in determining our reserves and pricing our products. Our reserve assumptions and estimates require significant judgment and, therefore, are inherently uncertain. We cannot determine with precision the ultimate amounts that we will pay for actual claims or the timing of those payments.

Protection

We establish reserves for life insurance policies based generally upon actuarially recognized methods. We use mortality tables in general use in the U.S. and Europe, modified to reflect our expected claims. Persistency, expense and interest rate assumptions are based upon relevant experience and expectations for the future. We establish reserves at amounts we expect to satisfy our policy obligations, including assumptions for the receipt of additional premiums and of interest to be earned on the reserves. The liability for policy benefits for universal life insurance policies and interest-sensitive whole life policies is equal to the balance that accrues to the benefit of policyholders, including credited interest, plus any amount needed to provide for additional benefits. We also establish reserves for amounts that we have deducted from the policyholder's balance to compensate us for services to be performed in future periods, and we release these reserves as those future obligations are extinguished.

We establish reserves for long-term care insurance policies based upon a variety of factors including claim likelihood, continuance, severity, persistency, and plan of coverage. Long-term care insurance policies are long-duration products, and therefore our future claims experience may be different from what we expected when we issued the policies. Moreover, long-term care insurance does not have the claims experience history of life insurance, and as a result, our ability to forecast claims for long-term care insurance products is more limited than for life products.

Our liability for unpaid group life and health insurance claims, including our medical and non-medical lines, is an estimate of the ultimate net cost of both reported and unreported losses not yet settled. Our liability is based upon an evaluation of historical claim run-out patterns and includes a provision for adverse claim development. Reserves for long-term disability insurance represent the actuarial present value of benefits for current claimants. Claim benefit payments on long-term disability insurance policies consist of payments made monthly, in accordance with the contractual terms of the policy. Reserves for incurred but not reported claims in our group life and health insurance business are based upon historic incidence rates.

We establish reserves for our European payment protection insurance using a number of actuarial models. Claims reserves are calculated separately for disability, life and unemployment business. Reserves are established at three different stages of a claim: incurred but not reported, reported but not paid and in the course of payment.

Retirement Income and Investments

For our investment contracts, including annuities, GICs, and funding agreements, contractholder liabilities are equal to the accumulated contract account values, which generally consist of an accumulation of deposit payments plus credited interest or investment earnings, less expense and mortality charges, as applicable, withdrawals and other amounts assessed through the end of the period. We also maintain a separate reserve for expected future payments above the account value due to the death of a contractholder. Liabilities for future policy benefits on our immediate fixed annuity contracts are calculated based upon a set of actuarial assumptions that we establish and maintain throughout the lives of the contracts.

Mortgage Insurance

In our mortgage insurance businesses, a significant period of time may elapse between the occurrence of the borrower's default on a mortgage payment, which is the event triggering a potential future claim payment, the reporting of such default and our eventual payment of the claim. Consistent with U.S. GAAP and industry accounting practices, we establish reserves for loans that are in default, including loans that are in default but have not yet been reported, by forecasting the percentage of loans in default on which we will ultimately pay claims and the average claim that will be paid. We generally consider a loan to be in default if the borrower has failed to make a required mortgage payment for two consecutive months. In addition to our reserves for known loans in default, we establish reserves for "loss adjustment expenses" to provide for the estimated costs of settling claims, including legal and other fees, and general expenses of administering the claims settlement process.

We estimate ultimate claims and associated costs based upon our historical loss experience, adjusted for the anticipated effect of current economic conditions and projected economic trends. Consistent with U.S. GAAP and industry accounting practices, we do not establish loss reserves for future claims on insured loans that are not currently in default.

To improve the reserve estimation process, we segregate our mortgage loan portfolio based upon a variety of factors, and we analyze each segment of the portfolio in light of our default experience to produce our reserve estimate. We review these factors on a periodic basis and adjust our loss reserves accordingly. Although inflation is implicitly included in the estimates, the impact of inflation is not explicitly isolated from other factors influencing the reserve estimates. We do not discount our loss reserves for financial reporting purposes.

We also establish liabilities related to contract underwriting indemnification. Under the terms of our contract underwriting agreements, we agree to indemnify the lender against losses incurred in the event that we make material errors in determining that loans processed by our contract underwriters meet specified underwriting or purchase criteria. We revise our estimates of these liabilities from time to time to reflect our recent experience.

Reinsurance

We follow the industry practice of reinsuring portions of our insurance risks with reinsurance companies. We use reinsurance both to diversify our risks and to manage loss exposures and capital effectively. The use of reinsurance permits us to write policies in amounts larger than the risk we are willing to retain, and also to write a larger volume of new business.

We cede insurance primarily on a treaty basis, under which risks are ceded to a reinsurer on specific blocks of business where the underlying risks meet certain predetermined criteria. To a lesser extent, we cede insurance risks on a facultative basis, under which the reinsurer's prior approval is required on each risk reinsured. Use of reinsurance does not discharge us, as the insurer, from liability on the insurance ceded. We, as the insurer, are required to pay the full amount of our insurance obligations even in circumstances where we are entitled or able to receive payments from our reinsurer. The principal reinsurers to which we cede risks have A.M. Best financial strength ratings ranging from "A++" to "A-." Historically, we have not had significant concentrations of reinsurance risk with any one reinsurer. However, prior to the completion of this offering, we will enter into reinsurance transactions with UFLIC, which will result in a significant concentration of reinsurance risk with UFLIC, as discussed under "Arrangements Between GE and Our Company—Reinsurance Transactions."

The following table sets forth, on an actual and pro forma basis, our exposure to our principal reinsurers, along with the reinsurance recoverable as of December 31, 2003, and the A.M. Best ratings of those reinsurers as of that date:

(Dollar amounts in millions)	Reinsurance recoverable	Pro forma reinsurance recoverable	A.M. Best rating
UFLIC(1)	$ 0	$ 16,345	A+
IDS Life Insurance Company(2)	758	758	A+
Phoenix Life Insurance Company(3)	667	667	A
Swiss Re Life & Health America Inc.	157	157	A++
Munich American Reassurance Company	120	120	A+
ERC(4)	107	107	A-
Revios Reinsurance	84	84	A-

(1) See "Arrangements Between GE and Our Company—Reinsurance Transactions."

(2) Our reinsurance arrangement with IDS covers a run-off block of single-premium life insurance policies.

(3) Our reinsurance arrangement with Phoenix covers a run-off block of corporate-owned life insurance policies. Both of these arrangements originated from acquisitions.

(4) ERC refers to Employers Reassurance Corporation (an indirect subsidiary of GE) and ERC Life Reinsurance Corporation (an indirect subsidiary of GE until December 2003).

As discussed above under "—Mortgage Insurance—Products and Services—Risk mitigation arrangements—Captive reinsurance," we have entered into a number of reinsurance agreements in which we share portions of our mortgage insurance risk written on loans originated or purchased by lenders with captive reinsurance companies, or captive reinsurers, affiliated with these lenders. In return, we cede an agreed portion of our gross premiums on insurance written to the captive reinsurers. Substantially all of our captive mortgage reinsurance arrangements are structured on an excess-of-loss basis.

As of December 31, 2003 our total risk reinsured to all captive reinsurers was $2.6 billion, and the total capital held in trust for our benefit by all captive reinsurers was $410 million. These captive reinsurers are not rated, and their claims-paying obligations to us are limited to the amount of capital held in trust. We believe the capital held in trust by these captive reinsurers is sufficient to meet their anticipated obligations to us. However, we cannot ensure that each captive with which we do business can or will meet all its obligations to us.

Financial Strength Ratings

Ratings with respect to financial strength are an important factor in establishing the competitive position of insurance companies. Ratings are important to maintaining public confidence in us and our ability to market our products. Rating organizations review the financial performance and condition of most insurers and provide opinions regarding financial strength, operating performance and ability to meet obligations to policyholders.

Upon the completion of this offering and the concurrent offerings, we expect our principal life insurance subsidiaries to be rated by A.M. Best, S&P and Moody's as follows:

Company	A.M. Best rating	S&P rating	Moody's rating
American Mayflower Life Insurance Company of New York	A+ (Superior)	AA- (Very strong)	Aa3 (Excellent)
Federal Home Life Insurance Company	A+ (Superior)	Not rated	Aa3 (Excellent)
First Colony Life Insurance Company	A+ (Superior)	AA- (Very Strong)	Aa3 (Excellent)
GE Capital Life Assurance Company of NY	A+ (Superior)	AA- (Very Strong)	Aa3 (Excellent)
GE Life and Annuity Assurance Company	A+ (Superior)	AA- (Very Strong)	Aa3 (Excellent)
GE Group Life Assurance Company	A (Excellent)	AA- (Very Strong)	Not Rated
General Electric Capital Assurance Company	A+ (Superior)	AA- (Very Strong)	Aa3 (Excellent)

Upon the completion of this offering and the concurrent offerings, we expect our mortgage insurance subsidiaries to be rated by S&P, Moody's and Fitch as follows:

Company(1)	S&P rating	Moody's rating	Fitch rating
General Electric Mortgage Insurance Corporation	AA (Very Strong)	Aa2 (Excellent)	AA (Very Strong)
GE Mortgage Insurance Company Pty. Limited	AA (Very Strong)	Aa2 (Excellent)	AA (Very Strong)
GE Mortgage Insurance Limited	AA (Very Strong)	Aa2 (Excellent)	AA (Very Strong)

(1) Our Canadian mortgage insurance company is not rated by any of the rating agencies shown above.

The A.M. Best, S&P, Moody's and Fitch ratings included in this prospectus are not designed to be, and do not serve as, measures of protection or valuation offered to investors in this offering and the concurrent offerings. These financial strength ratings should not be relied on with respect to making an investment in our securities.

A.M. Best states that its "A+" (Superior) rating is assigned to those companies that have, in its opinion, a superior ability to meet their ongoing obligations to policyholders. The "A+" (Superior) rating is the second-highest of fifteen ratings assigned by A.M. Best, which range from "A++" to "F".

S&P states that an insurer rated "AA" (Very Strong) has very strong financial security characteristics that outweigh any vulnerabilities, and is highly likely to have the ability to meet financial commitments. The "AA" range is the second-highest of the four ratings ranges that meet these criteria, and also is the second-highest of nine financial strength rating ranges assigned by S&P, which range from "AAA" to "R." A plus (+) or minus (-) shows relative standing in a rating category. Accordingly, the "AA" and "AA-" ratings are the third- and fourth-highest of S&P's 21 ratings categories.

Moody's states that insurance companies rated "Aa" (Excellent) offer excellent financial security. Moody's states that companies in this group constitute what are generally known as high-grade companies. The "Aa" range is the second-highest of nine financial strength rating ranges assigned by Moody's, which range from "Aaa" to "C." Numeric modifiers are used to refer to the ranking within the group, with 1 being the highest and 3 being the lowest. Accordingly, the "Aa2" and "Aa3" ratings are the third- and fourth-highest of Moody's 21 ratings categories.

Fitch states that "AA" (Very Strong) rated insurance companies are viewed as possessing very strong capacity to meet policyholder and contract obligations. Risk factors are modest, and the impact of any adverse business and economic factors is expected to be very small. The "AA" rating category is the second-highest of eight financial strength rating categories, which range from "AAA" to "D." The symbol (+) or (-) may be appended to a rating to indicate the relative position of a credit within a rating category. These suffixes are not added to ratings in the "AAA" category or to ratings below the "CCC" category. Accordingly, the "AA" rating is the third-highest of Fitch's 24 ratings categories.

A.M. Best, S&P, Moody's and Fitch review their ratings periodically and we cannot assure you that we will maintain our current ratings in the future. Other agencies may also rate our company or our insurance subsidiaries on a solicited or an unsolicited basis.

Investments

As of December 31, 2003, on a pro forma basis, we had total cash and invested assets of $61.2 billion (including $1.1 billion of restricted investments held by securitization entities) and an additional $8.2 billion held in our separate accounts, for which we do not bear investment risk. We manage our assets to meet diversification, credit quality, yield and liquidity requirements of our policy and contract liabilities by investing primarily in fixed-maturities, including government, municipal and corporate bonds, mortgage-backed and other asset-backed securities and mortgage loans on commercial real estate. We also invest in short-term securities and other investments, including a small position in equity securities. In all cases, investments for our particular insurance company subsidiaries are required to comply with restrictions imposed by applicable laws and insurance regulatory authorities.

Our primary investment objective is to meet our obligations to policyholders and contractholders while increasing value to our stockholders by investing in a diversified portfolio of high-quality, income-producing securities and other assets. Our investment strategy will optimize investment income without relying on realized investment gains. In an effort to achieve this objective, we intend to pursue a prudent investment strategy focusing primarily on:

- minimizing interest rate risk through rigorous management of asset durations relative to policyholder and contractholder obligations;
- selecting assets based on fundamental, research-driven strategies;
- emphasizing fixed-interest, low-volatility assets;
- maintaining sufficient liquidity to meet unexpected financial obligations;
- continuously evaluating our asset class mix and pursuing additional investment classes; and
- rigorous, continuous monitoring of asset quality.

We are exposed to two primary sources of investment risk:

- credit risk, relating to the uncertainty associated with the continued ability of a given issuer to make timely payments of principal and interest; and
- interest rate risk, relating to the market price and cash flow variability associated with changes in market interest rates.

We manage credit risk by analyzing issuers, transaction structures and real estate properties. We use sophisticated analytic techniques to monitor credit risk. For example, we continually measure the probability of credit default and estimated loss in the event of such a default, which provides us with early notification of worsening credits. If an issuer downgrade causes our holdings of that issuer to exceed our risk thresholds, we automatically undertake a detailed review of the issuer's credit. We also manage credit risk through industry and issuer diversification and asset allocation practices. For commercial real estate loans, we manage credit risk through geographic, property type and product type diversification and asset allocation. We routinely review different issuers and sectors and conduct more formal quarterly portfolio reviews with our Investment Committee.

We mitigate interest rate risk through rigorous management of the relationship between the duration of our assets and the duration of our liabilities, seeking to minimize risk of loss in both rising and falling interest rate environments. For further information on our management of interest rate risk, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk."

The tables below present our investment positions and results on an historical and a pro forma basis. The pro forma data in these tables give effect to the reinsurance transactions with UFLIC described under "Arrangements Between GE and Our Company—Reinsurance Transactions." The actual investment assets that will be transferred in the reinsurance transactions have been determined on an asset-by-asset basis and the pro forma financial position adjustments have been determined based upon the actual assets that will be transferred. Because a significant portion of the assets to be transferred were not owned for the entire period, the pro forma earnings adjustments were based upon a proportional allocation of investment income from the investment assets historically identified as supporting the blocks reinsured. Under our existing investment management strategies, multiple product lines with similar characteristics can be supported by a single portfolio of investment securities, known as "multiple product portfolios." Where the reinsurance transactions with UFLIC relate to products supported by multiple product portfolios, the pro forma net investment income and net realized investment gains (losses) attributable to the reinsured liabilities were determined using an allocation approach, applying the ratio of reinsured liabilities to the total liabilities supported by the multiple product portfolio to the portfolio's net investment income and net realized investment gains (losses), respectively. As a result, the pro forma information does not represent the results we would have achieved had those reinsurance transactions been consummated at the beginning of the periods presented, and the information presented may not be a reliable indicator of our future results.

The following table sets forth, on an historical and pro forma basis, our cash and invested assets as of the dates indicated:

	Historical				Pro forma	
	December 31,				December 31,	
	2003		2002		2003	
(Dollar amounts in millions)	**Carrying value**	**% of total**	**Carrying value**	**% of total**	**Carrying value**	**% of total**
Fixed-maturities, available-for-sale						
Public	$ 51,336	64%	$ 48,964	67%	$ 36,852	60%
Private	14,149	18%	11,833	16%	10,590	17%
Mortgage loans	6,114	8%	5,302	7%	5,676	9%
Equity securities and other investments	4,389	5%	4,165	6%	3,979	7%
Policy loans	1,105	1%	983	1%	1,096	2%
Restricted investments held by securitization entities	1,069	1%	—	0%	1,069	2%
Cash, cash equivalents and short-term investments	2,513	3%	2,402	3%	1,984	3%
Total cash and invested assets	$ 80,675	100%	$ 73,649	100%	$ 61,246	100%

Organization

Historically, GEAM has provided investment management services for portions of the investment portfolios of the U.S. and Canadian companies in our Mortgage Insurance segment pursuant to various investment management agreements. Prior to May 2002, we managed the investment portfolios of the U.S. companies in our Protection and Retirement Income and Investments segments through our subsidiary, General Electric Capital Assurance Company, or GECA, one of our life insurance companies. In May 2002, we and GE determined that it would be mutually beneficial for us to consolidate our investment management operations with GEAM. As a result, in May 2002, we consolidated GECA's investment operations with GEAM, and our U.S. insurance subsidiaries entered into investment management and services agreements with GEAM. GEAM has provided investment management services for our domestic operations' investment portfolios pursuant to these agreements and investment guidelines approved by the boards of directors of our respective companies. This consolidation strengthened GE's existing services to its insurance subsidiaries by centralizing investment management and credit analysis expertise, attracting superior professional talent due to improved career opportunities and establishing common research and trading teams on a unified technology platform. We incurred expenses for investment management and related administrative services provided by GEAM of $61 million, $39 million and $2 million for the years ended December 31, 2003, 2002 and 2001, respectively. GEAM is a registered investment adviser that, prior to the consolidation, provided a full range of investment management services, primarily to the GE Pension Trust, the funding vehicle for GE's defined benefit pension plan, as well as a wide range of affiliated and non-affiliated institutional clients, including certain other GE-affiliated insurance entities.

Prior to the completion of this offering, GEAM managed nearly all the investment operations for the benefit of our insurance subsidiaries and other GE-affiliated insurance companies. After the completion of this offering, we will establish our own investment department with more than 100 individuals, led by our Chief Investment Officer, who will preside over our Investment Committee, which will report to our Board of Directors and the boards of directors of our insurance company subsidiaries. Our investment department will include portfolio management, risk management, finance and accounting functions. Our investment department, under the direction of the Investment Committee, will be responsible for establishing investment policies and strategies, reviewing asset-liability management and performing asset allocation. In addition, we will manage certain asset classes for our domestic insurance operations that are currently managed by GEAM, including commercial mortgage loans, privately placed debt securities and derivatives.

Our agreements with GEAM will, with limited exceptions, be amended in connection with our initial public offering and separation from GE. See "Arrangements Between GE and Our Company—Relationship with GE—Investment Agreements."

Management of investments for our non-U.S. operations will be overseen by the managing director and boards of directors of the applicable non-U.S. legal entities in consultation with our Chief Investment Officer. Substantially all the assets of our European payment protection and mortgage insurance businesses will be managed by GEAML, pursuant to agreements that are substantially similar to our agreements with GEAM in the U.S. The majority of the assets of our Canadian, Australian and New Zealand mortgage insurance businesses will continue to be managed by unaffiliated investment managers located in their respective countries.

Investment results

The annualized yield on general account cash and invested assets, excluding net realized investment gains (losses), was 5.2% and 5.8% for the years ended December 31, 2003 and 2002, respectively.

The following table sets forth, on an historical and pro forma basis, information about our investment income, net realized investment gains (losses) and ending assets (except for restricted investments held by securitization entities) for components of our investment portfolio as of the dates and for the periods. The table also sets forth, on an historical basis, the yields based upon our average assets for the period presented. We have not presented investment yields on a pro forma basis because we have not prepared information about our average assets, on a pro forma basis for the year ended December 31, 2002, to permit the calculation of investment yields on a comparable basis to the historical yields presented below.

	Historical						Pro forma
	As of and for the years ended December 31,						As of and for the year ended December 31,
	2003		2002		2001		2003
(Dollar amounts in millions)	Yield	Amount	Yield	Amount	Yield	Amount	Amount
Fixed maturities—taxable							
Investment income	5.6%	$ 3,354	6.2%	$ 3,333	6.9%	$ 3,232	$ 2,346
Net realized investment gains (losses)		(25)		152		123	(2)
Total		3,329		3,485		3,355	2,344
Ending assets		62,132		57,490		50,147	44,245
Fixed maturities—non-taxable							
Investment income	3.8%	128	4.7%	158	5.0%	159	127
Net realized investment gains		41		157		22	41
Total		169		315		181	168
Ending assets		3,353		3,307		3,348	3,197
Mortgage and other loans							
Investment income	7.2%	410	7.4%	361	7.8%	348	333
Net realized investment gains (losses)		(1)		13		(10)	(1)
Total		409		374		338	332
Ending assets		6,114		5,302		4,499	5,676
Equity securities							
Investment income	2.8%	27	2.5%	39	2.0%	36	26
Net realized investment gains (losses)		(45)		(169)		(59)	(47)
Total		(18)		(130)		(23)	(21)
Ending assets		600		1,295		1,835	428
Other investments, including policy loans							
Investment income	2.4%	105	3.2%	112	5.3%	141	103
Net realized investment gains		40		51		125	47
Total		145		163		266	150
Ending assets		4,894		3,853		3,044	4,647
Cash, cash equivalents and short-term investments							
Investment income	2.4%	58	2.2%	37	3.1%	34	56
Ending assets		2,513		2,402		985	1,984
Total cash and invested assets							
Investment income before expenses and fees	5.3%	4,082	5.9%	4,040	6.6%	3,950	2,991
Investment expenses and fees		(67)		(61)		(55)	(63)
Net investment income	5.2%	4,015	5.8%	3,979	6.5%	3,895	2,928
Net realized investment gains (losses)		10		204		201	38
Total		$ 4,025		$ 4,183		$ 4,096	$ 2,966

Fixed maturities

Fixed maturities, including tax-exempt bonds, consist principally of publicly traded and privately placed debt securities, and represented 81% and 83% of total cash and invested assets as of December 31, 2003 and 2002, respectively, and 77% on a pro forma basis as of December 31, 2003.

Based upon estimated fair value, public fixed maturities represented 78% and 81% of total fixed maturities as of December 31, 2003 and 2002, respectively, and 78% of total fixed maturities on a pro forma basis as of December 31, 2003. Private fixed maturities represented 22% and 19% of total fixed maturities as of December 31, 2003 and 2002, respectively, and 22% of total fixed maturities on a pro forma basis as of December 31, 2003. We invest in privately placed fixed maturities in an attempt to enhance the overall value of the portfolio, increase diversification and obtain higher yields than can ordinarily be obtained with comparable public market securities. Generally, private placements provide us with protective covenants, call protection features and, where applicable, a higher level of collateral. However, our private placements are not freely transferable because of restrictions imposed by federal and state securities laws, the terms of the securities, and illiquid trading markets.

The Securities Valuation Office of the NAIC evaluates bond investments of U.S. insurers for regulatory reporting purposes and assigns securities to one of six investment categories called "NAIC designations." The NAIC designations parallel the credit ratings of the Nationally Recognized Statistical Rating Organizations for marketable bonds. NAIC designations 1 and 2 include bonds considered investment grade (rated "Baa3" or higher by Moody's, or rated "BBB-" or higher by S&P) by such rating organizations. NAIC designations 3 through 6 include bonds considered below investment grade (rated "Ba1" or lower by Moody's, or rated "BB+" or lower by S&P).

The following tables present, on an historical and pro forma basis, our public, private and aggregate fixed maturities by NAIC and/or equivalent ratings of the Nationally Recognized Statistical Rating Organizations, as well as the percentage, based upon estimated fair value, that each designation comprises. Our non-U.S. fixed maturities generally are not rated by the NAIC and are shown based upon their equivalent rating of the Nationally Recognized Statistical Rating Organizations. Similarly, certain privately placed fixed maturities that are not rated by the Nationally Recognized Statistical Rating Organizations are shown based upon their NAIC designation. Certain securities, primarily non-U.S. securities, are not rated by the NAIC or the Nationally Recognized Statistical Rating Organizations and are so designated.

		Historical						Pro forma		
		December 31,						December 31,		
Public fixed maturities		2003			2002			2003		
NAIC rating	Rating agency equivalent designation	Amortized cost	Estimated fair value	% of total	Amortized cost	Estimated fair value	% of total	Amortized cost	Estimated fair value	% of total
(Dollar amounts in millions)										
1	Aaa/Aa/A	$ 32,095	$ 33,212	64%	$ 30,904	$ 31,899	65%	$ 24,762	$ 25,405	69%
2	Baa	13,866	14,778	29%	13,752	14,032	29%	8,693	9,173	25%
3	Ba	1,829	1,896	4%	1,970	1,758	4%	1,306	1,371	4%
4	B	1,023	979	2%	839	681	1%	623	610	2%
5	Caa and lower	295	272	1%	370	255	1%	165	152	0%
6	In or near default	96	104	0%	158	129	0%	43	46	0%
Not rated		92	95	0%	170	210	0%	93	95	0%
	Total public fixed maturities	$ 49,296	$ 51,336	100%	$ 48,163	$ 48,964	100%	$ 35,685	$ 36,852	100%

		Historical						Pro forma		
		December 31,						December 31,		
Private fixed maturities		2003			2002			2003		
NAIC Rating	Rating agency equivalent designation	Amortized cost	Estimated fair value	% of total	Amortized cost	Estimated fair value	% of total	Amortized cost	Estimated fair value	% of total
(Dollar amounts in millions)										
1	Aaa/Aa/A	$ 7,029	$ 7,388	52%	$ 5,845	$ 6,208	53%	$ 5,047	$ 5,257	50%
2	Baa	5,182	5,442	38%	4,194	4,412	37%	4,099	4,268	40%
3	Ba	691	728	5%	626	636	5%	556	584	6%
4	B	234	228	2%	124	108	1%	204	199	2%
5	Caa and lower	192	177	1%	132	97	1%	152	141	1%
6	In or near default	93	86	1%	60	52	0%	54	47	0%
Not rated		99	100	1%	317	320	3%	93	94	1%
	Total private fixed maturities	$ 13,520	$ 14,149	100%	$ 11,298	$ 11,833	100%	$ 10,205	$ 10,590	100%

		Historical						Pro forma		
		December 31,						December 31,		
Total fixed maturities		2003			2002			2003		
NAIC rating	Rating agency equivalent designation	Amortized cost	Estimated fair value	% of total	Amortized cost	Estimated fair value	% of total	Amortized cost	Estimated fair value	% of total
(Dollar amounts in millions)										
1	Aaa/Aa/A	$ 39,124	$ 40,600	62%	$ 36,749	$ 38,107	63%	$ 29,809	$ 30,662	65%
2	Baa	19,048	20,220	31%	17,946	18,444	30%	12,792	13,441	28%
3	Ba	2,520	2,624	4%	2,596	2,394	4%	1,862	1,955	4%
4	B	1,257	1,207	2%	963	789	1%	827	809	2%
5	Caa and lower	487	449	1%	502	352	1%	317	293	1%
6	In or near default	189	190	0%	218	181	0%	97	93	0%
Not rated		191	195	0%	487	530	1%	186	189	0%
	Total fixed maturities	$ 62,816	$ 65,485	100%	$ 59,461	$ 60,797	100%	$ 45,890	$ 47,442	100%

The following table sets forth, on an historical and pro forma basis, the amortized cost and estimated fair value of fixed maturities by contractual maturity dates (excluding scheduled sinking funds) as of the dates indicated:

	Historical				Pro forma	
	December 31,				December 31,	
	2003		2002		2003	
Maturity	Amortized cost	Estimated fair value	Amortized cost	Estimated fair value	Amortized cost	Estimated fair value
(Dollar amounts in millions)						
Due in one year or less	$ 1,747	$ 1,761	$ 567	$ 562	$ 1,690	$ 1,702
Due after one year through five years	11,400	11,817	10,080	10,189	10,443	10,826
Due after five years through ten years	13,318	13,901	11,135	11,423	10,803	11,239
Due after ten years	24,288	25,756	25,784	26,354	12,915	13,458
Subtotal	50,753	53,235	47,566	48,528	35,851	37,225
Mortgage-backed and asset-backed	12,063	12,250	11,895	12,269	10,039	10,217
Total fixed maturities	$ 62,816	$ 65,485	$ 59,461	$ 60,797	$ 45,890	$ 147,442

We diversify our fixed maturities by security sector. The following table sets forth, on an historical and pro forma basis, the estimated fair value of our fixed maturities by sector, as well as the percentage of the total fixed maturities holdings that each security sector comprised as of the dates indicated:

	Historical				Pro forma	
	December 31,				December 31,	
	2003		2002		2003	
Security Sector	**Estimated fair value**	**% of total**	**Estimated fair value**	**% of total**	**Estimated fair value**	**% of total**
(Dollar amounts in millions)						
U.S. government and agencies	$ 1,055	2%	$ 1,167	2%	$ 666	1%
State and municipal	3,350	5%	3,307	5%	3,196	7%
Government—Non-U.S.	1,551	2%	1,001	2%	1,457	3%
U.S. corporate	33,025	50%	31,027	51%	21,761	46%
Corporate—Non-U.S.	7,949	12%	5,247	9%	6,053	13%
Mortgage-backed	7,848	12%	8,293	14%	6,435	13%
Asset-backed	4,404	7%	3,976	6%	3,782	8%
Public utilities	6,303	10%	6,779	11%	4,092	9%
Total fixed maturities	$ 65,485	100%	$ 60,797	100%	$ 47,442	100%

The following table sets forth, on an historical and pro forma basis, the major industry types that comprise our corporate bond holdings, based primarily on industry codes established by Lehman Brothers, as well as the percentage of the total corporate bond holdings that each industry comprised as of the dates indicated:

	Historical				Pro forma	
	December 31,				December 31,	
	2003		2002		2003	
Industry	**Estimated fair value**	**% of total**	**Estimated fair value**	**% of total**	**Estimated fair value**	**% of total**
(Dollar amounts in millions)						
Finance and insurance	$ 13,069	28%	$ 10,435	24%	$ 9,507	30%
Utilities and energy	10,345	22%	10,534	24%	7,373	23%
Consumer—non cyclical	6,036	13%	4,822	11%	4,111	13%
Consumer—cyclical	4,356	9%	3,656	9%	2,963	9%
Capital goods	2,928	6%	3,408	8%	1,086	3%
Industrial	3,340	7%	3,307	8%	2,939	9%
Technology and communications	2,972	6%	2,519	6%	1,852	6%
Transportation	1,970	4%	2,251	5%	969	3%
Other	2,258	5%	2,121	5%	1,106	4%
Total	$ 47,274	100%	$ 43,053	100%	$ 31,906	100%

We diversify our corporate bond holdings by industry and issuer. The portfolio does not have significant exposure to any single issuer. As of December 31, 2003, on an historical basis, our combined holdings in the ten issuers to which we had the greatest exposure was $2,714 million, which was approximately 3% of our total cash and invested assets as of such dates. The exposure to the largest single issuer of corporate bonds we held as of December 31, 2003, on an historical basis, was $315 million which was approximately 0.4% of our total cash and invested assets as of such date.

We do not have a material unhedged exposure to foreign currency risk in our invested assets. In our non-U.S. insurance operations, both our assets and liabilities are generally denominated in local currencies. Foreign currency denominated securities supporting U.S. dollar liabilities generally are swapped into U.S. dollars using derivative instruments.

Mortgage-backed securities

The following table sets forth, on an historical and pro forma basis, the types of mortgage-backed securities we held as of the dates indicated:

	Historical				Pro forma	
	December 31,				December 31,	
	2003		2002		2003	
(Dollar amounts in millions)	Estimated fair value	% of total	Estimated fair value	% of total	Estimated fair value	% of total
Commercial mortgage-backed securities	$ 5,348	68%	$ 5,302	64%	$ 4,325	67%
Collateralized mortgage obligations	799	10%	1,474	18%	662	10%
Pass-through securities	32	0%	192	2%	32	1%
Sequential pay class bonds	922	12%	763	9%	751	12%
Planned amortization class bonds	265	4%	407	5%	211	3%
Other	481	6%	155	2%	454	7%
Total	$ 7,847	100%	$ 8,293	100%	$ 6,435	100%

We purchase mortgage-backed securities to diversify our portfolio risk characteristics from primarily corporate credit risk to a mix of credit risk and cash flow risk. The principal risks inherent in holding mortgage-backed securities are prepayment and extension risks, which will affect the timing of when cash flow will be received. The majority of the mortgage-backed securities in our investment portfolio have relatively low cash flow variability. We believe our active monitoring and analysis of this portfolio, focus on stable types of securities, and limits on our holdings of more volatile types of securities reduces the effects of interest rate fluctuations on this portfolio.

Commercial mortgage-backed securities, or CMBs, which represent our largest class of mortgage-backed-securities, are securities backed by a diversified pool of first mortgage loans on commercial properties ranging in size, property type and geographic location. The primary risk associated with CMBs is default risk. Prepayment risk on CMBs is generally low because of prepayment restrictions contained in the underlying collateral.

The majority of our collateralized mortgage obligations, or CMOs, are guaranteed or otherwise supported by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or Government National Mortgage Association. CMOs separate mortgage pools into different maturity classes called tranches, which generally provides for greater cash flow stability than other mortgage-backed securities.

Pass-through securities are the most liquid assets in the mortgage-backed sector. Pass-through securities distribute, on a pro rata basis to their holders, the monthly cash flows of principal and interest, both scheduled and prepayments, generated by the underlying mortgages.

Sequential pay class bonds receive principal payments in a prescribed sequence without a pre-determined prepayment schedule. Planned amortization class bonds are bonds structured to provide more certain cash flows to the investor and therefore are subject to less prepayment and extension risk than other mortgage-backed securities.

Asset-backed securities

The following table sets forth, on an historical and pro forma basis, the types of asset-backed securities we held as of the dates indicated:

	Historical				Pro forma	
	December 31,				December 31,	
	2003		2002		2003	
(Dollar amounts in millions)	Estimated fair value	% of total	Estimated fair value	% of total	Estimated fair value	% of total
Automobile receivables	$ 1,425	32%	$ 1,741	44%	$ 1,313	35%
Home equity loans	1,043	24%	815	20%	942	25%
Credit card receivables	1,131	26%	918	23%	1,079	28%
Other	804	18%	502	13%	448	12%
Total	$ 4,403	100%	$ 3,976	100%	$ 3,782	100%

We purchase asset-backed securities both to diversify the overall risks of our fixed maturities portfolio and to provide attractive returns. Our asset-backed securities are diversified by type of asset, issuer and servicer. As of December 31, 2003, on an historical and pro forma basis, approximately $3,488 million and $2,879 million, respectively, or 79% and 76%, respectively, of the total amount of our asset-backed security investments were rated "Aaa/AAA" by Moody's or S&P.

The principal risks in holding asset-backed securities are structural, credit and capital market risks. Structural risks include the security's priority in the issuer's capital structure, the adequacy of and ability to realize proceeds from the collateral and the potential for prepayments. Credit risks include consumer or corporate credits such as credit card holders, equipment lessees, and corporate obligors. Capital market risks include the general level of interest rates and the liquidity for these securities in the marketplace.

Mortgage loans

Our mortgage loans are collateralized by commercial properties, including multifamily residential buildings. The carrying value of mortgage loans is stated at original cost net of prepayments and amortization.

We diversify our commercial mortgage loans by both geographic region and property type. The following table sets forth, on an historical and pro forma basis, the distribution across geographic regions and property types for commercial mortgage loans as of the dates indicated:

	Historical				Pro forma	
	December 31,				December 31,	
	2003		2002		2003	
(Dollar amounts in millions)	Carrying value	% of total	Carrying value	% of total	Carrying value	% of total
Office	$ 2,024	33%	$ 1,610	30%	$ 1,922	34%
Industrial	1,812	30%	1,546	29%	1,684	30%
Retail	1,500	25%	1,476	28%	1,366	24%
Apartments	573	9%	520	10%	529	9%
Mixed use/other	205	3%	150	3%	175	3%
Total	$ 6,114	100%	$ 5,302	100%	$ 5,676	100%

Region						
Pacific	$ 1,867	31%	$ 1,606	30%	$ 1,745	31%
South Atlantic	1,194	20%	1,174	22%	1,097	19%
Middle Atlantic	932	15%	729	14%	840	15%
East North Central	771	12%	519	10%	730	13%
Mountain	478	8%	454	9%	423	7%
West South Central	288	5%	241	4%	281	5%
West North Central	271	4%	267	5%	259	5%
East South Central	226	4%	222	4%	214	4%
New England	87	1%	90	2%	87	1%
Total	$ 6,114	100%	$ 5,302	100%	$ 5,676	100%

The following table sets forth, on an historical and pro forma basis, the distribution of our commercial mortgage loans by loan size as of the dates indicated:

	Historical						Pro forma		
	December 31,						December 31,		
	2003			2002			2003		
(Dollar amounts in millions)	Number of loans	Principal balance	% of total	Number of loans	Principal balance	% of total	Number of loans	Principal balance	% of total
Under $5 million	1,627	$ 3,153	51%	1,693	$ 3,149	59%	1,521	$ 2,912	51%
$5 million but less than $10 million	207	1,394	23%	183	1,232	23%	194	1,317	23%
$10 million but less than $20 million	67	948	15%	53	708	13%	62	869	15%
$20 million but less than $30 million	13	309	5%	7	177	3%	11	266	5%
More than $30 million	8	358	6%	2	80	2%	8	358	6%
Total	1,922	$ 6,162	100%	1,938	$ 5,346	100%	1,796	$ 5,722	100%

The following table sets forth, on an historical and pro forma basis, the scheduled maturities for our commercial mortgage loans as of the dates indicated:

	Historical				Pro forma	
	December 31,				December 31,	
	2003		2002		2003	
(Dollar amounts in millions)	Carrying value	% of total	Carrying value	% of total	Carrying value	% of total
Due in 1 year or less	$ 68	1%	$ 72	1%	$ 68	1%
Due after 1 year through 2 years	60	1%	99	2%	60	1%
Due after 2 year through 3 years	122	2%	81	2%	122	2%
Due after 3 year through 4 years	64	1%	126	2%	64	1%
Due after 4 year through 5 years	389	6%	79	2%	389	7%
Due after 5 years	5,411	89%	4,845	91%	4,973	88%
Total	$ 6,114	100%	$ 5,302	100%	$ 5,676	100%

We monitor our mortgage loans on a continual basis. These reviews include an analysis of the property, its financial statements, the relevant market and tenant creditworthiness. Through this monitoring process, we review loans that are restructured, delinquent or under foreclosure and identify those that management considers to be potentially delinquent.

The following table sets forth, on an historical and pro forma basis, the changes in allowance for losses on mortgage loans as of the dates indicated:

	Historical			Pro forma
	As of or for the years ended December 31,			As of or for the years ended December 31,
(Dollar amounts in millions)	2003	2002	2001	2003
Balance, beginning of period	$ 45	$ 58	$ 47	$ 42
Additions	8	10	9	8
Deductions for writedowns and dispositions	(3)	(23)	2	(3)
Balance, end of period	$ 50	$ 45	$ 58	$ 47

Equity securities and other investments

The following table sets forth, on an historical and pro forma basis, the carrying values of our investments in equity securities and other investments as of the dates indicated:

	Historical				Pro forma	
	December 31,				December 31,	
	2003		2002		2003	
(Dollar amounts in millions)	Carrying value	% of total	Carrying value	% of total	Carrying value	% of total
Equity securities	$ 600	14%	$ 1,295	31%	$ 428	11%
Securities lending	3,026	68%	2,195	53%	3,026	76%
Limited partnerships	253	6%	202	5%	186	5%
Real estate	120	3%	127	3%	1	0%
Other investments	390	9%	346	8%	338	8%
Total	$ 4,389	100%	$ 4,165	100%	$ 3,979	100%

Our equity securities primarily consist of investments in publicly traded common stocks and some preferred stock of U.S. and non-U.S. companies. We also participate in a securities lending program, whereby blocks of securities included in our investments are loaned primarily to major brokerage firms. We require a minimum of 102% of the fair value of the loaned securities to be separately maintained as collateral for the loans. The limited partnerships primarily represent interests in pooled investment funds that make private equity investments in U.S. and non-U.S. companies. We classify our investments in common stocks as available-for-sale. Real estate consists of ownership of real property, primarily commercial property. Other investments are primarily amounts on deposit with foreign governments, options and strategic equity investments.

Derivative financial instruments

We use derivative financial instruments, such as interest rate and currency swaps, currency forwards and option-based financial instruments, as part of our risk management strategy. We use these derivatives to mitigate interest rate and currency risk by:

- reducing the risk between the timing of the receipt of cash and its investment in the market;
- matching the currency of invested assets with the liabilities they support;
- converting the asset duration to match the duration of the liabilities; and
- protecting against the early termination of an asset or liability.

As a matter of policy, we have not and will not engage in derivative market-making, speculative derivative trading or other speculative derivatives activities.

The following table sets forth, on an historical and pro forma basis, our positions in derivative financial instruments, other than equity options, as of the dates indicated:

	Historical				Pro forma	
	December 31,				December 31,	
	2003		2002		2003	
(Dollar amounts in millions)	Notional value	% of total	Notional value	% of total	Notional value	% of total
Interest rate swaps	$ 9,960	90%	$ 9,233	90%	$ 7,786	92%
Foreign currency swaps	697	6%	225	2%	514	6%
Swaptions	474	4%	814	8%	193	2%
Foreign exchange contracts	30	0%	30	0%	30	0%
Total	$ 11,161	100%	$ 10,302	100%	$ 8,523	100%

Employees

As of December 31, 2003, we had approximately 5,850 full-time and 100 part-time employees. We believe our employee relations are satisfactory. To the best of our knowledge, none of our employees are subject to collective bargaining agreements. Some of our employees in Europe may be members of trade unions, but local data privacy laws prohibit us from asking them about their membership in trade unions, and they are not required to inform us.

Facilities

We own our headquarters facility in Richmond, Virginia, which consists of approximately 461,000 square feet in four buildings, as well as several facilities with approximately 462,000 square feet in Lynchburg, Virginia. In addition, we lease approximately 1,348,000 square feet of office space in 98 locations throughout the U.S. We also own one building outside the U.S., with approximately 2,600 square feet, and we lease approximately 421,000 square feet in various locations outside the U.S.

Most of our leases in the U.S. and other countries have lease terms of three to five years, although some leases have terms of up to eight years. Our aggregate annual rental expense under all these leases was $30 million during the year ended December 31, 2003.

We believe our properties are adequate for our business as presently conducted.

Legal Proceedings

We are subject to legal and regulatory actions in the ordinary course of our businesses, including class actions. Our pending legal and regulatory actions include proceedings specific to us and others generally applicable to business practices in the industries in which we operate. In our insurance operations, we are or may become subject to class actions and individual suits alleging, among other things, issues relating to sales or underwriting practices, claims payment and procedures, product design, disclosure, administration, additional premium charges for premiums paid on a periodic basis, denial or delay of benefits and breaches of fiduciary duties to customers. In our investment-related operations, we are or may become subject to litigation involving commercial disputes with counterparties or others and class action and other litigation alleging, among other things, that we made improper or inadequate disclosures in connection with the sale of assets and annuity and investment products or charged excessive or impermissible fees on these products, recommended unsuitable products to customers or breached fiduciary or other duties to customers. We are also subject to litigation arising out of our general business activities such as our contractual and employment relationships. In addition, state insurance regulatory authorities and other authorities regularly make inquiries and conduct investigations concerning our compliance with applicable insurance, investment and other laws and regulations.

Plaintiffs in class action and other lawsuits against us may seek very large or indeterminate amounts, including punitive and treble damages. Given the large or indeterminate amounts sought in certain of these matters and the inherent unpredictability of litigation, an adverse outcome in certain matters in addition to those described below could have a material adverse effect on our financial condition or results of operations.

One of our insurance subsidiaries is named as a defendant in a lawsuit, *McBride v. Life Insurance Co. of Virginia dba GE Life and Annuity Assurance Co.,* related to the sale of universal life insurance policies. The complaint was filed on November 1, 2000, in Georgia state court as a class action on behalf of all persons who purchased certain universal life insurance policies from that subsidiary and alleges improper practices in connection with the sale and administration of universal life policies. The plaintiffs sought unspecified compensatory and punitive damages. On December 1, 2000, we removed the case to the U.S. District Court for the Middle District of Georgia. No class has been certified. We have vigorously denied liability with respect to the plaintiff's allegations. Nevertheless, to avoid the risks and costs associated with protracted litigation and to resolve our differences with policyholders, we agreed in principle on October 8, 2003 to settle the case on a nationwide class action basis with respect to the insurance subsidiary named in the lawsuit. The settlement provides benefits to the class, and allows us to continue to serve our customers' needs undistracted by disruptions caused by litigation. The settlement documents have not been finalized, nor has any proposed settlement been submitted to the proposed class or for court approval, and a final settlement is not certain. In the third quarter of 2003, we accrued $50 million in reserves relating to this litigation, which represents our best estimate of bringing this matter to conclusion. The precise amount of payments in this matter cannot be estimated because they are dependent upon court approval of the class and related settlement, the number of individuals who ultimately will seek relief in the claim form process of any approved class settlement, the identity of such claimants and whether they are entitled to relief under the settlement terms and the nature of the relief to which they are entitled.

One of our mortgage insurance subsidiaries is named as a defendant in two lawsuits filed in the U.S. District Court for the Northern District of Illinois, *William Portis et al. v. GE Mortgage Insurance Corp.* and *Karwo v. Citimortgage, Inc. and General Electric Mortgage Insurance Corporation.* The *Portis* complaint was filed on January 15, 2004, and the *Karwo* complaint was filed on March 15, 2004. Each action seeks certification of a nationwide class of consumers who allegedly were required to pay for our private mortgage insurance at a rate higher than our "best available rate," based upon credit information we obtained. Each action alleges that the FCRA requires an "adverse action" notice to such borrowers and that we violated the FCRA by failing to give such notice. The plaintiffs in *Portis* allege in the complaint that they are entitled to "actual damages" and "damages within the Court's discretion of not more than $1,000 for each separate violation" of the FCRA. The plaintiffs in *Karwo* allege that they are entitled to "appropriate actual, punitive and statutory damages" and "such other or further relief as the Court deems proper." Similar cases are pending against six other mortgage insurers. We intend to vigorously defend against these actions, but we cannot predict their outcome.

We agreed to an injunction as part of a September 2002 settlement of a putative class action, *Douglas v. General Electric Mortgage Insurance Corporation, dba General Electric Capital Mortgage Insurance,* and General Electric Mortgage Insurance Corporation of North Carolina, dba General Electric Capital Mortgage Insurance, alleging that we violated RESPA by providing items of value to induce lenders to refer mortgage insurance business to it. The complaint was filed on December 15, 2000, in the United States District Court for the Southern District of Georgia. Pursuant to the settlement, we paid $9 million in damages and other costs of settlement. The injunction, which expired on December 31, 2003, provides that so long as certain products and services challenged in the lawsuit, including contract underwriting, captive reinsurance arrangements and certain other products and services, meet the minimum requirements for risk transfer and cost recovery specified in the injunction, they will be deemed to be in compliance with RESPA, thus barring lawsuits by class members for any mortgage insurance-related claim in connection with any loan transaction closed on or before December 31, 2003. The class members gave a general release to our mortgage insurance subsidiary, lenders and the GSEs for all claims on insurance commitments issued December 17, 1997 through December 31, 2003, including claims under RESPA and related state law claims. In accordance with the terms of the injunction, we provide contract underwriting services pursuant to written agreements with lenders at fees that cover our marginal costs of providing these services.

It is not clear whether the expiration of the injunction will lead to new litigation under RESPA and related state law against mortgage insurers, including us. Any future claims made against us could allege either that we violated the terms of the injunction or that our pricing structures and business practices violate RESPA after the expiration of the injunction. We cannot predict whether any change in our pricing structure or business practices, whether in response to any changes by our competitors in their pricing structure or business practices or otherwise, or whether any services we or they may provide to mortgage lenders, could be found to violate RESPA or any future injunction that might be issued.

One of our subsidiaries is involved in an arbitration regarding our delegated underwriting practices. A mortgage lender that underwrote loan applications for mortgage insurance under our delegated underwriting program commenced the arbitration against us in 2003 after we rescinded policy coverage for a number of mortgage loans underwritten by that lender. We rescinded coverage because we believe those loans were not underwritten in compliance with applicable program standards and underwriting guidelines. However, the lender claims that we improperly rescinded coverage. We believe our maximum exposure in the arbitration, based upon the risk in force on the rescinded coverage on loans that are delinquent, is approximately $20 million. However, this exposure may increase in the event additional rescinded policies are included in the arbitration. The arbitration currently is in the discovery phase. We believe we had valid reasons to rescind coverage on the disputed loans and therefore believe we have meritorious defenses in the arbitration. We intend to contest vigorously all the claims in this arbitration.

One of our insurance subsidiaries is a defendant in three lawsuits brought by individuals claiming that William Maynard, one of our former dedicated sales specialists, and Anthony Allen, one of our former independent producers, converted customer monies and engaged in various fraudulent acts. All three cases, *Monger v. Allen, Maynard and GE Life and Annuity Assurance Company ("GELAAC")* (filed October 24, 2003), *Warfel v. Allen, Maynard, adVenture Publishing and* GELAAC (filed February 6, 2004), and *Hanrick v. Allen, Maynard and GELAAC* (filed March 10, 2004), are in their preliminary stages and are pending in the state court of Cumberland County, North Carolina. The suits allege that GELAAC failed to properly supervise Allen and Maynard and that GELAAC is responsible for Allen's and Maynard's conduct. Specifically, *Monger* alleges conversion, negligence, fraudulent misrepresentation, constructive fraud, unfair and deceptive trade practices, violations of the Investment Company Act of 1940 and negligent supervision. *Warfel* alleges breach of contract, conversion, breach of fiduciary duty, fraud, constructive fraud, negligent misrepresentation, negligent supervision and unfair and deceptive trade practices. *Hanrick* alleges conversion, negligence, fraudulent misrepresentation, constructive fraud, unfair and deceptive trade practices and negligent supervision. Each plaintiff seeks actual or specified damages, treble damages and punitive damages of an unspecified amount. In October, 2003, Allen and Maynard were arrested and charged with conversion in Cumberland County, North Carolina for allegedly failing to remit $30,000 in premiums that they received from a client to GELAAC. Allen has also been indicted in Cumberland County, North Carolina for converting the funds of numerous other individuals. The ultimate outcome, and any effect on us, of these suits, and any related or similar future suits or claims arising with respect to other similarly situated individuals cannot be determined at this time.

Regulation

Our businesses are subject to extensive regulation and supervision.

General

Our insurance operations are subject to a wide variety of laws and regulations. State insurance laws regulate most aspects of our U.S. insurance businesses, and our insurance subsidiaries are regulated by the insurance departments of the states in which they are domiciled and licensed. Our non-U.S. insurance operations are principally regulated by insurance regulatory authorities in the jurisdictions in which they are domiciled. Our insurance products and thus our businesses also are affected by U.S. federal, state and local tax laws, and the tax laws of non-U.S. jurisdictions. Insurance products that constitute "securities," such as variable annuities and variable life insurance, also are subject to U.S. federal and state and non-U.S. securities laws and regulations. The Securities and Exchange Commission, or SEC, the National Association of Securities Dealers, or NASD, state securities authorities and non-U.S. authorities regulate and supervise these products.

Our securities operations are subject to U.S. federal and state and non-U.S. securities and related laws. The SEC, state securities authorities, the NASD and similar non-U.S. authorities are the principal regulators of these operations.

The purpose of the laws and regulations affecting our insurance and securities businesses is primarily to protect our customers and not our stockholders. Many of the laws and regulations to which we are subject are regularly re-examined, and existing or future laws and regulations may become more restrictive or otherwise adversely affect our operations.

In addition, insurance and securities regulatory authorities (including state law enforcement agencies and attorneys general or their non-U.S. equivalents) from time to time make inquiries regarding compliance by us and our subsidiaries with insurance, securities and other laws and regulations regarding the conduct of our insurance and securities businesses. We cooperate with such inquiries and take corrective action when warranted.

U.S. Insurance Regulation

Our U.S. insurance subsidiaries are licensed and regulated in all jurisdictions in which they conduct insurance business. The extent of this regulation varies, but most jurisdictions have laws and regulations governing the financial condition of insurers, including standards of solvency, types and concentration of investments, establishment and maintenance of reserves, credit for reinsurance and requirements of capital adequacy, and the business conduct of insurers, including marketing and sales practices and claims handling. In addition, statutes and regulations usually require the licensing of insurers and their agents, the approval of policy forms and related materials and the approval of rates for certain lines of insurance.

The types of U.S. insurance laws and regulations applicable to us or our U.S. insurance subsidiaries are described below. Our U.S. mortgage insurance subsidiaries are subject to additional insurance laws and regulations applicable specifically to mortgage insurers discussed below under "—Mortgage Insurance."

Insurance holding company regulation

All U.S. jurisdictions in which our U.S. insurance subsidiaries conduct insurance business have enacted legislation that requires each U.S. insurance company in a holding company system, except captive insurance companies, to register with the insurance regulatory authority of its jurisdiction of domicile and to furnish that regulatory authority financial and other information concerning the operations of, and the interrelationships and transactions among, companies within its holding company system that may materially affect the operations, management or financial condition of the insurers within the system. These laws and regulations also regulate transactions between insurance companies and their parents and affiliates. Generally, these laws and regulations require that all transactions within a holding company system between an insurer and its affiliates be fair and reasonable and that the insurer's statutory surplus following any transaction with an affiliate be both reasonable in relation to its outstanding liabilities and adequate to its needs. Statutory surplus is the excess of admitted assets over the sum of statutory liabilities and capital. For certain types of agreements and transactions between an insurer and its affiliates, these laws and regulations require prior notification to, and non-disapproval or approval by, the insurance regulatory authority of the insurer's jurisdiction of domicile.

Policy forms

Our U.S. insurance subsidiaries' policy forms are subject to regulation in every U.S. jurisdiction in which they are licensed to transact insurance business. In most U.S. jurisdictions, policy forms must be filed prior to their use. In some U.S. jurisdictions, forms must also be approved prior to use.

Dividend limitations

As a holding company with no significant business operations of our own, we will depend on dividends or other distributions from our subsidiaries as the principal source of cash to meet our obligations, including the payment of interest on, and repayment of, principal of any debt obligations. The payment of dividends or other distributions to us by our U.S. insurance subsidiaries is regulated by the insurance laws and regulations of their respective states of domicile. In general, these subsidiaries may not pay an "extraordinary" dividend or distribution until 30 days after the applicable insurance regulator has received notice of the intended payment and has not objected in such period or has approved the payment within the 30-day period. In general, an "extraordinary" dividend or distribution is defined by these laws and regulations as a dividend or distribution that, together with other dividends and distributions made within the preceding 12 months exceeds the greater (and, in some jurisdictions, the lesser) of:

- 10% of the insurer's statutory surplus as of the immediately prior year end; or
- the statutory net gain from the insurer's operations (if a life insurer) or the statutory net income (if not a life insurer) during the prior calendar year.

The laws and regulations of some of these jurisdictions also prohibit an insurer from declaring or paying a dividend except out of its earned surplus or require the insurer to obtain regulatory approval before it may do so.

Market conduct regulation

The laws and regulations of U.S. jurisdictions include numerous provisions governing the marketplace activities of insurers, including provisions governing the form and content of disclosure to consumers, product illustrations, advertising, product replacement, sales and underwriting practices, complaint handling and claims handling. The regulatory authorities in U.S. jurisdictions generally enforce these provisions through periodic market conduct examinations.

Statutory examinations

As part of their regulatory oversight process, insurance departments in U.S. jurisdictions conduct periodic detailed examinations of the books, records, accounts and business practices of insurers domiciled in their jurisdiction. These examinations generally are conducted in cooperation with the insurance departments of two or three other states or jurisdictions, representing each of the NAIC zones, under guidelines promulgated by the NAIC.

In the three-year period ended December 31, 2003, we have not received any material adverse findings resulting from any insurance department examinations of our U.S. insurance subsidiaries.

Guaranty associations and similar arrangements

Most of the jurisdictions in which our U.S. insurance subsidiaries are licensed to transact business require life insurers doing business within the jurisdiction to participate in guaranty associations, which are organized to pay contractual benefits owed pursuant to insurance policies of insurers who become impaired or insolvent. These associations levy assessments, up to prescribed limits, on all member insurers in a particular jurisdiction on the basis of the proportionate share of the premiums written by member insurers in the lines of business in which the impaired, insolvent or failed insurer is engaged. Some jurisdictions permit member insurers to recover assessments paid through full or partial premium tax offsets.

Aggregate assessments levied against our U.S. subsidiaries totaled $0.2 million, $0.2 million and $0.5 million for the years ended December 31, 2003, 2002 and 2001, respectively. Although the amount and timing of future assessments are not predictable, we have established liabilities for guaranty fund assessments that we consider adequate for assessments with respect to insurers that currently are subject to insolvency proceedings.

Change of control

The laws and regulations of the jurisdictions in which our U.S. insurance subsidiaries are domiciled require that a person obtain the approval of the insurance commissioner of the insurance company's jurisdiction of domicile prior to acquiring control of the insurer. Generally, statutes provide that control over an insurer is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, 10% or more of the voting securities of the insurer. In considering an application to acquire control of an insurer, the insurance commissioner generally will consider such factors as experience, competence, the financial strength of the applicant, the integrity of the applicant's board of directors and executive officers, the acquirer's plans for the management and operation of the insurer, and any anti-competitive results that may arise from the acquisition. In addition, a person seeking to acquire control of an insurance company is required in some states to make filings prior to completing an acquisition if the acquiror and the target insurance company and their affiliates have sufficiently large market shares in particular lines of insurance in those states. Approval of an acquisition is not required in these states, but the state insurance departments could take action to impose conditions on an acquisition that could delay or prevent its consummation. These laws may discourage potential acquisition proposals and may delay, deter or prevent a change of control involving us, including through transactions, and in particular unsolicited transactions, that some or all of our stockholders might consider to be desirable.

Policy and contract reserve sufficiency analysis

Under the laws and regulations of their jurisdictions of domicile, our U.S. life insurance subsidiaries are required to conduct annual analyses of the sufficiency of their life and health insurance and annuity statutory reserves. In addition, other jurisdictions in which these subsidiaries are licensed may have certain reserve requirements that differ from those of their domiciliary jurisdictions. In each case, a qualified actuary must submit an opinion that states that the aggregate statutory reserves, when considered in light of the assets held with respect to such reserves, make good and sufficient provision for the associated contractual obligations and related expenses of the insurer. If such an opinion cannot be provided, the affected insurer must set up additional reserves by moving funds from surplus. Our U.S. life insurance subsidiaries most recently submitted these opinions without qualification as of December 31, 2003 to applicable insurance regulatory authorities. Different reserve requirements exist for our U.S. mortgage insurance subsidiaries. See "—Reserves—Mortgage Insurance."

Surplus and capital requirements

Insurance regulators have the discretionary authority, in connection with the ongoing licensing of our U.S. insurance subsidiaries, to limit or prohibit the ability of an insurer to issue new policies if, in the regulators' judgment, the insurer is not maintaining a minimum amount of surplus or is in hazardous financial condition. Insurance regulators may also limit the ability of an insurer to issue new life insurance policies and annuity contracts above an amount based upon the face amount and premiums of policies of a similar type issued in the prior year. We do not believe that the current or anticipated levels of statutory surplus of our U.S. insurance subsidiaries present a material risk that any such regulator would limit the amount of new policies that our U.S. insurance subsidiaries may issue.

Risk-based capital

The NAIC has established risk-based capital standards for U.S. life insurance companies as well as a model act with the intention that these standards be applied at the state level. The model act provides that life insurance companies must submit an annual risk-based capital report to state regulators reporting their risk-based capital based upon four categories of risk: asset risk, insurance risk, interest rate risk and business risk. For each category, the capital requirement is determined by applying factors to various asset, premium and reserve items, with the factor being higher for those items with greater underlying risk and lower for less risky items. The formula is intended to be used by insurance regulators as an early warning tool to identify possible weakly capitalized companies for purposes of initiating further regulatory action.

If an insurer's risk-based capital falls below specified levels, the insurer would be subject to different degrees of regulatory action depending upon the level. These actions range from requiring the insurer to propose actions to correct the capital deficiency to placing the insurer under regulatory control. As of December 31, 2003, the risk-based capital of each of our U.S. life insurance subsidiaries exceeded the level of risk-based capital that would require any of them to take any corrective action.

Statutory accounting principles

Statutory accounting principles, or SAP, is a basis of accounting developed by U.S. insurance regulators to monitor and regulate the solvency of insurance companies. In developing SAP, insurance regulators were primarily concerned with assuring an insurer's ability to pay all its current and future obligations to policyholders. As a result, statutory accounting focuses on conservatively valuing the assets and liabilities of insurers, generally in accordance with standards specified by the insurer's domiciliary jurisdiction. Uniform statutory accounting practices are established by the NAIC and generally adopted by regulators in the various U.S. jurisdictions. These accounting principles and related regulations determine, among other things, the amounts our insurance subsidiaries may pay to us as dividends.

U.S. GAAP is designed to measure a business on a going-concern basis. It gives consideration to matching of revenue and expenses and, as a result, certain expenses are capitalized when incurred and then amortized over the life of the associated policies. The valuation of assets and liabilities under U.S. GAAP is based in part upon best estimate assumptions made by the insurer. Stockholder's equity represents both amounts currently available and amounts expected to emerge over the life of the business. As a result, the values for assets, liabilities and equity reflected in financial statements prepared in accordance with U.S. GAAP may be different from those reflected in financial statements prepared under SAP.

Regulation of investments

Each of our U.S. insurance subsidiaries is subject to laws and regulations that require diversification of its investment portfolio and limit the amount of investments in certain asset categories, such as below investment grade fixed income securities, equity real estate, other equity investments and derivatives. Failure to comply with these laws and regulations would cause investments exceeding regulatory limitations to be treated as non-admitted assets for purposes of measuring surplus, and, in some instances, would require divestiture of such non-complying investments. We believe the investments made by our U.S. insurance subsidiaries comply with these laws and regulations.

Federal regulation

Our variable life insurance and variable annuity products generally are "securities" within the meaning of federal and state securities laws. As a result, they are registered under the Securities Act of 1933 and are subject to regulation by the SEC, the NASD and state securities authorities. Federal and state securities regulation similar to that discussed below under "—Securities Regulation" affect investment advice and sales and related activities with respect to these products. In addition, although the federal government does not comprehensively regulate the business of insurance, federal legislation and administrative policies in several other areas, including taxation, financial services regulation and pension and welfare benefits regulation, can also significantly affect the insurance industry.

Federal initiatives

Although the federal government generally does not directly regulate the insurance business, federal initiatives often and increasingly have an impact on the business in a variety of ways. From time to time, federal measures are proposed which may significantly affect the insurance business, including limitations on antitrust immunity, the creation of more flexible tax-advantaged or tax-exempt savings accounts with higher contribution limits, and the replacement of certain traditional retirement annuities with a more general employer retirement savings account. In addition, a bill, "The Federal Insurance Consumer Protection Act of 2003" (S.1373), has been introduced in the U.S. Senate which, if enacted. would establish comprehensive and exclusive federal regulation over all "interstate insurers," including all life insurers selling in more than one state, with no option for such insurers to remain regulated by the states. This legislation would repeal the McCarran-Ferguson antitrust exemption for the business of insurance. It would also establish a Federal Insurance Regulatory Commission within the Department of Commerce that would have exclusive regulatory jurisdiction over life and property and casualty insurers that do business in more than one U.S. jurisdiction. The legislation would establish comprehensive federal regulatory oversight over such insurers, including licensing, solvency supervision, accounting and auditing practices, form and rate approval, and market conduct examination. In particular, the legislation would provide for price regulation of life insurance products, which is not now a feature of state regulation of life insurance and could affect the profitability of this business. The legislation also would establish a National Insurance Guaranty Fund which may be empowered to collect pre-funded assessments that are different from, and potentially greater than, current state guaranty fund assessment levels. We cannot predict whether these or other proposals will be adopted, or what impact, if any, such proposals may have on our business, financial condition or results of operation.

Legislative developments

On June 7, 2001, President George Bush signed into law the Economic Growth and Taxpayer Relief Reconciliation Act, which includes the repeal of the federal estate tax over a ten-year period. We believe that the repeal of the federal estate tax has resulted in reduced sales, and could continue to affect sales, of some of our estate planning products, including survivorship/second-to-die life insurance policies. We do not expect the repeal of the federal estate tax to have a material adverse impact on our overall business, however.

On May 28, 2003, President Bush signed into law the Jobs and Growth Tax Relief Reconciliation Act, which reduces federal income tax rates that investors are required to pay on capital gains and on certain dividends paid on stock. This reduction may provide an incentive for certain of our customers and potential customers to shift assets into mutual funds and away from our products, including annuities, designed to defer taxes payable on investment returns.

We cannot predict what other proposals may be made, what legislation may be introduced or enacted or the impact of any such legislation on our business, results of operations and financial condition.

U.K. Insurance Regulation

General

Insurance and reinsurance businesses in the U.K. are subject to close regulation by the Financial Services Authority, or FSA. We have U.K. subsidiaries that have received authorization from the FSA to effect and carry out contracts of insurance in the U.K. An authorized insurer in the U.K. is able to operate throughout the European Union, subject to certain regulatory requirements of the FSA and in some cases, certain local regulatory requirements. Certain of our U.K. subsidiaries operate in other member states of the European Union through the establishment of branch offices.

Supervision

The FSA has adopted a risk-based approach to the supervision of insurance companies. Under this approach the FSA periodically performs a formal risk assessment of insurance companies or groups carrying on business in the U.K. After each risk assessment, the FSA will inform the insurer of its views on the insurer's risk profile. This will include details of any remedial action that the FSA requires and the likely consequences if this action is not taken.

The FSA also supervises the management of insurance companies through the approved persons regime, by which any appointment of persons to perform certain specified "controlled functions" within a regulated entity, must be approved by the FSA.

Solvency requirements

Under FSA rules, insurance companies must maintain a margin of solvency at all times, the calculation of which in any particular case depends on the type and amount of insurance business a company writes. Failure to maintain the required solvency margin is one of the grounds on which wide powers of intervention conferred upon the FSA may be exercised. In addition, an insurer (other than a pure reinsurer) that is part of a group, is required to perform and submit to the FSA a solvency margin calculation return in respect of its ultimate parent company, in accordance with the FSA's rules. Although there is no requirement for the parent company solvency calculation to show a positive result, the FSA is required to take action where it considers that the solvency of the insurance company is or may be jeopardized due to the group solvency position. As of December 31, 2003, the solvency calculation for our group's parent company in the U.K. showed a surplus.

In addition, the FSA has published proposals for the implementation of the European Union's Financial Conglomerates Directive which include a requirement for insurance groups to hold an amount of capital indicated in the calculation of the parent company's solvency margin at the European Economic Area parent level for the financial years beginning in 2005. The purpose of these proposals is to prevent the leveraging of capital by companies involved in multiple insurance groups. The FSA has stated that it will phase in these proposals.

Restrictions on dividend payments

English company law prohibits our U.K. subsidiaries from declaring a dividend to their shareholders unless they have "profits available for distribution." The determination of whether a company has profits available for distribution is based on its accumulated realized profits less its accumulated realized losses.

Change of control

The acquisition of "control" of any U.K. insurance company will require FSA approval. For these purposes, a party that "controls" a U.K. insurance company includes any company or individual that (together with its or his associates) directly or indirectly acquires 10% or more of the shares in a U.K. authorized insurance company or its parent company, or is entitled to exercise or control the exercise of 10% or more of the voting power in such authorized insurance company or its parent company. In considering whether to approve an application for approval, the FSA must be satisfied that both the acquirer is a fit and proper person to have such "control" and that the interests of consumers would not be threatened by such acquisition of "control." Failure to make the relevant prior application could result in action being taken against our U.K. subsidiaries by the FSA. These requirements could delay, deter or prevent the acquisition of control of our U.K. insurance subsidiaries.

Intervention and enforcement

The FSA has extensive powers to intervene in the affairs of an insurance company or authorized person and has the power, among other things, to enforce, and take disciplinary measures in respect of, breaches of its rules.

Mortgage Insurance

State regulation

General

Mortgage insurers generally are restricted by state insurance laws and regulations to writing mortgage insurance business only. This restriction prohibits our mortgage insurance subsidiaries from directly writing other types of insurance. Mortgage insurers are not subject to the NAIC's risk-based capital requirements, but are subject to other capital requirements placed directly on mortgage insurers. Generally, mortgage insurers are required by certain states and other regulators to maintain a risk in-force to capital ratio not to exceed 25:1. As of December 31, 2003, none of our mortgage insurance subsidiaries had a risk in-force to capital ratio in excess of 25:1.

Reserves

Our U.S. mortgage insurance subsidiaries are required under state insurance laws to establish a special statutory contingency reserve in their statutory financial statements to provide for losses in the event of significant economic declines. Annual additions to the statutory contingency reserve must equal at least 50% of premiums earned, and these reserves cannot be withdrawn for 10 years, except under certain limited circumstances. The statutory contingency reserve as of December 31, 2003 for our mortgage insurance subsidiaries was approximately $3.0 billion. This reserve effectively restricts our U.S. mortgage insurance subsidiaries' ability to pay dividends and other distributions because it reduces policyholders' surplus.

Federal regulation

In addition to federal laws that directly affect mortgage insurers, private mortgage insurers are affected indirectly by federal legislation and regulation affecting mortgage originators and lenders, by purchasers of mortgage loans such as Freddie Mac and Fannie Mae, and by governmental insurers such as the FHA and VA. For example, changes in federal housing legislation and other laws and regulations that affect the demand for private mortgage insurance may have a material effect on private mortgage insurers. Legislation or regulation that increases the number of people eligible for FHA or VA mortgages could have a materially adverse effect on our ability to compete with the FHA or VA.

The Homeowners Protection Act provides for the automatic termination, or cancellation upon a borrower's request, of private mortgage insurance upon satisfaction of certain conditions. The

Homeowners Protection Act applies to owner-occupied residential mortgage loans regardless of lien priority and to borrower-paid mortgage insurance closed after July 29, 1999. FHA loans are not covered by the Homeowners Protection Act. Under the Homeowners Protection Act, automatic termination of mortgage insurance would generally occur once the loan-to-value ratio reaches 78%. A borrower generally may request cancellation of mortgage insurance once the loan-to-value reaches 80% of the home's original value or when actual payments reduce the loan balance to 80% of the home's original value, whichever occurs earlier. For borrower-initiated cancellation of mortgage insurance, the borrower must have a "good payment history" as defined by the Homeowners Protection Act.

The Real Estate Settlement and Procedures Act of 1974, or RESPA, applies to most residential mortgages insured by private mortgage insurers. Mortgage insurance has been considered in some cases to be a "settlement service" for purposes of loans subject to RESPA. Subject to limited exceptions, RESPA prohibits persons from accepting anything of value for referring real estate settlement services to any provider of such services. Although many states prohibit mortgage insurers from giving rebates, RESPA has been interpreted to cover many non-fee services as well. Both mortgage insurers and their customers are subject to the possible sanctions of this law, which is enforced by HUD and also provides for private rights of action.

In July 2002, HUD proposed a rule under RESPA entitled "Simplifying and Improving the Process of Obtaining Mortgages to Reduce Settlement Costs to Consumers." Under this proposed rule, lenders and other packagers of loans are given the choice of offering a "Guaranteed Mortgage Package" or providing a "Good Faith Estimate" where the estimated fees are subject to a 10% tolerance. Qualifying packages would be entitled to a "safe harbor" from RESPA's anti-kickback rules. Mortgage insurance is included in the package "to the extent an upfront premium is charged." It is unclear in what form, if any, HUD's proposed rule will be implemented or what impact it may have on the mortgage insurance industry.

Most originators of mortgage loans are required to collect and report data relating to a mortgage loan applicant's race, nationality, gender, marital status and census tract to HUD or the Federal Reserve under the Home Mortgage Disclosure Act of 1975, or HMDA. The purpose of HMDA is to detect possible discrimination in home lending and, through disclosure, to discourage such discrimination. Mortgage insurers are not required to report HMDA data although, under the laws of several states, mortgage insurers currently are prohibited from discriminating on the basis of certain classifications. Mortgage insurers have, through MICA, entered voluntarily into an agreement with the Federal Financial Institutions Examinations Council to report the same data on loans submitted for insurance as is required for most mortgage lenders under HMDA.

International regulation

Canada

The Office of the Superintendent of Financial Institutions, or OSFI, provides oversight to all federally incorporated financial institutions, including our Canadian mortgage insurance company. The Federal Bank Act, Insurance Companies Act and Trust and Loan Companies Act prohibits Canadian banks, trust companies and insurers from extending mortgage loans where the loan value exceeds 75% of the property's value, unless mortgage insurance is obtained in connection with the loan. As a result, all mortgages issued by these financial institutions with loan-to-value ratio exceeding 75% must be insured by a qualified insurer or the CMHC. We currently are the only qualified private insurer.

We have an agreement with the Canadian government under which it guarantees the benefits payable under a mortgage insurance policy, less 10% of the original principal amount of an insured loan, in the event that we fail to make claim payments with respect to that loan because of insolvency. We pay the Canadian government a risk premium for this guarantee and make other payments to a reserve fund in respect of the government's obligation. Because banks are not required to maintain regulatory capital on an asset backed by a sovereign guarantee, our 90% sovereign guarantee permits lenders purchasing our mortgage insurance to reduce their regulatory capital charges for credit risks on mortgages by 90%.

The legislative requirement in Canada to obtain mortgage insurance on high loan-to-value mortgages and the favorable capital treatment given to financial institutions because of our 90% sovereign guarantee effectively precludes these financial institutions from issuing simultaneous second mortgage products similar to those offered in the U.S.

Australia

APRA regulates all financial institutions in Australia, including general, life and mortgage insurance companies. Effective July 1, 2002, APRA provided new regulatory standards for all general insurers, including mortgage insurance companies. APRA's license conditions currently require Australian mortgage insurance companies, including us, to be mono-line insurers, which are insurance companies that offer just one type of insurance product. However, in November 2003, APRA announced that it is considering, and has sought comment on, a proposal to eliminate the requirement that mortgage insurance companies be mono-line insurers, which APRA believes could facilitate the entry of new competitors.

APRA also sets authorized capital levels and regulates corporate governance requirements, including our risk management strategy. In this regard, APRA reviews our management, controls, processes, reporting and methods by which all risks are managed, including a periodic review of outstanding insurance liabilities by an approved actuary, and a reinsurance management strategy, which outlines our use of reinsurance in Australia.

In addition, APRA determines the capital requirements for depository institutions and provides for reduced capital requirements for depository institutions that insure residential mortgages with loan-to-value ratios above 80% with an "A" rated, or equivalently rated, mortgage insurance company that is regulated by APRA. Our insurance subsidiaries that serve the Australian and New Zealand markets have financial-strength ratings of "AA" (Very Strong) from S&P and Fitch and a rating of "Aa2" (Excellent) from Moody's. The "AA" rating is the third-highest of S&P's 21 ratings categories and the third-highest of Fitch's 24 ratings categories. The "Aa2" rating is the third-highest of Moody's 21 ratings categories.

APRA currently is studying the adequacy of the capital requirements that govern lenders and mortgage insurers in Australia, particularly in the event of a severe recession accompanied by a significant decline in housing values. If APRA concludes that the capital requirements that currently govern mortgage issuers are not sufficient and decides to increase the amount of capital required for mortgage insurers, we may, depending on the amount of such increase, be required to increase the capital in our Australian mortgage insurance business. This would reduce our returns on capital from those operations.

United Kingdom and Continental Europe

The U.K. is a member of the European Union and applies the harmonized system of regulation set out in the European Union directives. Our authorization to provide mortgage insurance in the U.K. enables us to offer our products in all the European Union member states, subject to certain regulatory requirements of the FSA and, in some cases, local regulatory requirements. We can provide mortgage insurance only in the classes for which we have authorization under applicable regulations and must maintain required risk capital reserves. We are also subject to the oversight of other regulatory agencies in other countries where we do business throughout Europe. For more information about U.K. insurance regulation that affects our mortgage subsidiaries that operate in the U.K., see "—U.K. Insurance Regulation."

Other Non-U.S. Insurance Regulation

We operate in a number of countries around the world in addition to the U.S., the U.K., Canada and Australia. These countries include France, Mexico, Spain, Bermuda and a number of other countries in Europe. Generally, our subsidiaries (and in some cases our branches) conducting business in these countries must obtain licenses from local regulatory authorities and satisfy local regulatory requirements, including those relating to rates, forms, capital, reserves and financial reporting.

Other Laws and Regulations

Securities regulation

Certain of our U.S. subsidiaries and certain policies and contracts offered by them, are subject to various levels of regulation under the federal securities laws administered by the SEC. Certain of our U.S. subsidiaries are investment advisers registered under the Investment Advisers Act of 1940. Certain of their respective employees are licensed as investment advisory representatives in the states where those employees have clients. Our U.S. investment adviser subsidiaries also manage investment companies that are registered with the SEC under the Investment Company Act of 1940. In addition, some of our insurance company separate accounts are registered under the Investment Company Act of 1940. Some annuity contracts and insurance policies issued by some of our U.S. subsidiaries are funded by separate accounts, the interests in which are registered under the Securities Act of 1933. Certain of our subsidiaries are registered and regulated as broker/dealers under the Securities Exchange Act of 1934 and are members of, and subject to regulation by, the NASD, as well as by various state and local regulators. The registered representatives of our broker/dealers are also regulated by the SEC and NASD and are further subject to applicable state and local laws.

These laws and regulations are primarily intended to protect investors in the securities markets and generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the conduct of business for failure to comply with such laws and regulations. In such event, the possible sanctions that may be imposed include suspension of individual employees, limitations on the activities in which the investment adviser or broker/dealer may engage, suspension or revocation of the investment adviser or broker/dealer registration, censure or fines. We may also be subject to similar laws and regulations in the states and other countries in which we provide investment advisory services, offer the products described above or conduct other securities-related activities.

Certain of our U.S. subsidiaries also sponsor and manage investment vehicles that rely on certain exemptions from registration under the Investment Company Act of 1940 and the Securities Act of 1933. Nevertheless, provisions of the Investment Company Act of 1940 and the Securities Act of 1933 apply to these investment vehicles and the securities issued by such vehicles. The Investment Company Act of 1940 and the Securities Act of 1933, including the rules promulgated thereunder, are subject to change which may affect our U.S. subsidiaries that sponsor and manage such investment vehicles.

Environmental considerations

As an owner and operator of real property, we are subject to extensive U.S. federal and state and non-U.S. environmental laws and regulations. Potential environmental liabilities and costs in connection with any required remediation of such properties also is an inherent risk in property ownership and operation. In addition, we hold equity interests in companies and have made loans secured by properties that could potentially be subject to environmental liabilities. We routinely have environmental assessments performed with respect to real estate being acquired for investment and real property to be acquired through foreclosure. We cannot provide assurance that unexpected environmental liabilities will not arise. However, based upon information currently available to us, we believe that any costs associated with compliance with environmental laws and regulations or any remediation of such properties will not have a material adverse effect on our business, financial condition or results of operations.

ERISA considerations

We provide certain products and services to certain employee benefit plans that are subject to ERISA or the Internal Revenue Code. As such, our activities are subject to the restrictions imposed by ERISA and the Internal Revenue Code, including the requirement under ERISA that fiduciaries must perform their duties solely in the interests of ERISA plan participants and beneficiaries and the requirement under ERISA and the Internal Revenue Code that fiduciaries may not cause a covered plan to engage in certain prohibited transactions with persons who have certain relationships with respect to such plans. The applicable provisions of ERISA and the Internal Revenue Code are subject to enforcement by the U.S. Department of Labor, the IRS and the Pension Benefit Guaranty Corporation.

USA Patriot Act

The USA Patriot Act of 2001, or the Patriot Act, enacted in response to the terrorist attacks on September 11, 2001, contains anti-money laundering and financial transparency laws and mandates the implementation of various new regulations applicable to broker/dealers and other financial services companies including insurance companies. The Patriot Act seeks to promote cooperation among financial institutions, regulators and law enforcement entities in identifying parties that may be involved in terrorism or money laundering. Anti-money laundering laws outside of the U.S. contain similar provisions. The increased obligations of financial institutions to identify their customers, watch for and report suspicious transactions, respond to requests for information by regulatory authorities and law enforcement agencies, and share information with other financial institutions, require the implementation and maintenance of internal practices, procedures and controls. We believe that we have implemented, and that we maintain, appropriate internal practices, procedures and controls to enable us to comply with the provisions of the Patriot Act.

Privacy of consumer information

U.S. federal and state laws and regulations require financial institutions, including insurance companies, to protect the security and confidentiality of consumer financial information and to notify consumers about their policies and practices relating to their collection and disclosure of consumer information and their policies relating to protecting the security and confidentiality of that information. Similarly, federal and state laws and regulations also govern the disclosure and security of consumer health information. In particular, regulations promulgated by the U.S. Department of Health and Human Services regulate the disclosure and use of protected health information by health insurers and others, the physical and procedural safeguards employed to protect the security of that information and the electronic transmission of such information. Congress and state legislatures are expected to consider additional legislation relating to privacy and other aspects of consumer information.

In Europe, the collection and use of personal information is subject to strict regulation. The European Union's Data Protection Directive establishes a series of privacy requirements that EU member states are obliged to enact in their national legislation. European countries that are not EU member states have similar privacy requirements in their national laws. These requirements generally apply to all businesses, including insurance companies. In general, companies may process personal information only if consent has been obtained from the persons concerned or if certain other conditions are met. These other requirements include the provision of notice to customers and other persons concerning how their personal information is used and disclosed, limitations on the transfer of personal information to countries outside the European Union, registration with the national privacy authorities, where applicable, and the use of appropriate information security measures against the access or use of personal information by unauthorized persons.

Management

Directors and Executive Officers

The following table sets forth certain information concerning our directors and executive officers as of the completion of this offering:

Name	Age	Positions
Michael D. Fraizer	45	Chairman, President and Chief Executive Officer
Thomas H. Mann	53	President and Chief Executive Officer—Mortgage Insurance
Pamela S. Schutz	49	President and Chief Executive Officer—Retirement Income and Investments
George R. Zippel	45	President and Chief Executive Officer—Protection
K. Rone Baldwin	45	Senior Vice President—Employee Benefits Group
Mark W. Griffin	45	Senior Vice President—Chief Risk Officer
Debora M. Horvath	49	Senior Vice President—Chief Information Officer
Michael S. Laming	52	Senior Vice President—Human Resources
Scott J. McKay	43	Senior Vice President—Operations & Quality
Richard P. McKenney	35	Senior Vice President—Chief Financial Officer
Victor C. Moses	56	Senior Vice President—Chief Actuary
Joseph J. Pehota	43	Senior Vice President—Business Development
Leon E. Roday	50	Senior Vice President, General Counsel and Secretary
William R. Wright, Jr.	51	Senior Vice President—Chief Investment Officer
Elizabeth J. Comstock	43	Director
Pamela Daley	51	Director
Dennis D. Dammerman	58	Director
David R. Nissen	52	Director
James A. Parke	58	Director
Frank J. Borelli	68	Director nominee
J. Robert Kerrey	60	Director nominee
Thomas B. Wheeler	67	Director nominee

Executive Officers and Directors

The following sets forth certain biographical information with respect to our executive officers and directors listed above.

Michael D. Fraizer will be our Chairman, President and Chief Executive Officer upon the completion of this offering and has been a Vice President of GE since December 1995 and a Senior Vice President of GE since June 2000. Since November 1996, Mr. Fraizer has been Chairman of the Board and, since April 1997, President and Chief Executive Officer, of GEFAHI. Mr. Fraizer also has been a director of GE Capital and General Electric Capital Services, Inc. Mr. Fraizer led the Consumer Savings and Insurance Group, a predecessor of GEFAHI, from February 1996 until the formation of GEFAHI in October 1996. Prior to that time, Mr. Fraizer was President and Chief Executive Officer of GE Capital Commercial Real Estate, an affiliate of our company, from July 1993 to December 1996, leading both the GE Consumer Savings and Insurance Group and GE Capital

Commercial Real Estate from February to December of 1996. From July 1991 to June of 1993, he was Vice President—Portfolio Acquisitions and Ventures of GE Capital Commercial Real Estate. From December 1989 to June 1991, Mr. Fraizer was President and Managing Director, GE Japan, an affiliate of our company. From July 1983 to November 1989 Mr. Fraizer served in various capacities as a member of GE's Corporate Audit Staff and Corporate Business Development after joining GE in its Financial Management Program. Mr. Fraizer received a B.A. in Political Science from Carleton College in 1980. He is a member of the board of the American Council of Life Insurers.

Thomas H. Mann will be our President and Chief Executive Officer—Mortgage Insurance upon the completion of this offering and has been President, Chief Executive Officer and a Director of General Electric Mortgage Insurance Corporation, or GE Mortgage, a subsidiary of our company, since May 1996 and a Vice President of GE since April 1996. From March 1990 to April 1996, Mr. Mann served as Vice President of GE Capital and General Manager of GE Capital Vendor Financial Services. Prior to that time, he served as Executive Vice President—Operations with GE Mortgage from August 1986 to March 1990. From November 1984 to August 1986, Mr. Mann served as Manager—Finance Operations at GE Capital Commercial Real Estate, and from August 1976 to November 1984, he served in various capacities as a member of GE's Corporate Audit Staff. Mr. Mann received a B.S. in Business Administration from the University of North Carolina at Chapel Hill in 1973. He is a member of the Housing Policy Council Executive Committee, part of the Financial Services Roundtable.

Pamela S. Schutz will be our President and Chief Executive Officer—Retirement Income and Investments upon completion of this offering and has been President and Chief Executive Officer of GE Life and Annuity Assurance Company, a subsidiary of our company, since June 1998 and a Vice President of GE since October 2000. From May 1997 to July 1998, Ms. Schutz served as President of The Harvest Life Insurance Company, then an affiliate of our company. Prior to that time, Ms. Schutz served in various capacities with GE Capital Commercial Real Estate from February 1978 to May 1997, attaining the position of President, GE Capital Realty Group in May 1994. Ms. Schutz received a B.A. in Urban Planning from Briarcliff College in 1976 and an M.S. in Business from American University in 1978. She is a member of the boards of the National Association of Variable Annuities and the Medical Information Bureau.

George R. Zippel will be our President and Chief Executive Officer—Protection upon completion of this offering and has been the President and Chief Executive Officer of Independent Brokerage Group, a business unit of our company, since September 1999 and a Vice President of GE since July 2001. From July 1997 to September 1999, he was President of GE Lighting Systems, a division of GE. Prior to that time, Mr. Zippel served in various capacities with GE Industrial Systems from July 1991 to July 1997. Prior thereto, he was a Manager of Corporate Initiatives from September 1989 to July 1991. From September 1984 to September 1989, he held various positions on GE's Corporate Audit Staff. Prior thereto, Mr. Zippel participated in GE's Financial Management Program, and upon graduating from the program, worked as a Financial Analyst for GE Semiconductor. Mr. Zippel received a B.A. in Economics from Hamilton College in 1981.

K. Rone Baldwin will be our Senior Vice President—Employee Benefits Group upon completion of this offering and has been Senior Vice President—Employee Benefits Group of GEFAHI since March 2004. He was Senior Vice President—Strategic Development at GE Insurance, a business unit of GE Capital, from September 2002 to February 2004 and a Vice President of GE since July 2000. From September 1998 to September 2002, he was the President and CEO of GE Edison Life Insurance Company, then an affiliate of our company. Prior to that time, Mr. Baldwin was President of GE Capital Japan from March 1997 to September 1998 and Vice President—Business Development at GE Capital from December 1994 to March 1997. From September 1989 to December 1994, Mr. Baldwin was Senior Vice President at Mutual of New York. Prior thereto, Mr. Baldwin held positions with Goldman, Sachs & Co. and Booz Allen & Hamilton. Mr. Baldwin received a B.A. in Physics from Amherst College in 1980 and an M.B.A. from Harvard Business School in 1982.

Mark W. Griffin will be our Senior Vice President—Chief Risk Officer upon completion of this offering and has been the Chief Risk Manager of GE Insurance, a business unit of GE Capital, since August 2002. From January 2000 to August 2002, Mr. Griffin was Chief Risk Manager of GEFAHI. Prior thereto, Mr. Griffin was Vice President, Risk Markets & Executive Director, Pension & Insurance with Goldman, Sachs & Co. from August 1994 to December 1999. From December 1986 to August 1994, Mr. Griffin was Executive Director—Fixed Income and Principal, Fixed Income Sales with Morgan Stanley. Prior thereto, Mr. Griffin was an Assistant Actuary with the Metropolitan Life Insurance Company from July 1982 to December 1986. Mr. Griffin received a B.A. in Mathematics from the University of Waterloo in 1982. Mr. Griffin is a Fellow of the Society of Actuaries and the Canadian Institute of Actuaries, and is a Chartered Financial Analyst. He holds an FRM, or Financial Risk Manager, designation from the Global Association of Risk Professionals and a PRM, or Professional Risk Manager, designation from the Professional Risk Management International Association.

Debora M. Horvath will be our Senior Vice President—Chief Information Officer upon completion of this offering and has been a Senior Vice President, the Chief Information Officer and the Chief Technology Officer of GEFAHI since March 1997. From May 1993 to March 1997, she was Chief Information Officer of GNA Corporation, or GNA. Prior thereto, Ms. Horvath served in various capacities with GE Aircraft Engines and GE Lighting from April 1979 to May 1993. She is also a graduate of GE's Financial Management Program. Ms. Horvath received a B.A. in Business from Baldwin Wallace College in 1984. She is a member of the board of the Greater Richmond Technology Council, and is a member of Women in Technology International.

Michael S. Laming will be our Senior Vice President—Human Resources upon completion of this offering and has been a Senior Vice President of GE Insurance, a business unit of GE Capital, since August 2001 and a Vice President of GE since April 2003. From July 1996 to August 2001, Mr. Laming was a Senior Vice President at GEFAHI and its predecessor companies. Prior thereto, he held a broad range of human resource positions in operating units of GE and at GE corporate headquarters. He graduated from the GE Manufacturing Management Program in 1978. Mr. Laming received both a B.S. in Business Administration in 1974 and a Masters of Organization Development in 1983 from Bowling Green State University.

Scott J. McKay will be our Senior Vice President—Operations & Quality upon completion of this offering and has been the Senior Vice President, Operations & Quality of GEFAHI since December 2002. From July 1993 to December 2002, Mr. McKay served in various information technology related positions at GEFAHI's subsidiaries, including Chief Technology Officer, and Chief Information Officer of Federal Home Life Assurance Company. Prior thereto, he was Officer and Director of Applications for United Pacific Life Insurance Company from July 1992 to July 1993, and an IT consultant for Sycomm Systems and Data Executives, Inc. from January 1985 to July 1992. Mr. McKay received a B.S. in Computer Science from West Chester University of Pennsylvania in 1983.

Richard P. McKenney will be our Senior Vice President—Chief Financial Officer upon the completion of this offering and has been, since December 2002, a Senior Vice President and the Chief Financial Officer of GEFAHI. From May 2000 to October 2002, he was Vice President of Business Planning and Analysis of GEFAHI. Prior thereto, Mr. McKenney was Manager of Financial Planning from October 1996 to April 1998 and Chief Financial Officer from April 1998 to May 2000 at GE Life & Annuity Assurance Company, an affiliate of our company. From July 1993 to October 1996, he held various positions on GE's Corporate Audit Staff. Prior thereto, Mr. McKenney was in the GE Manufacturing Management Program from June 1991 to July 1993. Mr. McKenney received a B.S. in Mechanical Engineering from Tufts University in 1991.

Victor C. Moses will be our Senior Vice President—Chief Actuary upon completion of this offering and has been Senior Vice President—Actuarial/Capital Management of GEFAHI since January 2000. From 1971 to 1983 Mr. Moses worked in various positions at SAFECO Life Insurance Company and from 1983 to 1993 he served in various capacities with GNA, ultimately serving as both Chief Actuary and Chief Financial Officer. In 1993, GNA was acquired by GE Capital, and from then until December 1999, Mr. Moses was Senior Vice President—International Business Development at GEFAHI and its predecessor companies. Mr. Moses received a B.A. in Math from Seattle Pacific University in 1970. Mr. Moses is a Fellow in the Society of Actuaries and a Member of the American Academy of Actuaries. He serves on the Board of Trustees of Seattle Pacific University.

Joseph J. Pehota will be our Senior Vice President—Business Development upon the completion of this offering and has been Senior Vice President—Business Development of GEFAHI since August 1998. From February 1996 to July 1998, he was the Chief Risk Manager for GE Equity, an affiliate of our company. Prior thereto, Mr. Pehota was Vice President and Manager of Global Distribution for the GE Capital Structured Finance Group, an affiliate of our company, from January 1995 to February 1996. From March to December 1994, he was the Vice President of Restructuring and Underwriting—North America, for GE Capital's Aviation Services business, an affiliate of our company. Prior thereto, Mr. Pehota held various leadership positions with GE Capital's Structured Finance Group, an affiliate of our company, from July 1988 to February 1994. Mr. Pehota received a B.S. in Finance from the University of Connecticut in 1983 and an M.B.A. from New York University in 1988.

Leon E. Roday will be our Senior Vice President, General Counsel and Secretary upon the completion of this offering and has been Senior Vice President, General Counsel, Secretary and a Director of GEFAHI and its predecessor companies since May 1996 and a Vice President of GE since November 2002. From October 1982 through May 1996, Mr. Roday was at the law firm of LeBoeuf, Lamb, Greene & MacRae, LLP, and he was a partner at that firm from 1991 to 1996. Mr. Roday received a B.A. in Political Science from the University of California at Santa Barbara in 1977 and a J.D. from Brooklyn Law School in 1982. Mr. Roday is a member of the New York Bar Association.

William R. Wright, Jr. will be our Senior Vice President—Chief Investment Officer upon completion of the offering, and has been Executive Vice President and CIO of Fixed Income—Insurance at GEAM, since April 2003. From March 2000 to March 2003, he was the Managing Director and Chief Investment Officer of GE Edison Life Insurance Company, in Tokyo, Japan. From January 1996 to March 2000 he was the Managing Director of GEAM's first non-U.S. subsidiary in London. Prior thereto, Mr. Wright was the Vice President/Portfolio Manager of International Fixed Income for GE Investments Corporation from May 1993 to January 1996. Prior to joining GE, he was a global fixed income portfolio manager at Continental Asset Management, a subsidiary of Continental Corporation, from 1985 to 1993. From 1980 to 1985 he held various positions with Bankers Trust Company. Mr. Wright received an MBA in Finance from New York University Stern School of Business Administration in 1987, a Diploma in Chinese Mandarin from Defense Language Institute, and a B.A. in Political Science and East Asian Studies from Wittenberg University in 1975. He is a member of both the New York Society of Security Analysts and the Association of Investment Management and Research.

Elizabeth J. Comstock will be a member of our board of directors upon completion of this offering. Ms. Comstock has been Vice President and Chief Marketing Officer of GE since July 2003. From 1998 to 2003 Ms. Comstock was Vice President of Corporate Communications at GE. From 1996 to 1998 Ms. Comstock was Senior Vice President of NBC Communications and from 1993 to 1996 was Vice President of NBC News Communications. Prior thereto, Ms. Comstock served as an entertainment media director at CBS Television from 1992 to 1993 and as the New York-based head of communications for Turner Broadcasting from 1990 to 1992. Prior thereto, from 1986 to 1990 she held various positions at NBC News. Ms. Comstock received a B.S. degree in Biology from the College of William and Mary in 1982. Ms. Comstock was designated to our board of directors by GE.

Pamela Daley will be a member of our board of directors upon completion of this offering. Ms. Daley has been Vice President and Senior Counsel for Transactions at GE since 1991, was Senior

Counsel for Transactions at GE from 1990 to 1991 and was Tax and Finance Counsel at GE from 1989 to 1990. Prior thereto, Ms. Daley was a partner at Morgan, Lewis & Bockius LLP, from 1986 to 1989 and an associate at that firm from 1979 to 1986. Ms. Daley received an A.B. in Romance Languages and Literatures from Princeton University in 1974 and a J.D. from the University of Pennsylvania in 1979. Ms. Daley was designated to our board of directors by GE.

Dennis D. Dammerman will be a member of our board of directors upon completion of this offering. Mr. Dammerman has been a Vice Chairman and Executive Officer of GE and the CEO of GE Capital Services, Inc. since 1998. Mr. Dammerman has also been a Director of GE since 1994. From 1984 to 1998 he was Senior Vice President—Finance and Chief Financial Officer at GE, and from 1981 to 1984 he was Vice President and General Manager of GE Capital's Real Estate Financial Services Division. Prior thereto, from 1967 to 1981 he had various financial assignments in several GE businesses. Mr. Dammerman received a B.A. from the University of Dubuque in 1967. Mr. Dammerman was designated to our board of directors by GE.

David R. Nissen will be a member of our board of directors upon completion of this offering. Mr. Nissen has been President and CEO of Global Consumer Finance at GE since 1993 and a Senior Vice President at GE since 2001. From 1990 to 1993, Mr. Nissen was General Manager of U.S. Consumer Financial Services at Monogram Bank, an affiliate of GE. Prior thereto, from 1980 to 1990 he held various management positions in several GE businesses. Mr. Nissen received a B.A. in Economics from Northwestern University in 1973 and an M.B.A. from the University of Chicago in 1975. Mr. Nissen was designated to our board of directors by GE.

James A. Parke will be a member of our board of directors upon completion of this offering. Mr. Parke has been Vice Chairman and Chief Financial Officer of GE Capital and a Senior Vice President at GE since 2002. From 1989 to 2002 he was Senior Vice President and Chief Financial Officer at GE Capital and a Vice President of GE. Prior thereto, from 1981 to 1989 he held various management positions in several GE businesses. Mr. Parke received a B.A. in History, Political Science and Economics from Concordia College in Minnesota in 1968. Mr. Parke was designated to our board of directors by GE.

Frank J. Borelli will be appointed as a member of our board of directors shortly after the completion of this offering. Mr. Borelli has been Senior Advisor to Marsh & McLennan Companies, Inc. and/or MMC Capital since his retirement from Marsh & McLennan on January 2, 2001. Prior thereto, he was Senior Vice President of Marsh & McLennan from April to December 2000 and Senior Vice President and Chief Financial Officer from September 1984 to April 2000. He is a director and Audit Committee Chairman of Express Scripts, Inc. and is Lead Director of the Interpublic Group of Companies. He was a Director of Marsh & McLennan from May 1988 to October 2000. Mr. Borelli is past Chairman and Director of the Financial Executives International and is also Chairman Emeritus of the Board of Trustees of the New York City Chapter of the National Multiple Sclerosis Society, a Trustee of St. Thomas Aquinas College and Chairman of the Nyack Hospital. Mr. Borelli received a B.B.A. in Business Administration from Bernard M. Baruch College, City University of New York in 1956.

J. Robert "Bob" Kerrey will be appointed as a member of our board of directors shortly after the completion of this offering. Mr. Kerrey has been the President of New School University since 2001. From January 1989 to December 2000, he was a U.S. Senator for the State of Nebraska. Mr. Kerrey was a democratic candidate for President in 1992. From January 1982 to December 1987, Mr. Kerrey served as Governor of Nebraska. Prior thereto, Mr. Kerrey was an independent businessman and founder of a chain of restaurants and health clubs. Mr. Kerrey served in Vietnam as a Navy SEAL from 1966 to 1969, for which he received the Congressional Medal of Honor. He serves on the boards of Jones Apparel Group, Inc. and Tenet Healthcare Corporation. Mr. Kerrey received a B.S. in Pharmacy from the University of Nebraska in 1966.

Thomas B. Wheeler will be appointed as a member of our board of directors shortly after the completion of this offering. Mr. Wheeler was a member of the Massachusetts Mutual (now known as MassMutual Financial Group) field sales force from May 1962 to June 1983, serving as Agent and General Agent, and served as Executive Vice President of Massachusetts Mutual's insurance and financial management line from July 1983 to December 1986. He became President and Chief Operating Officer of MassMutual in January 1987, President and Chief Executive Officer of MassMutual in October 1988 and Chairman and Chief Executive Officer of MassMutual in March 1996. He retired as Chief Executive Officer in January 1999 and retired as Chairman in December 2000. Mr. Wheeler is a former director of BankBoston, a director of EstateWorks and a director of Textron, Inc. He is a trustee of the Basketball Hall of Fame, Conservancy of S.W. Florida and the Woods Hole Oceanographic Institution. Mr. Wheeler received a B.A. in American Studies from Yale University.

We anticipate that, upon their appointment, Mr. Borelli, Mr. Kerrey and Mr. Wheeler will qualify as "independent directors" under the applicable rules of the New York Stock Exchange and "outside directors" for purposes of Section 162(m) of the Internal Revenue Code.

Composition of the Board of Directors

Upon completion of this offering, and until the first date on which GE owns 50% or less of our outstanding common stock, our board of directors will consist of nine persons, each of whom will serve a one-year term. When GE owns at least 10% but not more than 50% of our outstanding common stock, our board of directors will consist of eleven persons. Beginning on the first date on which GE owns less than 10% of our outstanding common stock, the number of persons constituting our board of directors may be fixed from time to time by resolution of our board of directors, but under our certificate of incorporation, cannot be less than one nor more than fifteen. So long as GE owns more than 50% of our outstanding common stock and the board of directors consists of nine members, GE, in its capacity as the holder of our Class B Common Stock, will have the right to elect five members, and holders of our Class A Common Stock will have the right to elect four members. The size of our board of directors and the election rights of the holders of each class of our common stock will change as GE's percentage ownership of our common stock decreases and are subject to the rights of the holders of any outstanding series of our preferred stock to elect directors under certain limited circumstances. For a detailed description of these election rights, see "Description of Capital Stock—Common Stock—Voting Rights."

Committees of the Board of Directors

Upon completion of this offering, the standing committees of our board of directors will include the Audit Committee, the Nominating and Corporate Governance Committee, and the Management Development and Compensation Committee. These committees are described below. Our board of directors may also establish various other committees to assist it in its responsibilities. However, our certificate of incorporation provides that until the first date on which GE owns less than 20% of our outstanding common stock, our board of directors will not establish an executive committee or any other committee having authority typically reserved for an executive committee.

Audit Committee. This committee will be concerned primarily with the accuracy and effectiveness of the audits of our financial statements by our internal audit staff and by our independent auditors. Its duties will include:

- selecting independent auditors;
- reviewing the scope of the audit to be conducted by them, as well as the results of their audit;
- approving audit and non-audit services provided to us by the independent auditor;

- reviewing the organization and scope of our internal system of audit, financial and disclosure controls;
- overseeing our financial reporting activities, including our annual report, and the accounting standards and principles followed; and
- conducting other reviews relating to compliance by our employees with our policies and applicable laws.

The Audit Committee will be comprised of three "independent" directors as defined under the applicable rules of The New York Stock Exchange. We intend to appoint these directors to serve on our board and the Audit Committee as soon as practicable after completion of this offering, but in any event within the time period prescribed by the listing rules.

Nominating and Corporate Governance Committee. This committee's responsibilities will include the selection of potential candidates for our board of directors and the development and annual review of our governance principles. So long as GE owns more than 50% of our outstanding common stock, this committee will make recommendations of candidates for election to our board of directors directly to our stockholders. When GE owns 50% or less of our outstanding common stock, this committee will make recommendations of candidates for election to our board of directors directly to our board of directors, and our board of directors will make recommendations directly to our stockholders. This committee will not make recommendations regarding directors designated by GE. This committee will also annually review director compensation and benefits, and oversee the annual self-evaluations of our board and its committees. It will also make recommendations to our board of directors concerning the structure and membership of the other board committees. So long as GE beneficially owns more than 50% of our outstanding common stock, the Nominating and Corporate Governance Committee will be comprised of five directors, one of which will be designated by GE, one of which will be our chief executive officer and three of which will be "independent" under the applicable rules of The New York Stock Exchange. When GE beneficially owns 50% or less of our outstanding common stock, the Nominating and Corporate Governance Committee will be comprised of three directors, each of whom will be "independent" under the applicable rules of The New York Stock Exchange.

Management Development and Compensation Committee. This committee will have two primary responsibilities: (i) to monitor our management resources, structure, succession planning, development and selection process as well as the performance of key executives; and (ii) to review and approve executive compensation and broad-based and incentive compensation plans. So long as GE beneficially owns more than 50% of our outstanding common stock, the Management Development and Compensation Committee will be comprised of three directors, one of which will be designated by GE, two of which will be "independent" under the applicable rules of The New York Stock Exchange and all of which will qualify as outside directors for purposes of Section 162(m) of the Internal Revenue Code. When GE beneficially owns 50% or less of our outstanding common stock, the Management Development and Compensation Committee will be comprised of three directors, each of whom will be "independent" under the applicable rules of The New York Stock Exchange.

Director Compensation

Each independent director will be paid an annual fee of $160,000 in quarterly installments, following the end of each quarter of service. Of this amount, 40% (or $64,000) of the annual fee will be paid in cash and 60% (or $96,000) will be paid in deferred stock units, or DSUs. Instead of receiving a cash payment, directors may elect to have up to 100% of their annual fee paid in DSUs. The board has elected not to adopt a policy of meeting fees because attendance is expected at all scheduled board and committee meetings, absent exceptional cause. Each DSU will be equal in value to a share of our stock, but will not have voting rights. DSUs will accumulate regular quarterly dividends which will be reinvested in additional DSUs. The DSUs will be paid out in cash beginning one year after the director leaves the board. Directors may elect to take their DSU payments as a lump sum or in equal payments spread out for up to ten years.

Executive Compensation

The following table sets forth the compensation paid or awarded to our chief executive officer and to each of the persons who were the four other most highly compensated executive officers in 2003 who will be continuing as executive officers after the completion of this offering. We refer to these individuals as our "named executive officers."

SUMMARY COMPENSATION

		Annual compensation			Long-term compensation			
					Awards		Payouts	
Name and principal position	Year	Salary ($)	Bonus ($)	Other annual compensation(1) ($)	Restricted stock units(2) ($)	Securities underlying options/ SARs(3) (#)	LTIP payouts(4) ($)	All other compensation (5)(6)(7) ($)
Michael D. Fraizer(8)	2003	962,500	1,525,000	—	1,366,321	195,000	—	94,390
President, Chief Executive	2002	900,000	1,375,000	—	—	300,000	2,881,300	113,629
Officer and Director	2001	750,000	1,250,000	—	1,574,000	300,000	—	106,626
Thomas H. Mann	2003	500,000	1,150,000	—	940,360	54,000	—	67,388
President and Chief	2002	460,000	1,050,000	—	—	90,000	1,232,400	59,317
Executive Officer—	2001	410,000	930,000	—	—	112,500	—	57,327
Mortgage Insurance								
Pamela S. Schutz	2003	392,500	560,000	—	721,763	22,800	—	35,712
President and Chief Executive	2002	365,000	510,000	—	—	38,000	197,200	32,407
Officer—Retirement Income	2001	320,000	485,000	53,872	983,750	42,000	—	49,281
and Investments								
K. Rone Baldwin(9)	2003	450,000	490,000	—	751,180	27,000	—	51,692
Senior Vice President—	2002	430,000	415,000	—	—	45,000	256,000	50,100
Employee Benefits Group	2001	378,333	375,000	—	—	52,500	—	46,741
Leon E. Roday(10)	2003	425,000	360,000	73,224	658,703	13,800	—	40,999
Senior Vice President,	2002	388,584	310,000	—	270,500	20,000	—	28,037
General Counsel and	2001	341,981	280,000	—	—	22,500	—	23,923
Secretary								

(1) Includes the aggregate incremental cost of providing perquisites and personal benefits to our named executive officers for each of the last three years. The amounts reported in this column for Ms. Schutz and Mr. Roday, which represent at least 25% of the total amounts reported for a particular year, are $27,879 for financial counseling and $25,993 for the use of a company vehicle and $40,045 for financial counseling and $23,681 for the use of a company vehicle, respectively. No other named executive officer received perquisites or other personal benefits in an aggregate amount exceeding $50,000 in any of the periods included in this column.

(2) Shows the market value of GE restricted stock unit awards, or RSUs, on the date of grant. The aggregate holdings and market value of RSUs held on December 31, 2003, by the individuals reported in this column are: Mr. Fraizer, 297,084 units/$9,203,662; Mr. Mann, 134,500 units/$4,166,810; Ms. Schutz, 77,567 units/$2,403,026; Mr. Baldwin, 94,750 units/$2,935,355; and Mr. Roday, 49,317 units/$1,527,841. The restrictions on most of these units lapse on a scheduled basis over the executive officer's career, or upon death, with the restrictions on 25% of the units generally scheduled to lapse three and seven years after the date of grant, and

the restrictions on the remaining 50% scheduled to lapse at retirement. The restrictions on RSUs granted in February 2003 will lapse in two 50% increments, the first increment upon the completion of this offering and the second increment one year after the completion of this offering. Regular quarterly dividend equivalents are paid on the RSUs held by these individuals.

(3) All amounts, except amounts for Mr. Fraizer in 2003, are denominated in shares of GE stock. Amounts shown for Mr. Fraizer in 2003 are denominated in GE SARs. SARs refer to stock appreciation rights.

(4) Represents the dollar value of payouts pursuant to the GE contingent long-term performance incentive awards granted in 2000.

(5) Includes payments made pursuant to GE employee savings plans. These amounts are: Mr. Fraizer ($62,850 in 2003, $53,400 in 2002 and $43,750 in 2001); Mr. Mann ($35,620 in 2003, $32,400 in 2002 and $27,950 in 2001); Ms. Schutz ($21,300 in 2003, $21,300 in 2002 and $18,250 in 2001); Mr. Baldwin ($21,600 in 2003, $21,600 in 2002 and $18,450 in 2001); and Mr. Roday ($22,070 in 2003, $18,500 in 2002 and $16,150 in 2001).

(6) This column includes the estimated dollar value of GE's portion of insurance premium payments for supplemental split-dollar life insurance provided to GE officers prior to the effective date of the Sarbanes-Oxley Act on July 30, 2002. GE will recover all split-dollar premiums paid by it from the policies. The estimated value is calculated, in accordance with SEC rules, as if the 2002 premiums were advanced to the named executive officers without interest until the time GE expects to recover its premium payments. This column also includes taxable payments made to executives to cover premiums for a universal life insurance policy owned by the executive, which is provided to more than 4,400 of GE's executives, including the named executives. These amounts are: Mr. Fraizer ($9,500 in 2003, $44,430 in 2002 and $48,777 in 2001); Mr. Mann ($24,716 in 2003, $21,938 in 2002 and $24,932 in 2001); Ms. Schutz ($7,045 in 2003, $4,514 in 2002 and $25,132 in 2001); Mr. Baldwin ($21,775 in 2003, $21,074 in 2002 and $21,661 in 2001); and Mr. Roday ($10,762 in 2003, $3,891 in 2002 and $2,732 in 2001).

(7) Includes the difference between market interest rates determined pursuant to SEC rules and the 9.5% to 14% interest contingently credited by GE on salary deferred by the executive officers under various salary deferral plans. Under all such plans, the executive officers generally must remain employed by GE and its affiliates for at least four years following the deferrals, or retire or transfer to a successor employer (in this case, including Genworth when GE ceases to own 50% or more of our outstanding common stock) after a year of deferral, in order to obtain the stated interest rate. These amounts are: Mr. Fraizer ($22,040 in 2003, $15,799 in 2002 and $14,099 in 2001); Mr. Mann ($7,052 in 2003, $4,979 in 2002 and $4,445 in 2001); Ms. Schutz ($7,367 in 2003, $6,593 in 2002 and $5,899 in 2001); Mr. Baldwin ($8,317 in 2003, $7,426 in 2002 and $6,630 in 2001); and Mr. Roday ($8,167 in 2003, $5,646 in 2002 and $5,041 in 2001).

(8) Does not include a special one-time incentive bonus of $2 million (net of applicable taxes) to be paid by GE to Mr. Fraizer in his capacity as an officer of GE for executing GE's overall insurance strategy of selling or repositioning various GE insurance businesses and completing this offering. This bonus will be paid by GE upon completion of this offering.

(9) Excludes certain cost of living allowances and tax gross-up payments paid by GE in connection with Mr. Baldwin's overseas assignment from July 2000 to August 2002. These amounts were $98,530 in 2003, $195,699 in 2002 and $333,193 in 2001.

(10) Does not include amounts earned pursuant to an executive annuity program to be paid by us. Under the annuity program, Mr. Roday is eligible to receive ten annual payments of $50,000 beginning in 2007, ten years after the original date of his grant. Mr. Roday's interest in the annuity payments vests over ten years at the rate of five-sixths of one percent for each completed month of employment. As of December 31, 2003, Mr. Roday was vested in and entitled to receive approximately 74% of his annual annuity payments or $37,000 per year.

Executive Officer Stock Ownership Guidelines

In order to help demonstrate the alignment of the personal interests of our executive officers with the interests of our stockholders, we intend to establish the following stock ownership requirements, as multiples of the executive officer's base salary, that must be held by our executive officers:

Position	Multiple
Genworth Chief Executive Officer	5x
Presidents and Senior Vice Presidents	2x

The number of shares of our stock that must be held will be determined by multiplying the executive officer's annual base salary in the year in which the executive officer becomes subject to the ownership requirements by the applicable multiple shown above, and dividing the result by the average closing price of our stock during the immediately preceding 12 months or, in the case of executive officers that will be subject to the ownership guidelines in 2004, by dividing the result by the initial public offering price of our Class A Common Stock. In order to meet this stock ownership requirement, an executive officer may count all shares of our stock owned by the executive officer, including stock held in our 401(k) plan, stock units held in any deferral plan and any company RSUs, including RSUs issued to the executive officer upon conversion of GE RSUs in connection with this offering, but excluding any RSUs that lapse upon retirement. Each executive officer must attain ownership of the required stock ownership level within five years after GE ceases to own more than 50% of our outstanding stock (or if later, within five years of becoming an executive officer) and maintain ownership of at least such amount of our stock while they hold office.

In order to assist any particular executive officer in obtaining the required level of stock ownership, each executive officer will be given the option, exercisable at any time during the five year period above, to elect to receive a portion of his or her annual incentive compensation, including LTIPs, in our common stock. In the event that an executive officer fails to reach a required level of stock ownership during the five year period above, we will require the executive officer to be paid, in lieu of any annual incentive payments, in common stock until the applicable required level of stock ownership is obtained.

We also intend to establish holding periods for stock acquired by senior executive officers upon the exercise of stock options. Senior executive officers will be required to hold, for at least nine months, the shares of stock received by them upon exercise of any stock option (net of any shares applied for a cashless exercise or to pay applicable taxes).

Benefit Plans—Transition from GE to Genworth Plans

Prior to this offering, our employees have been covered under GE benefit plans. These GE benefit plans include the GE 1990 Long-Term Incentive Plan providing stock options, stock appreciation rights, or SARs, restricted stock unit awards, or RSUs, and long-term contingent performance incentive awards; the GE Incentive Compensation Plan providing annual incentive compensation; retirement programs providing pension, 401(k), health and life insurance benefits; medical, dental and vision benefits for active employees; disability and life insurance protection; and severance. We have reimbursed GE for benefits it has provided to our employees under these benefit plans.

After the completion of this offering, and for so long as GE owns more than 50% of our outstanding common stock, we will be part of the GE group, and our employees generally will continue to be eligible to participate in the GE benefit plans, except as noted below. When GE ceases to own more than 50% of our outstanding common stock, we anticipate that these employees will be covered by the benefit plans that we expect to establish. However, to the extent these employees are non-U.S. employees, benefit transition may be delayed, by mutual agreement between GE and us, for up to six months following the date that GE ceases to own more than 50% of our outstanding common stock (such date, whether delayed or not, is referred to as the "International Benefit Transition Date").

Prior to this offering, some of the employees of our business received certain awards under the GE 1990 Long-Term Incentive Plan. The treatment of these outstanding awards in connection with this offering are described below under "—GE 1990 Long-Term Incentive Plan." After the completion of this offering, our employees will no longer be eligible to participate in the GE 1990 Long-Term Incentive Plan.

Prior to the completion of this offering, we will establish, adopt and maintain plans for our selected employees providing for cash or other bonus awards, stock options, stock awards, restricted stock, other equity-related awards and long-term performance awards. However, certain of our employees will continue to participate in the GE Incentive Compensation Plan based on our company-and individual-specific performance measures, and our corresponding plan providing for annual cash or other bonus awards will not become effective until the date that GE ceases to own more than 50% of our outstanding common stock. See "—Omnibus Incentive Plan" and "—Incentive Compensation Program" for information concerning these plans.

From the completion of this offering until GE ceases to own more than 50% of our outstanding common stock or, in the case of our applicable non-U.S. employees, the International Benefit Transition Date, we will reimburse GE for the costs incurred by GE and its affiliates for continuing coverage of our employees in the GE benefit plans. We will also reimburse GE for the reasonable costs incurred by GE and its affiliates for cooperating in the operation and administration of our benefit plans, including our plans providing for stock options, stock awards, restricted stock, other equity-related awards and long-term performance awards and, to some extent, for the tax benefits we realize in connection with these compensation and benefit plans and arrangements. See "Arrangements between GE and Our Company—Employee Matters Agreement" for information concerning our benefit plans, our reimbursement obligations to GE, and other employment matters after the completion of this offering, and see "Arrangements Between GE and Our Company—Tax Matters Agreement."

Stock Option Grants and SARs

Stock options and SARs were granted to our named executive officers in 2003 by GE. Each stock option permits the named executive officer, generally for a period of ten years, to purchase one share of GE stock at the market price of GE stock on the date of grant. Each SAR expires ten years after the date of grant and permits the executive officer to receive an amount equal to the difference between the SAR exercise price and the fair market value of one share of GE stock on the date the SAR is exercised. The amount of such difference, multiplied by the number of SARs exercised, is payable and delivered in GE stock. The following tables provide information on stock options and SARs granted in 2003, and on previously granted stock options exercised by the named executive officers during 2003, as well as information on their stock option and SARs holdings at the end of 2003. See "—GE 1990 Long-Term Incentive Plan" for a description of the treatment of these options and SARs after this offering.

STOCK OPTION/SAR GRANTS IN 2003

	Individual grants(1)				
Name	**Number of options/SARs granted (#)**	**Percent of total GE options/SARS granted**	**Exercise or base price ($ per share)**	**Expiration date**	**Grant date present value($)(2)**
Michael D. Fraizer	195,000	1.6359%	31.53	9/12/13	1,834,642
Thomas H. Mann	54,000	0.4530%	31.53	9/12/13	508,055
Pamela S. Schutz	22,800	0.1913%	31.53	9/12/13	214,512
K. Rone Baldwin	27,000	0.2265%	31.53	9/12/13	254,027
Leon E. Roday	13,800	0.1158%	31.53	9/12/13	129,836

(1) Options are denominated in shares of GE stock. SARs are denominated in GE SARs.

(2) These estimated hypothetical values are based on a Black-Scholes option pricing model in accordance with SEC rules. We used the following assumptions in estimating these values: potential option term, 10 years; risk free rate of return, 3.5%; expected volatility, 34.7%; and expected dividend yield, 2.5%.

AGGREGATED STOCK OPTIONS/SARs EXERCISED IN 2003, AND DECEMBER 31, 2003 OPTION/SAR VALUES(1)

Name	Options/SARs exercised (#)	Value realized ($)	Number of unexercised options/SARs at December 31, 2003 (#)		Value of unexercised in-the-money options/SARs at December 31, 2003 ($)(2)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Michael D. Fraizer	36,000	733,680	719,000	765,000	5,845,116	943,200
Thomas H. Mann	72,000	1,654,790	413,500	271,000	3,749,245	282,960
Pamela S. Schutz	9,000	142,451	101,100	102,200	962,325	119,472
K. Rone Baldwin	—	—	177,000	125,500	1,764,729	141,480
Leon E. Roday	—	—	34,500	55,800	57,100	62,880

(1) Options are denominated in shares of GE stock. SARs are denominated in GE SARs.

(2) Stock option and SAR values are based upon the difference between the grant prices of all outstanding options and SARs awarded in 2003 and prior years and the December 31, 2003 closing price for GE's stock of $30.98 per share.

Retirement Plans

We anticipate that our U.S. employees will be covered by the GE retirement plans for so long as GE owns more than 50% of our outstanding common stock. Thereafter, we anticipate that our U.S. employees will be covered by the retirement plans that we expect to establish. See "Arrangements between GE and Our Company—Employee Matters Agreement" for information concerning our retirement plans after the completion of this offering. The summary below relates to the GE retirement plans.

Under the GE retirement plans, employees are generally eligible to retire with unreduced benefits under such plans at age 60 or later, and with social security benefits at age 62 or later. The estimated total annual retirement benefits provided under the GE retirement plans (GE Pension Plan, GE Supplementary Pension Plan and GE Excess Benefit Plan) and social security for our employees in higher salary classifications retiring directly from GE and its affiliates at age 62 or later are as follows.

Earnings credited for retirement benefits	Years of service at retirement				
	20	25	30	35	40
$ 500,000	$ 187,206	$ 229,735	$ 272,265	$ 300,000	$ 300,000
750,000	274,706	339,110	403,515	450,000	450,000
1,000,000	362,206	448,485	534,765	600,000	600,000
1,500,000	537,206	667,235	797,265	900,000	900,000
2,000,000	712,206	885,985	1,059,765	1,200,000	1,200,000
2,500,000	887,206	1,104,735	1,322,265	1,500,000	1,500,000
3,000,000	1,062,206	1,323,485	1,584,765	1,800,000	1,800,000

Note: The amounts shown above are applicable to employees retiring in 2004 at age 62.

Amounts shown as "earnings credited for retirement benefits" in this table represent the average annual covered compensation paid for the highest 36 consecutive months out of the last 120 months prior to retirement. For 2003, covered compensation for the individuals named in the Summary Compensation table (see "—Executive Compensation") is the same as the total of their salary and bonus amounts shown in that table. As of December 31, 2003, our named executive officers had the following years of credited service with the company: Mr. Fraizer, 23 years; Mr. Baldwin, 9 years; Mr. Mann, 30 years; Mr. Roday, 7 years; and Ms. Schutz, 25 years. The approximate annual retirement benefits provided under the GE retirement plans are payable in fixed monthly payments for life, with a guaranteed minimum term of five years.

GE 1990 Long-Term Incentive Plan

Prior to this offering, some of our executive employees received stock options, SARs, RSUs and long-term contingent performance incentive awards under the GE 1990 Long-Term Incentive Plan. The following is a description of the treatment of those awards in connection with our initial public offering and our separation from GE.

Vested GE stock options. After the completion of this offering, all GE stock options that are vested and held by our employees (other than Mr. Fraizer's vested GE stock options) will remain exercisable in accordance with their terms and the GE 1990 Long-Term Incentive Plan. Each such GE stock option permits the holder, generally for a period of ten years from the date of grant or, if earlier, five years from the date that GE ceases to own 50% or more of our outstanding common stock, to purchase one share of GE stock from GE at the market price of GE stock on the date of grant. GE will remain responsible for the GE stock options of our employees that are vested on the date of this prospectus (other than Mr. Fraizer's vested GE stock options). We will have no obligations with respect to those options.

Vested GE stock options of Mr. Fraizer, unvested GE stock options, SARs and RSUs. On the date of this prospectus, all of Mr. Fraizer's GE stock options (whether or not vested) and all other GE stock options that are unvested and held by our employees as of such time will be canceled by GE and converted into options to purchase our Class A Common Stock based on a ratio equal to the initial offering price of our Class A Common Stock divided by the weighted-average stock price of GE common stock for the trading day immediately prior to the date of this prospectus (the "Conversion Ratio"). These converted options, if unvested, generally will continue to vest in accordance with the terms of their original grants and the GE 1990 Long-Term Incentive Plan (generally in five equal annual installments from the first anniversary of the date of grant for options granted in 2002 and thereafter, or in two equal installments three and five years after they were originally granted for options granted before 2002) and generally will remain exercisable for a period of ten years from the date of original grant. Following cancellation of such GE stock options, GE will have no further liability with respect to these options, and we will be responsible for the converted options.

Mr. Fraizer is the only named executive officer who holds GE SARs that are exercisable for GE stock. These rights, which were granted in 2003, will be canceled by GE and converted into our SARs on the date of this prospectus based upon the Conversion Ratio. These converted SARs will continue to vest in accordance with the terms of their original grant and the GE 1990 Long-Term Incentive Plan (in five equal annual installments from the first anniversary of the date of original grant) and will remain exercisable for a period of ten years from the date of original grant.

On the date of this prospectus, all GE RSUs held by our employees (other than GE RSUs with restrictions that lapse on the date of this prospectus, as described in this paragraph) will be canceled by GE and converted into our RSUs based upon the Conversion Ratio and will generally have the same terms as their original grant and the GE 1990 Long-Term Incentive Plan. Such RSUs will entitle the holder to receive regular quarterly payments from us equal to the quarterly dividend on our stock. Also, provided the holder is still employed by us when the restrictions lapse, the holder will receive one share of our Class A Common Stock from us in exchange for each RSU. The restrictions on the converted RSUs granted in September 2003 will lapse in 50% increments after three and five years from the date of original grant. The restrictions on the GE RSUs granted in February 2003 to 21 senior executives will lapse in 50% increments, the first increment of GE RSUs on the date of this prospectus and the remaining increment of converted RSUs one year thereafter. The restrictions on most of the converted RSUs granted in 2002 will lapse in 25% increments after three, five and ten years from the date of original grant, with the final 25% lapsing at retirement. The restrictions on most of the converted RSUs granted before 2002 will lapse in 25% increments after three and seven years from the date of original grant, with the final 50% lapsing at retirement. Any converted RSUs as to which restrictions have not lapsed will be forfeited if the executive leaves our company prior to the lapse of the restrictions.

GE will have no further liability with respect to the GE SARs and GE RSUs that are canceled by GE and converted into Genworth SARs and RSUs, respectively, and we will be responsible for the converted awards.

GE long-term contingent performance awards. In March 2003, the management development and compensation committee of GE's board of directors granted long-term contingent performance incentive awards to select GE executives for the 2003 to 2005 period to provide a continued emphasis on specified financial performance goals that the committee considered to be important contributors to GE's long-term shareowner value. The awards will only be payable if GE achieves, on an overall basis for the three-year 2003 to 2005 period, specified goals for one or more of the following four measurements, all as adjusted by the committee to remove the effects of unusual events and the effect of pensions on income: average earnings per share growth rate; average revenue growth rate; cumulative return on total capital; and cumulative cash generated. GE expects the awards to be payable in 2006 if the performance goals are met. The awards are subject to forfeiture if the executive's employment terminates for any reason other than disability, death, or retirement before December 31, 2005.

For purposes of determining eligibility for long-term contingent performance incentive awards granted to our executives in March 2003, employment with us will be deemed to be continued employment with GE (or an applicable GE affiliate). A prorated award (equal to one-third of the amount otherwise payable) will be paid by GE in 2006 when such awards are otherwise payable under the plan, provided the executives otherwise satisfy the conditions of the original award. We will not be liable for any such payments. The following table shows the multiple of our named executives' salary rate in effect and the annual bonus awarded in February 2003 that would be payable in 2006 under these awards if GE precisely attained the threshold, target, or maximum goals set by the committee for all applicable performance measurements and before taking into account the proration as described above:

	Performance period	Threshold payment	Target payment	Maximum payment
Michael D. Fraizer	1/03-12/05	1x	2x	2.5x
Thomas H. Mann	1/03-12/05	0.5x	1x	2x
Pamela S. Schutz	1/03-12/05	0.25x	0.5x	1x
K. Rone Baldwin	1/03-12/05	0.25x	0.5x	1x
Leon E. Roday	1/03-12/05	0.25x	0.5x	1x

Prior to the one-third proration described above, each measurement is weighted equally, and payments will be made for achieving any of the three goals (threshold, target or maximum) for any of the four measurements. For example, the executives in the table above would receive only one-quarter of the threshold payment if GE met at the end of the three-year period only a single threshold goal for a single measurement. Also, payments will be further prorated for performance that falls between goals.

Omnibus Incentive Plan

In connection with completion of this offering, subject to shareholder and board of director approval, we intend to establish the 2004 Genworth Financial, Inc. Omnibus Incentive Plan, which we refer to as the Genworth Omnibus Plan, pursuant to which we will administer the stock options, SARs and RSUs issued and cancelled by GE under the GE 1990 Long-Term Incentive Plan and replaced with our awards (see "—GE 1990 Long-Term Incentive Plan"). The Genworth Omnibus Plan will also permit us to issue stock-based, stock-denominated and other awards to employees, nonemployee directors and other individuals providing services to Genworth and our participating affiliates on and after the date of this prospectus. Available awards under the Genworth Omnibus Plan will include:

- stock options (but not incentive stock options under Section 422 of the Internal Revenue Code),
- SARs,
- restricted stock and RSUs (including performance shares and performance units),

- other awards valued in whole or in part by reference to or otherwise based on our common stock (other stock-based awards),
- nonemployee director awards (including DSUs),
- dividend equivalents, and
- cash-based awards.

The following is a description of the Genworth Omnibus Plan and the treatment of those awards to be made in connection with and after this offering and the concurrent offerings.

Awards in connection with our initial public offering. On the date of this prospectus, we anticipate granting to our executive officers an aggregate of 6.1 million SARs and to some or all of our other employees nonqualified stock options to purchase an aggregate of 10.1 million shares of our Class A Common Stock. The named executive officers will be granted SARs as follows: Mr. Fraizer, 1,900,000 SARs; Mr. Baldwin, 400,000 SARs; Mr. Mann, 680,000 SARs; Mr. Roday, 320,000 SARs; Ms. Schutz, 550,000 SARs; and the remaining executive officers, an aggregate of 2,260,000 SARs. The exercise price of these SARs and options will be equal to the initial offering price. These SARs and options will vest in 25% annual increments commencing on the second anniversary of the date of grant.

Each of these SARs permits the executive officer to receive an amount equal to the difference between the SAR exercise price and the fair market value of one share of our Class A Common Stock on the date the SAR is exercised. The amount of this difference, multiplied by the number of SARs exercised, is payable and delivered in shares of our Class A Common Stock. We anticipate that after the initial grant in connection with our initial public offering, we will issue annual grants to our executives and periodic grants to our other employees under the Genworth Omnibus Plan subject to the approval of our Management Development and Compensation Committee.

Under the Genworth Omnibus Plan, we also anticipate granting RSUs in 2005 to our executive officers contingent upon the achievement of one or both of the following performance goals for the 2004 performance year. The performance goals are positive annual net earnings as determined under U.S. GAAP, which we refer to as Net Earnings, and positive annual earnings from continuing operations before income taxes and accounting changes as determined under U.S. GAAP, which we refer to as Consolidated Operating Earnings. Our chief executive officer is eligible for an award of RSUs under the Genworth Omnibus Plan equal in value on the date of grant to up to one percent (1.0%) of the greater of Net Earnings or Consolidated Operating Earnings, and each of our other executive officers is eligible for an award of RSUs under the Genworth Omnibus Plan equal in value on the date of grant to up to one-half of one percent (0.5%) of the greater of Net Earnings or Consolidated Operating Earnings. However, in no event will any participant receive grants of RSUs that exceed the annual award limit under the Genworth Omnibus Plan, and the management development and compensation committee of GE's board of directors (or, for purposes of Section 162(m) of the Internal Revenue Code, its successor) has absolute discretion to reduce or eliminate the value of the RSUs to be awarded to our executive officers.

Under the Genworth Omnibus Plan, we also anticipate granting, subject to shareholder approval, long-term performance awards to our executive officers for the 2004 to 2006 period. The awards will only be payable if we achieve, on an overall basis for such period, specified goals for average annual return on equity growth or average annual operating earnings growth, or both, each as adjusted by our Management Development and Compensation Committee, to remove the effects of unusual events. We expect to pay these awards in the first quarter of 2007 in cash, our Class A Common Stock, or both, as determined by our Management Development and Compensation Committee, if the performance goals are met. The awards will be subject to forfeiture if the executive's employment terminates for any reason other than disability, death, or retirement before December 31, 2006.

The following table shows the multiple of the named executives' salary rate as of March 1, 2004 and the most recent annual bonus awarded by GE prior to the completion of this offering that would be payable in 2007 under these awards if we precisely attained the threshold, target, or maximum goals set by our Management Development and Compensation Committee for all applicable performance measurements:

	Performance period	Threshold payment	Target payment	Maximum payment
Michael D. Fraizer	01/04-12/06	1x	2x	2.5x
Thomas H. Mann	01/04-12/06	0.5x	1x	2x
Pamela S. Schutz	01/04-12/06	0.5x	1x	2x
K. Rone Baldwin	01/04-12/06	0.5x	1x	2x
Leon E. Roday	01/04-12/06	0.5x	1x	2x

Each measurement is weighted equally, and payments will be made for achieving any of the three goals (threshold, target or maximum) for any of the two measurements. For example, the executives in the table above would receive only one-half of the threshold payment if we met at the end of the three-year period only a single threshold goal for a single measurement. Also, payments will be prorated for performance that falls between goals.

Effective date and term. The Genworth Omnibus Plan will become effective on the date of this prospectus, subject to shareholder and board of director approval, and will authorize the granting of awards for a term of up to 10 years.

Administration. The Genworth Omnibus Plan will be administered by our Management Development and Compensation Committee. The Management Development and Compensation Committee will be able to select eligible participants to whom awards are granted; determine the types of awards to be granted and the number of shares covered by such awards; set the terms and conditions of such awards (including any terms and conditions relating to a change of control of our company); and cancel, suspend, and amend awards. The Management Development and Compensation Committee's determinations and interpretations under the Genworth Omnibus Plan will be binding on all interested parties. The Management Development and Compensation Committee will be empowered to delegate to one or more of its members, to one or more officers of our company or its affiliates, or to one or more agents or advisors such administrative duties or powers it may deem advisable. In addition, subject to certain restrictions, the Management Development and Compensation Committee may, by resolution, authorize one or more officers of our company to (i) designate employees and other individuals providing services to Genworth and our participating affiliates to receive awards and (ii) determine the terms and conditions of such awards.

Eligibility. Awards under the Genworth Omnibus Plan may be granted to employees, nonemployee directors and other individuals providing services to Genworth and our participating affiliates.

Number of shares available for issuance. Subject to adjustment as described below, 38,000,000 shares of our Class A Common Stock (including authorized and unissued shares and treasury shares) will be available for granting awards under the Genworth Omnibus Plan. The GE awards (including Mr. Fraizer's GE stock options (whether or not vested) and all other GE stock options that are unvested, GE SARs and GE RSUs) replaced with our awards in connection with the completion of this offering will be deemed granted under the Genworth Omnibus Plan. We anticipate the number of our stock options, SARs and RSUs replacing such GE stock options, SARs and RSUs will be 5,148,662, 273,443 and 1,392,231, respectively. If any shares subject to any award under the Genworth Omnibus Plan are forfeited, or if any such award terminates or is settled without the delivery of shares, the shares previously used or reserved for such awards will be available for future awards under the Genworth Omnibus Plan.

Adjustments. In the event of corporate event or transaction such as a stock split, stock dividend, or other extraordinary corporate event, the Management Development and Compensation Committee will be able to adjust the number and type of shares which may be made the subject of new awards or are then subject to outstanding awards and other award terms. The Management Development and Compensation Committee will also be authorized, for similar purposes, to make adjustments in performance award criteria or in the terms and conditions of other awards in recognition of unusual or nonrecurring events affecting our company or our financial statements or of changes in applicable laws, regulations, or accounting principles. The awards that may be granted under the Genworth Omnibus Plan after the effective date of the Genworth Omnibus Plan cannot presently be determined. In addition, nothing contained in the Genworth Omnibus Plan will prevent us or any affiliate from adopting or continuing in effect other or additional compensation arrangements.

Awards. Awards generally will be granted for no cash consideration. We intend that, under the Genworth Omnibus Plan, awards may provide that upon exercise the participant will receive cash, stock, other securities, other awards, other property, or any combination thereof, as the Management Development and Compensation Committee will determine. Except in the case of GE awards converted to Genworth awards, the exercise price per share of Class A Common Stock purchasable under any stock option, the grant price of any SAR, and the purchase price of any security which may be purchased under any other stock-based award will be not less than 100% of the fair market value of the stock or other security on the date of the grant of such option, SAR, or right, or, if the Management Development and Compensation Committee so determines, in the case of certain awards retroactively granted in tandem with or in substitution for other awards under the Genworth Omnibus Plan or for any other outstanding awards, on the date of grant of such other awards. It is intended that, under the Genworth Omnibus Plan, any exercise or purchase price may be paid in cash or, if permitted by the Management Development and Compensation Committee, by surrender of shares.

Annual award limits. The awards which may be granted under the Genworth Omnibus Plan are generally subject to the following limits (each, an "Annual Award Limit"). The maximum number of our shares of Class A Common Stock with respect to which stock options or SARs may be granted or measured to any participant in a calendar year is 5,000,000 shares. The maximum number of our shares of Class A Common Stock with respect to which restricted stock or RSUs may be granted or measured to any participant in any calendar year is 2,000,000 shares. The maximum number of our shares of Class A Common Stock with respect to which other stock-based awards, not otherwise described in the Genworth Omnibus Plan, may be granted or measured to any participant in any calendar year is 1,000,000 shares. The maximum amount that may be paid or credited to any executive officer whom the Management Development and Compensation Committee identifies as a potential "covered employee" subject to Section 162(m) of the Internal Revenue Code (a "Covered Employee") in any calendar year in respect of a Covered Employee annual incentive award is $5,000,000. The maximum amount of any cash-based awards that may be paid, credited or vested to any participant in any calendar year is $10,000,000. These provisions are designed so that compensation resulting from awards can qualify as tax deductible performance-based compensation under Section 162(m) of the Internal Revenue Code.

Stock options. A participant granted an option will be entitled to purchase a specified number of shares of Class A Common Stock during a specified term at a fixed price, affording the participant an opportunity to benefit from the appreciation in the market price of our stock from the date of grant.

SARs. A participant granted a SAR will be entitled to receive the excess of the fair market value (calculated as of the exercise date) of a share of our Class A Common Stock over the grant price of the SAR in cash, our shares of Class A Common Stock, a combination thereof, or any other manner approved by the Management Development and Compensation Committee in its sole discretion. The terms and conditions of any SARs will be determined by the Management Development and Compensation Committee at the time of grant.

Restricted stock and RSUs. Restricted stock and RSUs are awards that will be non-transferable and subject to a risk of forfeiture upon certain kinds of employment terminations, as determined by the Management Development and Compensation Committee, during a restricted period specified by the Management Development and Compensation Committee. Restricted stock will provide a participant with all of the rights of a share owner of our company, including the right to vote the shares and to receive dividends, at the end of a specified period. An RSU will represent a right to receive a share of Class A Common Stock, or an equivalent value as the Management Development and Compensation Committee may determine, together with dividend equivalent payments in cash or as additional shares if specified by the Management Development and Compensation Committee, at the end of a specified period. After lapse of these restrictions, settlement of RSUs may be further deferred. Restricted stock and RSUs may be awarded, or their restrictions may lapse, based upon achievement of a pre-established performance goal as described below and are referred to as performance shares and performance units, respectively. The Management Development and Compensation Committee will have discretion to vary the forfeiture conditions of restricted stock and RSUs. RSUs will be settled in cash, shares, other securities, additional awards or any combination of the foregoing, as determined by the Management Development and Compensation Committee.

Other stock-based awards. Other stock-based awards are awards for which the Management Development and Compensation Committee will establish virtually all terms and conditions.

Nonemployee director awards. Nonemployee director awards are awards to nonemployee directors for which the Management and Development Compensation Committee will establish virtually all terms and conditions, and includes awards granted in satisfaction of annual fees that are otherwise payable to nonemployee directors, such as DSUs. See "—Director Compensation" for a description of DSUs. The maximum number of our shares of Class A Common Stock that may be issued as nonemployee director awards is 1,000,000 shares, and the maximum number of our shares of Class A Common Stock with respect to which nonemployee director awards may be granted or measured to any nonemployee director in any calendar year is 25,000 shares.

Dividend equivalents. Dividend equivalents granted to participants will represent a right to receive payments equivalent to dividends or interest with respect to a specified number of shares.

Cash-based awards. Cash-based awards are awards for which the Management Development and Compensation Committee will establish virtually all terms and conditions. For example, the three-year contingent long-term performance award which we intend to grant as described above under "—Omnibus Incentive Plan—Awards in connection with our initial public offering" will represent a contingent right to receive a payment, the amount of which would be a multiple of the salary rate as of March 1, 2004 and the most recent annual bonus awarded by GE prior to the completion of this offering. The percentage, if any, of such compensation to be used to determine the amount payable under the performance award will be contingent upon the extent of achievement of the pre-established performance goals during the three-year period. Under a long-term performance award, the Management Development and Compensation Committee will determine, after the end of the performance period, whether a participant has become entitled to a settlement of his or her performance award, and whether that settlement will be paid in cash, a distribution of shares of Class A Common Stock, or crediting of stock units, provided that the Management Development and Compensation Committee may permit the participant to elect the form of settlement for all or a portion of the award.

Performance-based compensation. One type of performance-based compensation award is the Covered Employee incentive award. See "—Incentive Compensation Program" for a description of such award. In addition, the Management Development and Compensation Committee may design any award so that the granting, vesting, crediting and/or payment of such award meets the requirements for performance-based compensation. The performance goals to be established by the Management Development and Compensation Committee for performance-based compensation may be based on any or all of the following measures applicable to our company, its affiliates, or any of their business units: net earnings or net income (before or after taxes); earnings growth; earnings per share; net sales (including net sales growth); gross profits or net operating profit; return measures (including, but not limited to, return on assets, capital, equity, or sales); cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on capital and statutory cash measures); revenue growth; earnings before or after taxes, interest, depreciation, and/or amortization; productivity ratios; share price (including, but not limited to, growth measures and total shareholder return); expense targets; margins (including, but not limited to, gross or operating margins); operating efficiency; customer satisfaction or increase in the number of customers; attainment of budget goals; division working capital turnover; market share; cost reductions; working capital targets; and EVA® and other value-added measures.

Change of control. The Genworth Omnibus Plan will provide that, unless the Management Development and Compensation Committee determines otherwise or unless otherwise specifically prohibited under applicable laws or by the rules and regulations of any governing governmental agencies or stock exchange on which shares of our Class A Common Stock are listed, in the event of a change of control (as defined in the Genworth Omnibus Plan) in which a successor entity fails to assume and maintain awards under the Genworth Omnibus Plan:

- Awards, the vesting of which depends upon a participant's continuation of service for a period of time, will fully vest as of the effective date of the change of control, will be distributed or paid to the participant, and will thereafter terminate.

- Awards, the vesting of which is based on achievement of performance criteria (other than the Covered Employee annual incentive awards), will fully vest as of the effective date of the change of control, will be deemed earned based on the target performance being attained for the performance period in which the change of control occurs, will be distributed or paid to the participant pro rata based on the portion of the performance period elapsed on the date of the change of control, and will thereafter terminate.

- Covered Employee annual incentive awards will be based on the Consolidated Operating Earnings or Net Earnings of the calendar year in which the change of control occurs (or such other method of payment as may be determined by the Management Development and Compensation Committee at the time of such award or thereafter but prior to the change of control), will be distributed or paid to the participant pro rata based on the portion of the year elapsed on the date of the change of control, and will thereafter terminate.

We anticipate that the foregoing change of control provisions will apply to:

- the awards which we intend to grant in connection with our initial public offering as described above under "—Omnibus Incentive Plan—Awards in connection with our initial public offering," and

- the GE stock options, GE SARs and GE RSUs granted in September 2003 which will be canceled by GE and replaced with our stock options, SARs and RSUs, respectively, as described above under "—GE 1990 Long-Term Incentive Plan—Vested GE stock options of Mr. Fraizer, unvested GE stock options, SARs and RSUs,"

provided that a change of control occurs in which a successor entity assumes and maintains awards under the Genworth Omnibus Plan but the participant's service with us and our affiliates is terminated without cause or for good reason within 12 months following the effective date of such change of control.

Deferrals. The Management Development and Compensation Committee also will be able to require or permit award payments to be deferred and may authorize crediting of dividends or interest or their equivalents in connection with any such deferral.

Transferability. Awards generally will be non-transferable except upon the death of a participant, although the Management Development and Compensation Committee may permit a participant to transfer awards subject to such conditions as the Management Development and Compensation Committee may establish.

Tax consequences

The following is a summary of the principal U.S. federal income tax consequences of transactions under the Genworth Omnibus Plan, based on current U.S. federal income tax laws. This summary is not intended to be exhaustive, does not constitute tax advice and, among other things, does not describe state, local or foreign tax consequences.

Nonqualified options. No taxable income is realized by a participant upon the grant of an option. Upon the exercise of an option, the participant will recognize ordinary compensation income in an amount equal to the excess, if any, of the fair market value of the shares of Class A Common Stock received over the aggregate option exercise price (the spread), even though that common stock may be subject to a restriction on transferability or may be subsequently forfeited, in limited circumstances. Income and payroll taxes are required to be withheld by the participant's employer on the amount of ordinary income resulting to the participant from the exercise of an option. The spread is generally deductible by the participant's employer for federal income tax purposes, subject to the possible limitations on deductibility of compensation paid to some executives under Section 162(m) of the Internal Revenue Code. The participant's tax basis in shares of common stock acquired by exercise of an option will be equal to the exercise price plus the amount taxable as ordinary income to the participant.

Upon a sale of the shares of Class A Common Stock received by the participant upon exercise of the option, any gain or loss will generally be treated for federal income tax purposes as long-term or short-term capital gain or loss, depending upon the holding period of that stock. The participant's holding period for shares acquired after the exercise of an option begins on the date of exercise of that option.

If the participant pays the exercise price in full or in part by using shares of previously acquired Class A Common Stock, the exercise will not affect the tax treatment described above and no gain or loss generally will be recognized to the participant with respect to the previously acquired shares. The shares received upon exercise which are equal in number to the previously acquired shares used will have the same tax basis as the previously acquired shares surrendered to us, and will have a holding period for determining capital gain or loss that includes the holding period of the shares used. The value of the remaining shares received by the participant will be taxable to the participant as compensation, even though those shares may be subject to sale restrictions. The remaining shares will have a tax basis equal to the fair market value recognized by the participant as compensation income and the holding period will commence on the exercise date. Shares used to pay applicable income and payroll taxes arising from that exercise will generate taxable income or loss equal to the difference between the tax basis of those shares and the amount of income and payroll taxes satisfied with those shares. The income or loss will be treated as long-term or short-term capital gain or loss depending on the holding period of the shares used. Where the shares used to pay applicable income and payroll taxes arising from that exercise generate a loss equal to the difference between the tax basis of those shares and the amount of income and payroll taxes satisfied with those shares, that loss may not be currently recognizable if, within a period beginning 30 days before the exercise date and ending 30 days after that date, the participant acquires or enters into a contract or option to acquire additional common stock.

SARs. The grant of a SAR will create no tax consequences for the participant or us. Upon the exercise of a SAR, the participant will recognize compensation income, in an amount equal to the cash or the fair market value of the Class A Common Stock received from the exercise. The participant's tax basis in the shares of Class A Common Stock received in the exercise of the SAR will be equal to the compensation income recognized with respect to the Class A Common Stock. The participant's holding period for shares acquired after the exercise of a SAR begins on the exercise date. Income and payroll taxes are required to be withheld on the amount of compensation attributable to the exercise of the SAR, whether the income is paid in cash or shares. Upon the exercise of a SAR, we generally will be entitled to a deduction in the amount of the compensation income recognized by the participant.

Other awards. Other awards under the Genworth Omnibus Plan, including restricted stock, RSUs and performance awards, generally will result in ordinary income to the participant at the later of the time of delivery of cash, shares or other property, or (in the absence of an appropriate election) the time that either the risk of forfeiture or restriction on transferability lapses on previously delivered cash, shares or other property. We generally would be entitled to a tax deduction equal to the amount recognized as ordinary income by the participant in connection with an award.

Certain limitations on deductibility of executive compensation. With some exceptions, Section 162(m) of the Internal Revenue Code limits our deduction to us for compensation paid to employees in excess of $1 million per executive per taxable year. However, compensation paid to employees will not be subject to that deduction limit if it is considered "qualified performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code. Compensation to be paid to employees under the Genworth Omnibus Plan is generally intended to be qualified performance-based compensation.

Amendment and termination. The Genworth Omnibus Plan may be amended or terminated by our board of directors at any time, subject to certain limitations, and the awards granted under the plan may be amended or terminated by the Management Development and Compensation Committee at any time, provided that no such action may, without a participant's written consent, adversely affect in any material way any previously granted award, and no amendment that would require shareholder approval under applicable law may become effective without shareholder approval.

Incentive Compensation Program

We anticipate that our key employees (including officers) will be covered by the GE Incentive Compensation Plan (the "GE IC Plan") until the date that GE ceases to own more than 50% of our outstanding common stock, although the performance measures will be specifically based on our company-specific and individual-specific performance measures subject to the approval of the management development and compensation committee of GE's board of directors. For 2004, the performance goals for our executive officers are Net Earnings and Consolidated Operating Earnings. Our chief executive officer is eligible for an award under the GE IC Plan of up to one percent (1.0%) of the greater of Net Earnings or Consolidated Operating Earnings, and each of our other executive officers is eligible for an award under the GE IC Plan of up to one-half of one percent (0.5%) of the greater of Net Earnings or Consolidated Operating Earnings. However, in no event will any participant receive an award greater than one percent (1.0%) of Net Earnings or Consolidated Operating Earnings, or the total amount available under the terms of the GE IC Plan, and the management development and compensation committee of GE's board of directors (or, for purposes of Section 162(m) of the Internal Revenue Code, its successor) has absolute discretion to reduce or eliminate the amount of incentive compensation to be awarded to our executive officers.

Prior to the completion of this offering, we intend to establish, subject to shareholder and board of director approval, an annual incentive compensation program or programs (the "Genworth IC Program"), which may be part of the Genworth Omnibus Plan, and provide our key employees (including officers) with the opportunity to earn annual incentives based on company-wide, business unit and individual performance measures, although the Genworth IC Program will not become effective until the date that GE ceases to own more than 50% of our outstanding common stock. Until the date that GE ceases to own more than 50% of our outstanding common stock, GE will pay annual incentive compensation awards to our employees under the GE IC Plan, and we will reimburse GE for its cost of such awards.

Under the Genworth IC Program, the annual incentive compensation payment in any calendar year to a Covered Employee will be based on a percentage of one or both of (1) our Net Earnings for the calendar year, and (2) our Consolidated Operating Earnings for the calendar year. Our Management Development and Compensation Committee retains absolute discretion to adjust these awards downward. We refer to these awards as Covered Employee incentive awards.

The following summary relates to the GE IC Plan:

Reserve. The GE IC Plan authorizes its board of directors to appropriate to an Incentive Compensation Reserve (the "Reserve") each year an amount based on the consolidated net earnings of the company. The maximum amount that may be appropriated for this Reserve in any year is 10% of the amount by which consolidated net earnings exceed 5% of average capital investment, each as defined in the GE IC Plan. Any amounts in the Reserve appropriated but not awarded in any year may be carried forward and used for future awards.

Administration. The management development and compensation committee of GE's board of directors determines eligibility for participation in the GE IC Plan, the aggregate amount to be awarded from the Reserve in any year, and the specific amount to be awarded to any executive officer upon the achievement of a performance goal or goals.

Eligibility. Incentive compensation allotments are granted to key employees (including officers) of GE and its affiliates.

Payment of allotments. Incentive compensation allotments under the GE IC Plan are paid as soon as practicable following award, except that participants may elect to defer all or part of their allotment. The management development and compensation committee of GE's board of directors may determine that portions of deferred allotments are forfeitable for activity deemed to be harmful to the interests of GE or its affiliates occurring either during employment or after termination.

Method of accounting for deferred allotments. Participants may elect to have deferred allotments (including deferred allotments after termination of employment) accounted for as (i) GE stock units, (ii) the Standard and Poor's 500 Stock Index (S&P Index) units or (iii) cash units. The value of a GE stock unit will be equal to the average of the closing price of GE common stock as reported on the consolidated tape of New York Stock Exchange Listed Securities for the twenty trading days immediately preceding the date of allotment. The value of an S&P Index unit is equal to the average value of such unit as reported by Standard and Poor's for the twenty trading days immediately preceding the date of allotment. Deferred allotments, to the extent accounted for as GE stock units or S&P Index units, are credited with dividend equivalents applicable to such accounting media, and deferred allotments accounted for as cash units are credited with interest equivalents.

Switching. A participant may elect up to four times a year to change the method or methods of accounting for all deferred allotments.

Method of payment. The portion if any of an allotment not made on a deferred payment basis may, in the discretion of the management development and compensation committee of GE's board of directors, be made wholly or partly in cash, GE common stock, other securities, or any combination thereof. The deferred allotment is paid following the termination of a participant's employment with GE and its affiliates, subject to the terms and conditions, and in accordance with the procedures, of the GE IC Plan. The management development and compensation committee of GE's board of directors has discretionary authority to pay any installment of any deferred allotment entirely in cash or in such other manner as it may specify.

Termination and amendment. The GE IC Plan may be amended or terminated by GE's board of directors at any time, without the approval of shareholders or participants, provided that no action may, without a participant's consent, apply to the payment to the participant of any allotment made to such participant prior to the effective date of such action and no amendment may be made which will increase the amount which may be appropriated to the Reserve under the GE IC Plan without stockholder approval.

Section 162(m). Compensation to be paid to the applicable employees under the GE IC Plan is intended to be qualified performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code.

Executive Deferred Salary Plan

Our named executive officers, other executives and top managers currently participate in various GE executive deferred salary plans in effect between 1991 and 2003. Under all these plans, salary deferrals are contingently credited by GE with 9.5% to 14% interest. The participants generally must remain employed by GE and its affiliates for at least four years following the deferral, or retire or transfer to a successor employer (in this case, including Genworth when GE ceases to own 50% or more of our outstanding common stock) after a year of deferral, in order to obtain the stated interest rate on salary deferrals, otherwise the applicable interest rate on salary deferrals will be 0% to 3% interest. We are deemed an affiliate of GE for so long as GE owns 50% or more of our outstanding common stock. The Summary Compensation table (see "—Executive Compensation") includes the difference between market interest rates determined pursuant to SEC regulations and the contingently credited interest on such salary deferrals.

Other Potential Arrangements

Management has an understanding with GE that, shortly after the completion of our initial public offering, management intends to ask our Management Development and Compensation Committee and our board of directors to consider implementing arrangements which will protect or otherwise compensate management in the event of a change in control of our company.

Arrangements Between GE and Our Company

Relationship with GE

Historically, GE has provided a variety of products and services to us, and we have provided various products and services to GE. These arrangements are described below under "—Historical Related-Party Transactions."

Prior to the completion of this offering, we will enter into a master agreement and a number of other agreements with GE for the purpose of accomplishing our separation from GE, transferring the businesses described in this prospectus to us and setting forth various matters governing our relationship with GE while GE remains a significant stockholder in our company. These agreements will govern the relationship between GE and us after our initial public offering and will provide for the allocation of employee benefit, tax and other liabilities and obligations attributable or related to periods or events prior to and in connection with our initial public offering. In addition, a number of the existing agreements between us and our subsidiaries and GE and its subsidiaries relating to various aspects of our business will remain in effect following our initial public offering. The agreements summarized below have been filed as exhibits to the registration statement of which this prospectus forms a part. The summaries of these agreements are qualified in their entirety by reference to the full text of the agreements.

Master Agreement

We will enter into a master agreement with GE prior to the completion of this offering. We refer to this agreement in this prospectus as the Master Agreement. The Master Agreement will set forth our agreements with GE regarding the principal transactions required to effect the transfer of assets and the assumption of liabilities necessary to separate our company from GE. It also will set forth other agreements governing our relationship after the separation.

The separation

To effect the separation, GE will, and will cause its affiliates to, transfer to us the assets related to our businesses as described in this prospectus. We or our subsidiaries will assume and agree to perform, discharge and fulfill the liabilities related to our businesses (which, in the case of tax liabilities, will be governed by the Tax Matters Agreement) in accordance with their terms. Most of these transfers will be effected by a transfer of stock held by GE's subsidiaries to us. If any governmental approval or other consent required to transfer any assets to us or for us to assume any liabilities is not obtained prior to the completion of this offering, we will agree with GE that such transfer or assumption will be deferred until the necessary approvals or consents are obtained. GE will continue to hold the assets and be responsible for the liabilities for our benefit and at our expense until the necessary approvals or consents are obtained. For a discussion of certain assets and liabilities, the transfer and assumption of which are expected to be deferred until after completion of this offering, see "—Reinsurance Transactions—European Payment Protection Insurance Business Arrangements."

In consideration for the assets that we will acquire and the liabilities that we will assume in connection with our corporate reorganization, we will issue to GEFAHI 489,527,145 shares of our Class B Common Stock, $600 million of our Equity Units, $100 million of our Series A Preferred Stock, the $2.4 billion Short-term Intercompany Note and the $550 million Contingent Note. We will also pay GEFAHI interest and contract adjustment payments on the Equity Units and dividends on the Series A Preferred Stock, in each case accrued from and including the date we issue those securities to GEFAHI, to but excluding the date of the completion of this offering and the concurrent offerings.

Except as expressly set forth in the Master Agreement or in any other transaction document, neither we nor GE will make any representation or warranty as to:

- the assets, businesses or liabilities transferred or assumed as part of the separation;
- any consents or approvals required in connection with the transfers;

- the value, or freedom from any security interests, of, or any other matter concerning, any assets transferred;
- the absence of any defenses or right of set-off or freedom from counterclaim with respect to any claim of either us or GE; or
- the legal sufficiency of any document or instrument delivered to convey title to any asset transferred.

Except as expressly set forth in any transaction document, all assets will be transferred on an "as is," "where is" basis, and we and our subsidiaries will agree to bear the economic and legal risks that any conveyance was insufficient to vest in us good title, free and clear of any security interest, and that any necessary consents or approvals are not obtained or that any requirements of laws or judgments are not complied with.

Financial information

We will agree that, for so long as GE owns shares of our common stock, we will provide GE with quarterly and annual historical financial information needed by GE to issue its own earnings releases and public filings. We also will agree that for so long as GE owns at least 5% of our outstanding common stock, we will provide GE with certain financial projections. We further agree that, for so long as GE owns more than 20% of our outstanding common stock (or is required to account for its investment in us on a consolidated basis or under the equity method of accounting), we will provide GE with information requested by GE in connection with its press releases and public filings and advance notice of all meetings to be held by us with financial analysts. We will also agree during this time to issue our quarterly and annual earnings releases and file our quarterly and annual reports with the SEC immediately following the time that GE issues its quarterly and annual earnings releases and files its quarterly and annual reports with the SEC. For so long as GE owns more than 50% of our outstanding common stock (or is required to account for its investment in us on a consolidated basis), in addition to the items described above, we will agree to provide GE with monthly historical financial information, access to our books and records so that it may conduct audits of our financial statements, notice of any proposed material changes in our accounting estimates or discretionary accounting principles, a quarterly representation of our chief executive officer and our chief financial or accounting officer as to the accuracy and completeness of our financial and accounting records and copies of correspondence with and reports submitted by our accountants.

We also will agree, for so long as GE owns more than 50% of our outstanding common stock (or is required to account for its investment in us on a consolidated basis), to conduct our strategic and operational review process on the same schedule on which GE conducts its strategic and operational review process. GE has agreed that it will conduct its strategic and operational reviews of our business through the involvement in such process of the members of our board of directors who are elected by GE in its capacity as the beneficial holder of the Class B Common Stock, as well as others invited at GE's request.

Exchange of other information

The Master Agreement will also provide for other arrangements with respect to the mutual sharing of information between us and GE in order to comply with reporting, filing, audit or tax requirements, for use in judicial proceedings, and in order to comply with our respective obligations after the completion of this offering. We will also agree to provide mutual access to historical records relating to businesses that may be in our possession.

Releases and indemnification

Except for each party's obligations under the Master Agreement, the other transaction documents and certain other specified liabilities, we and GE will release and discharge each other and each of our affiliates from all liabilities existing or arising between us on or before the separation, including in connection with the separation and our initial public offering. The release will not extend to obligations or liabilities under any agreements between us and GE that remain in effect following the separation.

We will indemnify, hold harmless and defend GE, each of its affiliates and each of their respective directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

- the failure by us or any of our affiliates or any other person or entity to pay, perform or otherwise promptly discharge any liabilities or contractual obligations associated with our businesses, whether arising before or after the separation;
- the operations, liabilities and obligations of our business;
- any guarantee, indemnification obligation, surety bond or other credit support arrangement by GE or any of its affiliates for our benefit;
- any breach by us or any of our affiliates of the Master Agreement, certain of the other transaction documents or our certificate of incorporation or by-laws;
- any untrue statement of, or omission to state, a material fact in GE's public filings to the extent it was as a result of information that we furnished to GE or which GE incorporated by reference from our public filings, if that statement or omission was made or occurred after the separation; and
- any untrue statement of, or omission to state, a material fact in any registration statement or prospectus related to our initial public offering, the Equity Units offering, the Series A Preferred Stock offering or the senior notes offering, except to the extent the statement was made or omitted in reliance upon information provided to us by GE expressly for use in any such registration statement or prospectus or information relating to and provided by any underwriter expressly for use in any such registration statement or prospectus.

GE will indemnify, hold harmless and defend us, each of our affiliates and each of our and their respective directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

- the failure of GE or any affiliate of GE or any other person or entity to pay, perform or otherwise promptly discharge any liabilities of GE or its affiliates other than liabilities associated with our businesses, whether arising before or after the separation;
- the liabilities of GE and its affiliates' businesses other than liabilities associated with our businesses;
- any breach by GE or any of its affiliates of the Master Agreement or certain of the other transaction documents;
- any untrue statement of, or omission to state, a material fact in our public filings to the extent it was as a result of information that GE furnished to us or which we incorporated by reference from GE's public filings (other than any registration statement or prospectus related to our initial public offering, the Equity Units offering, the Series A Preferred Stock offering or the senior notes offering); and
- any untrue statement of, or omission to state, a material fact contained in any registration statement or prospectus related to our initial public offering, the Equity Units offering, the Series A Preferred Stock offering or the senior notes offering, but only to the extent the untrue statement or omission was made or omitted in reliance upon information provided by GE expressly for use in any such registration statement or prospectus.

The Master Agreement will also specify procedures with respect to claims subject to indemnification and related matters and provide for contribution in the event that indemnification is not available to an indemnified party.

Expenses of the separation and our initial public offering

GE will pay or reimburse us for all out-of-pocket fees, costs and expenses (including all legal, accounting and printing expenses) incurred prior to the completion of our initial public offering in connection with our separation from GE and our initial public offering, the Equity Units offering, the Series A Preferred Stock offering and the senior notes offering, and in connection with the other debt and credit facilities described in this prospectus that we have entered into or intend to incur or enter into concurrently with or shortly after the completion of this offering. GE also will pay or reimburse us for all out-of-pocket fees, costs and expenses (including all legal, accounting and printing expenses) incurred after the completion of this offering in connection with the consummation of our acquisition of the European payment protection insurance business and our transfer of the U.K. bond portfolio to GE, as described under "Arrangements with GE—European Payment Protection Insurance Business Arrangements."

GE's use of restricted marks and certain other commercial arrangements

GE has generally agreed for five years after this offering not to use the "GE" mark or the "GE" monogram or the name "General Electric" in connection with the marketing or underwriting on a primary basis of life insurance, long-term care insurance, annuities, or worksite benefits insurance in the U.S., or of auto insurance products in Mexico, and the underwriting or issuing of mortgage insurance products anywhere in the world. GE's agreement to restrict the use of its brand will terminate earlier upon the occurrence of certain events, including termination of our transitional trademark license agreement with GE and our discontinuation of the use of the "GE" mark or the "GE" monogram. In addition, GE has agreed generally to distribute on an exclusive basis our payment protection insurance products in certain European countries for five years, unless earlier terminated. See "Business—Protection—European Payment Protection Insurance."

Dispute resolution procedures

We will agree with GE that neither party will commence any court action to resolve any dispute or claim arising out of or relating to the Master Agreement. Instead, any dispute that is not resolved in the normal course of business will be submitted to senior executives of each business entity involved in the dispute for resolution. If the dispute is not resolved by negotiation within 45 days, either party may submit the dispute to mediation. If the dispute is not resolved by mediation within 30 days of the selection of a mediator, either party may submit the dispute to binding arbitration before a panel of three arbitrators. The arbitrators will determine the dispute in accordance with New York law. Most of the other agreements between us and GE have similar dispute resolution provisions.

These dispute resolution procedures will not apply to any dispute or claim related to GE's rights as a holder of our Class B Common Stock, including its approval rights over certain corporate actions by us that are set forth in our certificate of incorporation, and both parties will submit to the exclusive jurisdiction of the Delaware courts for resolution of any such dispute. In addition, both parties will be permitted to seek injunctive or interim relief in the event of any actual or threatened breach of the provisions of the Master Agreement relating to confidentiality, use of restricted marks and composition of certain of our board committees, and any of the provisions of the Employee Matters Agreement, Registration Rights Agreement, Intellectual Property Cross-License or the Transitional Trademark License Agreement. If an arbitral tribunal has not been appointed, both parties may seek injunctive or interim relief from any court with jurisdiction over the matter.

Other provisions

The Master Agreement also will contain covenants between us and GE with respect to:

- restrictions (subject to certain limited exceptions) on our ability to repurchase shares of our outstanding Class A Common Stock or any other securities convertible into or exerciseable for

Class A Common Stock, for so long as GE owns more than 50% of our outstanding common stock;

- confidentiality of our and GE's information;
- our right to continue coverage under GE's insurance policies for so long as GE owns more than 50% of our outstanding common stock;
- restrictions on our ability to take any action or enter into any agreement that would cause GE to violate any law, agreement or judgment;
- restrictions on our ability to take any action that limits GE's ability to freely sell, transfer, pledge or otherwise dispose of our stock;
- our obligation to comply with GE's policies applicable to its subsidiaries for so long as GE owns more than 50% of our outstanding common stock, except (1) to the extent such policies conflict with our certificate of incorporation or bylaws or any of the agreements between us and GE, or (2) as otherwise agreed with GE or superseded by any policies adopted by our board of directors.;
- restrictions on our ability to enter into any agreement that binds or purports to bind GE;
- litigation and settlement cooperation between us and GE;
- GE's right to appoint one member of our Management Development and Compensation Committee and one member of our Nominating and Corporate Governance Committee for so long as GE owns more than 50% of our outstanding common stock; and
- proposed intercompany transactions, including material amendments to the agreements accomplishing our separation from GE, all of which must be approved by a majority of our independent directors.

Transition Services Agreement

We will enter into a transition services agreement with GE prior to the completion of this offering to provide each other, on a transitional basis, certain administrative and support services and other assistance in the U.S. consistent with the services provided before the separation. To comply with European regulatory requirements, we will enter into a separate transition services agreement relating to transition services in Europe with respect to our payment protection insurance business. The types of services to be provided under the European transition services agreement will be substantially similar to the services to be provided under the U.S. transition services agreement, and we refer to these agreements in this prospectus collectively as the Transition Services Agreement.

Pursuant to the Transition Services Agreement, we will provide GE various services related to the businesses not transferred to us that had received services from GEFAHI prior to the separation, including information systems and network services, legal services and sourcing support. GE will provide services to us, including:

- treasury, payroll and other financial related services;
- human resources and employee benefits;
- legal and related services;
- information systems, network and related services;
- investment services;
- corporate services; and
- procurement and sourcing support.

We also will provide each other, on a transitional basis, additional services that we and GE may identify during the term of the agreement.

GE has agreed to pay us an aggregate of $40 million in eight equal quarterly installments during the first two years after this offering for our provision of the transition services to GE. The charges for the transition services generally are intended to allow the providing company to fully recover the allocated direct costs of providing the services, plus all out-of-pocket costs and expenses, generally without profit. The agreement also will provide that certain one-time costs associated with enabling us to provide the services to ourselves or to receive them directly from a third party will, up to an agreed upon cap, be borne by GE. GE will also agree to bear the costs, up to an agreed upon cap, of obtaining specified software, licenses, consents, approvals, notices, registrations, recordings, filings and other actions that need to be obtained in connection with this offering and the separation of our business from GE.

Under the Transition Services Agreement, we and GE will each have the right to purchase goods or services, use intellectual property licensed from third parties and realize other benefits and rights under the other party's agreements with third-party vendors to the extent allowed by such vendor agreements. With respect to GE's Six Sigma program, GE, at no cost to us, will ensure that we will be able to continue to use our Six Sigma program in a manner consistent with our use prior to the completion of this offering. The Transition Services Agreement also will provide for the lease or sublease of certain facilities used in the operation of our respective businesses and for access to each other's computing and telecommunications systems to the extent necessary to perform or receive the transition services. In addition, GE's Global Research Center will continue to provide research and development services and related consulting services to us for certain existing projects under their current terms. The Transition Services Agreement will also provide that we may work on new projects with the GE Global Research Center in the future. All new projects will be pursuant to individual agreements that will be negotiated on an arms' length basis.

We will also provide management consulting services to GE for a period of five years. These services will include delivering training, providing consultation and strategic advice with respect to historical and emerging issues, planning and participating in meetings with rating agencies and regulators, participating in government relations activities and various other activities. In consideration for these services, GE will pay us a fee of $1 million per month during the first four years following the completion of this offering and $500,000 per month during the fifth year. GE cannot terminate this arrangement before the expiration of the five-year term.

The services provided under the Transition Services Agreement will terminate at various times specified in the agreement (generally ranging from 3 months to 60 months after the completion of this offering), but the receiving party may terminate any service by giving at least 60 days' prior written notice to the provider of the service. However, GE may not, without our consent, terminate the receipt of any service without cause prior to the expiration of two years from the date of this offering. Under the terms of the Transition Services Agreement, a provider of services will not be liable to a receiving party for or in connection with any services rendered pursuant to the Transition Services Agreement or for any actions or inactions taken by a provider in connection with the provision of services. However, a provider of services will be liable for, and will indemnify a receiving party for, liabilities resulting from its gross negligence, willful misconduct, improper use or disclosure of customer information or violations of law subject to a cap on GE's liability of $15 million and a cap on our liability of $10 million. Additionally, a receiving party will indemnify a provider for any losses arising from the provision of services, except to the extent the liabilities are caused by the provider's negligence or breach of the agreement, and except to the extent that the provider has indemnified the receiving party for the liabilities under the terms of the agreement.

The services to be provided under the European transition services agreement are similar to the services to be provided under the U.S. transition services agreement. The European transition services agreement will be governed by English law and generally differs from the U.S. transition services agreement only where dictated by local regulation, law, practice or business requirements. In particular, under the European transition services agreement, GE will not be restricted from terminating the agreement during the two years from the date of the completion of this offering, and the European transition services agreement provides for a marginal profit for the service provider. In addition, each of GE's and our liability as provider of services under the agreement is limited to £5 million.

Registration Rights Agreement

We will enter into a registration rights agreement with GE prior to the completion of this offering to provide GE with registration rights relating to shares of our common stock held by GE after this offering. We refer to this agreement in this prospectus as the Registration Rights Agreement. GE may assign its rights under the Registration Rights Agreement to any person that acquires shares of our common stock subject to the agreement and agrees to be bound by the terms of the agreement. GE and its permitted transferees may require us to register under the Securities Act of 1933 all or any portion of these shares, a so-called "demand request." The demand registration rights are subject to certain limitations. We are not obligated to effect:

- a demand registration within 60 days after the effective date of a previous demand registration, other than a shelf registration pursuant to Rule 415 under the Securities Act of 1933;
- a demand registration within 180 days after the effective date of the registration statement of which this prospectus is a part;
- a demand registration unless the demand request is for a number of shares with a market value that is equal to at least $150 million; and
- more than two demand registrations during the first 12 months after completion of this offering or more than three demand registrations during any 12-month period thereafter.

We may defer the filing of a registration statement after a demand request has been made if (i) at the time of such request we are engaged in confidential business activities, which would be required to be disclosed in the registration statement, and our board of directors determines that such disclosure would be materially detrimental to us and our stockholders, or (ii) prior to receiving such request, our board of directors had determined to effect a registered public offering of our securities for our account and we have taken substantial steps to effect such offering. However, with respect to two demand requests only, if GE or any of its affiliates makes a demand request during the two-year period after the completion of this offering, we will not have the right to defer such demand registration or to not file such registration statement during that period.

In addition, GE and its permitted transferees have so-called "piggyback" registration rights, which means that GE and its permitted transferees may include their respective shares in any future registrations of our equity securities, whether or not that registration relates to a primary offering by us or a secondary offering by or on behalf of any of our stockholders. The demand registration rights and piggyback registrations are each subject to market cut-back exceptions.

GE or its permitted transferees will pay all costs and expenses in connection with any demand registration. We will pay all costs and expenses in connection with any "piggyback" registration, except underwriting discounts, commissions or fees attributable to the shares of common stock sold by our stockholders. In addition, we are required to bear the fees and expenses of one firm of counsel for the selling stockholders in any "piggyback" registration. The Registration Rights Agreement will set forth customary registration procedures, including an agreement by us to make our management available for road show presentations in connection with any underwritten offerings. We will also agree to indemnify GE and its permitted transferees with respect to liabilities resulting from untrue statements or omissions in any registration statement used in any such registration, other than untrue statements or omissions resulting from information furnished to us for use in the registration statement by GE or any permitted transferee.

The rights of GE and its permitted transferees under the Registration Rights Agreement will remain in effect with respect to the shares covered by the agreement until those shares:

- have been sold pursuant to an effective registration statement under the Securities Act of 1933;
- have been sold to the public pursuant to Rule 144 under the Securities Act of 1933;
- have been transferred in a transaction where subsequent public distribution of the shares would not require registration under the Securities Act of 1933; or
- are no longer outstanding.

In addition, the registration rights under the agreement will cease to apply to a holder other than GE or its affiliates when such holder holds less than 3% of the then outstanding shares covered by the agreement and such shares are eligible for sale pursuant to Rule 144(k) under the Securities Act of 1933.

Investment agreements

Our U.S., Canadian and Bermudan insurance subsidiaries are parties to investment management and services agreements with GEAM, a GE-owned provider of investment management services. The agreement with our Canadian insurance subsidiary will terminate in connection with this offering. The agreements with our U.S. and Bermudan insurance subsidiaries will, with limited exceptions, be amended in connection with this offering. GEAM will provide investment management services for our U.S. and Bermudan investment portfolios pursuant to these amended agreements and investment guidelines approved by the boards of directors of our respective companies. These services include, but are not limited to:

- researching and identifying investment opportunities;
- investing the account assets;
- selling and disposing of investments as appropriate;
- assisting in developing an overall investment strategy for the account assets;
- assisting with cash management and cash flow forecasting;
- assisting with developing reinvestment strategies and establishing hedging strategies; and
- providing other investment management services as we and GEAM may agree.

We will pay GEAM a management fee for these services on a quarterly basis, which will be equal to a percentage of the value of the assets under management and will be paid quarterly in arrears. The percentage will be established annually by agreement between GEAM and us and is intended to reflect the cost to GEAM of providing its services.

The initial term of our amended agreements with GEAM will be three years. We will have the option to extend the initial term for up to two additional one-year terms. We also will have the right to terminate the amended agreements upon one year's prior notice to GEAM or immediately upon a change of control of our company. In addition, we will have the right to terminate the agreements immediately for cause, which is defined as GEAM's fraud or willful misconduct, material breach of the agreement, material or repeated non-compliance with our investment guidelines and objectives or materially deficient investment performance for our accounts. Our amended agreements with GEAM will be non-exclusive, and we will be permitted to engage unaffiliated investment advisers. However, if we withdraw more than 15% of our total assets managed by GEAM during the initial three-year term of our agreements for the purpose of having the assets managed by another investment adviser or by us internally, we have agreed to negotiate in good faith with GEAM to reset the management fee for the remainder of the calendar year in which the withdrawal is made in order that GEAM will be able to recover its costs of providing services to us. GEAM also will have the ability to terminate the agreements at any point if the SEC suspends or withdraws GEAM's investment adviser registration or if a change in applicable law would materially and adversely affect GEAM's ability to provide services under the agreements. If GEAM were to terminate the agreements upon the occurrence of either event, GEAM would be required to use its best efforts to extend the termination date for the agreements to the maximum date consistent with the requirements of the termination event. After expiration of the initial three-year term, GEAM may terminate the agreements upon the occurrence of certain other specified events.

Substantially all the assets of our European payment protection and mortgage insurance businesses will be managed by GE Asset Management Limited, GEAM's affiliate in the U.K., pursuant to agreements that are substantially similar to our agreements with GEAM in the U.S. However, the management fee in our European investment agreements includes an agreed margin of 5% and will be reset if our European companies withdraw more than one-third of their assets in the first year of the agreements or more than two-thirds of their assets in the second year of the agreements. In addition, we will have the right to terminate the European agreements upon six months' prior notice, rather than one year's notice, in the case of the U.S. agreements.

Derivatives Management Services Agreement

In 2002, GE Capital, GEFAHI, GEAM and certain of our insurance company subsidiaries that use derivative instruments entered into a derivatives management services agreement and a related administrative services agreement which set forth the parties' responsibilities with respect to derivatives transactions. Pursuant to this agreement, GE Capital agreed to execute, manage and administer derivatives transactions on behalf of our insurance company subsidiaries and to delegate authority to perform these services to GEAM, as investment adviser to those subsidiaries. GEFAHI agreed, as necessary, to provide guarantees on behalf of the insurance company subsidiaries for the benefit of derivative counterparties.

In connection with this offering, we, GE Capital, and our insurance company subsidiaries that use derivative instruments will enter into a new derivatives management services agreement on substantially the same terms as the prior agreement, except that GE Capital may delegate authority to execute, manage and administer derivatives transactions to us, rather than to GEAM, which will no longer manage our derivatives. In addition, we, rather than GEFAHI, will be responsible for providing any required guarantees to derivative counterparties unless otherwise agreed by GE Capital and us. The existing administrative services agreement will remain in effect and GE Capital will continue to provide certain administrative services, including providing legal services related to the negotiation of master swap arrangements and serving as paying agent on behalf of our subsidiaries that enter into derivatives contracts. We do not expect to pay any compensation to GE Capital under the derivatives management services agreement, other than reimbursement of GE Capital's expenses, if any. The initial term of the derivatives management services agreement will end on December 31, 2004 and will automatically renew on January 1 of each year for successive terms of one year. The derivatives management services agreement will be able to be terminated by either GE Capital or us during the initial term or any renewal term upon 60 days' prior written notice. Both agreements will automatically terminate when GE ceases to beneficially own at least 50% of our outstanding common stock.

Asset Management Services Agreement

Prior to the completion of this offering, we offered a broad range of institutional asset management services to third parties. GEAM provided the portfolio management services for this business, and we provided marketing, sales and support services. We will not acquire the institutional asset management services business from GEFAHI, but pursuant to an agreement among GEAM, GEFAHI and us, we will continue to provide services to GEAM and GEFAHI related to this asset management business, including client introduction services, asset retention services and compliance support. GEFAHI will pay us a fee of up to $10 million per year for four years to provide these services. The fee will be determined based upon the level of third-party assets under management managed by GEAM over the four-year term. The agreement may not be terminated by GEAM or GEFAHI, except for non-performance or in the event that we commence a similar institutional asset management business.

Liability and Portfolio Management Agreements

We entered into three liability and portfolio management agreements with affiliates of GE, effective as of January 1, 2004. We refer to these agreements in this prospectus as the Liability and Portfolio Management Agreements. Pursuant to two of the Liability and Portfolio Management Agreements we will manage a pool of municipal guaranteed investment contracts issued by Trinity Plus Funding Company, LLC and Trinity Funding Company, LLC, which we refer to collectively as Trinity. Pursuant to these agreements, we will originate GIC liabilities, advise Trinity as to the investment of the assets that support these liabilities and administer these assets.

Under each of the Trinity Liability and Portfolio Management Agreements, we will be entitled to receive an administration fee at a rate equal to 0.165% per annum of the maximum program size for those GE affiliates, which was an aggregate of $15.0 billion as of December 31, 2003. We also will receive reimbursement of our operating expenses under each of these agreements.

Trinity can terminate each Liability and Portfolio Management Agreement in the event that Trinity exercises its option to replace substantially all of its portfolio with GE Capital debt, upon the payment of a break-up fee equal to 0.165% per annum of the program size, multiplied by the percentage derived by dividing the number of days remaining in the initial three-year term of each agreement by 365.

We also entered into a Liability and Portfolio Management Agreement with GE Capital and with FGIC Capital Market Services, Inc., a GE affiliate, which we refer to as FCMS. Pursuant to this agreement, we agreed to provide liability management and other services relating to FCMS's origination and issuance of guaranteed investment contracts or similar liabilities. Under this Liability Management and Portfolio Agreement, we will receive a management fee of 0.10% per annum of the book value of the investment contracts or similar securities issued by FCMS after January 1, 2003, which was $912 million as of December 31, 2003. The fee we will receive on the contracts issued by FCMS before January 1, 2003 will be based upon a pricing arrangement that will vary depending upon the maturities of those contracts and FCMS's cost of capital. The book value of the contracts issued before January 1, 2003 was $2,008 million as of December 31, 2003 and is expected to generate a weighted average fee of approximately 0.35% in 2004. We also will receive reimbursement of our operating expenses under each of the Liability and Portfolio Management Agreements.

The initial term of each Liability and Portfolio Management Agreement will expire December 31, 2006, and unless terminated at the option of either party, each agreement automatically will renew on January 1 of each year for successive terms of one year.

Agreement regarding continued reinsurance by Viking

Prior to the completion of this offering, Viking Insurance Company and GE Capital will enter into an agreement relating to the continued engagement of Viking as reinsurer of credit insurance covering the credit card accounts of certain customers of GE Capital's GE Consumer Finance—Americas unit, or GECFA, and as reinsurer of collateral protection insurance purchased by GE's Vendor Financial Services unit, or VFS. This agreement will provide that GE Capital will cause GECFA to take all commercially reasonable efforts to maintain the existing relationship with the relevant insurer and to retain Viking as the reinsurer of the credit insurance provided or offered by GECFA. To the extent that GE terminates or replaces this credit insurance program, GE Capital will be obligated to pay Viking an amount equal to the net underwriting income that Viking was projected to receive as the reinsurer of such terminated or replaced credit insurance from the time of such termination or replacement through December 31, 2008. The agreement will further provide that GE Capital will, through March 1, 2004, cause VFS to continue to use American Bankers Insurance Group as direct insurer and Viking as the reinsurer of collateral protection insurance that VFS may place. This agreement will terminate no later than December 31, 2008. If, however, Viking continues to reinsure GECFA credit insurance or VFS collateral protection insurance beyond December 31, 2008, Viking will be obligated to pay to GE Capital 90% of Viking's net underwriting income on such reinsured business, and GE Capital will be obligated to pay to Viking 110% of Viking's net underwriting loss on such reinsured business.

Mortgage Services Agreement

We will enter into a mortgage services agreement with GE Mortgage Services, an affiliate of GE. We refer to this agreement in this prospectus as the Mortgage Services Agreement. Under this agreement, we will provide a variety of management services to GE Mortgage Services until December 31, 2005, for which GE Mortgage Services will reimburse us for our actual personnel and other expenses incurred. In addition, GE Mortgage Services will manage and service any residential loans that it agrees to purchase from us from time to time in connection with the loss mitigation activities of our U.S. mortgage insurance business, for which we have agreed to reimburse GE Mortgage Services for its out of pocket expenses incurred in connection with the acquisition and disposition of those loans and to indemnify it for any losses relating to those loans. We also have agreed to purchase from GE Mortgage Services at fair market value any residential loans (or real estate resulting from foreclosure thereon) that it still holds at the termination of the Mortgage Services Agreement.

Arrangements regarding our operations in India

We will enter into an outsourcing services separation agreement with GE Capital International Services, or GECIS, an affiliate of GE, prior to the completion of this offering. We refer to this agreement in this prospectus as the Outsourcing Services Separation Agreement. The Outsourcing Services Separation Agreement will provide for the continuity of services currently provided by GECIS to certain of our subsidiaries. Our arrangement with GECIS provides us with a substantial team of professionals in India who provide a variety of services to us, including customer service, transaction processing, and functional support including finance, investment research, actuarial, risk and marketing resources to our insurance operations. This team was established in 1998 and is managed as a dedicated operations center apart from other GECIS operations. The Outsourcing Services Separation Agreement also will provide us with an option to cause GECIS to transfer to us some of the resources GECIS uses to provide these services, including hardware and equipment, software, employees of GECIS and third-party agreements. The consideration for this transfer is based upon a formula specified in the Outsourcing Services Separation Agreement. If we exercise that option, GECIS also would be required to assist us in obtaining comparable facilities and substitute software licenses and other third-party agreements that are not transferable to us by GECIS. This option will be exercisable upon:

- a change of control of GECIS or a transfer of some of its operations used to provide services to us;
- the expiration of the master outsourcing agreements, which are described below;
- certain breaches of the master outsourcing agreements or project-specific agreements by GECIS; or
- certain circumstances in which GECIS's liabilities to us exceed the caps described below.

Our arrangements with GECIS currently are governed by a series of master outsourcing agreements and related project-specific agreements, which, subject to regulatory approvals, will be amended pursuant to the Outsourcing Services Separation Agreement. Each of the amended master outsourcing agreements will have an initial term that will expire three years from the date on which GE ceases to own at least 50% of our common stock. We also will have the right, in our sole option, to renew all, but not less than all, of the amended master outsourcing agreements for an additional two-year period upon expiration of the initial term. We also will have the right to terminate any project-specific agreement in whole or in part for cause upon the occurrence of certain specified events and the right to terminate any project-specific agreement in whole or in part at any time without cause upon at least 90 days' written notice to GECIS. Under the new fee and cost structure, GECIS will provide its services to us at current pricing, subject to agreed discounts and to adjustment for changes in GECIS' cost of providing the services and in the volume of services provided by GECIS. Increases in unit costs (excluding the costs of foreign currency hedges) are limited to 5% per year. If we renew the initial term of the master outsourcing agreements for an additional two-year period, we and GECIS will agree upon revised charges and other terms applicable to the services provided to us during the renewal term.

The amended master outsourcing agreements also will provide, subject to regulatory approval, that upon the change of control of our company to any third party (other than GE and its affiliates), GECIS will have the right, unless we otherwise agree during a 120-day negotiation period following the change of control, to terminate all, but not fewer than all, master outsourcing agreements upon the later of (1) the end of the 18-month period after the change of control and (2) the expiration of the initial term of the master outsourcing agreements. GECIS's liability to us, and our liability to GECIS, for certain specified breaches of the master outsourcing agreements or negligence in the performance of services is limited to 50% of all direct damages incurred in excess of $25,000 for each matter, subject to a cap of $5 million in the aggregate over the initial term of the agreement. Our respective liability to one another for other more significant matters, including gross negligence and willful misconduct, improper use of information, violation of law and voluntary withholding of services, is limited to direct damages of $25 million in the aggregate. GECIS also has agreed that until the date on which either (1) the number of full-time equivalent employees used by GECIS to perform the services under all of the amended master outsourcing agreements is less than 50% of the number of such employees as of the completion of this offering or (2) the aggregate salaries of those employees are less than 50% of the budgeted aggregate compensation and benefits expense of such employees for the first twelve months after the completion of the offering, it will not market, sell or provide similar services to any third party (other than GE and its affiliates) that competes with us in certain of our businesses.

Each of the amended master outsourcing agreements will provide that GECIS will own all technology and intellectual property (other than trademarks, service marks, trade dress, or logos) developed or acquired by GECIS in performing services for us. However, particular project-specific agreements may provide that we will own some technology or intellectual property. Unless otherwise agreed in any project-specific agreement, we and GECIS will license to each other on substantially similar license terms as those contained in the Intellectual Property Cross-License all technology and intellectual property owned by GECIS or us that is used in the provision of services (except that the licenses to GECIS will terminate on the expiration or termination of the related amended master outsourcing agreements and project-specific agreements).

Tax Matters Agreement

We will enter into the Tax Matters Agreement with GE prior to the completion of this offering. The Tax Matters Agreement, among other things, will govern our continuing tax sharing arrangements with GE relating to pre-separation periods, and also will allocate responsibility and benefits associated with the elections to be made in connection with the separation as described below. The Tax Matters Agreement also will allocate rights, obligations and responsibilities in connection with certain administrative matters relating to taxes.

Tax elections

In connection with our separation from GE, GE will make, and we will join GE in making, tax elections under section 338 of the Internal Revenue Code that will treat (for tax purposes) many of the companies in our group as having sold all their assets in fully taxable sales. Under the Tax Matters Agreement, GE will control the making of these elections and related determinations. GE will be responsible for all current taxes resulting from the making of these tax elections.

Tax benefit payments

As a result of the section 338 tax elections, we will become entitled to certain tax benefits that are expected to be realized by us in the future in the ordinary course of our business and otherwise would not have been available to us, which we refer to as the Noncontingent Benefits. These benefits are generally attributable to increased tax deductions for amortization of intangibles and to increased tax basis in nonamortizable investment assets. Under the Tax Matters Agreement, we will be required to make payments to GE equal to 80% of the amount of tax we are projected to save for each tax period as a result of these increased tax benefits, subject to a maximum amount of $640 million. We estimate that this maximum amount will apply, such that these payments will aggregate $640 million. The estimated present value of the projected payments is approximately $448 million.

The actual amount and timing of our projected payments under the Tax Matters Agreement will vary depending upon a number of factors, including the actual value of our company and its individual assets at the time of our separation from GE. GE will control the preparation and filing of our tax returns on which the section 338 elections, reflecting these factors, are reported. Subject to a maximum amount on total payments (described below), the amount of our obligation under the Tax Matters Agreement will be reduced (or increased) if and to the extent that the expected tax savings are reduced (or increased) as a result of a change in the tax returns on which the section 338 sales are reported. However, if, and to the extent, the actual tax savings are less than the projected tax savings because we fail to generate sufficient taxable income of the appropriate character, we will remain obligated to pay 80% of the full projected tax savings (as opposed to the actual tax savings) to GE. We also will remain obligated to pay 80% of the projected tax savings (as opposed to the actual tax savings) to GE if our actual tax savings are reduced because the applicable tax rates are reduced, but we will be entitled to retain 100% of the excess of our actual tax savings over projected tax savings if the applicable tax rates are increased. In any event, the maximum amount we will pay to GE (except for Contingent Amounts and interest on deferred payments, as described in the following paragraphs) under the Tax Matters Agreement for these Noncontingent Benefits will be $640 million.

The timing of our payments to GE under the Tax Matters Agreement will be determined with reference to when we actually realize the projected tax savings. This timing will depend upon, among other things, the amount of our taxable income and the rate at which certain assets in our investment portfolio are sold or mature. If, as a result of these factors, payments to GE are accelerated or deferred relative to the schedule of payments projected under the Tax Matters Agreement, the Tax Matters Agreement provides for the accrual of interest to be paid to us, or by us, to account for the acceleration or deferral of our payments relative to the projected schedule of payments. Interest on deferred or accelerated payments will be paid in 2029, unless we exercise our right to accelerate the payment of deferred obligations or accrued interest or both. The payments in respect of the Noncontingent Benefits are subordinated in right of payment to all of our debt and other obligations.

In addition to Noncontingent Benefits under the Tax Matters Agreement, we have agreed to share equally with GE certain benefits or detriments, which we refer to as the Contingent Amounts, that generally will not be realized absent an intervening event we do not specifically foresee, such as the sale of a subsidiary. Contingent Amounts will also include tax benefits resulting from deductions attributable to compensation amounts funded by GE for our employees, which includes the exercise by our employees of GE stock options as well as amounts under GE-sponsored deferred compensation arrangements. In connection with these GE-funded compensation amounts, we anticipate that the Noncontingent Benefits we subsequently realize will be reduced without a corresponding reduction in the amount we owe to GE in respect of Noncontingent Benefits. Payments by us in respect of the

Contingent Amounts are not subject to the $640 million limit on our payments in respect of Noncontingent Benefits under the Tax Matters Agreement.

Under our Tax Matters Agreement with GE, if any person or group of persons other than GE or its affiliates gains the power to direct the management and policies of our company (other than through a sale of our stock by GE), we could become obligated immediately to pay to GE the total present value of all tax benefit payments due to GE under the agreement from the time of the change in control until the end of the 25-year term of the agreement. Similarly, if any person or group of persons other than us or our affiliates gains effective control of one of our subsidiaries (other than through a sale of our stock by GE), we could become obligated to pay to GE the total present value of all such payments due to GE allocable to that subsidiary, unless the subsidiary assumes the obligation to pay these future amounts under the Tax Matters Agreement and certain conditions are met. The acceleration of payments would be subject to the approval of certain state insurance regulators, and we are obligated to use our reasonable best efforts to see that these approvals are granted. As a result of these obligations under the Tax Matters Agreement, we will be entitled to retain a portion of the tax savings generated by the Section 338 elections. If for any reason, however, some or all of the elections are not made or, if made, are invalidated for any reason (for example, if GE fails to divest itself of the requisite amount of our stock), then all or a portion of the tax savings would not be realized.

Tax sharing arrangements

We currently are a party to a number of tax sharing arrangements, both formal and informal, with the GE group. Under these arrangements, the companies in our group share financial and administrative responsibilities with GE for U.S. federal, state, local and foreign taxes for the periods during which we are affiliated. In certain respects, the Tax Matters Agreement will govern our continuing tax sharing arrangements with GE relating to pre-separation periods and will provide that tax sharing between us and GE not governed by any existing written agreements will be governed by existing tax sharing practices within GE, as determined in GE's reasonable discretion.

Under these arrangements, we generally will remain responsible for all taxes arising in pre-separation periods attributable to our companies (excluding any tax resulting from the section 338 elections and certain other transactions done in connection with the separation). GE will generally control both the return preparation and audits and contests relating to pre-separation periods and taxes for which we are responsible, although we will not be liable for tax resulting from returns filed or matters settled by GE without our consent if the return or settlement position is found to be unreasonable, taking into account the liability that we incur as well as any non-Genworth tax benefit.

From 2000 until a time immediately prior to the pre-separation period, UFLIC was a member of our life insurance consolidated group for federal tax return purposes. Although UFLIC will be owned by GE after the completion of this offering, UFLIC will, under our tax allocation arrangements with GE, remain responsible for all of its taxes with respect to the time when it was a member of our life insurance consolidated group, including its share of any favorable or unfavorable adjustments by the IRS with respect to such taxes.

We have agreed that, if GE so elects, our life insurance group will join the GE consolidated tax group for the period during 2004 in which we are owned by GE. Under the Tax Matters Agreement, GE has agreed to reimburse us if this results in any additional cost to us, and we will pay to GE any benefit we may realize as a result of any such tax consolidation.

Tax indemnities

Under the Tax Matters Agreement, GE will indemnify us against liability for any tax relating to a pre-separation period not attributable to our group, as well as certain taxes attributable to our group, including any tax resulting from the section 338 elections and the various transactions implemented in connection with the separation (other than the reinsurance transactions with UFLIC). We will indemnify GE against any liability for all other tax attributable to our group.

International tax matters agreements

We will enter into tax matters agreements with GE prior to the completion of this offering that will cover certain non-U.S. operations which are not part of the Tax Matters Agreement described above. These agreements will vary according to the jurisdiction involved but generally will govern our continuing tax sharing arrangements with GE relating to pre-separation periods, as necessary, and will also allocate certain rights, obligations and responsibilities in connection with certain administrative matters relating to taxes.

Under the Canadian tax matters agreement, GE has the right to direct our Canadian mortgage insurance subsidiary to accelerate and pay approximately CDN$74 million of deferred taxes. The subsidiary will recover accelerated taxes in the form of future tax savings over a period expected not to exceed two years. If we pay the accelerated tax out of our own funds, GE will compensate us for the investment income we forego as a result. Similarly, if we require additional funds to pay the tax, GE will either provide those funds at no cost to us or will reimburse us for the cost we incur in obtaining those funds from an unrelated party.

Under the Australian tax matters agreement, we will assume from GE the liability for taxes in pre-closing periods of the company through which we formerly conducted our Australian mortgage insurance business.

Employee Matters Agreement

We will enter into an agreement with GE prior to the completion of this offering relating to certain employee, compensation and benefits matters. We refer to this agreement in this prospectus as the Employee Matters Agreement. Under the Employee Matters Agreement, we will generally assume or retain, and agree to pay, perform, fulfill and discharge, in accordance with their respective terms, obligations and liabilities relating to the employment or services, or termination of employment or services, of any person with respect to our business before or after the completion of this offering. We will only be responsible for liabilities under the GE plans related to our business to the extent described in the Employee Matters Agreement.

Employment. After the completion of this offering, we will continue to employ the employees of our business. In addition, for those employees assigned to our business but employed by a GE business prior to the completion of our offering, effective generally prior to the completion of this offering, GE will transfer, and we will employ, such employees. We will also assume the obligations of any works council agreement covering the employees of our business outside of the U.S.

Continuation on GE payroll and in GE plans. Prior to this offering, some of the employees of our business have been paid through GE's payroll system. In addition, these employees have been covered under the GE plans. These employees generally will continue to be paid through GE's payroll system and be eligible to participate in the GE plans for so long as GE owns more than 50% of our outstanding common stock. GE plans include retirement programs providing pension, 401(k), health and life insurance benefits; medical, dental and vision benefits for active employees; disability and life insurance protection; and severance. For our applicable non-U.S. employees, benefit transition may be delayed, by mutual agreement between GE and us, for up to six months following the date that GE ceases to own more than 50% of our outstanding common stock (such date, whether delayed or not, is referred to as the "International Benefit Transition Date").

Compensation. From the completion of this offering until at least one year after the date that GE ceases to own more than 50% of our outstanding common stock, our employees will receive at least the same (on an aggregate basis) salary, wages, bonus opportunities and, in the case of our non-U.S.

employees, other compensation, as were provided to such employees prior to the completion of this offering.

Equity/long-term performance award and incentive compensation plans. As described under "Management—Omnibus Incentive Plan" and "Management—Incentive Compensation Program," we will establish, adopt and maintain plans for our selected employees providing for cash or other bonus awards, stock options, stock awards, restricted stock, other equity-related awards and long-term performance awards in connection with the completion of this offering. However, certain of our employees will continue to participate in the GE Incentive Compensation Plan based on our company- and individual-specific performance measures, and our corresponding plan providing for annual cash or other bonus awards will not become effective until the date that GE ceases to own more than 50% of our outstanding common stock.

Reimbursement to GE. We will reimburse GE for the costs, including expenses, incurred by GE and its affiliates for maintaining our employees on the GE payroll and in the GE plans consistent with practices and procedures established and uniformly applied to GE businesses. In no event will we be billed more for the services relating to maintaining our U.S. employees in the GE plans than the cost we would have incurred if we had established mirror plans for our U.S. employees from the completion of this offering until the date that GE ceases to own more than 50% of our outstanding common stock. We will also reimburse GE for the reasonable costs incurred by GE and its affiliates for cooperating in the operation and administration of our plans, including our plans providing for stock options, stock awards, restricted stock, other equity-related awards and long-term performance awards, consistent with practices and procedures established for such plans in effect prior to the completion of this offering, or, in the event of a new plan, on a cost liquidation basis.

Transition to our benefit plans. Effective as of the date that GE ceases to own more than 50% of our outstanding common stock, our applicable U.S. employees will cease to participate in the GE plans and will participate in employee benefit plans established and maintained by us. For at least the year following the date that GE ceases to own more than 50% of our outstanding common stock, we will maintain plans that will provide our employees with benefits that are at least substantially comparable in the aggregate to the value of those benefits provided by the GE plans immediately prior to the date that GE ceases to own more than 50% of our outstanding common stock. Our plans will include retirement programs providing pension, 401(k), health and life insurance benefits; medical, dental and vision benefits for active employees; disability and life insurance protection; and severance. We will recognize prior GE service for all purposes (except benefit accrual under our pension plan) under our new plans and programs to the same extent such service is recognized under corresponding GE plans.

After completion of this offering, we will assume or continue benefit plans for our non-U.S. employees. If applicable, effective as of the International Benefit Transition Date, we will establish new benefit plans for our non-U.S. employees that, together with any benefit plans we assume or continue, will provide such non-U.S. employees with benefits that are at least substantially comparable in the aggregate to the value of those benefits provided by the benefit plans in effect immediately prior to the International Benefit Transition Date. In addition, the benefits or employment practices provided by us to our non-U.S. employees will be at such level and design so that no severance or similar payment to such non-U.S. employees will be triggered, and will comply with applicable law. In the event that any such severance or similar payment is triggered under a GE plan, we will reimburse GE for such amounts. We will maintain these existing or new plans for our non-U.S. employees for a period of at least one year following the date that GE ceases to own more than 50% of our outstanding common stock (or such longer period required by applicable law or practice).

To the extent any defined benefit or defined contribution pension plan sponsored by GE and covering both our non-U.S. employees and GE's non-U.S. employees is funded (other than the Canadian General Electric Pension Plan), there will be a transfer of assets and liabilities from the trust for such GE plan to the corresponding trust for the benefit plan we establish for our non-U.S.

employees unless contrary to applicable laws. GE will determine a proportionate amount of the trust assets corresponding to, and not to exceed the liabilities under, such GE plan that is attributable to our non-U.S. employees. In the case of a defined benefit pension plan, the amount to be transferred will be determined by the plan sponsor subject to mutual agreement by GE and us and based upon generally accepted country- and plan-specific actuarial assumptions and the accrued benefit obligation method. It is anticipated that consistent treatment will be provided with respect to any funded defined benefit or defined contribution pension plan sponsored by us and covering both our non-U.S. employees and GE's non-U.S. employees.

Treatment of our U.S. employees under certain GE plans. Effective as of the date that GE ceases to own more than 50% of our outstanding common stock, (i) our employees will cease to accrue any benefits under the GE retirement plans and (ii) our employees will fully vest in the GE retirement plans. However, with respect to the GE Supplementary Pension Plan, only those employees who have at least ten years of qualified pension service as of the date that GE ceases to own more than 50% of our outstanding common stock will vest in such plan. GE will be responsible for paying directly to our eligible employees (including their surviving spouses and beneficiaries) any vested benefits to which they are entitled under the GE retirement plans when eligible under the terms of such plans to receive such payments.

GE generally will remain obligated to provide post-retirement welfare benefits under the GE Life, Disability and Medical Plan, consistent with the terms of the plan as in effect from time to time, to our employees and their eligible dependents who, as of the date GE ceases to own more than 50% of our outstanding common stock, are participants in such plan and either (1) have completed 25 years of continuous service or pension qualified service with us, our affiliates and their respective predecessors or (2) have attained at least 60 years of age and have completed at least ten years of continuous service, in either case upon such employee's election to participate in the GE Life, Disability and Medical Plan. Participation by our employees will be under circumstances and at the applicable contribution levels entitling them to receive such benefits pursuant to the terms of the GE Life, Disability and Medical Plan. GE will be responsible for paying directly to our eligible employees and their eligible dependents any post-retirement welfare benefits pursuant to such coverage. We will have certain reimbursement obligations to GE.

GE generally will retain responsibility under the GE plans that are welfare benefit plans in which our employees participate with respect to all amounts that are payable by reason of, or in connection with, any and all welfare benefit claims made by such employees and their eligible dependents to the extent the claims were incurred prior to the date that GE ceases to own more than 50% of our outstanding common stock.

We will have certain obligations for reimbursing GE for any payments of welfare benefits made by GE or its affiliates on or after the date that GE ceases to own more than 50% of our outstanding common stock to our eligible employees and their eligible dependents pursuant to any self-insured GE plans with respect to claims incurred up to the day before the date that GE ceases to own more than 50% of our outstanding common stock, or any payments of welfare benefits made by GE or its affiliates on or after the date that GE ceases to own more than 50% of our outstanding common stock to our eligible employees who are inactive as of the date that GE ceases to own more than 50% of our outstanding common stock and their eligible dependents pursuant to any self-insured GE plans with respect to claims incurred the day before such employees' return to active employment with us. In addition, we will have certain obligations for reimbursing GE for any payments of premiums made by GE or its affiliates on behalf of our eligible employees who are inactive as of the date that GE ceases to own more than 50% of our outstanding common stock and their eligible dependents pursuant to any insured GE plans with respect to coverage ending the day before such employees' return to active employment with us. We will otherwise be responsible for welfare benefit claims made by our employees and their eligible dependents to the extent such claims were incurred on or after the date that GE ceases to own more than 50% of our outstanding common stock.

Agreements not to solicit or hire GE's or our employees. We will agree with GE that for so long as GE owns more than 50% of our outstanding common stock, neither of us will, directly or indirectly, solicit or hire for employment each other's employees. In addition, we will agree that for a period of one year from the date that GE ceases to own more than 50% of our outstanding common stock, we will not, directly or indirectly, solicit for employment certain individuals employed by GE. Finally, we will agree that for a period of two years from the date that GE ceases to own more than 50% of our outstanding common stock, we will not, directly or indirectly, solicit for employment any officer of GE.

GE will agree that for a period of one year from the date that it ceases to own more than 50% of our outstanding common stock, it will not, directly or indirectly, solicit for employment certain individuals employed by us. For a period of two years from the date that GE ceases to own more than 50% of our outstanding common stock, GE will agree that it will not, directly or indirectly, solicit for employment any person employed by us who was an officer of GE prior to the completion of this offering.

The foregoing restrictions will not prohibit GE or us from soliciting or hiring any employee subject to such restrictions after the termination of the employee's employment by the applicable employer. We and GE will also not be prohibited from placing public advertisements or conducting any other form of general solicitation for employees so long as it is not specifically targeted towards each other's employees that are subject to such restrictions.

Intellectual Property Arrangements

We will enter into the following two intellectual property license agreements with GE prior to the completion of this offering:

- A Transitional Trademark License Agreement; and
- An Intellectual Property Cross-License.

Transitional Trademark License Agreement

Pursuant to the Transitional Trademark License Agreement, GE will grant us a limited, non-exclusive, royalty-free, non-transferable license (with no right to sublicense) to use the "GE" mark and monogram for up to five years throughout the world and in any medium in connection with our commercialized products and services and in the general promotion of our business. These products and services include both those currently sold or rendered in the current conduct of our business, and products and services sold or rendered by us in the future that are the same as or similar to those we currently sell or render.

We have agreed not to use the "GE" mark and monogram in the underwriting or marketing of primary life insurance in the U.K. (other than credit life insurance underwriting) or asset management services or products (other than asset management services or products sold on behalf of GE or otherwise currently being marketed or offered by us). GE also will grant us the right to use "GE", "General Electric" or "GE Capital" in the corporate names of our subsidiaries until the earlier of twelve months after the date on which GE owns less than 20% of our outstanding common stock and five years from the date of the agreement.

The Transitional Trademark License Agreement automatically terminates in the event of our merger or consolidation with, or sale of substantially all of our assets to, an unrelated third person, or our change of control whereby an unrelated third person acquires control over us. GE also retains the right to terminate the Transitional Trademark License Agreement in the event we materially breach its provisions. In addition, GE may terminate the Transitional Trademark License Agreement in the event of our bankruptcy, insolvency, liquidation, dissolution or similar event. The Transitional Trademark

License Agreement also automatically terminates with respect to any of our subsidiaries in the event of its merger or consolidation with, or sale of substantially all of its assets to, an unrelated third person, or its change of control whereby an unrelated third person acquires control over it, or upon our subsidiary's bankruptcy, insolvency, liquidation, dissolution or similar event.

Intellectual Property Cross-License

Pursuant to the Intellectual Property Cross-License, we and GE will grant each other a non-exclusive, irrevocable, royalty-free, fully paid-up, worldwide, perpetual license under certain intellectual property rights that we each own or license. The intellectual property rights being licensed under the Intellectual Property Cross-License are patents, patent applications, statutory invention registrations, copyrights, mask work rights, trade secrets and other intellectual property rights arising from or in respect of technology (but not including trademarks, service marks, trade dress or logos). The intellectual property rights being licensed under the Intellectual Property Cross-License also must be those that we and GE have the right to license and that are used, held for use or contemplated to be used by the other person generally prior to the completion of this offering.

In addition, with respect to any third-party intellectual property licensed under the Intellectual Property Cross-License, we and GE will only grant each other sublicenses under such third-party intellectual property licenses that each party controls.

The license allows us and GE to make, have made, use, sell, have sold, import and otherwise commercialize products and services, and to use and practice the licensed intellectual property rights for internal purposes. Each party will only be able to sublicense its license rights to acquirors of its businesses, operations or assets, and only assign its license rights to an acquiror of all or substantially of its assets or equity or the surviving entity in its merger, consolidation, equity exchange or reorganization. Each party may permit its customers and suppliers in the ordinary course of business to use any training and productivity-enhancing software and documentation that is subject to the license granted by the other person and is for general use by customers and suppliers. Each person will own any modifications, derivative works and improvements it creates.

The Intellectual Property Cross-License will be perpetual and may not be terminated, even upon material breach, except upon mutual written agreement by us and GE.

Reinsurance Transactions

General

Prior to the completion of this offering, we will enter into several significant reinsurance transactions. We refer to these transactions in this prospectus as the Reinsurance Transactions. In these transactions, we will cede to UFLIC, an indirect, wholly-owned subsidiary of GE, in-force blocks of structured settlements, substantially all of our in-force blocks of variable annuities and a block of long-term care insurance policies that we reinsured in 2000 from Travelers. In the aggregate, these blocks of business do not meet our target return thresholds, and although we remain liable under these contracts and policies as the ceding insurer, the reinsurance transactions will have the effect of transferring the financial results of the reinsured blocks to UFLIC. As part of the Reinsurance Transactions, we will assume from UFLIC a small in-force block of Medicare supplement insurance.

We are continuing new sales of structured settlements, variable annuities and long-term care insurance products, and we expect to achieve our targeted returns on these new sales. We intend to write structured settlements on a limited, opportunistic basis at appropriate returns, capitalizing on our experience and relationships with respect to this product. We also intend to write new variable annuity contracts that we believe will provide us with more attractive returns than we were able to realize on the contracts we wrote during the extremely competitive market conditions of the late 1990s. We are retaining 88% of the earned premiums on our in-force block of long-term care insurance, based on our results for the year ended December 31, 2003. We intend to continue writing long-term care insurance after the completion of this offering. In addition, we will continue to service these blocks of business, which will preserve our operating scale and enable us to service and grow our new sales of these products.

Business we will cede to UFLIC

In the Reinsurance Transactions, we will cede to UFLIC the following business:

- All of our liabilities under the in-force structured settlement annuities reflected as policyholder reserves on our U.S. GAAP statement of financial position on December 31, 2003, or reinsured by us under reinsurance agreements in effect prior to January 1, 2004. This business had aggregate reserves of $12.0 billion as of December 31, 2003.

- All of our liabilities under the in-force variable annuity contracts reflected as policyholder reserves on our U.S. GAAP statement of financial position on December 31, 2003, other than our GERA™ product and a limited number of variable annuity products that we no longer offer. UFLIC will also assume any benefit or expense resulting from third party reinsurance that we have on this business. This business had aggregate general account reserves of $2.8 billion as of December 31, 2003.

- All of our liabilities under the in-force long-term care insurance policies issued by Travelers prior to January 1, 2004 and reinsured by us. This business had aggregate reserves of $1.5 billion as of December 31, 2003.

For each of these ceded blocks of business, we will pay UFLIC an initial reinsurance premium, and UFLIC will pay us a ceding commission. With respect to the structured settlement and long-term care blocks, the initial reinsurance premium will equal our statutory reserves with respect to the ceded business. With respect to the variable annuity business, the initial reinsurance premium will equal only those statutory reserves that are attributable to the general account portion of the variable annuity business. We will retain the assets that are attributable to the separate account portion of the variable annuity business and make any payments with respect to that separate account portion directly from these assets.

The ceding commission for each of the blocks will be the sum of the following (in each case excluding, where applicable, any related mark-to-market adjustments for SFAS 115 requirements):

- an amount (which may be negative) equal to the excess of (1) our statutory general account reserves with respect to the ceded block as of the close of business on December 31, 2003 over (2) our U.S. GAAP general account reserves with respect to the ceded block of business as of such date;

- an amount equal to our unamortized PVFP intangible asset balance with respect to the ceded block as of the close of business on December 31, 2003, determined in accordance with U.S. GAAP;

- an amount equal to our unamortized DAC with respect to the ceded block as of the close of business on December 31, 2003, determined in accordance with U.S. GAAP;

- an amount (which may be negative) equal to the excess of the U.S. GAAP book value of the assets transferred to UFLIC in payment of the initial reinsurance premium with respect to the ceded block over the statutory book value of those assets measured as of the close of business on December 31, 2003; and

- with respect to the long-term care block only, an amount equal to the balance, as of the close of business on December 31, 2003, of the Loss Carry Forward Amount under our reinsurance agreement with Travelers, determined in accordance with U.S. GAAP.

The ceding commission will be netted against the initial reinsurance premium and we will transfer to UFLIC invested assets (including interest thereon) with a statutory book value equal to the amount by which the reinsurance premium exceeds the ceding commission, together with an amount equal to the cash flows on such invested assets between January 1, 2004 and the date of transfer of such invested assets. As of December 31, 2003, the fair value of the transferred assets would have been $16.0 billion.

Under the reinsurance agreements with UFLIC, we will continue to be responsible for the administration of these three blocks of businesses, including paying claims and benefits in accordance with our current policy administration practices. To fund the payment of claims under the structured settlement and long-term care business, UFLIC will establish and periodically fund claims paying accounts from which we will be entitled to withdraw funds. To reimburse us for claims under the variable annuity business, UFLIC will establish a settlement account by which we and UFLIC will settle contractholder amounts due each other on a daily basis. UFLIC will pay us an expense allowance once every month to reimburse us for our expenses in administering this business. The expense allowance will be a specified amount per policy that will be subject to subsequent adjustments in accordance with methodologies and procedures agreed to by us and UFLIC. The expense allowance with respect to the long-term care business will be based on a per policy fee, as well as on the level of pending or open claims.

UFLIC will be entitled to assume responsibility for administration of the structured settlement and variable annuity blocks and the long-term care policies that are novated to us, as described below, if (1) a voluntary or involuntary conservation, rehabilitation or liquidation proceeding is commenced in any jurisdiction by or against us, (2) there is a material breach by us that is not cured or (3) we are unable to perform the administration for a prescribed period of time. In addition, 15 years after the effective date of the Reinsurance Transactions, UFLIC will be entitled to assume administration of this business at its own expense. In these cases, the expense allowances described above payable to us will terminate.

To secure the payment of its obligations to us under these reinsurance agreements, UFLIC has agreed to establish trust accounts and to maintain in these trust accounts an aggregate amount of assets with a statutory book value at least equal to the statutory general account reserves attributable to the reinsured business less an amount equal to the amounts required to be held in the claims paying accounts described above. A trustee will administer the trust accounts solely for our benefit. We will be permitted to withdraw from the trust accounts any amount due to us pursuant to the terms of the applicable reinsurance agreements and not otherwise paid by UFLIC. Quarterly, UFLIC will be required to contribute assets to the trust accounts if the statutory book value of the assets held in the trust accounts is less than the statutory general account reserves attributable to the reinsured business (less amounts in the claims paying accounts) or we will be required to withdraw from the trust accounts and pay to UFLIC any amounts held in the trust accounts that exceed the statutory general account reserves attributable to the reinsured business (less amounts in the claims paying accounts). UFLIC will not be permitted to directly withdraw or substitute assets in the trust without our prior written consent. There are limits on the types of assets UFLIC will be permitted to place in the trust account. All interest, dividends and other income earned on the assets in the trust account will be the property of UFLIC and will be deposited in a bank account maintained by UFLIC outside of the trust.

Novation of Travelers long-term care block

The long-term care insurance we are ceding to UFLIC originally was written by Travelers, and Travelers retains direct liability for these policies. In connection with the transaction pursuant to which we reinsured Travelers' liability for this business, we agreed to use our reasonable best efforts to "novate" these policies not later than July 31, 2008. The effect of this novation will be to substitute us for Travelers as the insurer with direct liability for any policy for which the owner thereof consents (or is deemed under applicable insurance law to consent) to the novation. The novated policies will continue to be reinsured with UFLIC.

Experience refund

In addition to the ceding commission we will receive on the long-term care block described above, UFLIC may be required to pay us experience refunds based on the profitability of the long-term care business with respect to the period beginning on the effective date of the long-term care reinsurance agreements and ending on December 31, 2018. Specifically, unless UFLIC assumes the administration of the long-term care insurance block pursuant to the long-term care reinsurance agreement, for so long as we continue to administer all of the long-term care business, including those long-term care policies that are novated as described above, we will be entitled to receive a specified percentage of the excess (if any) of actual statutory basis pre-tax income earned on the long-term care business over projected statutory basis pre-tax income earned on that business.

Business Services Agreement

We will enter into a Business Services Agreement with UFLIC pursuant to which we will agree to continue to perform various management and support services with respect to the structured settlements business, the variable annuity business and the long-term care insurance business that we will cede to UFLIC pursuant to the Reinsurance Transactions. In consideration for our performance of these services, we will be reimbursed for expenses incurred in performing such services. These expenses will be subject to annual and tri-annual adjustment. The Business Services Agreement may be terminated by UFLIC if (1) we are unable to perform the services for any reason for thirty 30 consecutive days, other than as a result of a force majeure, or (2) a voluntary or involuntary conservation, rehabilitation or liquidation proceeding is commenced in any jurisdiction by or against us or our subsidiaries and affiliates, but only if the services performed by the subject of such proceeding are not assumed or performed by us or our subsidiaries or affiliates that are not the subject of such proceeding, or (3) there is a willful, material breach by us of our obligations under the agreement, which breach is not cured within a specified period of time. In addition, the Business Services Agreement will terminate with respect to the portion of any business reinsured in the Reinsurance Transactions as to which UFLIC becomes entitled to assume administration as described above under "—Reinsurance Transactions—Business we will cede to UFLIC."

Recapitalization of UFLIC

At the time of the closing of the Reinsurance Transactions, GEFAHI will make a capital contribution of $1.836 billion to UFLIC. In addition, GE Capital will contribute $330 million to GEFAHI, which GEFAHI will also contribute to UFLIC for a total contribution of $2.166 billion. This will provide UFLIC with additional capital needed to support its reinsurance obligations. GEFAHI will obtain the funds to make its portion of the contribution from various sources, including dividends and surplus note redemption payments from several of our subsidiaries, some of which are ceding business to UFLIC in the Reinsurance Transactions.

Capital Maintenance Agreement with GE Capital

Pursuant to a Capital Maintenance Agreement to be entered into in connection with the Reinsurance Transactions, GE Capital will agree to maintain sufficient capital in UFLIC to maintain UFLIC's risk-based capital at not less than 150% of its company action level, as defined from time to time by the NAIC. GE Capital may not assign or amend the Capital Maintenance Agreement without the consent of the ceding companies and their domestic insurance regulators (which consent, in the case of the ceding companies, may not be unreasonably withheld). The Capital Maintenance Agreement terminates at such time as UFLIC's obligations to us under the reinsurance agreements terminate, or on such other date as may be agreed by UFLIC and GE Capital with the consent of the domestic regulators and us.

Business we will assume from UFLIC

UFLIC will cede to us all of its liabilities under substantially all in-force Medicare supplement insurance policies it issued prior to January 1, 2004 or reinsured under reinsurance agreements in effect prior to January 1, 2004, including renewals of these policies. This business had aggregate reserves of $19 million as of December 31, 2003.

We will assume responsibility for the administration of the Medicare supplement business we reinsure, including claims administration.

European Payment Protection Insurance Business Arrangements

Our European payment protection insurance business is carried on through six insurance companies, two located in the U.K., two located in France and two located in Spain. The U.K. companies carry on their business in the U.K. and through branches in a number of other European jurisdictions.

Prior to the completion of the offering, we will acquire one of the French insurance companies. We are planning to acquire the European payment protection business of the other insurance companies pursuant to insurance business transfer arrangements carried out under U.K. and French law. These transfer arrangements require regulatory and, in the case of the U.K., court approval. We expect to receive the necessary approvals required to implement the transfer arrangements prior to December 31, 2004 but not prior to the completion of this offering. These five other insurance companies will remain as wholly-owned indirect subsidiaries of GE pending implementation of the business transfer arrangements but will be managed by members of the Genworth management team.

Pending implementation of these transfers and prior to the completion of the offering, we will enter into reinsurance arrangements with the U.K. and French insurance companies that we will not then own, which will effectively transfer to us all of the economic benefits, obligations and risks of the European payment protection businesses effective as of January 1, 2004. Under these arrangements, these companies will cede to us as of January 1, 2004 all of their in-force payment protection insurance policies. These arrangements also provide for the automatic ceding to us of payment protection insurance policies that these companies issue after that date. The European payment protection business of these companies had aggregate reserves of $2.4 billion as of December 31, 2003.

The ceding insurance companies will retain ownership of the assets constituting the reserves supporting the European payment protection business, from which claims under the reinsured policies will be paid. In the case of the U.K. reinsurance arrangements, we will receive from the ceding insurance companies interest on the amount of reserves based upon the total realized rate of return of the assets, which will transfer to us the risks and rewards of ownership of the assets supporting the reserves. In the case of the French reinsurance arrangement, we will receive from the ceding insurance company interest on the amount of the reserves based upon a specified interest rate. Upon completion of the business transfer arrangement, we will receive from, or pay to, GE the difference between these interest amounts and the total return on the assets supporting the reserves. We will continue to administer the business of the U.K. insurance companies and their branches through a service company we will acquire from GE prior to the completion of this offering that employs the sales force and other personnel and owns the systems used by the U.K. insurance companies and their branches.

If, for any reason, the U.K. business transfer scheme is not implemented by December 31, 2004, GE has agreed to transfer the stock of the U.K. and Spanish insurance companies to us. If the French business transfer arrangements are not implemented, we still would receive the benefits and be subject to the obligations and risks with respect to the European payment protection business pursuant to the reinsurance agreement. These reinsurance agreements may only be terminated in limited circumstances, including such time as the ceding company and the reinsurer are both under our control and such time as the relevant insurance business transfer plan or stock transfer has become effective.

We have accounted for the transfer of the service companies and the reinsurance arrangements described above as a business combination between entities under common control in our historical combined financial statements.

Our payment protection insurance business in the U.K. includes a portfolio of insurance bonds and structured settlements issued to contractholders in the U.K. that had reserves of approximately $200 million as of December 31, 2003 and net earnings of approximately $1 million for the year ended December 31, 2003. We and GE have agreed, subject to receipt of required regulatory and court approvals in the U.K., that we will transfer ownership of the bond and structured settlement portfolio to GE as soon as practicable following the transfer of the U.K. insurance businesses to us. Pending completion of the transfer of the bond and structured settlement portfolio, we have agreed to use commercially reasonable efforts to enter into indemnity reinsurance arrangements with GE to transfer the economic benefits, obligations and risks of the bond and structured settlement portfolio to GE promptly following completion of the offering.

Historical Related-Party Transactions

Support services provided by GE

GE historically has provided a variety of support services for our businesses, and we have reimbursed GE for the costs of providing these services to us. Our total expenses for these services were $87 million, $74 million and $52 million for the years ended December 31, 2003, 2002 and 2001, respectively. The services we have received from GE include:

- Customer service, transaction processing and a variety of functional support services provided by GECIS, for which we incurred expenses of $37 million, $26 million and $13 million for the years ended December 31, 2003, 2002 and 2001, respectively.
- Employee benefit processing and payroll administration, including relocation, travel, credit card processing, and related services, for which we incurred expenses of $10 million, $10 million and $9 million for the years ended December 31, 2003, 2002 and 2001, respectively.
- Employee training programs, including access to GE training courses and payment for employees in management development programs, for which we incurred expenses of $4 million, $10 million and $6 million for the years ended December 31, 2003, 2002 and 2001, respectively.
- Insurance coverage under the GE insurance program, for which we incurred expenses of $17 million, $10 million and $9 million for the years ended December 31, 2003, 2002 and 2001, respectively.
- Information systems, network and related services, for which we incurred expenses of $9 million, $8 million and $9 million for the years ended December 31, 2003, 2002 and 2001, respectively.
- Leases for vehicles, equipment and facilities, for which we incurred expenses of $3 million for the year ended December 31, 2003 and $2 million for each of the years ended December 31, 2002 and 2001.
- Other financial and advisory services such as tax consulting, capital markets services, research and development activities, and trademark licenses, for which we incurred expenses of $7 million, $8 million and $4 million for the years ended December 31, 2003, 2002 and 2001, respectively.

GE will continue to provide us with many of the support services described above on a transitional basis after the completion of this offering, and we will arrange to procure other services pursuant to arrangements with third parties or through our own employees. See "—Relationship with GE" above. In the case of support services provided by GECIS, we will continue to receive these services pursuant to agreements that will be amended prior to the completion of this offering. See "—Relationship with GE—Arrangements regarding our operations in India" above.

Allocation of corporate overhead expenses

GE historically has allocated to us a share of its corporate overhead expenses for certain services provided to us, which are not specifically billed to us, including public relations, investor relations, treasury, and internal audit services. Our total expense for this allocation was $50 million, $49 million and $43 million for the years ended December 31, 2003, 2002 and 2001, respectively. We have not reimbursed these amounts to GE, and have recorded them as a capital contribution in each year. Following the completion of this offering, GE will no longer allocate any of its corporate overhead expenses to us.

Investment management services

We receive investment management and related administrative services provided by GEAM, for which we incurred expenses of $61 million, $39 million and $2 million for the years ended December 31, 2003, 2002 and 2001, respectively. We will continue to receive these services pursuant to agreements that will, with limited exceptions, be amended prior to the completion of this offering. See "—Relationship with GE—Investment Agreements."

Employee benefit plans

We have reimbursed GE for benefits it provides to our employees under various employee benefit plans.

Our employees participate in GE's retirement plan and retiree health and life insurance benefit plans. Some of our employees also participate in GE's Supplementary Pension Plan and other retiree benefit plans. Other retiree plans are not significant individually or in the aggregate. We incurred expenses associated with these plans of $52 million, $52 million and $44 million for the years ended December 31, 2003, 2002 and 2001, respectively.

Our employees participate in GE's defined contribution savings plan that allows the employees to contribute a portion of their pay to the plan on a pre-tax basis. GE matches 50% of these contributions up to 7% of the employee's pay. We incurred expenses associated with these plans of $13 million, $15 million and $16 million for the years ended December 31, 2003, 2002 and 2001, respectively.

We also provide life and health insurance benefits to our employees through the GE benefit program, as well as through plans sponsored by other affiliates. We incurred expenses associated with these plans of $41 million, $45 million and $43 million for the years ended December 31, 2003, 2002 and 2001, respectively.

In addition to the employee benefit expenses for which we have reimbursed GE, we have incurred expenses of $9 million, $6 million and $4 million for certain GE stock option and restricted stock unit grants for the years ended December 31, 2003, 2002 and 2001, respectively. As in the case of the allocation of corporate overhead, these amounts will not be paid to GE and have been recorded as a capital contribution.

See notes 12 and 18 to our audited historical combined financial statements and "Management" and "Arrangements Between GE and Our Company—Relationship with GE—Employee Matters Agreement" for information concerning the participation of our employees in GE employee benefit plans prior to and after the completion of this offering.

Reinsurance transactions

We have entered into reinsurance transactions with affiliates of GE under which we have reinsured some of the risks of our insurance policies on terms comparable to those we could obtain from third parties. We have paid premiums to ERC Life Reinsurance Company of $56 million, $60 million and $58 million for the years ended December 31, 2003, 2002 and 2001, respectively. In addition, in 2002 one of our subsidiaries entered into a life reinsurance agreement with an affiliated company, GE Pensions Limited, to reinsure 95% of our liabilities under certain life policies. We have paid premiums to this affiliate of $100 million and $94 million for the years ended December 31, 2003 and 2002. See "Business—Reinsurance." The existing reinsurance agreements with GE will remain in force and continue in accordance with their terms after the completion of this offering.

Credit arrangements and other amounts due from or owed to GE

As of December 31, 2003 and 2002, we had several notes receivable from various GE affiliates in the aggregate amount of $209 million and $367 million, respectively. These notes mature at various dates through 2017 and bear interest at rates between 5.46% and 6.63%.

As of December 31, 2002, our Japanese life insurance business had ¥62.8 billion ($530 million) of long-term borrowings from various GE affiliates. This debt was scheduled to mature at various dates through 2008 and bore interest at rates between 2.25% and 2.64%. This debt has been recorded in liabilities associated with discontinued operations.

As of December 31, 2003 and 2002, we had approximately €2 million ($2 million) and £5 million ($9 million), respectively, of notes payable to various GE affiliates. These notes mature in 2011 and 2007 and bear interest at the six-month Euro Interbank Offered Rate ("EURIBOR") and 8.80%, respectively.

As of December 31, 2003 and 2002, we had certain operating receivables of $254 million and $0 million, respectively, and payables of $673 million and $763 million, respectively, with certain affiliated companies.

As of December 31, 2003 and 2002, we had a line of credit with GE that had an aggregate borrowing limit of $2.5 billion. There was an outstanding balance of $548 million as of December 31, 2003 and no outstanding balance as of December 31, 2002. Outstanding borrowings under this line of credit bear interest at the three-month US$ London Interbank Offered Rate ("LIBOR") plus 25 basis points. Interest is accrued and settled quarterly, in arrears. We incurred interest expense under this line of credit of $0.5 million, $8 million and $11 million for the years ended December 31, 2003, 2002 and 2001, respectively. We also had a line of credit with an affiliate of GE Capital with an aggregate borrowing limit of £10 million. There was no outstanding balance as of December 31, 2003, 2002 or 2001, and we did not incur any interest expense under this line of credit.

We, along with GE Capital, are participants in a revolving credit agreement that involves an international cash pooling arrangement on behalf of a number of GE subsidiaries in Europe, including some of our European subsidiaries. In these roles, either participant may make short-term loans to the other as part of the cash pooling arrangement. Each such borrowing is repayable upon demand, but not later than 364 days after borrowed. This unsecured line of credit bears interest at a rate equal to GE Capital's cost of funds for the currency in which such borrowing is denominated. This credit facility has an annual term, but is automatically extended for successive terms of one year each, unless terminated in accordance with the terms of the agreement. We had a net receivable of $9 million and $85 million under this credit facility as of December 31, 2003 and 2002, respectively.

In connection with our initial public offering and separation from GE, we intend to replace the lines of credit and revolving credit agreement described above with revolving credit and other debt facilities entered into with unaffiliated third-parties. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Description of Certain Indebtedness—New Credit Facilities."

Sale of securities to affiliate

During 2002, we sold certain available-for-sale fixed maturities to a subsidiary of GE Capital that is not consolidated in our financial statements, at fair value, which resulted in net realized investment gains of $114 million.

Real estate and loan transactions

We sell to GE Mortgage Services, an affiliate of GE, properties acquired through claim settlement in our U.S. mortgage insurance business at a price equal to the product of the property's fair value and an agreed-upon price factor. Under these arrangements, we received from GE Mortgage Services $9 million, $13 million and $11 million for the years ended December 31, 2003, 2002 and 2001, respectively. After the completion of this offering, we expect to phase out over time the arrangements under which we sell properties to GE Mortgage Services, as we take on the role ourselves of holding and disposing of these properties. During 2003, we also arranged for the sale to GE Mortgage Services of some residential loans acquired in connection with loss mitigation activities in our U.S. mortgage insurance business and agreed to indemnify GE Mortgage Services for any loss relating to those loans. After the completion of this offering, we will enter into new arrangements relating to residential loans that GE Mortgage Services may purchase from us from time to time in the future. See "Business—Mortgage Insurance—U.S. Mortgage Insurance—Loans in default and claims" and "Arrangements Between GE and Our Company—Relationship with GE—Mortgage Services Agreement" relating to our arrangements with GE Mortgage Services.

Guarantees provided by GE

GE Capital from time to time has provided guarantees or other support arrangements on our behalf, including performance guarantees and support agreements relating to securitizations and comfort letters provided to government agencies. We have not incurred charges or reimbursed GE under any of these arrangements. After the the completion of this offering, many of the guarantees currently in place will continue as provided under their existing terms, and we will not be required to incur any charges for the provision of these guarantees or other support arrangements, other than pursuant to our obligations under the Master Agreement to indemnify GE for losses arising out of these arrangements.

GE agreements with third parties

Historically, we have received services provided by third parties pursuant to various agreements that GE has entered into for the benefit of its affiliates. We pay the third parties directly for the services they provide to us or reimburse GE for our share of the actual costs incurred under the agreements. After the completion of this offering, we intend to continue to procure some of these third-party services through GE to the extent we are permitted (and elect to) or required to do so.

Products and services provided to GE

We have provided various products and services to GE on terms comparable to those we provide to third parties. Except as described below, we expect to continue to provide these services following completion of the offering. These products and services include the following:

- We distribute our European payment protection insurance in part through arrangements with GE's consumer finance division and other related GE entities, for which we have received gross written premiums of $293 million, $218 million and $194 million for the years ended December 31, 2003, 2002 and 2001, respectively. See "Business—Protection—European payment protection insurance."

- We reinsure lease obligation insurance and credit insurance marketed by GE Capital, for which we received premiums of $94 million, $105 million and $92 million for the years ended December 31, 2003, 2002 and 2001, respectively. See "Business—Corporate and Other—Viking Insurance Company" and "Arrangements Between GE and Our Company—Relationship with GE—Agreement Regarding Continued Reinsurance by Viking."

- We provide long-term care insurance to certain GE employees, for which we have received premiums of $24 million, $20 million and $20 million for the years ended December 31, 2003, 2002 and 2001. See "Business—Protection—Long-term care insurance."

- We distribute GE mutual funds through our wholly-owned broker-dealers, and provide administrative support for our variable annuity customers that have GE mutual funds within their contracts, for which we received $4 million for each of the years ended December 31, 2003, 2002 and 2001 from the mutual funds and GEAM, the asset manager of these funds.

- We historically have marketed a mortgage unemployment credit insurance product underwritten by a GEFAHI subsidiary that will not be part of our company after the completion of this offering. We received no revenues in connection with this arrangement, but were reimbursed for actual costs. Following the offering, we intend to market and underwrite this product using a third-party provider.

Ownership of Common Stock

Prior to the completion of this offering and the concurrent offerings, all shares of our common stock were owned by GEFAHI, an indirect subsidiary of GE. Upon the completion of this offering and the concurrent offerings, GE (through GEFAHI) will beneficially own approximately 70% of our outstanding common stock, consisting of 100% of our outstanding shares of Class B Common Stock and no shares of Class A Common Stock, assuming the underwriters' over-allotment option is not exercised, and 66%, if it is exercised in full.

This offering, together with the concurrent offerings, is the first step in GE's plan to dispose of more than 50% by value of its interest in us. GE's transfer of assets to us has been structured to qualify for the election under section 338 of the Internal Revenue Code, and GE has received a ruling from the IRS that the transfer will qualify for that election provided that certain conditions are met. Among those conditions is that GE must complete its disposition of more than 50% by value of its interest in our company within two years after the completion of this offering. GE has informed us that its failure to satisfy this condition and to qualify for the tax election would result both in significant additional tax liability for GE and in elimination of the section 338 benefit (and our associated liability) that is the subject of the Tax Matters Agreement, as discussed under "Arrangements Between GE and Our Company—Relationship with GE—Tax Matters Agreement." Accordingly, GE has informed us that it fully intends to and expects to meet this condition and has adopted a Plan of Divestiture under which, among other things, it will effect this divestiture of our stock. Although GE currently expects this divestiture to be effected through one or more additional public offerings of our common stock, if for any reason those additional public offerings are not completed or are not expected to satisfy the divestiture condition of the tax ruling and as called for in the Plan of Divestiture or if GE for any other reason decides to pursue an alternative method of disposition, GE has informed us that it intends to implement alternative methods to divest of our stock in order to carry out the Plan of Divestiture and satisfy the ruling condition.

The following table sets forth information as of April 1, 2004 regarding the beneficial ownership of our common stock by:

- all persons known by us to own beneficially more than 5% of our common stock, including GEFAHI;
- our chief executive officer and each of the named executive officers;
- each of our directors and director nominees; and
- all directors, director nominees and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of April 1, 2004 are deemed to be issued and outstanding. These shares, however, are not deemed outstanding for purposes of computing percentage ownership of each other stockholder.

Name and Address of Beneficial Owner (1)	Beneficial Ownership Prior to the Completion of this Offering(2)		Number of Shares to be Sold in the Offering	Beneficial Ownership After the Completion of this Offering	
	Number	Percentage		Number	Percentage
GEFAHI (3)	489,528,145	100%	145,000,000	344,528,145	70%
Michael D. Fraizer (4)	—	—	—	957,752	*
Thomas H. Mann (5)	—	—	—	—	*
Pamela S. Schutz (5)	—	—	—	—	*
K. Rone Baldwin (5)	—	—	—	—	*
Leon E. Roday (5)	—	—	—	—	*
Elizabeth J. Comstock (6)	—	—	—	—	*
Pamela Daley (6)	—	—	—	—	*
Dennis D. Dammerman (6)	—	—	—	—	*
David R. Nissen (6)	—	—	—	—	*
James A. Parke (6)	—	—	—	—	*
Frank J. Borelli	—	—	—	—	*
J. Robert Kerrey	—	—	—	—	*
Thomas B. Wheeler	—	—	—	—	*
All directors, director nominees and executive officers as a group (22 persons) (5)	—	—	—	957,752	

* Less than 1%.

(1) The address for GE Financial Assurance Holdings, Inc. is 6620 West Broad Street, Richmond, Virginia 23230. The address for all other persons is c/o Genworth Financial, Inc., 6620 West Broad Street, Richmond, Virginia 23230. GE, as the ultimate parent of GEFAHI, beneficially owns all shares of our common stock owned of record by GEFAHI. The address for GE is 3135 Easton Turnpike, Fairfield, Connecticut 06828.

(2) Reflects beneficial ownership in our common stock prior to the completion of this offering but after our corporate reorganization, pursuant to which we will acquire substantially all of the assets and liabilities of GEFAHI and acquire certain other GE insurance businesses, in exchange for 489.5 million shares of our Class B Common Stock, $600 million of our Equity Units, $100 million of our Series A Preferred Stock, the $2.4 billion Short-term Intercompany Note and the $550 million Contingent Note, all as described under "Corporate Reorganization."

(3) Does not take into account shares that may be sold by GEFAHI in the event the underwriters' over-allotment option is exercised. If the underwriters' over-allotment option is exercised in full, GEFAHI will own 322,778,145 shares of our Class B Common Stock, or approximately 66% of all our outstanding common stock immediately after the completion of this offering.

(4) Reflects (a) shares of Class A Common Stock issuable upon the exercise of unvested employee stock options that will be issued on the date of this prospectus in exchange for unvested GE stock options, to the extent that such unvested employee stock options vest within 60 days of April 1, 2004, (b) shares of Class A Common Stock issuable upon the exercise of vested employee stock options that will be issued on the date of this prospectus in exchange for vested GE stock options held by Mr. Fraizer, and (c) shares of Class A Common Stock issuable upon the vesting of

restricted stock units and stock appreciation rights that will be issued on the date of this prospectus in exchange for unvested GE restricted stock units and stock appreciation rights, to the extent that such restricted stock units and stock appreciation rights vest within 60 days of April 1, 2004.

(5) Reflects (a) shares of Class A Common Stock issuable upon the exercise of unvested employee stock options that will be issued on the date of this prospectus in exchange for unvested GE stock options, to the extent that such unvested employee stock options vest within 60 days of April 1, 2004, and (b) shares of Class A Common Stock issuable upon the vesting of restricted stock units that will be issued upon completion of this offering in exchange for unvested GE restricted stock units, to the extent that such restricted stock units vest within 60 days of April 1, 2004.

(6) Each of the specified persons is a director or officer of GE and disclaims beneficial ownership of any shares of our common stock owned by GEFAHI.

Description of Capital Stock

We were incorporated in Delaware on October 23, 2003. The following information reflects our amended and restated certificate of incorporation and amended and restated bylaws as these documents will be in effect upon the completion of this offering. The following descriptions are summaries of the material terms of these documents and relevant sections of the General Corporation Law of the State of Delaware, referred to as the DGCL. Our amended and restated certificate of incorporation and amended and restated bylaws have been filed as exhibits to the registration statement of which this prospectus forms a part, and we refer to them in this prospectus as the certificate of incorporation and bylaws, respectively. The summaries of these documents are qualified in their entirety by reference to the full text of the documents.

General

Our authorized capital stock consists of 1,500,000,000 shares of Class A Common Stock, par value $0.001 per share, 700,000,000 shares of Class B Common Stock, par value $0.001 per share, and 100,000,000 shares of preferred stock, par value $0.001 per share. Prior to this offering, there were no shares of Class A Common Stock and 489,528,145 shares of Class B Common Stock outstanding, all of which were held by GEFAHI. Immediately after the completion of this offering, 145,000,000 shares of Class A Common Stock and 344,528,145 shares of Class B Common Stock will be outstanding, assuming the over-allotment option is not exercised. 2,000,000 shares of our authorized preferred stock have been designated Series A Preferred Stock and will be outstanding immediately after the completion of this offering.

Common Stock

Conversion

The Class B Common Stock may only be owned by GE and its affiliates. Upon any sale or other disposition by GE of shares of Class B Common Stock to any person other than GE or an affiliate of GE, such shares of Class B Common Stock will automatically be converted into shares of Class A Common Stock. In addition, on the first date on which GE no longer beneficially owns at least 10% of our outstanding common stock, all outstanding shares of Class B Common Stock will automatically be converted into shares of Class A Common Stock, and we will no longer be authorized to issue Class B Common Stock.

Voting Rights

Except for the approval rights of the holders of the Class B Common Stock over certain corporate actions and except with respect to the election and removal of directors, the holders of Class A Common Stock and Class B Common Stock have identical rights and will be entitled to one vote per share with respect to each matter presented to our stockholders on which the holders of common stock are entitled to vote. However, except as required by applicable law, holders of common stock will not be entitled to vote on any matter that solely relates to the terms of any outstanding series of preferred stock or the number of shares of such series and does not affect the number of authorized shares of preferred stock or the powers, privileges and rights pertaining to the common stock.

Subject to the rights of the holders of any outstanding series of our preferred stock, our certificate of incorporation provides that until the first date on which GE owns 50% or less of the outstanding shares of our common stock, the number of authorized directors of our company will be 9. Beginning on the first date on which GE owns 50% or less but at least 10% of the outstanding shares of our common stock, the number of authorized directors of our company will be 11. Beginning on the first date on which GE owns less than 10% of the outstanding shares of our common stock, the number of authorized directors of our company will be fixed from time to time by a resolution adopted by our board of directors, but will not be less than 1 nor more than 15. Our certificate of incorporation also provides that until the first date on which GE owns less than 20% of our outstanding common stock, our board of directors will not establish an executive committee or any other committee having authority typically reserved for an executive committee.

At each election of members of our board of directors:

- when GE owns more than 50% of our outstanding common stock, GE as the holder of the Class B Common Stock will be entitled to elect five directors and the holders of the Class A Common Stock will be entitled to elect four directors;

- when GE owns at least 33% and no more than 50% of our outstanding common stock, GE as the holder of the Class B Common Stock will be entitled to elect four directors, the holders of the Class A Common Stock will be entitled to elect five directors, and the holders of the Class A Common Stock and the Class B Common Stock, voting together as a single class, will be entitled to elect all remaining directors entitled to be elected by the holders of our common stock;

- when GE owns at least 20% but less than 33% of our outstanding common stock, GE as the holder of the Class B Common Stock will be entitled to elect three directors, the holders of the Class A Common Stock will be entitled to elect five directors, and the holders of the Class A Common Stock and the Class B Common Stock, voting together as a single class, will be entitled to elect all remaining directors entitled to be elected by the holders of our common stock;

- when GE owns at least 10% but less than 20% of our outstanding common stock, GE as the holder of the Class B Common Stock will be entitled to elect one director, the holders of the Class A Common Stock will be entitled to elect five directors and the holders of the Class A Common Stock and the Class B Common Stock, voting together as a single class, will be entitled to elect all remaining directors entitled to be elected by the holders of our common stock; and

- when GE owns less than 10% of our common stock, all shares of Class B Common Stock held by GE will automatically convert into Class A Common Stock, and the holders of the Class A Common Stock will be entitled to elect all directors entitled to be elected by the holders of our common stock.

Each director elected by the holders of the common stock will serve until the earlier of his or her death, resignation, disqualification, removal or until his successor is elected and qualified. The common stock will not have cumulative voting rights in the election of directors.

Rights to Dividends and on Liquidation, Dissolution and Winding Up

Subject to the prior rights of holders of preferred stock, if any, holders of Class A Common Stock and holders of Class B Common Stock are entitled to receive such dividends as may be lawfully declared from time to time by our board of directors. Upon any liquidation, dissolution or winding up of our company, whether voluntary or involuntary, holders of common stock will be entitled to receive such assets as are available for distribution to stockholders after there will have been paid or set apart for payment the full amounts necessary to satisfy any preferential or participating rights to which the holders of each outstanding series of preferred stock are entitled by the express terms of such series.

Other Rights

The Class A Common Stock sold in this offering will not have any preemptive, subscription, redemption or conversion rights. The outstanding shares of our common stock are, and the shares of Class A Common Stock being offered hereby will be, upon payment for such shares, validly issued, fully paid and non-assessable. Subject to the approval rights of the holders of the Class B Common Stock, additional shares of authorized common stock may be issued, as determined by our board of directors from time to time, without stockholder approval, except as may be required by applicable stock exchange requirements.

Listing

The Class A Common Stock has been approved for listing on The New York Stock Exchange under the symbol "GNW."

Approval Rights of Holders of Class B Common Stock

In addition to any other vote required by law or by our certificate of incorporation, until the first date on which GE owns less than 15% of our outstanding common stock, the prior affirmative vote or written consent of GE as the holder of the Class B Common Stock is required to authorize us to adopt or implement any stockholder rights plan or similar takeover defense measure. Also, in addition to any other vote required by law or by our certificate of incorporation, until the first date on which GE owns less than 20% of our outstanding common stock, the prior affirmative vote or written consent of GE as the holder of the Class B Common Stock is required for the following actions (subject in each case to certain agreed exceptions):

- a merger involving us or any of our subsidiaries (other than mergers involving our subsidiaries to effect acquisitions permitted under the certificate of incorporation);
- acquisitions by us or our subsidiaries of the stock or assets of another business for a price (including assumed debt) in excess of $700 million;
- dispositions by us or our subsidiaries of assets in a single transaction or a series of related transactions for a price (including assumed debt) in excess of $700 million;
- incurrence or guarantee of debt by us or our subsidiaries in excess of $700 million outstanding at any one time or that would reasonably be expected to result in a negative change in any of our credit ratings, excluding the debt described in this prospectus that we intend to incur concurrently with, and shortly after, the completion of this offering (provided that any debt in excess of $500 million incurred under our commercial paper program and our five-year and 364-day revolving credit facilities will be subject to the $700 million limitation described above), intercompany debt (within Genworth), and liabilities under certain agreed excluded transactions and borrowings;
- issuance by us or our subsidiaries of capital stock or other securities convertible into capital stock;
- dissolution, liquidation or winding up of our company; and
- alteration, amendment, termination or repeal of or adoption of any provision inconsistent with, the provisions of our certificate of incorporation or our bylaws relating to our authorized capital stock, the role of our Nominating and Corporate Governance Committee, the establishment of an executive committee of our board of directors (or any committee having authority typically reserved for an executive committee), the rights granted to the holders of the Class B Common Stock, amendments to our bylaws, stockholder action by written consent, stockholder proposals and meetings, limitation of liability of and indemnification of our officers and directors, the rights of holders of our Class A Common Stock and Class B Common Stock to elect directors, the size of our board of directors, corporate opportunities and conflicts of interest between our company and GE, and Section 203 of the DGCL.

Preferred Stock

Our certificate of incorporation authorizes our board of directors to establish one or more series of our preferred stock and to determine, with respect to any series of our preferred stock, the terms and rights of such series, including:

- the designation of the series;
- the number of shares of each series, which number our board of directors may thereafter, except where otherwise provided in the applicable certificate of designation, increase or decrease, but not below the number of shares thereof then outstanding;
- the rights in respect of any dividends or method of determining such dividends payable to the holders of the shares of such series, any conditions upon which such dividends will be paid and the dates or method of determining the dates upon which such dividends will be payable;
- whether dividends, if any, will be cumulative or noncumulative;
- the terms of redemption, if any, for shares of the series;
- the amount payable to holders of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs;
- whether the shares of the series will be convertible or exchangeable into shares of any other class or series, or any other security, of our company or any other corporation, and, if so, the terms of such conversion or exchange;
- restrictions on the issuance of shares of the same series or of any other class or series;
- the voting rights, if any, of the holders of the shares of the series; and
- any other relative rights, preferences and limitations of the series.

Our board of directors has authorized the issuance of our Series A Preferred Stock, the terms of which are generally described below. We believe that the ability of our board of directors to issue one or more additional series of our preferred stock will provide us with flexibility in structuring possible future financings and acquisitions, and in meeting other corporate needs which might arise. Subject to the approval rights of the holders of the Class B Common Stock, the authorized shares of our preferred stock, as well as shares of our common stock, will be available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. The New York Stock Exchange currently requires stockholder approval in several instances as a prerequisite to listing shares, including where the present or potential issuance of shares could result in an increase in the number of shares of common stock, or in the amount of voting securities outstanding, of at least 20%. If the approval of our stockholders is not required for the issuance of shares of our preferred stock or our common stock, our board of directors may determine not to seek stockholder approval.

Although our board of directors has no intention at the present time of doing so, it could issue a series of our preferred stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. Our board of directors will make any determination to issue such shares based on its judgment as to the best interests of us and our stockholders. Our board of directors, in so acting, could issue our preferred stock having terms that could discourage an acquisition attempt through which an acquiror may be able to change the composition of our board of directors, including a tender offer or other transaction that some, or a majority, of our stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then-current market price of such stock.

Series A Preferred Stock

As part of our corporate reorganization, we will issue $100 million of Series A Preferred Stock to GEFAHI. GEFAHI will offer the Series A Preferred Stock by means of a separate prospectus concurrently with this offering.

General

The Series A Preferred Stock initially will be limited in aggregate amount to $100 million. This amount is the sum of the aggregate liquidation amount per share of the Series A Preferred Stock. When issued and sold, the Series A Preferred Stock will have a liquidation preference per share equal to $50 per share, plus unpaid dividends received to the date of liquidation and will be fully paid and non-assessable. The Series A Preferred Stock will rank junior to all of our indebtedness and other liabilities and will rank senior to our common stock. The Series A Preferred Stock will not be convertible into shares of common stock or any other securities of Genworth and will have no preemptive rights.

Dividends

Dividends on the Series A Preferred Stock will be fixed at an annual rate equal to % of the sum of (1) the stated liquidation value of $50 per share, plus (2) accumulated and unpaid dividends. Dividends will be payable quarterly in arrears on , , and of each year, beginning , 2004.

Dividends taxable as dividends to corporate holders of the Series A Preferred Stock may be eligible for the "dividends received deduction" as specified in Section 243(a)(1) of the Internal Revenue Code, subject to various limitations. In the event the percentage of the dividends received deduction is changed, certain adjustments will be made with respect to dividends on the Series A Preferred Stock.

Redemption

We are required to redeem the Series A Preferred Stock on , 2011 in whole at a price of $50.00 per share, plus unpaid dividends accrued to the date of redemption. There are no provisions for early redemption.

Voting rights

No voting rights. Except as described below or otherwise required by applicable law, the holders of the Series A Preferred Stock will have no voting rights.

Right to elect two additional directors during default period. During any period, which we refer to in this section as the default period, in which accumulated distributions (whether or not earned or declared, and whether or not funds are then legally available in an amount sufficient therefor) have not been paid for six quarters (whether or not consecutive) or if we fail to perform our mandatory redemption obligation on , 2011, the number of directors constituting our board of directors will automatically be increased by two and the holders of record of the Series A Preferred Stock, together with holders of every other series of preferred stock that we may issue from time to time subsequent to this offering with the same voting rights that are then exercisable resulting from the failure to pay dividends or the failure to redeem, will possess full voting powers (to the exclusion of the holders of all other series and classes of our capital stock), voting together as a single class, to elect two directors to fill such newly created directorships.

A default period will continue unless and until all accumulated and unpaid distributions on all shares of the Series A Preferred Stock then outstanding have been paid at which time the voting rights described in the preceding paragraph will cease, subject always, however, to the revesting of such voting power in the holders of the Series A Preferred Stock upon the commencement of an additional default period.

Rights under applicable law. Under current provisions of the DGCL, the holders of issued and outstanding preferred stock are entitled to vote as a class, with the consent of the majority of the class being required, to amend, alter or repeal any provision of our certificate of incorporation or by-law which would adversely affect the powers, preferences or rights of the preferred stock.

Liquidation rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our company, the holders of each share of the Series A Preferred Stock then outstanding will be entitled to receive and to be paid, out of our assets available for distribution to our shareholders after satisfying claims of creditors but before any payment or dissolution of assets is made to holders of our common stock or any other shares of our company of any class ranking junior to the Series A Preferred Stock upon such a liquidation, dissolution or winding up, liquidating distributions in an amount per share of $50.00, plus an amount equal to accumulated and unpaid dividends (whether or not earned or declared) to and including the date of final dissolution. If, upon any such voluntary or involuntary liquidation, dissolution or winding up of the our company, the amounts payable with respect to the Series A Preferred Stock and any parity stock are not paid in full, the holders of such preferred stock will share ratably in any such distribution of assets of our company in proportion to the full respective amounts to which they are entitled.

Condition on the offering of Series A Preferred Stock

The offering of Series A Preferred Stock is contingent upon the completion of this offering and the offering of our Equity Units, and this offering is contingent upon the completion of the offerings of the Series A Preferred Stock and our Equity Units.

Anti-Takeover Effects of Provisions of Our Certificate of Incorporation and Bylaws

Board of Directors

A director of our company may be removed for cause by the affirmative vote of the holders of at least a majority of the voting power of our outstanding Class A and Class B Common Stock (and any series of preferred stock entitled to vote in the election of directors), voting together as a single class. A director elected by the holders of the Class B Common Stock may be removed from office at any time, without cause, solely by the affirmative vote of the holders of the Class B Common Stock, voting as a separate class. A director elected by the vote of the holders of our Class A Common Stock, voting together as a single class, may be removed from office at any time, without cause, by the affirmative vote of the holders of a majority of our outstanding Class A Common Stock, voting together as a single class. A director elected by the vote of the holders of our Class A and Class B Common Stock, voting together as a single class, may be removed from office at any time, without cause, by the affirmative vote of the holders of a majority of our outstanding Class A and Class B Common Stock, voting together as a single class.

For so long as GE beneficially owns at least 10% of our outstanding common stock, vacancies in our board of directors resulting from an increase in the size of our board of directors from 9 to 11 when GE ceases to own more than 50% of our outstanding common stock (as provided by our certificate of incorporation) will be filled in the following manner:

- the first such vacancy will be filled by the vote of a majority of the directors elected by the holders of the Class A Common Stock; and
- the second such vacancy will be filled by the vote of a majority of the directors elected by the holders of the Class A Common Stock and the Class B Common Stock, voting together as a single class.

For so long as GE owns at least 10% of our outstanding common stock, vacancies among the directors elected by the holders of the Class B Common Stock may be filled only by the vote of a majority of the Class B Common Stock directors remaining in office or, if there are none, by the holders of the Class B Common Stock. Vacancies among the directors elected by the holders of the Class A Common Stock may be filled only by the vote of a majority of the Class A Common Stock directors remaining in office or, if there are none, by the holders of the Class A Common Stock. Vacancies among the directors elected by the holders of the Class A and Class B Common Stock voting together as a single class may be filled only by the vote of a majority of the directors elected by the holders of the Class A and Class B Common Stock remaining in office or, if there are none, by the holders of the Class A and Class B Common Stock voting together as a single class.

Stockholder action by written consent; special meetings

Our certificate of incorporation provides that except for actions taken by written consent by the holders of the Class B Common Stock with respect to matters subject to the approval only of the holders of the Class B Common Stock, any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Until the first date on which GE owns less than 20% of our outstanding common stock, except as required by law and subject to the rights of the holders of any of our preferred stock, special meetings of our stockholders for any purpose or purposes may only be called by a majority of the whole board of directors or by GE as the holder of the Class B Common Stock. When GE owns less than 20% of our outstanding common stock, except as required by law and subject to the rights of the holders of any of our preferred stock, special meetings of our stockholders for any purpose or purposes may only be called by a majority of the whole board of directors or upon the written request of the holders of at least 40% of our outstanding common stock. No business other than that stated in the notice will be transacted at any special meeting. These provisions may have the effect of delaying consideration of a stockholder proposal until the next annual meeting unless a special meeting is called by our board, GE or our stockholders as described above.

Advance notice requirements for nominations

Except with respect to candidates nominated for election by holders of our Class B Common Stock, our bylaws contain advance notice procedures with regard to stockholder proposals related to the nomination of candidates for election as directors. These procedures provide that notice of stockholder proposals related to stockholder nominations for the election of directors must be received by our corporate secretary, in the case of an annual meeting, no later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the anniversary date of the immediately preceding annual meeting of stockholders. However, if the annual meeting is called for a date that is more than 30 days before or more than 70 days after that anniversary date, notice by the stockholder in order to be timely must be received not earlier than the close of business on the 120th day prior to such annual meeting or not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which public announcement is first made by us of the date of such meeting. If the number of directors to be elected to our board of directors at an annual meeting is increased and there is no public announcement by us naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice will be considered timely, but only with respect to nominees for the additional directorships, if it is delivered to our corporate secretary not later than the close of business on the tenth day following the day on which such public announcement is first made by us.

Stockholder nominations for the election of directors at a special meeting must be received by our corporate secretary no earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of such special meeting and of the nominees proposed by our board of directors to be elected at such meeting.

A stockholder's notice to our corporate secretary must be in proper written form and must set forth information related to the stockholder giving the notice and the beneficial owner (if any) on whose behalf the nomination is made, including:

- the name and record address of the stockholder and the beneficial owner;
- the class and number of shares of our capital stock which are owned beneficially and of record by the stockholder and the beneficial owner;
- a representation that the stockholder is a holder of record of our stock entitled to vote at that meeting and that the stockholder intends to appear in person or by proxy at the meeting to bring the nomination before the meeting; and
- a representation whether the stockholder or the beneficial owner intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of our outstanding capital stock required to elect the nominee, or otherwise to solicit proxies from stockholders in support of such nomination.

As to each person whom the stockholder proposes to nominate for election as a director:

- all information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Securities Exchange Act of 1934; and
- the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected.

Advance notice requirements for stockholder proposals

Our bylaws contain advance notice procedures with regard to stockholder proposals not related to director nominations. These notice procedures, in the case of an annual meeting of stockholders, are the same as the notice requirements for stockholder proposals related to director nominations discussed above insofar as they relate to the timing of receipt of notice by our corporate secretary.

A stockholder's notice to our corporate secretary must be in proper written form and must set forth, as to each matter the stockholder and the beneficial owner (if any) proposes to bring before the meeting:

- a description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and if such business includes a proposal to amend our bylaws, the language of the proposed amendment), the reasons for conducting the business at the meeting and any material interest in such business of such stockholder and beneficial owner on whose behalf the proposal is made;
- the name and record address of the stockholder and beneficial owner;
- the class and number of shares of our capital stock which are owned beneficially and of record by the stockholder and the beneficial owner;
- a representation that the stockholder is a holder of record of our stock entitled to vote at the meeting and that the stockholder intends to appear in person or by proxy at the meeting to propose such business; and
- a representation as to whether the stockholder or the beneficial owner intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of our outstanding capital stock required to approve or adopt the business proposal, or otherwise to solicit proxies from stockholders in support of such proposal.

Amendments

Subject to the right of the holders of our Class B Common Stock to withhold its consent to the amendment of the provisions of our certificate of incorporation relating to our authorized capital stock, the rights granted to the holders of the Class B Common Stock, the establishment of an executive committee of our board of directors (or any committee having authority typically reserved for an executive committee), amendments to our bylaws, stockholder action by written consent, the calling of stockholder meetings, limitation of liability of and indemnification of our officers and directors, the rights of holders of our Class A and Class B Common Stock to elect directors, the size of our board of directors, corporate opportunities and conflicts of interest between our company and GE, and Section 203 of the DGCL, the provisions of our certificate of incorporation may be amended by the affirmative vote of the holders of a majority of our outstanding common stock.

Subject to the right of the holders of our Class B Common Stock to withhold its consent to the amendment of the provisions of our bylaws relating to the role of our Nominating and Corporate Governance Committee in meetings of our stockholders, advance notice requirements for stockholder proposals related to directors' nominations and other proposed business, and our board of directors, the provisions of our bylaws may be amended by the affirmative vote of the holders of a majority of our outstanding common stock or by the affirmative vote of a majority of our entire board of directors.

Provisions of Our Certificate of Incorporation Relating to Related-Party Transactions and Corporate Opportunities

In order to address potential conflicts of interest between us and GE, our certificate of incorporation contains provisions regulating and defining the conduct of our affairs as they may involve GE and its officers and directors, and our powers, rights, duties and liabilities and those of our officers, directors and shareholders in connection with our relationship with GE. In general, these provisions recognize that we and GE may engage in the same or similar business activities and lines of business, have an interest in the same areas of corporate opportunities and will continue to have contractual and business relations with each other, including officers and directors of GE serving as our directors.

Our certificate of incorporation provides that, subject to any written agreement to the contrary, GE will have no duty to refrain from:

- engaging in the same or similar business activities or lines of business as us; or
- doing business with any of our clients, customers or vendors.

Our certificate of incorporation provides that if GE acquires knowledge of a potential transaction or matter which may be a corporate opportunity for both us and GE, such corporate opportunity will belong to GE unless the corporate opportunity was expressly offered to GE in its capacity as a stockholder of Genworth. GE will to the fullest extent permitted by law have satisfied its fiduciary duty with respect to such a corporate opportunity and will not be liable to us or our stockholders for breach of any fiduciary duty as our stockholder by reason of the fact that GE acquires or seeks the corporate opportunity for itself, directs that corporate opportunity to another person or does not present that corporate opportunity to us.

If one of our directors or officers who is also a director or officer of GE learns of a potential transaction or matter that may be a corporate opportunity for both us and GE, our certificate of incorporation provides that the director or officer will have satisfied his or her fiduciary duties to us and our stockholders with respect to the corporate opportunity, and we will have renounced our interest in the corporate opportunity if the director or officer acts in good faith in a manner consistent with the following policy:

- a corporate opportunity offered to any of our directors who is not one of our officers and who is also a director or officer of GE will belong to us only if that opportunity is expressly offered to that person solely in his or her capacity as our director, and otherwise will belong to GE; and

- a corporate opportunity offered to any of our officers who is also an officer of GE will belong to us, unless that opportunity is expressly offered to that person solely in his or her capacity as an officer of GE, in which case that opportunity will belong to GE.

If one of our officers or directors, who also serves as a director or officer of GE, learns of a potential transaction or matter that may be a corporate opportunity for both us and GE in any manner not addressed in the foregoing descriptions, our certificate of incorporation provides that the director or officer will have no duty to communicate or present that corporate opportunity to us and will not be liable to us or our stockholders for breach of fiduciary duty by reason of GE's actions with respect to that corporate opportunity.

For purposes of our certificate of incorporation, "corporate opportunities" include, but are not limited to, business opportunities that we are financially able to undertake, that are, from their nature, in our line of business, are of practical advantage to us and are ones in which we have an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of GE or its officers or directors will be brought into conflict with our self-interest.

By becoming a stockholder in our company, you will be deemed to have notice of and have consented to the provisions of our certificate of incorporation related to corporate opportunities that are described above.

Limitation of Liability and Indemnification Matters

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, that are incurred in connection with various actions, suits or proceedings, whether civil, criminal, administrative or investigative other than an action by or in the right of the corporation, known as a derivative action, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such actions, and the statute requires court approval before there can be any indemnification if the person seeking indemnification has been found liable to the corporation. The statute provides that it is not excluding other indemnification that may be granted by a corporation's bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

Our certificate of incorporation provides that each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director or officer of us, or has or had agreed to become a director of us, or, while a director or officer of us, is or was serving at our request as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, whether the basis of such proceeding is the alleged action of such person in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, will be indemnified and held harmless by us to the fullest extent authorized by the DGCL against all expense, liability and loss reasonably incurred or suffered by such person in connection therewith. Our certificate of incorporation also provides that we will pay the expenses incurred in defending any such proceeding in advance of its final disposition, subject to the provisions of the DGCL. These rights are not exclusive of any other right that any person may have or acquire under any statute, provision of our certificate of incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise. No repeal or modification of these provisions will in any way diminish or adversely affect the rights of any director, officer, employee or agent of us under our certificate of incorporation in respect of any occurrence or matter arising prior to any such repeal or modification. Our certificate of incorporation also specifically authorizes us to maintain insurance and to grant similar indemnification rights to our employees or agents.

Our certificate of incorporation provides that none of our directors will be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except, to the extent required by the DGCL, for liability:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- for payments of unlawful dividends or unlawful stock purchases or redemptions under Section 174 of the DGCL; or
- for any transaction from which the director derived an improper personal benefit.

Neither the amendment nor repeal of this provision will eliminate or reduce the effect of the provision in respect of any matter occurring, or any cause of action, suit or claim that, but for the provision, would accrue or arise, prior to the amendment or repeal.

The Master Agreement also provides for indemnification by us of GE and its directors, officers and employees for specified liabilities, including liabilities under the Securities Act of 1933.

Delaware Business Combination Statute

Our certificate of incorporation contains a provision by which we expressly elect not to be governed by Section 203 of the DGCL, which is described below, until the moment in time, if ever, immediately following the time at which both of the following conditions exist: (a) Section 203 by its terms would, but for the terms of our certificate of incorporation, apply to us and (b) there occurs a transaction in which GE no longer owns at least 15% of our outstanding common stock. Accordingly, we are not currently subject to Section 203. Any person that acquires 15% or more of our outstanding common stock in the same transaction in which GE ceases to own at least 15% of our outstanding common stock will not be an interested stockholder under Section 203 as a result of that transaction.

Section 203 of the DGCL provides that, subject to exceptions set forth therein, an interested stockholder of a Delaware corporation shall not engage in any business combination, including mergers or consolidations or acquisitions of additional shares of the corporation, with the corporation for a three-year period following the time that such stockholder became an interested stockholder unless:

- prior to such time, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an "interested stockholder," the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, other than statutorily excluded shares; or
- at or subsequent to such time, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders by the affirmative vote of at least $66^2/3$% of the outstanding voting stock which is not owned by the interested stockholder.

Except as otherwise set forth in Section 203, an interested stockholder is defined to include:

- any person that is the owner of 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination; and

- the affiliates and associates of any such person.

Our election to not be subject to Section 203 may have positive or negative consequences, depending on the circumstances. Being subject to Section 203 may make it more difficult for a person who would be an interested stockholder to effect various business combinations with us for a three-year period. Section 203 also may have the effect of preventing changes in our management. Section 203 also could make it more difficult to accomplish transactions which our stockholders may otherwise deem to be in their best interests. If the provisions of Section 203 were applicable, they may cause persons interested in acquiring us to negotiate in advance with our board of directors. In addition, because we did not elect to be subject to Section 203, GE, as a controlling stockholder, may find it easier to sell its controlling interest to a third party because Section 203 would not apply to such third party. The restrictions on business combinations set forth in Section 203 would not have been applicable to GE so long as GE continued to hold 15% or more of our common stock.

Insurance Regulations Concerning Change of Control

The insurance holding company laws of many states regulate changes of control of insurance holding companies, such as our company. Generally, these laws provide that control over an insurer is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, 10% or more of the voting securities of the insurer. Control also may be found to exist through contractual or other arrangements notwithstanding stock ownership. The Delaware, New York, North Carolina and Virginia insurance holding company laws, and similar laws in the U.K. and other jurisdictions in which we operate, require filings in connection with proposed acquisitions of control of domestic insurance companies. These laws may discourage potential acquisition proposals and may delay, deter or prevent a change of control involving us, including through transactions, and in particular unsolicited transactions, that some or all of our stockholders might consider to be desirable.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A Common Stock and our Series A Preferred Stock will be The Bank of New York.

Description of Equity Units

In this description, the words "we," "us" and "our" refer only to Genworth and not to any of its subsidiaries.

Summary

As part of our corporate reorganization, we will issue $600 million of our Equity Units to GEFAHI, and GEFAHI will offer these Equity Units by means of a separate prospectus concurrently with this offering. The Equity Units initially will be issued in the form of Corporate Units. Each Corporate Unit will initially consist of:

- a contract to purchase shares of our Class A Common Stock, which we refer to as the stock purchase contracts; and
- a $25 ownership interest in our % senior notes due 2009, which we refer to as the notes.

The stock purchase contract that is a component of an Equity Unit requires the holder to purchase, and us to sell, for $25, on May 16, 2007, which we refer to as the purchase contract settlement date, a number of newly issued shares of our Class A Common Stock equal to a settlement rate based on the average trading price of our Class A Common Stock at that time. We will also pay quarterly contract adjustment payments on each stock purchase contract at an annual rate of % of the stated amount of $25 per Equity Unit.

As described below, the notes will be remarketed to new purchasers immediately prior to the purchase contract settlement date to generate the cash necessary for the holders of Corporate Units to satisfy their obligations to purchase our Class A Common Stock pursuant to the stock purchase contracts. The interest rate on the notes will be reset in the remarketing to whatever interest rate is necessary to induce purchasers to purchase all the notes remarketed at 100% of their principal amount. If the notes are not successfully remarketed prior to the purchase contract settlement date, all holders of notes will have the right to require us to purchase their notes on the purchase contract settlement date at a price equal to 100% of their principal amount, plus accrued interest.

The Stock Purchase Contracts

Each stock purchase contract that is a component of an Equity Unit obligates the holder of the stock purchase contract to purchase, and obligates us to sell, on May 16, 2007, for $25 in cash, a number of newly issued shares of our Class A Common Stock equal to the settlement rate. The settlement rate, subject to anti-dilution adjustments, will be calculated as described below:

- if the applicable market value of our Class A Common Stock is equal to or greater than $, which we refer to as the threshold appreciation price, the settlement rate will be shares of our Class A Common Stock.

Accordingly, if the market value for the Class A Common Stock increases between the date of this prospectus and the period during which the applicable market value is measured and the applicable market value is greater than the threshold appreciation price, the aggregate market value of the shares of Class A Common Stock issued upon settlement of each purchase contract will be higher than the stated amount, assuming that the market price of the Class A Common Stock on the purchase contract settlement date is the same as the applicable market value of the Class A Common Stock. If the applicable market value is the same as the threshold appreciation price, the aggregate market value of the shares issued upon settlement will be equal to the stated amount, assuming that the market price of the Class A Common Stock on the purchase contract settlement date is the same as the applicable market value of the Class A Common Stock.

- if the applicable market value of our Class A Common Stock is less than the threshold appreciation price but greater than $, which we refer to as the reference price, the settlement rate will be a number of shares of our Class A Common Stock equal to the stated amount of $25 divided by the applicable market value. The reference price will be the initial public offering price of our Class A Common Stock in this offering.

Accordingly, if the market value for the Class A Common Stock increases between the date of this prospectus and the period during which the applicable market value is measured, but the applicable market value does not exceed the threshold appreciation price, the aggregate market value of the shares of Class A Common Stock issued upon settlement of each purchase contract will be equal to the stated amount, assuming that the market price of the Class A Common Stock on the purchase contract settlement date is the same as the applicable market value of the Class A Common Stock.

- if the applicable market value is less than or equal to the reference price of $, the settlement rate will be shares of our Class A Common Stock.

Accordingly, if the market value for the Class A Common Stock decreases between the date of this prospectus and the period during which the applicable market value is measured and the applicable market value is measured and the applicable market value is less than the reference price, the aggregate market value of the shares of Class A Common Stock issued upon settlement of each purchase contract will be less than the stated amount, assuming that the market price on the purchase contract settlement date is the same as the applicable market value of the Class A Common Stock. If the applicable market value is the same as the reference price, the aggregate market value of the shares will be equal to the stated amount, assuming that the market price of the Class A Common Stock on the purchase contract settlement date is the same as the applicable market value of the Class A Common Stock.

By applicable market value we mean the average of the closing price per share of our Class A Common Stock on The New York Stock Exchange on each of the twenty consecutive trading days ending on the third trading day immediately preceding the purchase contract settlement date. The reference price is equal to the initial public offering price of our Class A Common Stock in this offering.

We will pay holders of Equity Units quarterly contract adjustment payments on each stock purchase contract at a rate of % per year of the stated amount of $25 per Equity Unit, or $ per year.

On the purchase contract settlement date, an Equity Unit holder may satisfy its obligations under the stock purchase contracts by:

- in the case of the Corporate Units, (i) through the automatic application of the proceeds of the remarketing or if the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a special event redemption, as defined below, through the automatic application of the proceeds of the Treasury portfolio, (ii) by exercising its right to require us to purchase its notes if the remarketing of the notes is not successful, or (iii) by delivering $25 in cash; or

- in the case of the Treasury Units, as defined below, through the automatic application of the proceeds of the Treasury securities.

The ownership interest in notes that is a component of each Corporate Unit will be pledged to us to secure the holder's obligations to purchase our Class A Common Stock from us under the stock purchase contract.

The stock purchase contracts and the obligations of both us and the holders of the Equity Units under the stock purchase contracts automatically terminate without any further action upon certain events relating to our bankruptcy, insolvency or reorganization.

Early Settlement of Stock Purchase Contracts

Holders of Equity Units may elect to settle the stock purchase contracts early by delivering $25 in cash at any time following , 2005 (the date 12 calendar months following the completion of this offering) through the seventh business day immediately preceding the purchase contract settlement date in the case of Corporate Units or any time through the second business day immediately preceding the purchase contract settlement date using cash in the case of Treasury Units, in which case shares of our Class A Common Stock will be issued pursuant to each stock purchase contract. We refer to this as optional early settlement. Optional early settlement of the stock purchase contracts results in the issuance of a number of shares of our Class A Common Stock equal to the minimum settlement rate, which is the same number that would be issued on the purchase contract settlement date if the applicable market value was equal to or greater than the threshold appreciation price of $, regardless of the actual market value of our Class A Common Stock at the time of the optional early settlement.

If we are involved in a merger in which at least 30% of the consideration for our Class A Common Stock consists of cash or cash equivalents, then each holder of an Equity Unit will have the right to settle the component stock purchase contract at the settlement rate in effect immediately before the closing of the cash merger, based on the applicable market value of our Class A Common Stock as if the closing date of the merger was the purchase contract settlement date, by delivering $25 in cash. We refer to this as cash merger early settlement. If a holder elects cash merger early settlement, we will deliver to such holder on the cash merger early settlement date the kind and amount of securities, cash or other property that such holder would have been entitled to receive in the cash merger if it had settled the stock purchase contract immediately before the cash merger.

Following either optional early settlement or cash merger early settlement, the Equity Units of which the settled stock purchase contracts were a component will be cancelled and the related note or Treasury Security will be released to the holder and then will be separately transferable.

Both optional early settlement and cash merger early settlement are subject to the condition that if required under the U.S. federal securities laws, we have a registration statement under the Securities Act of 1933 in effect and a prospectus available covering the Class A Common Stock or other securities deliverable upon settlement of a stock purchase contract. We will agree to use our commercially reasonable efforts to have a registration statement in effect and to provide a prospectus covering such Class A Common Stock or other securities if so required by the U.S. federal securities laws.

Remarketing

Remarketing allows holders of Corporate Units to satisfy their obligations under the related stock purchase contracts by reselling the notes through the remarketing agent and using the proceeds of the remarketing to pay the purchase price under the related stock purchase contracts. Holders of notes that are separate from the Corporate Units also may elect to participate in the remarketing. Unless one of the conditions to remarketing, which include the effectiveness of a registration statement under the Securities Act of 1933, if required by the U.S. federal securities laws, is not satisfied, the notes that underlie each outstanding Corporate Unit (other than Corporate Units for which the holder has elected to settle the related stock purchase contracts with separate cash on the purchase contract settlement date) as well as any other notes the holders of which have decided to have included in the remarketing will be remarketed on the fifth business day immediately preceding the purchase contract settlement date. If such remarketing is not successful, remarketings will also be attempted on the fourth business day immediately preceding the purchase contract settlement date, and, if necessary, the third business day immediately preceding the purchase contract settlement date.

Upon a successful remarketing, the portion of the proceeds equal to the aggregate principal amount of the notes remarketed that underlie the Corporate Units will automatically be applied to satisfy in full the Corporate Units holders' obligations to purchase our Class A Common Stock under the related stock purchase contracts. If any proceeds remain after satisfying such obligations, the remarketing agent will remit such remaining proceeds to the purchase contract agent for the benefit of the holders. We will pay a separate fee to the remarketing agent for its services, and holders of notes will not in any way be responsible for paying any fee to the remarketing agent.

If the notes have not been successfully remarketed on or prior to the third business day immediately prior to the purchase contract settlement date, either because the remarketing agent cannot obtain a price of at least 100% of the total principal amount of the notes remarketed or because one of the conditions to the remarketing has not been satisfied, holders of all notes will have the right to require us to purchase their notes for an amount equal to the principal amount of their notes, plus accrued and unpaid interest, on the purchase contract settlement date. A holder of Corporate Units will be deemed to have automatically exercised this right with respect to the notes underlying such Corporate Units, unless such holder has settled the related stock purchase contracts with separate cash on or prior to the purchase contract settlement date, and will be deemed to have elected to apply the amount of the proceeds equal to the principal amount of the notes against such holder's obligations to us under the related stock purchase contracts, thereby satisfying such obligations in full. Upon the application of such proceeds, we will deliver to such holder our Class A Common Stock pursuant to the related stock purchase contracts.

Creation of Treasury Units

At any time on or prior to the seventh business day preceding the purchase contract settlement date, holders of Corporate Units will have the right to substitute a zero coupon U.S. Treasury security with a principal amount equal to that of the notes that matures on May 15, 2007, thereby creating Treasury Units. The Treasury security that underlies the Treasury Units will be pledged to us to secure the holder's obligations under the stock purchase contract. Holders of Treasury Units may recreate Corporate Units at any time on or prior to the seventh business day preceding the purchase contract settlement date by substituting notes having a principal amount equal to the aggregate principal amount at stated maturity of the Treasury securities for which substitution is being made.

The components of the Corporate Units and the Treasury Units are not separately transferable while a part of the unit. Stock purchase contracts are never transferable except as part of a Corporate Unit or Treasury Unit. Notes are not transferable except as part of a Corporate Unit unless they are separated from the Corporate Unit, either through collateral substitution and creation of a Treasury Unit or following settlement of the stock purchase contracts. Treasury securities that are a component of a Treasury Unit are not transferable except as part of such Treasury Unit.

Notes

Initially, interest on the notes will be payable quarterly at the annual rate of % of the principal amount of the notes, to, but excluding May 16, 2007, the purchase contract settlement date. Holders of Corporate Units will receive their pro rata share of interest payments on the notes underlying their Corporate Units.

Upon a successful remarketing, the reset rate will be the rate determined by the remarketing agent as the interest rate the notes should bear in order for the notes remarketed to have an aggregate market value on the remarketing date of at least 100% of the aggregate principal amount of the notes remarketed. The reset rate may not exceed the maximum rate, if any, permitted by applicable law. Following a reset of the interest rate, the interest rate on the notes will equal the reset rate from, and including, the purchase contract settlement date, to but excluding, May 16, 2009, the maturity date of the notes. The interest rate on the notes will not be reset if there is not a successful remarketing and interest will continue to be payable at the initial rate from and including the purchase contract settlement date to but excluding the maturity date of the notes. Following the purchase contract settlement date, interest will be paid semi-annually, commencing November 16, 2007, whether or not there has been a successful remarketing.

Prior to the earlier of a successful remarketing and the purchase contract settlement date, the notes are redeemable at our option, in whole but not in part, upon the occurrence and continuance of certain tax events or accounting events. If any such redemption, which we refer to as a special event redemption, occurs, the redemption price for the notes that underlie the Corporate Units will be paid to the collateral agent holding the notes as security for the obligations of the holders under the purchase contracts, who will apply such redemption price to purchase a portfolio of United States Treasury securities. Thereafter, the applicable ownership interests in such Treasury portfolio will replace the notes as a component of the Corporate Units and will be pledged to us. Holders of notes that do not underlie the Corporate Units will receive the redemption price in the special event redemption.

The notes will rank equally and ratably with all of our other unsecured and unsubordinated obligations.

Listing

The Corporate Units have been approved for listing on The New York Stock Exchange under the symbol "GNW Pr E." Neither the Treasury Units nor the notes will initially be listed, but if they are separately traded to a sufficient extent that the applicable exchange listing requirements are met, we will endeavor to cause the Treasury Units and the notes to be listed on the exchange on which the Corporate Units are listed.

Condition on the Offering of the Equity Units

The offering of the Equity Units is conditioned upon the completion of this offering and the concurrent offering of our Series A Preferred Stock and this offering is conditioned upon the completion of the offering of the Equity Units and the concurrent offering of our Series A Preferred Stock.

Accounting Treatment

The fair value of the Corporate Units we issue to GEFAHI will be recorded in our financial statements based on an allocation between the purchase contracts and the notes in proportion to their respective fair market values. The present value of the contract adjustment payments on the purchase contracts will be recorded as a liability and a reduction of stockholders' equity. This liability increases over three years by interest charges to the statement of earnings based on a constant rate calculation. Contract adjustment payments paid on the purchase contracts will reduce this liability.

The purchase contracts are forward transactions in our Class A Common Stock. Upon settlement of each stock purchase contract, we will receive $25 for the purchase contract and will issue the requisite number of shares of our Class A Common Stock. The $25 that we receive will increase stockholders' equity.

Before the issuance of our Class A Common Stock upon settlement of the purchase contracts, the purchase contracts will be reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our Class A Common Stock used in calculating diluted earnings per share (based on the settlement rate applied at the end of the reporting period) will be deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the purchase contracts at such time over the number of shares that could be purchased by us in the market (at the average market price during the period) using the proceeds receivable upon settlement. Consequently, we anticipate there will be no dilutive effect on our earnings per share except during periods when the average market price of our Class A Common Stock is above the threshold appreciation price of $.

Description of Certain Indebtedness

In this description, the words "we," "us" and "our" refer only to Genworth and not to any of its subsidiaries.

Short-term Intercompany Note

As part of the consideration for the assets to be transferred to us in connection with our corporate reorganization, we will issue to GEFAHI the $2.4 billion Short-term Intercompany Note that matures on , 2004.

Contingent Note

As part of the consideration for the assets to be transferred to us in connection with our corporate reorganization, we will issue to GEFAHI the $550 million Contingent Note, which is a non-interest-bearing note that matures on the first anniversary of the completion of this offering. The Contingent Note will be a general unsecured obligation of our company and will be subordinated in right of payment to all of our existing and future senior indebtedness. The note will be repaid solely to the extent that statutory contingency reserves from our U.S. mortgage insurance business in excess of $150 million are released and paid to us as a dividend. The release of these reserves and payment of the dividend by our U.S. mortgage insurance business to us are subject to statutory limitations, regulatory approval and the absence of any impact on our financial ratings, including both insurance subsidiary financial strength ratings and our senior unsecured debt credit ratings. We will be required to use reasonable best efforts to obtain all regulatory approvals that are required for our principal U.S. mortgage insurance subsidiary to release statutory contingency reserves and declare and pay a dividend to us to satisfy the repayment of the Contingent Note. Once we have obtained the required regulatory approvals and rating agency affirmations, GEFAHI has the right to require repayment of the note prior to the first anniversary of the completion of this offering. If regulatory approval has been obtained by the first anniversary date, but our financial ratings have not been affirmed, the Contingent Note will be extended for a period up to 12 months from the first anniversary date, if necessary, to obtain rating agency affirmation. We will be required to repay on the first anniversary date the portion of the principal amount of the Contingent Note for which we have received the required regulatory approvals and rating agency affirmations. If rating agency affirmation of our financial ratings is not obtained in respect of the unpaid principal balance of the Contingent Note during the extended period, the unpaid balance of the Contingent Note will be canceled. We will record any portion of the Contingent Note that is canceled as a capital contribution.

Short-term Credit Facility

Prior to the completion of this offering, we will enter into a $2.4 billion 180-day credit facility with a syndicate of banks. We intend to borrow the entire amount available under that facility upon the completion of this offering to repay the $2.4 billion Short-term Intercompany Note. We intend to repay the lenders under this facility with net proceeds from the issuance of senior notes and commercial paper, both of which we intend to complete shortly after the completion of this offering. This facility bears interest based upon, at our option, (1) the prime rate or (2) the Eurodollar rate, plus a margin of 0.30%.

New Senior Notes

Shortly after the completion of this offering, we intend to offer an aggregate principal amount of approximately $1.9 billion of senior notes in a public offering. The senior notes offering will be made pursuant to a separate prospectus. We will issue the senior notes in multiple series of varying maturities.

The senior notes will be unsecured obligations of Genworth, equal in right of payment with all other existing and future unsecured and unsubordinated indebtedness of Genworth and senior in right of payment to any future subordinated indebtedness of Genworth. The senior notes will not be convertible into any other security or be entitled to the benefit of any sinking fund.

Certain tranches of the senior notes will be redeemable prior to maturity at our option at redemption prices reflecting make-whole premiums determined by reference to comparable U.S. Treasury securities, but in no event at redemption prices less than par.

The senior notes indenture will contain covenants that, among other things, will restrict our ability to engage in mergers, consolidations and transfers of substantially all of our assets. The senior notes indenture will also include various events of default customary for such type of agreements, such as failure to pay principal and interest when due on the senior notes, cross defaults on other indebtedness and certain events of bankruptcy, insolvency and reorganization.

We intend to apply the net proceeds from the offering of senior notes to the repayment of the short-term credit facility.

Some of the lenders under the short-term credit facility will be affiliates of the underwriters for the offering of senior notes. Because more than 10% of the net proceeds of the offering of senior notes, not including underwriting compensation, will be paid to affiliates of members of the National Association of Securities Dealers, Inc. (the "NASD") who are participating in the offering of senior notes, that offering will be conducted in compliance with Rule 2710(h) of the NASD.

Commercial Paper Facility

Shortly after the completion of this offering, we intend to establish a $1 billion principal amount at maturity commercial paper program and to issue approximately $500 million principal amount at maturity in commercial paper from that program. We intend to apply the net proceeds from the issuance of commercial paper to the repayment of the short-term credit facility. Issuance of commercial paper will be subject to GE's right as the holder of the Class B Common Stock to approve our incurrence of debt in excess of $700 million outstanding at any one time. See "Description of Capital Stock—Approval Rights of Holders of Class B Common Stock."

New Credit Facilities

Prior to the completion of this offering, we will enter into two revolving credit facilities, each with a syndicate of banks and each with JPMorgan Chase Bank and Bank of America, N.A. acting as co-administrative agents. One of these is a $1 billion five-year revolving credit facility, and the other is a $1 billion 364-day revolving credit facility. Both revolving credit facilities are unsecured.

The five-year facility bears interest based upon, at our option, (1) the prime rate or (2) the Eurodollar rate, plus a margin of 0.17% to 0.60%. The 364-day facility bears interest based upon, at our option, (1) the prime rate or (2) the Eurodollar rate, plus a margin of 0.19% to 0.625%. In each case, the margin is determined based upon our senior, unsecured long-term debt rating.

Each facility requires us to maintain stockholders' interest, excluding accumulated non-owner changes in stockholders' interest, at the end of each fiscal quarter, that exceeds the sum of (1) $6.9 billion and (2) 40% of our consolidated net income for each completed fiscal year ending on or prior to the end of such fiscal quarter (without any deductions for any fiscal year as to which there is a consolidated net loss). Each facility also limits our ability to create liens on our assets, enter into mergers and consolidations and enter into certain transactions with our affiliates.

Events of default under each facility include (1) the acquisition of more than 50% of our common stock by any person or group (other than GE), and (2) the occupation of a majority of the seats on our board of directors by persons who were neither nominated by our board of directors or by GE or appointed by directors so nominated.

Our ability to borrow under these facilities will be subject to GE's right as the holder of the Class B Common Stock to approve our incurrence of debt in excess of $700 million outstanding at any one time. See "Description of Capital Stock—Approval Rights of Holders of Class B Common Stock."

Yen Notes

In June 2001, GEFAHI sold ¥60 billion of 1.6% notes due June 20, 2011 in a public offering. These notes were issued under an indenture dated June 26, 2001 between GEFAHI and The Chase Manhattan Bank, as Trustee. Pursuant to the terms of the indenture, we will assume all obligations under the indenture and these notes in connection with our corporate reorganization and the transfer of substantially all of GEFAHI's assets to us. GEFAHI will be released from all its obligations under the indenture and the notes.

These existing senior notes constitute unsecured senior indebtedness and are senior in right of payment to all our existing and future subordinated indebtedness. The notes are not subject to redemption prior to maturity or to any sinking fund, except that the notes are redeemable as a result of certain changes in the tax laws of the U.S. The indenture contains covenants that, among other things, will restrict our ability to engage in mergers, consolidations and transfers of substantially all of our assets.

We have entered into arrangements with Morgan Stanley Derivative Products Inc. to swap our obligations under these notes to a U.S. dollar obligation with a principal amount of $491 million and bearing interest at a rate of 4.84% per annum.

Shares Eligible for Future Sale

Sales of substantial amounts of our common stock in the public market after our initial public offering or the perception that such sales could occur could adversely affect the market price of our common stock and our ability to raise equity capital in the future on terms favorable to us. We can make no prediction as to the effect, if any, that market sales of shares of common stock or the availability of shares of common stock for sale will have on the market price prevailing from time to time. The Class A Common Stock has been approved for listing on The New York Stock Exchange under the symbol "GNW." The Class B Common Stock will not be listed on any stock exchange.

Sale of Restricted Shares

Upon completion of this offering and the concurrent offerings, we will have outstanding 145.0 million shares of Class A Common Stock and 344.5 million shares of Class B Common Stock (assuming the underwriters' over-allotment option is not exercised). All the shares of Class A Common Stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act of 1933, except for any shares purchased by or owned by our "affiliates," as that term is defined in Rule 144 under the Securities Act of 1933. As defined in Rule 144, an affiliate of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the issuer. Shares held by affiliates may not be resold in the absence of registration under the Securities Act of 1933 or pursuant to an exemption from registration, including, among others, the exemption provided by Rule 144 under the Securities Act of 1933. Approximately 957,752 shares of our Class A Common Stock and 344.5 million shares of our Class B Common Stock will be beneficially owned by our officers, directors and other affiliates immediately after the completion of this offering.

Upon completion of this offering and the concurrent offerings, GE will beneficially own approximately 70% of our outstanding common stock (consisting of 100% of our outstanding shares of Class B Common Stock and no shares of Class A Common Stock), if the underwriters' over-allotment option is not exercised. This offering, together with the concurrent offerings, is the first step in GE's plan to dispose of more than 50% by value of its interest in us. GE's transfer of assets to us has been structured to qualify for the election under section 338 of the Internal Revenue Code, and GE has received a ruling from the IRS that the transfer will qualify for that election provided that certain conditions are met. Among those conditions is that GE must complete its disposition of more than 50% by value of its interest in Genworth within two years after the completion of this offering. GE has informed us that its failure to satisfy this condition and to qualify for the tax election would result both in significant additional tax liability for GE and in elimination of the section 338 benefit (and our associated liability) that is the subject of the Tax Matters Agreement, as discussed under "Arrangements Between GE and Our Company—Relationship with GE—Tax Matters Agreement." Accordingly, GE has informed us that it fully intends to and expects to meet this condition and has adopted a Plan of Divestiture under which, among other things, it will effect the divestiture of our stock. Although GE currently expects this divestiture to be effected through one or more additional public offerings of our common stock, if for any reason those additional public offerings are not completed or are not expected to satisfy the divestiture condition of the tax ruling and as called for in the Plan of Divestiture or if GE for any other reason decides to pursue an alternative method of disposition, GE has informed us that it intends to implement alternative methods to divest of our common stock in order to carry out the Plan of Divestiture and satisfy the ruling condition.

We are unable to predict whether significant numbers of shares will be sold in the open market or otherwise in anticipation of or following any sales of our shares by GE.

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who has beneficially owned for at least one year shares of common stock that are restricted securities would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, or 4,895,281 shares of common stock immediately after this offering and the concurrent offerings; or

- the average weekly trading volume of the common stock on The New York Stock Exchange during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 are also subject to certain restrictions on the manner of sale, certain notice requirements, and the availability of current public information about us.

Under Rule 144(k), a person who has not been one of our affiliates at any time during the three months before a sale, and who has beneficially owned the restricted shares for at least two years, is entitled to sell the shares immediately after the date of this prospectus without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

Lock-up Agreements

We, our executive officers and directors and GEFAHI have agreed with the underwriters pursuant to lock-up agreements that, subject to limited exceptions described in "Underwriters," for a period of 180 days after the date of this prospectus, we and they will not directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase or otherwise dispose of any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock, or in any manner transfer all or a portion of the economic consequences associated with the ownership of shares of common stock, or cause a registration statement covering any shares of common stock to be filed, without the prior written consent of Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. The underwriters do not have any present intention or arrangement to release any shares of common stock subject to lock-up agreements prior to the expiration of the lock-up period.

Registration Rights

As described in "Arrangements Between GE and Our Company—Relationship with GE—Registration Rights Agreement," we will enter into a registration rights agreement with GE. We do not have any other contractual obligations to register our common stock.

Certain United States Federal Tax Consequences
for Non-U.S. Holders of Common Stock

This section summarizes certain material U.S. federal income and, to a limited extent, certain U.S. federal estate tax consequences to Non-U.S. Holders of the purchase, ownership and disposition of our common stock. A "Non-U.S. Holder" is a beneficial owner of our common stock that holds such stock as a capital asset and is generally an individual, corporation, estate or trust other than:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or an entity taxed as a corporation for U.S. federal income tax purposes) created or organized in the U.S. or under the laws of the U.S. or of any subdivision thereof;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; and
- a trust if a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

If a partnership holds common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Special rules may apply if a Non-U.S. Holder is a "controlled foreign corporation," "passive foreign investment company" or "foreign personal holding company," as defined under the Internal Revenue Code, and to certain expatriates or former long-term residents of the U.S. If you fall within any of the foregoing categories, you should consult your own tax advisor to determine the U.S. federal, state, local and foreign tax consequences that may be relevant to you.

This summary does not describe all of the U.S. federal income tax consequences that may be relevant to the purchase, ownership and disposition of our common stock by a prospective Non-U.S. Holder in light of that investor's particular circumstances. In addition, this summary does not address alternative minimum taxes or state, local or foreign taxes.

This section is based upon the Internal Revenue Code of 1986, as amended, judicial decisions, final, temporary and proposed Treasury regulations, published rulings and other administrative pronouncements, changes to any of which subsequent to the date of this prospectus may affect the tax consequences described herein, possibly with retroactive effect.

Please consult your own tax adviser as to the particular tax consequences to you of purchasing, holding and disposing of our common stock in your particular circumstances under the Code and the laws of any other taxing jurisdiction.

U.S. Trade or Business Income

For purposes of the discussion below, dividends and gains on the sale, exchange or other disposition of our common stock will be considered to be "U.S. trade or business income" if such income or gain is:

- effectively connected with the Non-U.S. Holder's conduct of a U.S. trade or business; or
- in the case of a treaty resident, attributable to a U.S. permanent establishment (or, in the case of an individual, a fixed base) maintained by the Non-U.S. Holder in the U.S.

Generally, U.S. trade or business income is subject to U.S. federal income tax on a net income basis at regular graduated U.S. federal income tax rates. Any U.S. trade or business income received by a Non-U.S. Holder that is a corporation also may, under specific circumstances, be subject to an additional "branch profits tax" at a 30% rate (or a lower rate that may be specified by an applicable tax treaty).

Dividends

Dividends, if any, that are paid to a Non-U.S. Holder of our common stock generally will be subject to withholding of U.S. federal income tax at a 30% rate (or a lower rate that may be specified by an applicable tax treaty). However, dividends that are U.S. trade or business income are not subject to the withholding tax. To claim an exemption from withholding in the case of U.S. trade or business income, or to claim the benefits of an applicable tax treaty, a Non-U.S. Holder must provide us or our paying agent with a properly executed IRS Form W-8ECI (in the case of U.S. trade or business income) or IRS Form W-8BEN (in the case of a treaty), or any successor form that the IRS designates, as applicable, prior to the payment of the dividends. The information provided in these IRS forms must be periodically updated. In certain circumstances, a Non-U.S. Holder who is claiming the benefits of an applicable tax treaty may be required (a) to obtain and to provide a U.S. taxpayer identification number or (b) to provide certain documentary evidence issued by governmental authorities of a foreign country to prove the Non-U.S. Holder's residence in that country. Also, Treasury regulations provide special procedures for payments of dividends through qualified intermediaries.

Sale or Exchange of Our Common Stock

Except as described below and subject to the discussion below concerning backup withholding, any gain realized by a Non-U.S. Holder on the sale or exchange of our common stock generally will not be subject to U.S. federal income or withholding tax, unless:

- the gain is U.S. trade or business income;
- subject to certain exceptions, the Non-U.S. Holder is an individual who is present in the U.S. for 183 days or more in the taxable year of the disposition and meets certain other requirements; or
- we are or have been a "U.S. real property holding corporation" (a "USRPHC") for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition of our common stock and the Non-U.S. Holder's holding period for our common stock.

The tax relating to stock in a USRPHC does not apply to a Non-U.S. Holder whose holdings, actual and constructive, amount to 5% or less of our common stock at all times during the applicable period, provided that our common stock is regularly traded on an established securities market. As of the date of this offering, our common stock will be traded on an established securities market.

Generally, a corporation is a USRPHC if the fair market value of its "U.S. real property interests" equals 50% or more of the sum of the fair market values of (a) its worldwide real property interests and (b) its other assets used or held for use in a trade or business. We believe that we have not been and are not currently a USRPHC for U.S. federal income tax purposes, nor do we anticipate becoming a USRPHC in the future. However, no assurance can be given that we will not become a USRPHC. Non-U.S. Holders are urged to consult their tax advisers to determine the application of these rules to their disposition of our common stock.

Federal Estate Taxes

Common stock owned or treated as owned by an individual who is a Non-U.S. Holder (as specifically defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax, unless an applicable estate tax treaty provides otherwise.

Information Reporting Requirements and Backup Withholding

We must report annually to the IRS and to each Non-U.S. Holder any dividend that is paid to the Non-U.S. Holder. Copies of these information returns also may be made available under the provisions of a treaty or other agreement to the tax authorities of the country in which a Non-U.S. Holder resides. Treasury regulations provide that the backup withholding tax on such dividends (currently at a rate of 28%), as well as certain information reporting requirements, will not apply to dividends paid on our common stock if (a) the Non-U.S. Holder, prior to payment, provides a properly executed IRS Form W-8BEN certifying that the Non-U.S. Holder is not a U.S. person, or otherwise establishes an exemption, and (b) neither we nor our paying agent have actual knowledge, or reason to know, that the Non-U.S. Holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied.

The payment of the gross proceeds from the sale, exchange or other disposition of our common stock to or through the U.S. office of any broker, U.S. or foreign, will be subject to information reporting and possible backup withholding unless (a) the Non-U.S. Holder, prior to payment, certifies its non-U.S. status under penalties of perjury or otherwise establishes an exemption, and (b) the broker does not have actual knowledge, or reason to know, that the Non-U.S. Holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied. The payment of the gross proceeds from the sale, exchange or other disposition of our common stock to or through a non-U.S. office of a non-U.S. broker will not be subject to information reporting or backup withholding unless the non-U.S. broker has certain types of relationships with the U.S. that render the broker a "U.S.-related person." In the case of the payment of the gross proceeds from the sale, exchange or other disposition of our common stock to or through a non-U.S. office of a broker that is either a U.S. person or a U.S.-related person, Treasury regulations require information reporting (but not backup withholding) on the payment unless (a) the broker, prior to payment, has documentary evidence in its files that the owner is a Non-U.S. Holder, and (b) the broker has no knowledge, or reason to know, to the contrary.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, provided that the required information is provided to the IRS.

The preceding discussion of certain material U.S. federal income and estate tax consequences is general information only and is not tax advice. Accordingly, you should consult your own tax adviser as to the particular tax consequences to you of purchasing, holding or disposing of our common stock, including the applicability and effect of any state, local or Non-U.S. tax laws, and of any changes or proposed changes in applicable law.

Underwriters

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. are acting as representatives, have severally agreed to purchase, and GEFAHI, the selling stockholder, has agreed to sell to them, severally, the number of shares of Class A Common Stock indicated below:

Name	Number of Shares
Morgan Stanley & Co. Incorporated	
Goldman, Sachs & Co.	
Banc of America Securities LLC	
Citigroup Global Markets Inc.	
Credit Suisse First Boston LLC	
Deutsche Bank Securities Inc.	
J.P. Morgan Securities Inc.	
Lehman Brothers Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
UBS Securities LLC	
Blaylock & Partners, L.P.	
Cochran, Caronia Securities LLC	
Dowling & Partners Securities LLC	
Edward D. Jones & Co., L.P.	
Fox-Pitt, Kelton Inc.	
Keefe, Bruyette & Woods, Inc.	
Legg Mason Wood Walker, Incorporated	
KeyBanc Capital Markets, a Division of McDonald Investments Inc.	
Raymond James & Associates, Inc.	
Stephens Inc.	
The Williams Capital Group, L.P.	
Total	145,000,000

Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. are the joint book-running managers of this offering.

The underwriters are offering the shares of Class A Common Stock subject to their acceptance of the shares from the selling stockholder and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of Class A Common Stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. These conditions include a condition that the offerings of our Equity Units and Series A Preferred Stock be consummated concurrently with this offering. The underwriters are obligated to take and pay for all of the shares of Class A Common Stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of Class A Common Stock directly to the public at the public offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ a share under the public offering price. Any underwriter may allow, and such dealers may reallow, a concession not in excess of $ a share to other underwriters or to certain dealers. After the initial offering of the shares of Class A Common Stock, the offering price and other selling terms may from time to time be varied by the representatives.

The selling stockholder has granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of 21,750,000 additional shares of Class A Common Stock at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of Class A Common Stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of Class A Common Stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of Class A Common Stock listed next to the names of all underwriters in the preceding table. If the underwriters' option is exercised in full, the total price to the public would be $, the total underwriters' discounts and commissions would be $ and total proceeds to the selling stockholder would be $.

The underwriting discounts and commissions will be determined by negotiations among the selling stockholder and the representatives and are a percentage of the offering price to the public. Among the factors to be considered in determining the discounts and commissions will be the size of the offering, the nature of the security to be offered and the discounts and commissions charged in comparable transactions. The estimated offering expenses are approximately $, which includes legal, accounting and printing costs and various other fees associated with registering and listing the Class A Common Stock. All offering expenses will be payable by GE.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed five percent of the total number of shares of Class A Common Stock offered by them.

Prior to this offering, there has been no public market for our Class A Common Stock. The Class A Common Stock has been approved for listing on The New York Stock Exchange under the symbol "GNW." In order to meet one of the requirements for listing the Class A Common Stock on The New York Stock Exchange, the underwriters have undertaken to sell lots of 100 or more shares of Class A Common Stock to a minimum of 2,000 beneficial holders.

A prospectus in electronic format may be made available on web sites maintained by one or more underwriters. The underwriters may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the joint book-running managers to underwriters that may make Internet distributions on the same basis as other allocations.

Each of Genworth, the selling stockholder, and the directors and executive officers of our company has agreed that, without the prior written consent of Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co., on behalf of the underwriters, it will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock;

- file or cause to be filed any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock;

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. The restrictions described in this paragraph do not apply to:

- the sale of shares of Class A Common Stock to the underwriters;
- the sale of Equity Units to the underwriters of the concurrent offering or the issuance by us of Class A Common Stock pursuant to the conversion of the Equity Units;
- the grant by us of stock options, restricted stock or other awards pursuant to our benefit plans as described in this prospectus, provided that such options, restricted stock or awards do not become exercisable or vest during such 180-day period;
- the issuance by us of shares of Class A Common Stock in connection with the acquisition of another corporation or entity or the acquisition of assets or properties of any such corporation or entity, so long as the aggregate amount of such issuances does not exceed $500 million and each of the recipients of the Class A Common Stock agrees in writing to be bound by the restrictions described in this paragraph for the remainder of such 180-day period;
- the private transfer by the selling stockholder of restricted shares of common stock, so long as the recipient of such common stock agrees in writing to be bound by the restrictions described in this paragraph for the remainder of such 180-day period;
- the issuance by us of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus and which is described in this prospectus of which the underwriters have been advised in writing (including, without limitation, the conversion of GE stock options, stock appreciation rights and restricted stock units into our stock options and restricted stock units and the issuance of common stock upon exercise or exchange thereof as described in this prospectus);
- transfers by directors or executive officers of shares of common stock by gift or to immediate family members, so long as the recipient of such common stock agrees in writing to be bound by the restrictions described in this paragraph for the remainder of such 180-day period;
- transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions after the closing of the offering of the shares; or
- the filing of a registration statement on Form S-8 relating to the issuance of stock options, restricted stock and other awards pursuant to our benefit plans as described in this prospectus.

The 180-day restricted period described above is subject to extension such that, in the event that either (1) during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to us occurs or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the "lock-up" restrictions described above subject to limited exceptions, will continue to apply until the expiration of the 18-day period beginning on the earnings release or the occurrence of the material news or material event.

In order to facilitate the offering of the Class A Common Stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Class A Common Stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale or position may be either "covered" or "naked." A short sale is covered if the aggregate short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position to the extent of the excess. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Class A Common Stock in the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the underwriters may bid for, and purchase, shares of Class A Common Stock in the open market to stabilize the price of the Class A Common Stock. The underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing the Class A Common Stock in the offering, if the syndicate repurchases previously distributed Class A Common Stock to cover syndicate short positions or to stabilize the price of the Class A Common Stock. These activities may raise or maintain the market price of the Class A Common Stock above independent market levels or prevent or retard a decline in the market price of the Class A Common Stock. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

We, the selling stockholder and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act of 1933.

Selling Restrictions

Shares of the Class A Common Stock may not be offered or sold into the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses (or in other circumstances that do not constitute an offer to the public in the United Kingdom for the purposes of the Public Offers of Securities Regulations 1995), and any invitation or inducement to engage in investment activity (within the meaning of section 21(1) of the Financial Services and Markets Act 2000 (the "FSMA")) in connection with the issue or sale of shares of the Class A Common Stock may only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply. All applicable provisions of the Public Offers of Securities Regulations 1995 and the FSMA must be complied with in respect of anything done to shares of the Class A Common Stock in, from or otherwise involving the United Kingdom.

Neither we nor the selling stockholder has authorized any offer of the Class A Common Stock to the public in Belgium. The offering is exclusively conducted under applicable private placement exemptions and, therefore, it has not been notified to, and the prospectus or any other offering material relating to the Class A Common Stock has not been approved by, the Belgium Banking and Finance Commission (Commission Bancaire et Financière/Commissie voor het Bank- en Financiewezen). Accordingly, the offering may not be advertised and no offers, sales, resales, transfers or deliveries of the Class A Common Stock or any distributions of the prospectus or any other offering material relating to the Class A Common Stock may be made directly or indirectly, to any individual or legal entity in Belgium other than: (1) investors required to invest a minimum of €250,000 (per investor and per transaction); (2) institutional investors as defined in Article 3, 2°, of Belgian Royal Decree of 7 July 1999 on the public character of financial transactions, acting for their own account; and (3) persons for which the acquisition of the Class A Common Stock subject to the offering is necessary to enable them to exercise their professional activity.

The shares of Class A Common Stock may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the shares of Class A Common Stock may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

The shares of Class A Common Stock have not been registered under the Securities and Exchange Law of Japan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except: (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

The shares of Class A Common Stock may not be offered, transferred or sold in the Netherlands to any person other than to natural or legal persons who trade or invest in securities in the conduct of their profession or trade within the meaning of section 2 of the Exemption Regulation pursuant to The Netherlands Securities Market Supervision Act 1995 (*Vrijstellingsregeling Wet toezicht effectenverkeer 1995*), which includes banks, securities intermediaries (including dealers and brokers), insurance companies, central governments, large international and supernational institutions, pension funds, other institutional investors and commercial enterprises which, as an ancillary activity, regularly invest in securities in the conduct of a business or a profession.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation or subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than under circumstances in which such offer, sale or invitation does not constitute an offer or sale, or invitation for subscription or purchase, of the shares to the public in Singapore.

Relationships with Underwriters

The underwriters and their affiliates have from time to time provided, and expect to provide in the future, investment banking, commercial banking and other financial services to us and our affiliates, including GE and the selling stockholder, for which they have received and may continue to receive customary fees and commissions. Certain underwriters in this offering will participate in the concurrent offerings of Equity Units and Series A Preferred Stock as well as the subsequent offering of the new senior notes.

In addition, J.P. Morgan Securities Inc. and Banc of America Securities LLC will be the joint bookrunners and joint lead arrangers under the new $1.0 billion 364-day revolving credit facility and $1.0 billion 5-year revolving credit facility to be entered into prior to the completion of this offering. Their affiliates, JPMorgan Chase Bank and Bank of America, N.A., respectively, will serve as co-administrative agents, with JPMorgan Chase Bank also serving as paying agent, for these facilities, and each will commit an aggregate of $200 million to these facilities as lenders. Citicorp North America, Inc. (CNA), an affiliate of Citigroup Global Markets Inc., Deutsche Bank AG New York Branch (DBNY), an affiliate of Deutsche Bank Securities Inc., William Street Commitment Corporation, an affiliate of Goldman, Sachs & Co., Lehman Brothers Bank, FSB (including affiliates), an affiliate of Lehman Brothers Inc. and Morgan Stanley Bank, an affiliate of Morgan Stanley & Co. Incorporated, will be the managing agents and each will commit an aggregate of $150 million to these facilities as lenders. Credit Suisse First Boston (Cayman Islands Branch), an affiliate of Credit Suisse First Boston LLC, Key Bank National Association, an affiliate of KeyBanc Capital Markets, Merrill Lynch Bank USA, an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, and UBS Loan Finance LLC, an affiliate of UBS Securities LLC, each will commit an aggregate of $70 million to these facilities as lenders. In addition, Citigroup Global Markets Inc., Deutsche Bank Securities Inc., and Lehman Brothers Inc. will be the joint lead arrangers and book managers under the new

$2.4 billion 180-day revolving credit facility to be entered into prior to the completion of this offering and their respective affiliates, CNA, DBNY and Lehman Commercial Paper Inc., each will commit an aggregate of $480 million to this facility as lenders, with CNA serving as administrative agent of the lenders. Each of Morgan Stanley Senior Funding, Inc., an affiliate of Morgan Stanley & Co. Incorporated, and Goldman Sachs Credit Partners, L.P., an affiliate of Goldman, Sachs & Co., will commit to an aggregate of $480 million to this facility as lenders. We believe that the fees and commissions that will be payable in respect of participation in the credit facilities will be customary for borrowers with a credit profile similar to ours, for a similar-size financing and for borrowers in our industry.

Pricing of the Offering

Prior to this offering, there has been no public market for the shares of Class A Common Stock. The initial public offering price will be determined by negotiations among Genworth, the selling stockholder and the representative of the underwriters. Among the factors to be considered in determining the initial public offering price will be the future prospects of our company and our industry in general, sales, earnings and certain other financial operating information of our company in recent periods, and the price-earnings ratios, price-to-book-value ratios, market prices of comparable companies and certain financial and operating information of companies engaged in activities similar to those of our company. The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors.

Legal Matters

The validity of the shares of Class A Common Stock offered hereby will be passed upon for us by Weil, Gotshal & Manges LLP, New York, New York. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell, New York, New York.

Experts

The combined financial statements and schedule for Genworth Financial, Inc. as of December 31, 2003 and 2002, and for each of the years in the three-year period ended December 31, 2003 have been included herein in reliance upon the report of KPMG LLP, independent accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing. The audit report refers to a change in accounting for variable interest entities in 2003, goodwill and other intangible assets in 2002, and derivative instruments and hedging activities in 2001.

The statement of financial position of Genworth Financial, Inc. as of December 31, 2003 has been included herein in reliance upon the report of KPMG LLP, independent accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

Additional Information

We have filed with the SEC a registration statement on Form S-1 with respect to the Class A Common Stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all the information set forth in the registration statement or the exhibits and schedules that are part of the registration statement. For further information with respect to us and our Class A Common Stock, reference is made to the registration statement and exhibits and schedules thereto. You may read and copy any document we file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. Our SEC filings are also available to the public from the SEC's website at http://www.sec.gov.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Securities Exchange Act of 1934 and file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information are available for inspection and copying at the SEC's public reference rooms and the website of the SEC referred to above.

You should rely only on the information contained in this prospectus. Neither we, nor the selling stockholder, nor the underwriters, have authorized anyone to provide you with information different from that contained in this prospectus. The selling stockholder is offering to sell and seeking offers to buy shares of Class A Common Stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of the sale of Class A Common Stock.

Index to Financial Statements

WHEN THE TRANSACTIONS REFERRED TO IN NOTE 1 OF THE NOTES TO THE COMBINED FINANCIAL STATEMENTS HAVE BEEN CONSUMMATED, WE WILL BE IN A POSITION TO RENDER THE FOLLOWING REPORT.

/s/ KPMG LLP

Independent Auditors' Report

The Board of Directors
Genworth Financial, Inc.:

We have audited the accompanying combined statement of financial position of Genworth Financial, Inc. (the "Company") as of December 31, 2003 and 2002, and the related combined statements of earnings, stockholder's interest, and cash flows for each of the years in the three-year period ended December 31, 2003. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Genworth Financial, Inc. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 2 to the combined financial statements, the Company changed its method of accounting for variable interest entities in 2003, its method of accounting for goodwill and other intangible assets in 2002, and its method of accounting for derivative instruments and hedging activities in 2001.

Richmond, Virginia
February 6, 2004, except as to
note 1, which is as of   , 2004

Genworth Financial, Inc.

Combined Statement of Earnings

(Dollar amounts in millions, except per share amounts)

	Years Ended December 31,		
	2003	2002	2001
Revenues:			
Premiums	$ 6,703	$ 6,107	$ 6,012
Net investment income	4,015	3,979	3,895
Net realized investment gains	10	204	201
Policy fees and other income	943	939	993
Total revenues	11,671	11,229	11,101
Benefits and expenses:			
Benefits and other changes in policy reserves	5,232	4,640	4,474
Interest credited	1,624	1,645	1,620
Underwriting, acquisition, and insurance expenses, net of deferrals	1,942	1,808	1,823
Amortization of deferred acquisition costs and intangibles	1,351	1,221	1,237
Interest expense	140	124	126
Total benefits and expenses	10,289	9,438	9,280
Earnings from continuing operations before income taxes and accounting changes	1,382	1,791	1,821
Provision for income taxes	413	411	590
Net earnings from continuing operations before accounting changes	969	1,380	1,231
Net earnings (loss) from discontinued operations	186	(206)	180
Loss on sale of discontinued operations	(74)	—	—
Net earnings before accounting changes	1,081	1,174	1,411
Cumulative effect of accounting changes, net of taxes	—	—	(15)
Net earnings	$ 1,081	$ 1,174	$ 1,396
Pro forma earnings per share (see Note 1)	$ 2.21		

See Notes to Combined Financial Statements

Genworth Financial, Inc.

Combined Statement of Financial Position

(Dollar amounts in millions)

	December 31, 2003	December 31, 2002
Assets		
Investments:		
Fixed maturities available-for-sale, at fair value	$ 65,485	$ 60,797
Equity securities available-for-sale, at fair value	600	1,295
Mortgage and other loans, net of valuation allowance of $50 and $45	6,114	5,302
Policy loans	1,105	983
Short-term investments	531	833
Restricted investments held by securitization entities	1,069	—
Other invested assets	3,789	2,870
Total investments	78,693	72,080
Cash and cash equivalents	1,982	1,569
Accrued investment income	1,247	1,245
Deferred acquisition costs	5,788	5,332
Intangible assets	1,346	1,592
Goodwill	1,728	1,702
Reinsurance recoverable	2,334	2,202
Other assets ($65 and $0 restricted in securitization entities)	2,069	2,073
Separate account assets	8,244	7,484
Assets associated with discontinued operations	—	22,078
Total assets	$ 103,431	$ 117,357
Liabilities and Stockholder's Interest		
Liabilities:		
Future annuity and contract benefits	$ 59,257	$ 56,538
Liability for policy and contract claims	3,207	3,014
Unearned premiums	3,616	3,007
Other policyholder liabilities	465	636
Other liabilities	7,051	6,504
Non-recourse funding obligations	600	—
Short-term borrowings	2,239	1,850
Long-term borrowings	529	472
Deferred income taxes	1,405	1,088
Borrowings related to securitization entities	1,018	—
Separate account liabilities	8,244	7,484
Liabilities associated with discontinued operations	—	20,012
Total liabilities	87,631	100,605
Commitments and contingencies		
Stockholder's interest:		
Paid-in capital	8,377	8,079
Accumulated nonowner changes in stockholder's interest		
Net unrealized investment gains	1,518	1,218
Derivatives qualifying as hedges	(5)	(98)
Foreign currency translation adjustments	159	(285)
Total accumulated nonowner changes in stockholder's interest	1,672	835
Retained earnings	5,751	7,838
Total stockholder's interest	15,800	16,752

Total liabilities and stockholder's interest	$	103,431	$	117,357

See Notes to Combined Financial Statements

Genworth Financial, Inc.

Combined Statement of Stockholder's Interest

(Dollar amounts in millions)

	Paid-in capital	Accumulated nonowner changes in stockholder's interest	Retained earnings	Total stockholder's interest
Balances at January 1, 2001	$ 7,941	$ (424)	$ 5,470	$ 12,987
Changes other than transactions with stockholder:				
Net earnings	—	—	1,396	1,396
Net unrealized gains (losses) on investment securities	—	(55)	—	(55)
Cumulative effect on adoption of SFAS 133	—	(351)	—	(351)
Derivatives qualifying as hedges	—	183	—	183
Foreign currency translation adjustments	—	(17)	—	(17)
Total changes other than transactions with stockholder	—	—	—	1,156
Contributed capital	53	—	—	53
Dividends declared	—	—	(31)	(31)
Balances at December 31, 2001	7,994	(664)	6,835	14,165
Changes other than transactions with stockholder:				
Net earnings	—	—	1,174	1,174
Net unrealized gains (losses) on investment securities	—	1,514	—	1,514
Derivatives qualifying as hedges	—	70	—	70
Foreign currency translation adjustments	—	(85)	—	(85)
Total changes other than transactions with stockholder	—	—	—	2,673
Contributed capital	85	—	—	85
Dividends declared	—	—	(171)	(171)
Balances at December 31, 2002	8,079	835	7,838	16,752
Changes other than transactions with stockholder:				
Net earnings	—	—	1,081	1,081
Net unrealized gains (losses) on investment securities	—	300	—	300
Derivatives qualifying as hedges	—	93	—	93
Foreign currency translation adjustments	—	444	—	444
Total changes other than transactions with stockholder	—	—	—	1,918
Contributed capital	298	—	—	298
Dividends declared	—	—	(3,168)	(3,168)
Balances at December 31, 2003	$ 8,377	$ 1,672	$ 5,751	$ 15,800

See Notes to Combined Financial Statements

Genworth Financial, Inc.

Combined Statement of Cash Flows

(Dollar amounts in millions)

	Years Ended December 31, 2003	2002	2001
Cash flows from operating activities:			
Net earnings	$ 1,081	$ 1,174	$ 1,396
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Accretion (amortization) of investment discounts and premiums	18	(5)	(70)
Net realized investment gains	(10)	(204)	(201)
Charges assessed to policyholders	(295)	(198)	(312)
Acquisition costs deferred	(1,758)	(1,906)	(1,721)
Amortization of deferred acquisition costs and intangibles	1,351	1,221	1,237
Deferred income taxes	(63)	(55)	307
Corporate overhead allocation	36	31	27
Cumulative effect of accounting changes, net of taxes	—	—	15
Net (earnings) loss from discontinued operations	(186)	206	(180)
Net loss from sale of discontinued operations	74	—	—
Change in certain assets and liabilities:			
Accrued investment income and other assets	(136)	(223)	33
Insurance reserves	3,105	3,218	2,403
Other liabilities and other policy-related balances	499	1,624	(705)
Cash provided by operating activities	3,716	4,883	2,229
Cash flows from investing activities:			
Proceeds from maturities and repayments of investments:			
Fixed maturities	8,198	5,999	4,827
Mortgage, policy and other loans	1,711	533	979
Other invested assets	73	9	4
Proceeds from sales and securitizations of investments:			
Fixed maturities and equity securities	16,253	22,266	18,428
Other invested assets	110	74	158
Purchases and originations of investments:			
Fixed maturities and equity securities	(26,597)	(33,004)	(30,133)
Mortgage, policy and other loans	(2,653)	(1,438)	(1,100)
Other invested assets	(248)	(236)	(202)
Dividends received from discontinued operations	495	62	—
Payments for businesses purchased, net of cash acquired	44	(61)	(90)
Proceeds from sale of discontinued operations	1,631	—	—
Short-term investment activity, net	302	(729)	61
Cash used in investing activities	(681)	(6,525)	(7,068)
Cash flows from financing activities:			
Proceeds from issuance of investment contracts	8,262	9,749	10,507
Redemption and benefit payments on investment contracts	(8,994)	(7,279)	(5,882)
Proceeds from short-term borrowings	1,300	2,747	2,834
Payments on short-term borrowings	(927)	(3,036)	(2,794)
Proceeds from non-recourse funding obligations	600	—	—
Proceeds from long-term borrowings	—	—	488
Net commercial paper borrowings (repayments)	16	212	(551)
Dividend paid to stockholder	(3,232)	(132)	(6)
Capital contribution received from stockholder	261	32	31
Cash (used in) provided by financing activities	(2,714)	2,293	4,627
Effect of exchange rate changes on cash and cash equivalents	92	37	26
Net increase (decrease) in cash and cash equivalents	413	688	(186)
Cash and cash equivalents at beginning of year	1,569	881	1,067
Cash and cash equivalents at end of year	$ 1,982	$ 1,569	$ 881

See Notes to Combined Financial Statements

(1) Formation of Genworth and Basis of Presentation

Genworth Financial, Inc. ("Genworth") was incorporated in Delaware on October 23, 2003 in preparation for the corporate reorganization of certain insurance and related subsidiaries of General Electric Company ("GE") and a public offering of Genworth common stock. Genworth is a wholly-owned subsidiary of GE Financial Assurance Holdings, Inc. ("GEFAHI"). GEFAHI is an indirect subsidiary of General Electric Capital Corporation ("GE Capital"), which in turn is an indirect subsidiary of GE. GEFAHI is a holding company for a group of companies that provide life insurance, long-term care insurance, group life and health insurance, annuities and other investment products and U.S. mortgage insurance. Immediately prior to the completion of the offering, Genworth acquired substantially all of the assets and liabilities of GEFAHI. At the same time, Genworth also acquired certain other insurance businesses currently owned by other GE subsidiaries. These businesses include international mortgage insurance, European payment protection insurance, a Bermuda reinsurer, and mortgage contract underwriting.

In consideration for the assets and liabilities Genworth acquired in connection with the corporate reorganization, Genworth issued to GEFAHI 489.5 million shares of its Class B Common Stock, $600 million of its Equity Units, $100 million of its Series A cumulative preferred stock, which is mandatorily redeemable, a $2.4 billion short-term note, and a $550 million contingent non-interest-bearing note that matures on the first anniversary of the completion of the offering and will be repaid solely to the extent that statutory contingency reserves from Genworth's mortgage insurance business in excess of $150 million are released and paid to Genworth as a dividend after the date of the offering. The liabilities Genworth assumed included ¥60 billion aggregate principal amount of 1.6% notes due 2011 issued by GEFAHI. Shares of Class B Common Stock convert automatically into shares of Class A Common Stock when they are held by any person other than GE or an affiliate of GE or when GE no longer beneficially owns at least 10% of our outstanding common stock. As a result, all the shares of common stock offered in Genworth's initial public offering consist of Class A Common Stock. Genworth's capital structure immediately following the completion of its corporate reorganization will consist of the securities described above, together with the non-recourse funding obligations described in note 14 and the borrowings associated with the securitization entities described in note 2.

The accompanying combined financial statements include the accounts of certain indirect subsidiaries and businesses of GE that represent the predecessor of Genworth. The companies and business included in the predecessor combined financial statements are GEFAHI, Financial Insurance Company Ltd., FIG Ireland Ltd., WorldCover Direct Ltd., RD Plus S.A., CFI Administrators Ltd., Financial Assurance Company Ltd., Financial Insurance Group Services Ltd., Consolidated Insurance Group Ltd., Viking Insurance Co., Ltd., GE Mortgage Insurance Ltd., GE Mortgage Insurance Pty Ltd., GE Mortgage Insurance (Guernsey) Ltd., GE Capital Mortgage Insurance Company Canada, GE Capital Mortgage Insurance Corp. (Australia) Pty Ltd., The Terra Financial Companies, Ltd., GE Capital Insurance Agency, Inc., CFI Pension Trustees Ltd., Financial Insurance Guernsey PCC Ltd., GE Financial Assurance Compania De Seguros y Reaseguros de Vida S.A., GE Financial Insurance Compania De Seguros y Reaseguros de Vida S.A. and GE Residential Connections Corp., and the consumer protection insurance business of Vie Plus S.A. All of the combined companies and Vie Plus S.A. are indirect subsidiaries of GE. We refer to the combined predecessor companies and business as the "Company", "we", "us", or "our" unless the context otherwise requires.

Following completion of the corporate reorganization, as described above, Genworth has 489.5 million shares of common stock outstanding. Basic and diluted pro forma earnings per share were calculated by dividing historical net earnings for the year ended December 31, 2003 by 489.5 million pro forma basic shares outstanding and by 490 million pro forma diluted shares outstanding, respectively, assuming in each case, that these shares were outstanding as of December 31, 2003. Pro forma shares outstanding used in our calculation of pro forma diluted earnings per share increased due to additional shares of Class A Common Stock available under stock options, restricted stock units and stock appreciation rights and calculated based on the treasury stock method.

Pro forma earnings per share:		
Basic		
Net earnings from continuing operations	$	1.98
Net earnings from discontinued operations		0.38
Loss on sale of discontinued operations		(0.15)
Basic earnings per share	$	2.21
Diluted		
Net earnings from continuing operations	$	1.98
Net earnings from discontinued operations		0.38
Loss on sale of discontinued operations		(0.15)
Diluted earnings per share	$	2.21

(2) Summary of Significant Accounting Policies

Our combined financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America ("U.S. GAAP"). Preparing financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates. All significant intercompany accounts and transactions have been eliminated in combination.

a) Nature of Business

Directly and indirectly through our subsidiaries we sell a variety of insurance and investment-related products in the U.S. and internationally. We have five segments: (i) Protection, (ii) Retirement Income and Investments, (iii) Mortgage Insurance, (iv) Affinity, and (v) Corporate and Other. During 2003, we sold our Japanese life and domestic auto and homeowners' insurance businesses, which are shown as discontinued operations.

Protection includes life insurance, long-term care insurance and, for companies with fewer than 1,000 employees, group life and health insurance. Protection also includes European consumer payment protection insurance, which helps consumers meet their payment obligations in the event of illness, involuntary unemployment, disability or death.

Retirement Income and Investments includes fixed, variable and income annuities, variable life insurance, asset management and specialized products, including guaranteed investment contracts ("GICs"), funding agreements and structured settlements.

Mortgage Insurance includes mortgage insurance products offered in the U.S., Canada, Australia, and Europe that facilitate homeownership by enabling borrowers to buy homes with low-down-payment mortgages.

Affinity includes life and health insurance and other financial products and services offered directly to consumers through affinity marketing arrangements with a variety of organizations, an institutional asset management business and several other small businesses that are not part of our core ongoing business.

Corporate and Other includes net realized investment gains (losses), interest and other debt financing expenses that are incurred at our holding company level, unallocated corporate income and expenses (including amounts accrued in settlement of class action lawsuits), and the results of several small, non-core businesses that are managed outside our operating segments.

b) Premiums

For traditional long-duration insurance contracts (including guaranteed renewable term life, life contingent structured settlements and immediate annuities and long term care insurance), we report premiums as earned when due.

For short-duration insurance contracts (including payment protection insurance), we report premiums as revenue over the terms of the related insurance policies on a pro-rata basis or in proportion to expected claims.

For mortgage insurance contracts, we report premiums over the policy life in accordance with the expiration of risk.

Premiums received under annuity contracts without significant mortality risk and premiums received on investment and universal life products are not reported as revenues but rather as deposits and are included in liabilities for future annuity and contract benefits.

c) Net Investment Income and Net Realized Investment Gains and Losses

Investment income is recorded when earned. Realized investment gains and losses are calculated on the basis of specific identification.

Investment income on mortgage-backed and asset-backed securities is initially based upon yield, cash flow, and prepayment assumptions at the date of purchase. Subsequent revisions in those assumptions are recorded using the retrospective or prospective method. Under the retrospective method, used for mortgage-backed and asset-backed securities of high credit quality (ratings equal to or greater than AA or that are U.S. Agency backed) and cannot be contractually prepaid, amortized cost of the security is adjusted to the amount that would have existed had the revised assumptions been in place at the date of purchase. The adjustments to amortized cost are recorded as a charge or credit to net investment income. Under the prospective method, which is used for other mortgage-backed and asset-backed securities, future cash flows are estimated and interest income is recognized going forward using the new internal rate of return. As of December 31, 2003, all our mortgage-backed and asset-backed securities that have had subsequent revisions in yield, cash flow or prepayment assumptions were accounted for under the retrospective method.

d) Policy Fees and Other Income

Policy fees and other income consists primarily of insurance charges assessed on universal life contracts, fees assessed against policyholder account values and commission income. Charges to policyholder accounts for universal life cost of insurance is recognized as revenue when due. Variable product fees are charged to variable annuity and variable life policyholders based upon the daily net assets of the policyholder's account values and are recognized as revenue when charged. Policy surrender fees are recognized as income when the policy is surrendered. Consumer protection package dues are recognized as income over the membership period.

e) Investment Securities

We have designated all of our investment securities as available-for-sale and report them in our Combined Statement of Financial Position at fair value. We obtain values for actively traded securities from external pricing services. For infrequently traded securities, we obtain quotes from brokers, or we estimate values using internally developed pricing models. These models are based upon common valuation techniques and require us to make assumptions regarding credit quality, liquidity and other factors that affect estimated values. Changes in the fair value of available-for-sale investments, net of the effect on deferred acquisition costs ("DAC"), present value of future profits ("PVFP") and deferred income taxes, are reflected as unrealized investment gains or losses in a separate component of accumulated nonowner changes in stockholder's interest and, accordingly, have no effect on net income.

We regularly review investment securities for impairment in accordance with our policy, which includes both quantitative and qualitative criteria. Quantitative measures include length of time and amount that each security position is in an unrealized loss position, and for fixed maturities, whether the issuer is in compliance with terms and covenants of the security. Our qualitative criteria include the financial strength and specific prospects for the issuer as well as our intent to hold the security until recovery. We actively perform comprehensive market research, monitor market conditions and segment our investments by credit risk in order to minimize impairment risks. The risks inherent in reviewing the impairment of any investment security include the risk that market results may differ from expectations; facts and circumstances may change in the future and differ from estimates and assumptions; or we may later decide to sell an investment security before it recovers in value as a result of changed circumstances. If we change our estimate to conclude that a decline in the value of an investment security is other than temporary, we will reflect a charge for the impairment in the period our estimate changes.

f) Mortgage, Policy and Other Loans

Mortgage, policy and other loans are stated at the unpaid principal balance of such loans, net of allowances for estimated uncollectible amounts. The allowance for losses is determined on the basis of management's best estimate of probable losses, including specific allowances for known troubled loans, if any.

g) Cash and Cash Equivalents

Certificates of deposit, money market funds, and other time deposits with original maturities of less than 90 days are considered cash equivalents in the Combined Statement of Financial Position and

Combined Statement of Cash Flows. Items with maturities greater than 90 days but less than one year at the time of acquisition are included in short-term investments.

h) Securities Lending Activity

We engage in certain securities lending transactions, which require the borrower to provide collateral, primarily consisting of cash and government securities, on a daily basis, in amounts equal to or exceeding 102% of the fair value of the applicable securities loaned. We maintain effective control over all loaned securities and, therefore, continue to report such securities as fixed maturities in the Combined Statement of Financial Position.

Cash collateral received on securities lending transactions is invested in other invested assets with an offsetting liability recognized in other liabilities for the obligation to return the collateral. Non-cash collateral, such as a security received by us, is not reflected in our assets in the Combined Statement of Financial Position as we have no right to sell or repledge the collateral. The fair value of collateral held and included in other invested assets was $3.0 billion and $2.2 billion at December 31, 2003 and 2002, respectively. We had no non-cash collateral at December 31, 2003 and 2002.

i) Deferred Acquisition Costs (DAC)

Acquisition costs include costs which vary with and are primarily related to the acquisition of insurance and investment contracts and consumer protection packages. Such costs are deferred and amortized as follows:

Long-Duration Contracts—Acquisition costs include commissions in excess of ultimate renewal commissions, solicitation and printing costs, sales material and some support costs, such as underwriting and contract and policy issuance expenses. Amortization for traditional long-duration insurance products is determined as a level proportion of premium based on commonly accepted actuarial methods and reasonable assumptions established when the contract or policy is issued about mortality, morbidity, lapse rates, expenses and future yield on related investments. Amortization for annuity contracts without significant mortality risk and investment and universal life products is based on estimated gross profits and is adjusted as those estimates are revised.

Short-Duration Contracts—Acquisition costs consist primarily of commissions and premium taxes and are amortized ratably over the terms of the underlying policies.

Consumer Protection Packages—Acquisition costs, consisting of incremental direct, third party costs, as well as payroll and related costs for the portion of employees who are directly associated with direct-response advertising, are deferred when (1) the purpose of the advertising is to elicit sales to customers who can be shown to have responded specifically to the advertising, and (2) it is probable that future primary revenues from customers obtained through direct-response advertising will exceed the amount capitalized. Amortization of costs deferred is in proportion to the anticipated revenue to be recognized from club memberships specific to the deferrals, over the expected life of the applicable customer relationship, which varies by product. As of December 31, 2003, the average amortization period was approximately two years.

We regularly review all of these assumptions and periodically test DAC for recoverability. For deposit products, if the current present value of estimated future gross profits is less than the unamortized DAC for a line of business, a charge to income is recorded for additional DAC amortization. For other products, if the benefit reserve plus anticipated future premiums and interest earnings for a line of business are less than the current estimate of future benefits and expenses (including any unamortized DAC), a charge to income is recorded for additional DAC amortization or for increased benefit reserves.

j) Intangible Assets

Present Value of Future Profits—In conjunction with the acquisition of a block of insurance policies or investment contracts, a portion of the purchase price is assigned to the right to receive future gross profits arising from existing insurance and investment contracts. This intangible asset, called PVFP, represents the actuarially estimated present value of future cash flows from the acquired policies. PVFP is amortized, net of accreted interest, in a manner similar to the amortization of DAC.

We regularly review all of these assumptions and periodically test PVFP for recoverability. For deposit products, if the current present value of estimated future gross profits is less than the unamortized PVFP for a line of business, a charge to income is recorded for additional PVFP amortization. For other products, if the benefit reserve plus anticipated future premiums and interest earnings for a line of business are less than the current estimate of future benefits and expenses (including any unamortized PVFP), a charge to income is recorded for additional PVFP amortization or for increased benefit reserves.

Other Intangible Assets—We amortize the costs of other intangibles over their estimated useful lives unless such lives are deemed indefinite. Amortizable intangible assets are tested for impairment at least annually based on undiscounted cash flows, which requires the use of estimates and judgment, and, if impaired, written down to fair value based on either discounted cash flows or appraised values. Intangible assets with indefinite lives are tested at least annually for impairment and written down to fair value as required.

k) Goodwill

As of January 1, 2002, we adopted Statement of Financial Accounting Standard (SFAS) 142, *Goodwill and Other Intangible Assets*. Under SFAS 142, goodwill is no longer amortized but is tested for impairment at least annually using a fair value approach, which requires the use of estimates and judgment, at the "reporting unit" level. A reporting unit is the operating segment, or a business one level below that operating segment (the "component" level) if discrete financial information is prepared and regularly reviewed by management at the component level. We recognize an impairment charge for any amount by which the carrying amount of a reporting unit's goodwill exceeds its fair value. We use discounted cash flows to establish fair values. When available and as appropriate, we use comparative market multiples to corroborate discounted cash flow results. When a business within a reporting unit is disposed of, goodwill is allocated to the business using the relative fair value methodology to measure the gain or loss on disposal.

Before January 1, 2002, we amortized goodwill over our estimated period of benefit on a straight-line basis; we amortized other intangible assets on appropriate bases over their estimated lives. No amortization period exceeded 40 years. When an intangible asset's carrying value exceeded associated expected operating cash flows, we considered it to be impaired and wrote it down to fair value, which we determined based on either discounted future cash flows or appraised values.

l) Reinsurance

Premium revenue, benefits, underwriting, acquisition and insurance expenses are reported net of the amounts relating to reinsurance ceded to other companies. Amounts due from reinsurers for incurred and estimated future claims are reflected in the reinsurance recoverable asset. The cost of reinsurance is accounted for over the terms of the related treaties using assumptions consistent with those used to account for the underlying reinsured policies.

m) Separate Accounts

The separate account assets represent funds for which the investment income and investment gains and losses accrue directly to the variable annuity contract holders and variable life policyholders. We assess mortality risk fees and administration charges on the variable mutual fund portfolios. The separate account assets are carried at fair value and are equal to the liabilities that represent the policyholders' equity in those assets.

n) Future Annuity and Contract Benefits

Future annuity and contract benefits consist of the liability for investment contracts, insurance contracts and accident and health contracts. Investment contract liabilities are generally equal to the policyholder's current account value. The liability for life insurance and accident and health contracts is calculated based upon actuarial assumptions as to mortality, morbidity, interest, expense and withdrawals, with experience adjustments for adverse deviation where appropriate.

o) Liability for Policy and Contract Claims

The liability for policy and contract claims represents the amount needed to provide for the estimated ultimate cost of settling claims relating to insured events that have occurred on or before the end of the respective reporting period. The estimated liability includes requirements for future payments of (a) claims that have been reported to the insurer, (b) claims related to insured events that have occurred but that have not been reported to the insurer as of the date the liability is estimated, and (c) claim adjustment expenses. Claim adjustment expenses include costs incurred in the claim settlement process such as legal fees and costs to record, process, and adjust claims.

For our mortgage insurance policies, reserves are established for loans that are delinquent (including loans that are delinquent but have not yet been reported) by forecasting the percentage of delinquent loans where we will ultimately pay claims and the average claim that will be paid based on our historical experience.

Management considers the liability for policy and contract claims provided to be satisfactory to cover the losses that have occurred. Management monitors actual experience, and where circumstances warrant, will revise its assumptions. The methods of determining such estimates and establishing the reserves are reviewed continuously and any adjustments are reflected in operations in the period in which they become known. Future developments may result in losses and loss expenses greater or less than the liability for policy and contract claims provided.

p) Income Taxes

Our non-life insurance entities are included in the consolidated federal income tax return of GE. These entities are subject to a tax-sharing arrangement that allocates tax on a separate company basis, but provides benefit for current utilization of losses and credits. Our U.S. life insurance entities file a consolidated life insurance federal income tax return and are subject to a separate tax-sharing agreement, as approved by state insurance regulators, which also allocates taxes on a separate company basis but provides benefit for current utilization of losses and credits. Intercompany balances are settled at least annually.

Deferred federal and foreign taxes are provided for temporary differences between the carrying amounts of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered.

With the exception of our Canadian subsidiary, we have not established any U.S. deferred income taxes on temporary differences related to the financial statement carrying amounts and tax bases of investments in foreign subsidiaries. We have elected to permanently reinvest the earnings of our material foreign subsidiaries.

q) Foreign Currency Translation

The local currency is the functional currency of our foreign operations. The determination of the functional currency is made based on the appropriate economic and management indicators. The assets and liabilities of foreign operations are translated into U.S. dollars at the exchange rates in effect at the Combined Statement of Financial Position date. Revenue and expenses of the foreign operations are translated into U.S. dollars at the average rates of exchange prevailing during the year. Translation adjustments are included, net of tax, as a separate component of accumulated nonowner changes in stockholder's interest. Gains and losses arising from transactions denominated in a foreign currency are included in earnings.

r) Accounting Changes

We adopted FASB Interpretation 46 ("FIN 46"), *Consolidation of Variable Interest Entities* on July 1, 2003.

GE Capital, our indirect parent, provides credit and liquidity support to a funding conduit it sponsored, which exposes it to a majority of the risks and rewards of the conduit's activities and therefore makes GE Capital the primary beneficiary of the funding conduit. Upon adoption of FIN 46, GE Capital was required to consolidate the funding conduit because of this financial support. As a result, assets and liabilities of certain previously off-balance sheet securitization entities, for which we were the transferor, were required to be included in our financial statements because the funding conduit no longer qualified as a third party. Because these securitization entities lost their qualifying status, we were required to include $1.2 billion of securitized assets and $1.1 billion of associated liabilities in our Combined Statement of Financial Position in July 2003. The assets and liabilities associated with these securitization entities have been reported in the corresponding financial statement captions in our Combined Statement of Financial Position, and the assets are noted as restricted due to the lack of legal control we have over them. We apply the same accounting policies to these restricted assets and liabilities as we do to our unrestricted assets and liabilities.

As of December 31, 2003, restricted investments held by securitization entities consisted of $639 million of fixed maturities and $430 million of commercial mortgage loans. These balances will decrease as the assets mature because we will not sell any additional assets to these consolidated entities. In addition, as of December 31, 2003, the borrowings related to securitization entities consisted of $608 million at a fixed interest rate of 5.528% due June 2025 and $410 million at a fixed rate of 6.0175% due October 2023. These borrowings are required to be paid down as principal is collected on the restricted investments held by the securitization entities and accordingly the repayment of these borrowings follows the maturity or prepayment, as permitted, of the restricted investments.

While FIN 46 represents a significant change in accounting principles governing consolidation, it does not change the economic or legal characteristics of asset sales. Entities consolidated are those that GE Capital sponsored and/or to which GE Capital provided financial support, but are not controlled by GE Capital or us. These entities were associated with asset securitization and other asset sales. Liabilities included in these entities are not our legal obligations but will be repaid with cash flows generated by the related assets, which are designated solely for the repayment of these liabilities and are not available for sale by us. As we no longer sell or securitize assets into these entities, the carrying amounts of assets and liabilities will decrease over time. Our July 1, 2003 consolidation of FIN 46 entities had no effect on previously reported earnings.

We included in the Combined Statement of Earnings for the year ended December 31, 2003 $36 million of revenue, $2 million of general expenses and $27 million of interest expense associated with our newly consolidated entities.

The following table summarizes the assets and liabilities associated with these newly consolidated entities, which are included in our Corporate and Other segment for reporting purposes, at December 31, 2003:

(Dollar amounts in millions)

Assets		
Restricted investments held by securitization entities	$	1,069
Other assets		65
Total[(a)]	$	1,134
Liabilities		
Borrowings related to securitization entities	$	1,018
Other liabilities		59
Total	$	1,077

(a) Includes $51 million of former retained interests in securitized assets now consolidated.

As of December 31, 2003, the amortized cost, gross unrealized gains and losses, and estimated fair value of our restricted fixed maturities held by securitization entities were as follows:

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
	(Dollar amounts in millions)			
Fixed maturities:				
U.S. government and agencies	$ 26	$ 1	$ —	$ 27
U.S. corporate	564	18	(21)	561
Public utilities	4	—	—	4
Mortgage and asset-backed	45	3	(1)	47
Total restricted fixed maturities	$ 639	$ 22	$ (22)	$ 639

None of these restricted fixed maturities were in an unrealized loss position for more than 6 months. No single security had an unrealized loss greater than $5 million.

The scheduled maturity distribution of these restricted fixed maturities as of December 31, 2003 is set forth below. Actual maturities may differ from contractual maturities because issuers of securities may have the the right to call or prepay obligations with or without call or prepayment penalties.

(Dollar amounts in millions)	Amortized cost	Estimated fair value
Due 2004	$ 73	$ 71
Due 2005–2008	303	309
Due 2009–2013	160	158
Due 2014 and later	58	54
Subtotal	594	592
Mortgage and asset-backed	45	47
Total restricted fixed maturities	$ 639	$ 639

The following table presents our restricted fixed maturities by NAIC designations or equivalent ratings of the Nationally Recognized Statistical Rating Organizations, as well as the percentage, based upon estimated fair value, that each designation comprised as of December 31, 2003.

NAIC Rating (Dollar amounts in millions)	Rating Agency Equivalent Designation	Amortized cost	Estimated Fair Value	% of total
1	Aaa/Aa/A	$ 222	$ 224	35%
2	Baa	415	413	65%
5	Caa and lower	2	2	0%
	Total restricted fixed maturities	$ 639	$ 639	100%

The following table sets forth the distribution across geographic regions and property types for restricted commercial mortgage loans as of December 31, 2003:

(Dollar amounts in millions)	Carrying value	% of total
Property Type		
Retail	$ 208	48%
Office	106	25%
Industrial	61	14%
Apartments	28	7%
Mixed use/other	27	6%
Total	$ 430	100%
Region		
South Atlantic	$ 117	27%
Pacific	90	21%
East North Central	54	13%
Mountain	42	10%
Middle Atlantic	41	10%
West South Central	25	6%
West North Central	23	5%
East South Central	23	5%
New England	15	3%
Total	$ 430	100%

There is no allowance for losses related to these restricted commercial mortgage loans.

Assets in entities that were either sponsored by GE Capital or to which GE Capital provided financial support were $1.9 billion at December 31, 2003 and 2002. Of the total, $1.1 billion was held by entities that were consolidated and $0.8 billion remained off balance sheet. New disclosure requirements related to off-balance sheet arrangements that became effective this year encompass a broader array of arrangements than those at risk for consolidation. These arrangements include transactions with term securitization entities, as well as transactions with conduits that are sponsored by third parties. At December 31, 2003 assets in these entities, which are QSPEs, were $1.6 billion as compared to $1.9 billion at December 31, 2002. The most meaningful analysis of securitization activity before FIN 46 adoption (primarily conducted through sponsored and supported entities) and activity subsequent to that adoption, is a comparison of total "securitized assets", as follows:

(Dollar amounts in millions)	December 31, 2003	December 31, 2002
Receivables secured by:		
Commercial mortgage loans	$ 1,246	$ 428
Fixed maturities	639	679
Other assets	865	825
Total securitized assets	$ 2,750	$ 1,932
Consolidated assets held by securitization entities	$ 1,134	$ —
Off-balance sheet:		
Sponsored and supported	800	1,932
Other	816	—
Total securitized assets	$ 2,750	$ 1,932

We have entered into credit support arrangements in connection with our securitization transactions. Pursuant to these arrangements, as of December 31, 2003, we provided limited recourse for a maximum of $119 million of credit losses. We have not been required to make any payments under any of the credit support agreements. These agreements will remain in place throughout the life of the related entities.

In April 2003, the FASB issued SFAS 133 Implementation Issue B36, *Modified Coinsurance Arrangements with Debt Instruments that Incorporate Credit Risk Exposures that are Unrelated or Only Partially Related to the Creditworthiness of the Obligor under those Instruments* (B36), which was effective for us on October 1, 2003. B36 provides that modified coinsurance arrangements, where the ceding insurer withholds funds, may include an embedded derivative that must be bifurcated from the host instrument. The adoption of B36 did not have a material impact on our results of operations or financial condition.

We adopted SFAS 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*, as of July 1, 2003. SFAS 150 requires certain financial instruments previously classified as either entirely equity or between the liabilities section and the equity section of the Combined Statement of Financial Position be classified as liabilities. SFAS 150 requires issuers to classify as liabilities the following three types of freestanding financial instruments: mandatory redeemable financial instruments, obligations to repurchase the issuers equity shares by transferring assets and certain obligations to issue a variable number of shares. The adoption of SFAS 150 did not have a material impact on our results of operations or financial condition.

We adopted SFAS 142, *Goodwill and Other Intangible Assets*, effective January 1, 2002. Under SFAS 142, goodwill is no longer amortized but is tested for impairment using a fair value methodology. We discontinued amortization of goodwill effective January 1, 2002. Goodwill amortization was $84 million in 2001, excluding goodwill amortization included in discontinued operations. Had we not been amortizing goodwill in the year ended December 31, 2001, net earnings from continuing operations would have been $1.3 billion.

Under SFAS 142, we were required to test all existing goodwill for impairment as of January 1, 2002, on a reporting unit basis, and recorded a non-cash charge of $376 million, net of tax, which relates to the domestic auto and homeowners' insurance business, primarily as a result of heightened price competition in the auto insurance industry. This is reflected in net earnings (loss) from discontinued operations in the combined financial statements. No impairment charge had been required under our previous goodwill impairment policy, which was based on undiscounted cash flows. Further information about goodwill is provided in note 8.

In 2002, we adopted the stock option expense provisions of SFAS 123, *Accounting for Stock-Based Compensation*, for stock options granted by GE to our employees. A comparison of reported and pro forma net earnings, including effects of expensing stock options, follows:

(Dollar amounts in millions)	2003	2002	2001
Net earnings, as reported	$ 1,081	$ 1,174	$ 1,396
Stock option expense included in net earnings	2	1	—
Total stock option expense[(a)]	(8)	(10)	(9)
Net earnings, on pro forma basis	$ 1,075	$ 1,165	$ 1,387

(a) As if we had applied SFAS 123 to expense stock options in all periods. Includes $2 million and $1 million actually recognized in net earnings for the years ended December 31, 2003 and 2002, respectively.

In June 2002, the FASB issued SFAS 146, *Accounting for Costs Associated with Exit or Disposal Activities*. Previous guidance required expenses for exit or disposal activities to be accrued when the exit or disposal plan was approved by management and the liability was probable and quantifiable regardless of when the expense would be incurred. This standard requires that liabilities or costs associated with such activities be recognized when incurred. This standard also requires that any such liability be recognized initially at fair value. The provisions of this standard are effective for exit or disposal activities initiated after December 31, 2002. The adoption of this standard did not have an impact on our results of operations or financial condition.

At January 1, 2001, we adopted SFAS 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended. Under SFAS 133, all derivative instruments (including certain derivative instruments embedded in other contracts) are recognized in the Combined Statement of Financial Position at their fair values and changes in fair value are recognized immediately in earnings, unless the derivatives qualify as hedges of future cash flows, in which case the effective portion of changes in fair value is recorded temporarily in stockholder's interest, then recognized in earnings along with the related effects of the hedged items. Any ineffective portion of hedges is reported in earnings as it occurs. Further information about derivatives and hedging is provided in note 19.

The cumulative effect of adopting this accounting change at January 1, 2001, was as follows:

(Dollar amounts in millions)	Earnings[a]	Stockholder's interest
Adjustment to fair value of derivatives	$ (23)	$ (555)
Income tax effects	8	204
Total	$ (15)	$ (351)

(a) For earnings effect, amount shown is net of adjustment to hedged items.

The cumulative effect on both earnings and stockholder's interest of adopting SFAS 133 was primarily attributable to marking to market currency swap contracts used to hedge non-functional currency investments and swap contracts used to hedge variable-rate borrowings. Decreases in the fair values of these instruments were attributable to declines in interest rates since inception of the hedging arrangements.

As a matter of policy, we ensure that funding, including the effect of derivatives, of our investment and other financial asset positions are substantially matched in character (e.g., fixed vs. floating) and duration. As a result, declines in the fair values of these effective derivatives are offset by unrecognized gains on the related financing assets and hedged items, and future net earnings will not be subject to volatility arising from interest rate changes.

In October 2001, the Financial Accounting Standards Board (FASB) issued SFAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. SFAS 144 addresses accounting and reporting for the impairment or disposal of long-lived assets. This statement supersedes SFAS 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of*. Effective January 1, 2002, we adopted SFAS 144 for impairments of long-lived assets and for long-lived assets to be disposed of on or after January 1, 2002. See note 4 for a description of our discontinued operations.

s) Accounting Pronouncements Not Yet Adopted

In July 2003, the American Institute of Certified Public Accountants issued Statement of Position (SOP) 03-1, *Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts*, which we will adopt on January 1, 2004. This statement provides guidance on separate account presentation and valuation, the accounting for sales inducements and the classification and valuation of long-duration contract liabilities. We do not expect the adoption of SOP 03-1 to have a material impact on our results of operations or financial condition.

(3) Acquisitions

Each of the following acquisitions has been accounted for using the purchase method of accounting and, accordingly, the accompanying combined financial statements reflect the corresponding results of operations from the respective dates of acquisition (or date of the transfer as described below).

In May 2003, we acquired Spread Eagle Insurance Company Limited, renamed GE Mortgage Insurance (Guernsey) Limited, for approximately $54 million, including identifiable intangible assets of approximately $20 million.

In April 2002, GE Edison Life Insurance Company ("GE Edison") acquired Saison Life Insurance Company Limited ("Saison Life") from Credit Saison Co., Ltd., Saison Group, Ltd. and its other shareholders for ¥7.8 billion, or approximately $61 million, representing ¥12.8 billion of payments to shareholders less ¥5.0 billion of contingent debt. On the date of acquisition, Saison Life had approximately $4.3 billion of assets, including $2.4 billion of cash and $1.9 billion of other assets, and $4.3 billion of liabilities and equity, including $82 million of perpetual subordinated debt. Goodwill of $307 million was recorded as a result of the acquisition at December 31, 2002. This business has been accounted for as discontinued operations in the accompanying combined financial statements (for further discussion see note 4).

In December 2001, we acquired Centurion Capital Group ("Centurion"), renamed GE Private Asset Management, for approximately $92 million, including goodwill of $94 million. Centurion is a West Coast-based asset management company.

(4) Discontinued Operations

Upon completion of the reorganization described in note 1, we no longer have continuing involvement with the Japanese life insurance and domestic auto and homeowners' insurance businesses (together "Japan/Auto") and accordingly, those operations have been accounted for as discontinued operations. Therefore, the results of operations of these businesses are reflected as discontinued operations and removed from the Combined Statement of Cash Flows for all periods presented in the combined financial statements.

On August 29, 2003, we completed the sale of our Japan/Auto businesses to American International Group, Inc. for aggregate cash proceeds of approximately $2.1 billion, consisting of $1.6 billion paid to us and $0.5 billion paid to other GE affiliates, plus pre-closing dividends of $495 million. The sale resulted in a loss of $74 million (net of taxes of $158 million).

Summary operating results of discontinued operations for the years ended December 31, are as follows:

(Dollar amounts in millions)	2003	2002	2001
Revenues	$ 1,985	$ 2,622	$ 2,706
Earnings before income taxes and accounting changes	$ 284	$ 229	$ 279
Provision for income taxes	98	59	99
Earnings before accounting changes	186	170	180
Cumulative effect of accounting changes, net of taxes	—	(376)	—
Net earnings (loss) from discontinued operations	$ 186	$ (206)	$ 180

The domestic auto and homeowners' insurance business declared and paid a dividend of $62 million in 2002.

The assets and liabilities associated with discontinued operations prior to the sale have been segregated in the Combined Statement of Financial Position. The major asset and liability categories at December 31, 2002 are as follows:

(Dollar amounts in millions)	2002
Investments	$ 17,906
Cash and cash equivalents	1,135
Deferred acquisition costs	646
Intangible assets and goodwill	1,409
Other assets	982
Assets associated with discontinued operations	$ 22,078
Future annuity and contract benefits	$ 16,733
Liability for policy and contract claims	781
Unearned premiums	259
Short-term borrowings	—
Long-term borrowings	530
Other liabilities	1,709
Liabilities associated with discontinued operations	$ 20,012

(5) Investments

(a) Net Investment Income

For the years ended December 31, sources of net investment income were as follows:

(Dollar amounts in millions)	2003	2002	2001
Fixed maturities	$ 3,482	$ 3,491	$ 3,391
Equity securities	27	39	36
Mortgage and other loans	410	361	348
Policy loans	88	71	64
Other	75	78	111
Gross investment income	4,082	4,040	3,950
Investment expenses	(67)	(61)	(55)
Net investment income	$ 4,015	$ 3,979	$ 3,895

(b) Fixed Maturities and Equity Securities

For the years ended December 31, gross realized investment gains and losses resulting from the sales of investment securities classified as available for sale were as follows:

(Dollar amounts in millions)	2003	2002	2001
Gross realized investment:			
Gains	$ 473	$ 790	$ 814
Losses, including impairments[(a)]	(463)	(586)	(613)
Net realized investment gains	$ 10	$ 204	$ 201

(a) Impairments were $224 million, $343 million and $289 million in 2003, 2002 and 2001, respectively.

Net unrealized gains and losses on investment securities classified as available for sale are reduced by deferred income taxes and adjustments to PVFP and DAC that would have resulted had such gains and losses been realized. Net unrealized gains and losses on available-for-sale investment securities reflected as a separate component of accumulated nonowner changes in stockholder's interest at December 31, are summarized as follows:

(Dollar amounts in millions)	2003	2002	2001
Net unrealized gains (losses) on available-for-sale investment securities:			
Fixed maturities	$ 2,669	$ 1,336	$ (508)
Equity securities	52	(208)	(206)
Subtotal	2,721	1,128	(714)
Adjustments to present value of future profits and deferred acquisition costs	(388)	(74)	60
Deferred income taxes, net	(815)	(372)	230
Subtotal	1,518	682	(424)
Net unrealized gains on investment securities included in assets associated with discontinued operations, net of deferred taxes of $0, $(295) and $(66)	—	536	128
Net unrealized gains (losses) on available-for-sale investment securities	$ 1,518	$ 1,218	$ (296)

The change in the net unrealized gains (losses) on available-for-sale investment securities reported in accumulated nonowner changes in stockholder's interest for the years ended December 31, is as follows:

(Dollar amounts in millions)	2003	2002	2001
Net unrealized gains (losses) on investment securities at January 1	$ 1,218	$ (296)	$ (241)
Unrealized gains on investment arising during the period:			
Unrealized gain on investment securities	1,569	2,046	212
Adjustment to deferred acquisition costs	(231)	(75)	(17)
Adjustment to present value of future profits	(83)	(59)	8
Provision for deferred income taxes	(434)	(677)	(46)
Unrealized gains on investment securities	821	1,235	157
Reclassification adjustments to net realized investment gains (losses) net of deferred taxes of $9, $(75) and $(72)	15	(129)	(129)
Unrealized gains (losses) on investment securities included in assets associated with discontinued operations arising during the period, net of deferred taxes	(532)	511	(49)
Reclassification adjustment to net earnings from discontinued operations, net of deferred taxes of $(2), $(55) and $(18)	(4)	(103)	(34)
Net unrealized gains (losses) on investment securities at December 31	$ 1,518	$ 1,218	$ (296)

At December 31, the amortized cost or cost, gross unrealized gains and losses, and estimated fair value of our fixed maturities and equity securities classified as available for sale were as follows:

2003	Amortized cost or cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
(Dollar amounts in millions)				
Fixed maturities:				
U.S. government and agencies	$ 1,025	$ 48	$ 18	$ 1,055
State and municipal	3,221	130	1	3,350
Government—non U.S.	1,510	49	8	1,551
U.S. corporate	31,454	1,863	292	33,025
Corporate—non U.S.	7,624	378	53	7,949
Public utilities	5,919	411	27	6,303
Mortgage and asset-backed	12,063	269	80	12,252
Total fixed maturities	62,816	3,148	479	65,485
Equity securities	548	60	8	600
Total available-for-sale securities	$ 63,364	$ 3,208	$ 487	$ 66,085

2002	Amortized cost or cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
(Dollar amounts in millions)				
Fixed maturities:				
U.S. government and agencies	$ 1,131	$ 54	$ 18	$ 1,167
State and municipal	3,203	117	13	3,307
Government—non U.S.	957	47	3	1,001
U.S. corporate	30,359	1,401	733	31,027
Corporate—non U.S.	5,131	219	103	5,247
Public utilities	6,785	239	245	6,779
Mortgage and asset-backed	11,895	428	54	12,269
Total fixed maturities	59,461	2,505	1,169	60,797
Equity securities	1,503	54	262	1,295
Total available-for-sale securities	$ 60,964	$ 2,559	$ 1,431	$ 62,092

We regularly review investment securities for impairment in accordance with our impairment policy, which includes both quantitative and qualitative criteria. Quantitative measures include length of time and amount that each security position is in an unrealized loss position, and for fixed maturities, whether the issuer is in compliance with terms and covenants of the security. Our qualitative criteria include the financial strength and specific prospects for the issuer as well as our intent to hold the security until recovery. Our impairment reviews involve our finance and risk teams as well as the portfolio management and research capabilities of GE Asset Management ("GEAM"). Our qualitative review attempts to identify those issuers with a greater than 50% chance of default in the coming twelve months. These securities are characterized as "at-risk" of impairment. As of December 31, 2003, securities "at risk" of impairment had aggregate unrealized losses of $40 million.

For fixed maturities, we recognize an impairment charge to earnings in the period in which we determine that we do not expect either to collect principal and interest in accordance with the contractual terms of the instruments or to recover based upon underlying collateral values, considering events such as a payment default, bankruptcy or disclosure of fraud. For equity securities, we recognize an impairment charge in the period in which we determine that the security will not recover to book value within a reasonable period. We determine what constitutes a reasonable period on a security-by-security basis based upon a consideration of all the evidence available to us, including the magnitude of an unrealized loss and its duration. In any event, this period does not exceed 18 months for common equity securities. We measure impairment charges based upon the difference between the book value of a security and its fair value. Fair value is based upon quoted market price, except for certain infrequently traded securities where we estimate values using internally developed pricing models. These models are based upon common valuation techniques and require us to make assumptions regarding credit quality, liquidity and other factors that affect estimated values. The carrying value of infrequently traded securities as of December 31, 2003 was $14.1 billion.

In the years ended December 31, 2003, 2002 and 2001, we recognized impairment losses of $224 million, $343 million and $289 million, respectively. We generally intend to hold securities in unrealized loss positions until they recover. However, from time to time, we sell securities in the ordinary course of managing our portfolio to meet diversification, credit quality, yield and liquidity requirements. In the year ended December 31, 2003, the pre-tax realized investment loss incurred on the sale of fixed maturities and equity securities was $239 million. The aggregate fair value of securities sold during that year was $5,220 million, which was approximately 96% of book value.

The following tables present the gross unrealized losses and estimated fair values of our investment securities, aggregated by investment type and length of time that individual investment securities have been in a continuous unrealized loss position, as of December 31, 2003:

	Less Than 12 Months				
(Dollar amounts in millions)	Amortized cost or cost	Estimated fair value	Gross unrealized losses	% underwater	# of securities
Fixed maturities:					
U.S. government and agencies	$ 228	$ 210	$ (18)	7.9%	11
State and municipal	119	118	(1)	0.8%	31
Government—non U.S.	501	493	(8)	1.6%	142
U.S. corporate (including public utilities)	5,948	5,738	(210)	3.5%	458
Corporate—non U.S.	1,573	1,530	(43)	2.7%	198
Asset backed	914	900	(14)	1.5%	95
Mortgage backed	2,065	2,001	(64)	3.1%	247
Subtotal, fixed maturities	11,348	10,990	(358)	3.2%	1,182
Equity securities	53	51	(2)	3.8%	58
Total temporarily impaired securities	$ 11,401	$ 11,041	$ (360)	3.2%	1,240
Investment grade	$ 10,471	$ 10,185	$ (286)	2.7%	1,032
Below investment grade	810	739	(71)	8.8%	141
Not rated—fixed maturities	67	66	(1)	1.5%	9
Not rated—equities	53	51	(2)	3.8%	58

	12 Months or More				
(Dollar amounts in millions)	Amortized cost or cost	Estimated fair value	Gross unrealized losses	% underwater	# of securities
Fixed maturities:					
U.S. government and agencies	$ —	$ —	$ —	—	—
State and municipal	1	1	—	—	1
Government—non U.S.	12	12	—	—	6
U.S. corporate (including public utilities)	1,084	975	(109)	10.1%	134
Corporate—non U.S.	158	148	(10)	6.3%	30
Asset backed	111	110	(1)	0.9%	9
Mortgage backed	172	171	(1)	0.6%	19
Subtotal, fixed maturities	1,538	1,417	(121)	7.9%	199
Equity securities	49	43	(6)	12.2%	47
Total temporarily impaired securities	$ 1,587	$ 1,460	$ (127)	8.0%	246
Investment grade	$ 718	$ 691	$ (27)	3.8%	90
Below investment grade	820	726	(94)	11.5%	109
Not rated—fixed maturities	—	—	—	—	—
Not rated—equities	49	43	(6)	12.2%	47

The investment securities in an unrealized loss position for less than twelve months account for $360 million, or 74%, of our total unrealized losses. Of the securities in this category, there were five securities with an unrealized loss in excess of $5 million. These five securities had aggregate unrealized losses of $30 million. The amount of the unrealized loss on these securities is driven primarily by the relative size of the holdings, the par values of which range from $40 million to $75 million.

The investment securities in an unrealized loss position for twelve months or more account for $127 million, or 26%, of our total unrealized losses. There are 68 fixed-maturity securities in three industry groups that account for $78 million or 61% of the unrealized losses in this category.

Forty-one of these 68 securities are in the transportation sector and are related to the airline industry. Ninety-nine percent of our airline securities are collateralized by commercial aircraft associated with five domestic airlines. The collateral underlying these securities consists of commercial jet aircraft. We believe these security holdings are in a loss position as a result of ongoing negative market reaction to difficulties in the commercial airline industry. In accordance with our impairment policy described above, we have recognized $30 million and $27 million in other-than-temporary impairments during 2003 and 2002, respectively, associated with the airline industry due to either bankruptcies or restructurings. These holdings were written down to estimated fair value based upon the present value of expected cash flows associated with revised lease terms or the value of the underlying aircraft. As of December 31, 2003, we expect to collect full principal and interest in accordance with the contractual terms of the instruments of our remaining holdings in airline securities. For those airline securities which we have previously impaired, we expect to recover our carrying amount based upon underlying aircraft collateral values.

Eighteen of these 68 securities are in the industrial sector and are primarily in the chemical and paper and timber products industries. Within this sector, there are two issuers, comprising five of the 18 securities, which represent $17 million of the unrealized losses in this sector. Each of the other securities in this sector has unrealized losses less than $3 million. These two issuers, one of which is in the chemical industry and one of which is in the timber products industry, are current on all terms, show improving trends with regards to liquidity and security price and are not considered at risk of impairment. Our other holdings issued by the chemical company are in unrealized gain positions. Our other holdings issued by the timber products company are collateralized by assets, which provide greater than 100% coverage of the outstanding obligations based on the most recent valuations performed.

The remaining nine of these 68 securities are in the consumer-non cyclical sector and are primarily in the consumer products and retail industries. Within this sector, there is one issuer, comprising two of the nine securities, which represents $13 million of the unrealized losses in this sector. This one issuer, a national retail chain, is current on all terms, shows improving trends with regard to liquidity and security price, and is not considered at risk of impairment. Our other holdings issued by this company are in unrealized gain positions. The remainder of the securities in this sector each have unrealized losses less than $1 million.

In the remaining industry sectors, no single issuer of fixed-maturity securities has an unrealized loss greater than $5 million.

The equity securities in an unrealized loss position for twelve months or more are preferred stocks with fixed maturity-like characteristics and mutual fund investments. No single security has an unrealized loss greater than $5 million.

The scheduled maturity distribution of fixed maturities as of December 31, 2003 is set forth below. Actual maturities may differ from contractual maturities because issuers of securities may have the right to call or prepay obligations with or without call or prepayment penalties.

(Dollar amounts in millions)	Amortized cost or cost	Estimated fair value
Due 2004	$ 1,747	$ 1,761
Due 2005—2008	11,400	11,817
Due 2009—2013	13,318	13,901
Due 2014 and later	24,288	25,756
Subtotal	50,753	53,235
Mortgage and asset-backed	12,063	12,250
Total	$ 62,816	$ 65,485

At December 31, 2003, $7,998 million of our investments (excluding mortgage and asset-backed securities) were subject to certain call provisions.

At December 31, 2003, securities issued by finance and insurance, utilities and energy and consumer—non cyclical industry groups represented approximately 28%, 22% and 13% of our domestic and foreign corporate fixed maturities portfolio, respectively. No other industry group comprises more than 10% of our investment portfolio. This portfolio is widely diversified among various geographic regions in the U.S. and internationally, and is not dependent on the economic stability of one particular region.

At December 31, 2003, we did not hold any fixed maturities in any single issuer, other than securities issued or guaranteed by the U.S. government, which exceeded 10% of stockholder's interest.

At December 31, 2003 and 2002, $203 million and $174 million, respectively, of securities were on deposit with various state or foreign government insurance departments in order to comply with relevant insurance regulations.

The Securities Valuation Office of the National Association of Insurance Commissioners (NAIC) evaluates bond investments of U.S. insurers for regulatory reporting purposes and assigns securities to one of six investment categories called "NAIC designations." The NAIC designations parallel the credit ratings of the Nationally Recognized Statistical Rating Organizations for marketable bonds. NAIC designations 1 and 2 include bonds considered investment grade (rated "Baa3" or higher by Moody's, or rated "BBB-" or higher by S&P) by such rating organizations. NAIC designations 3 through 6 include bonds considered below investment grade (rated "Ba1" or lower by Moody's, or rated "BB+" or lower by S&P).

The following table presents our fixed maturities by NAIC and/or equivalent ratings of the Nationally Recognized Statistical Rating Organizations, as well as the percentage, based upon estimated fair value, that each designation comprises. Our non-U.S. fixed maturities generally are not rated by the

NAIC and are shown based upon the equivalent rating of the Nationally Recognized Statistical Rating Organizations. Similarly, certain privately placed fixed maturities that are not rated by the Nationally Recognized Statistical Rating Organizations are shown based upon their NAIC designation. Certain fixed maturities, primarily non-U.S. fixed maturities, are not rated by the NAIC or the Nationally Recognized Statistical Rating Organizations and are so designated.

		As of December 31,					
		2003			2002		
NAIC Rating	Rating Agency Equivalent Designation	Amortized cost	Estimated fair value	% of total	Amortized cost	Estimated fair value	% of total
(Dollar amounts in millions)							
1	Aaa/Aa/A	$ 39,124	$ 40,600	62%	$ 36,749	$ 38,107	63%
2	Baa	19,048	20,220	31%	17,946	18,444	30%
3	Ba	2,520	2,624	4%	2,596	2,394	4%
4	B	1,257	1,207	2%	963	789	1%
5	Caa and lower	487	449	1%	502	352	1%
6	In or near default	189	190	0%	218	181	0%
Not rated	Not rated	191	195	0%	487	530	1%
	Total fixed maturities	$ 62,816	$ 65,485	100%	$ 59,461	$ 60,797	100%

(c) *Mortgage Loans*

Our mortgage loans are collateralized by commercial properties, including multifamily residential buildings. The carrying value of mortgage loans is stated at original cost net of prepayments and amortization.

We diversify our commercial mortgage loans by both geographic region and property type. The following table sets forth the distribution across geographic regions and property types for commercial mortgage loans as of the dates indicated:

	As of December 31,			
	2003		2002	
(Dollar amounts in millions)	Carrying value	% of total	Carrying value	% of total
Property Type				
Office	$ 2,024	33%	$ 1,610	30%
Industrial	1,812	30%	1,546	29%
Retail	1,500	25%	1,476	28%
Apartments	573	9%	520	10%
Mixed use/other	205	3%	150	3%
Total	$ 6,114	100%	$ 5,302	100%
Region				
Pacific	$ 1,867	31%	$ 1,606	30%
South Atlantic	1,194	20%	1,174	22%
Middle Atlantic	932	15%	729	14%
East North Central	771	12%	519	10%
Mountain	478	8%	454	9%
West South Central	288	5%	241	4%
West North Central	271	4%	267	5%
East South Central	226	4%	222	4%
New England	87	1%	90	2%
Total	$ 6,114	100%	$ 5,302	100%

We were committed to fund $56 million and $163 million at December 31, 2003 and 2002, respectively, in U.S. mortgage loans.

"Impaired" loans are defined by U.S. GAAP as loans for which it is probable that the lender will be unable to collect all amounts due according to original contractual terms of the loan agreement. That definition excludes, among other things, leases, or large groups of smaller-balance homogeneous loans, and therefore applies principally to our commercial loans.

Under these principles, we may have two types of "impaired" loans: loans requiring specific allowances for losses (none as of December 31, 2003 and 2002) and loans expected to be fully recoverable because the carrying amount has been reduced previously through charge-offs or deferral of income recognition ($5 million and $4 million, as of December 31, 2003 and 2002, respectively). Average investment in impaired loans during 2003, 2002 and 2001 was $5 million, $7 million and $12 million, respectively, and interest income recognized on these loans while they were considered impaired was $1 million in each of the three years.

The following table presents the activity in the allowance for losses during the years ended December 31:

(Dollar amounts in millions)	2003	2002	2001
Balance at January 1	$ 45	$ 58	$ 47
Provision charged to operations	8	10	9
Amounts written off, net of recoveries	(3)	(23)	2
Balance at December 31	$ 50	$ 45	$ 58

(6) Deferred Acquisition Costs

Activity impacting deferred acquisition costs for the years ended December 31:

(Dollar amounts in millions)	2003	2002	2001
Unamortized balance at January 1	$ 5,386	$ 4,452	$ 3,665
Impact of foreign currency translation	111	88	(1)
Costs deferred	1,758	1,906	1,721
Amortization	(1,182)	(1,060)	(933)
Unamortized balance at December 31	6,073	5,386	4,452
Accumulated effect of net unrealized investment (gains) losses	(285)	(54)	21
Balance at December 31	$ 5,788	$ 5,332	$ 4,473

Amortization includes advertising costs related to Consumer Protection Packages of $42 million, $36 million and $40 million for the years ended December 31, 2003, 2002 and 2001, respectively. None of these amounts represent write-downs to net realizable value.

(7) Intangible Assets

The following table presents the activity in intangible assets for the years ended December 31:

	2003		2002	
(Dollar amounts in millions)	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Present value of future profits ("PVFP")	$ 2,744	$ (1,593)	$ 2,810	$ (1,481)
Capitalized software	235	(141)	249	(107)
Other	372	(271)	369	(248)
Total	$ 3,351	$ (2,005)	$ 3,428	$ (1,836)

Present Value of Future Profits

The method we use to value PVFP in connection with acquisitions of life insurance entities is summarized as follows: (1) identify the future gross profits attributable to certain lines of business, (2) identify the risks inherent in realizing those gross profits, and (3) discount those gross profits at the rate of return that we must earn in order to accept the inherent risks.

The following table presents the activity in PVFP for the years ended December 31:

(Dollar amounts in millions)	2003	2002	2001
Unamortized balance at January 1	$ 1,349	$ 1,460	$ 1,709
Acquisitions	16	(20)	(91)
Impact of foreign currency translation	1	—	—
Interest accreted at 4.1%, 4.1%, 3.9%, respectively	51	57	63
Amortization	(163)	(148)	(221)
Unamortized balance at December 31	1,254	1,349	1,460
Accumulated effect of net unrealized investment (gains) losses	(103)	(20)	39
Balance at December 31	$ 1,151	$ 1,329	$ 1,499

The estimated percentage of the December 31, 2003 balance, before the effect of unrealized investment gains or losses, to be amortized over each of the next five years is as follows:

2004	9.5%
2005	8.8%
2006	8.0%
2007	7.2%
2008	6.5%

Amortization expenses for PVFP in future periods will be affected by acquisitions, dispositions, realized capital gains/losses or other factors affecting the ultimate amount of gross profits realized from certain lines of business. Similarly, future amortization expenses for other intangibles will depend on future acquisitions, dispositions and other business transactions.

(8) Goodwill

Our goodwill balance by segment and activity during the year follows:

(Dollar amounts in millions)	Protection	Retirement Income and Investments	Mortgage Insurance	Affinity	Total
Balance, December 31, 2001	$ 1,037	$ 307	$ 37	$ 205	$ 1,586
Acquisitions	—	25	—	—	25
Other[(a)]	15	—	(3)	79	91
Balance, December 31, 2002	1,052	332	34	284	1,702
Acquisitions	6	5	—	—	11
Other[(a)]	13	—	2	—	15
Balance, December 31, 2003	$ 1,071	$ 337	$ 36	$ 284	$ 1,728

(a) Other adjustments include reclassifications of certain intangible assets into goodwill upon the adoption of SFAS 142 in 2002 and the impact of foreign exchange translation adjustments.

Goodwill associated with our Japanese life insurance and domestic auto and homeowners' insurance business is included in assets associated with discontinued operations for 2002.

(9) Reinsurance

Certain policy risks are reinsured with other insurance companies to limit the amount of loss exposure. Reinsurance contracts do not relieve us from our obligations to policyholders. In the event that the reinsurers are unable to meet their obligations, we remain liable for the reinsured claims. We monitor both the financial condition of individual reinsurers and risk concentrations arising from similar geographic regions, activities and economic characteristics of reinsurers to lessen the risk of default by such reinsurers. We do not have significant concentrations of reinsurance with any one reinsurer that could have a material impact on our results of operations.

The maximum amount of individual ordinary life insurance normally retained by us on any one life policy is $1 million. Net domestic life insurance in force as of December 31, is summarized as follows:

(Dollar amounts in millions)	2003	2002	2001
Direct life insurance in force	$ 553,690	$ 520,008	$ 534,369
Amounts assumed from other companies	23,749	31,965	39,578
Amounts ceded to other companies	(170,961)	(157,898)	(111,989)
Net life insurance in force	$ 406,478	$ 394,075	$ 461,958
Percentage of amount assumed to net	6%	8%	9%

The effects of reinsurance on premiums written and earned for the years ended December 31, were as follows:

	Written			Earned		
(Dollar amounts in millions)	2003	2002	2001	2003	2002	2001
Direct:						
Life insurance	$ 2,262	$ 2,654	$ 2,583	$ 2,279	$ 2,414	$ 2,413
Accident and health insurance	3,212	2,583	2,166	3,311	2,547	2,301
Property and casualty insurance	160	109	94	156	105	94
Mortgage insurance	1,093	954	875	857	795	779
Total Direct	6,727	6,300	5,718	6,603	5,861	5,587
Assumed:						
Life insurance	507	535	344	505	502	319
Accident and health insurance	541	519	671	543	529	666
Property and casualty insurance	57	40	46	27	51	47
Mortgage insurance	6	12	8	5	4	4
Total Assumed	1,111	1,106	1,069	1,080	1,086	1,036
Ceded						
Life insurance	(713)	(660)	(393)	(693)	(591)	(402)
Accident and health insurance	(155)	(118)	(110)	(128)	(118)	(112)
Property and casualty insurance	(11)	(9)	(11)	(13)	(9)	(11)
Mortgage insurance	(149)	(127)	(86)	(146)	(122)	(86)
Total Ceded	(1,028)	(914)	(600)	(980)	(840)	(611)
Net premiums	$ 6,810	$ 6,492	$ 6,187	$ 6,703	$ 6,107	$ 6,012
Percentage of amount assumed to net				16%	18%	17%

Reinsurance recoveries recognized as a reduction of benefit expenses amounted to $809 million, $682 million and $486 million during 2003, 2002 and 2001, respectively.

(10) Future Annuity and Contract Benefits

Investment Contracts

Investment contracts are broadly defined to include contracts without significant mortality or morbidity risk. Payments received from sales of investment contracts are recognized by providing a liability equal to the current account value of the policyholder's contracts. Interest rates credited to investment contracts are guaranteed for the initial policy term with renewal rates determined as necessary by management.

Insurance Contracts

Insurance contracts are broadly defined to include contracts with significant mortality and/or morbidity risk. The liability for future benefits of insurance contracts is the present value of such benefits less the present value of future net premiums based on mortality, morbidity, and other assumptions, which were appropriate at the time the policies were issued or acquired. These assumptions are periodically evaluated for potential reserve deficiencies. Reserves for cancelable accident and health insurance are based upon unearned premiums, claims incurred but not reported, and claims in the process of settlement. This estimate is based on our historical experience and that of the insurance industry, adjusted for current trends. Any changes in the estimated liability are reflected in earnings as the estimates are revised.

The following chart summarizes the major assumptions underlying our recorded liabilities for future annuity and contract benefits at December 31:

				Future annuity and contract benefit liabilities	
(Dollar amounts in millions)	**Withdrawal assumption**	**Mortality/ morbidity assumption**	**Interest rate assumption**	**2003**	**2002**
Investment contracts	N/A	N/A	N/A	$ 31,206	$ 30,962
Limited-payment contracts	None	(a)	3.3%–12.0%	12,655	11,873
Traditional life insurance contracts	Company Experience	(b)	5.5%–7.5%	2,537	3,576
Universal life-type contracts	N/A	N/A	N/A	5,867	4,183
Accident and health	Company Experience	(c)	7.5% grading to 4.75%	131	121
Long-term care	Company Experience	(d)	4.5%–7.0%	6,861	5,823
Total future annuity and contract benefits				$ 59,257	$ 56,538

(a) Either the U.S Population Table, 1983 Group Annuitant Mortality Table or 1983 Individual Annuitant Mortality Table.

(b) Principally modifications of the 1965-70 or 1975-80 Select and Ultimate Tables, 1958 and 1980 Commissioner's Standard Ordinary Tables and (IA) Standard Table 1996 (modified).

(c) The 1958 and 1980 Commissioner's Standard Ordinary Tables, 1964 modified and 1987 Commissioner's Disability Tables and Company experience.

(d) The 1983 Individual Annuitant Mortality Table or 1980 Commissioner's Standard Ordinary Table and the 1985 National Nursing Home Study and Company experience.

(11) Liability for Policy and Contract Claims

Changes in the liability for policy and contract claims for the years ended December 31:

(Dollar amounts in millions)	2003	2002	2001
Balance at January 1	$ 3,014	$ 2,713	$ 2,083
Less reinsurance recoverables	(406)	(275)	(157)
Net balance at January 1	2,608	2,438	1,926
Incurred related to insured events of:			
Current year	2,200	2,401	2,583
Prior years	(73)	(193)	(173)
Total incurred	2,127	2,208	2,410
Paid related to insured events of:			
Current year	(1,236)	(1,208)	(1,010)
Prior years	(807)	(851)	(877)
Total paid	(2,043)	(2,059)	(1,887)
Foreign currency translation	43	21	(11)
Net balance at December 31	2,735	2,608	2,438
Add reinsurance recoverables	472	406	275
Balance at December 31	$ 3,207	$ 3,014	$ 2,713

For each of the three years presented above, the change in prior years incurred liabilities primarily relates to positive development in claims incurred but not reported for our mortgage insurance and certain accident and health insurance businesses. In general, our insurance contracts are not subject to premiums experience adjustments as a result of prior-year effects.

(12) Benefit Plans

Essentially all of our employees participate in GE's retirement plan ("GE Pension Plan") and retiree health and life insurance benefit plans ("GE Retiree Benefit Plans"). The GE Pension Plan provides benefits to certain U.S. employees based on the greater of a formula recognizing career earnings or a formula recognizing length of service and final average earnings. Benefit provisions are subject to collective bargaining. The GE Retiree Benefit Plans provide health and life insurance benefits to employees who retire under the GE Pension Plan with 10 or more years of service. Retirees share in the cost of healthcare benefits. The GE Pension Plan currently is in an overfunded position. Therefore, we have not been required to contribute to this plan for the three years ended December 31, 2003. Certain company employees also participate in GE's Supplementary Pension Plan ("GE Supplementary Plan") and other retiree benefit plans. The GE Supplementary Plan is a pay-as-you-go plan providing supplementary retirement benefits primarily to higher-level, longer-service U.S. employees. Other retiree plans are not significant individually or in the aggregate. Our costs associated with these plans were $52 million, $52 million and $44 million for the years ended December 31, 2003, 2002 and 2001, respectively.

Our employees participate in GE's defined contribution savings plan that allows the employees to contribute a portion of their pay to the plan on a pre-tax basis. GE matches 50% of these contributions up to 7% of the employee's pay. Our costs associated with these plans were $13 million, $15 million and $16 million for the years ended December 31, 2003, 2002 and 2001, respectively.

We also provide health and life insurance benefits to our employees through the GE Company's benefit program, as well as through plans sponsored by other affiliates. Our costs associated with these plans were $41 million, $45 million and $43 million for the years ended December 31, 2003, 2002 and 2001, respectively.

We reimburse GE monthly for our share of the plan costs.

Effective as of the date that GE ceases to own more than 50% of our outstanding common stock, our applicable employees will cease to participate in the GE plans and will participate in employee benefit plans established and maintained by us. For non-U.S. employees, this date may be delayed, by mutual agreement between GE and us, for up to six months following the date that GE ceases to own more than 50% of our outstanding common stock.

(13) Borrowings

(a) Short-Term Borrowings

Total short-term borrowings at December 31:

(Dollar amounts in millions)	2003	2002
Commercial paper	$ 1,691	$ 1,675
Current portion of long-term borrowings	—	175
Short-term line of credit with GE Capital	548	—
Total	$ 2,239	$ 1,850

The weighted average interest rate on commercial paper outstanding at December 31, 2003 and 2002 was 1.1% and 1.4%, respectively.

The weighted average interest rate on the current portion of long-term borrowings at December 31, 2002 was 6.6%.

The weighted average interest rate on the short-term line of credit with GE Capital at December 31, 2003 was 1.3%.

(b) *Long-Term Borrowings*

Total long-term borrowings at December 31:

(Dollar amounts in millions)	2003	2002
1.6% Notes (Japanese Yen), due 2011	$ 529	$ 472
6.625% First Colony Life Insurance Company Senior Note, due 2003	—	175
Less current portion of long-term borrowings	—	(175)
Total	$ 529	$ 472

In June 2001, GEFAHI issued ¥60.0 billion of notes through a public offering at a price of ¥59.9 billion. ¥3.0 billion of the notes were purchased by GE Edison following the original issuance. These notes were subsequently purchased by GEFAHI and were held by GEFAHI as of December 31, 2003. We have entered into arrangements to swap our obligations under these notes to a U.S. dollar obligation with a principal amount of $491 million and bearing interest at a rate of 4.84% per annum. The notes are unsecured and mature at par in 2011.

There are no scheduled maturities in the years 2004-2008.

(c) *Liquidity*

Our liquidity requirements are principally met through dividends from our insurance subsidiaries, the Commercial Paper program and the credit line with GE Capital. At December 31, 2003, we have an unused credit capacity within our line of credit with GE Capital of $1.95 billion.

(d) *Interest Rate Risk*

A variety of instruments, including interest rate and currency swaps and currency forwards (for further information relating to interest rate swaps, see *cash flow hedges* in note 19), are employed to achieve management's interest rate objectives. As of December 31, 2003 and 2002, we had long-term interest rate swaps with a notional value of $1.1 billion that effectively converted the floating rate nature of short-term borrowings into fixed-rate borrowings. These swaps have interest rates ranging from 5.9% to 7.3% and maturities ranging from 2007 to 2017.

(14) Non-recourse Funding Obligations

On July 28, 2003 and December 16, 2003, River Lake Insurance Company, a wholly owned captive reinsurance subsidiary of our company, issued $300 million and $300 million, respectively, of non-recourse funding obligations, which bear a floating rate of interest and mature in 2033. As of December 31, 2003, $600 million of obligations were outstanding. The weighted average yield at December 31, 2003 is 1.2%.

(15) Income Taxes

The total provision (benefit) for income taxes for the years ended December 31:

(Dollar amounts in millions)	2003	2002	2001
Current federal income taxes	$ 444	$ 441	$ 233
Deferred federal income taxes	(103)	(76)	323
Total federal income taxes	341	365	556
Current state income taxes	(16)	(26)	(12)
Deferred state income taxes	(11)	21	3
Total state income taxes	(27)	(5)	(9)
Current foreign income taxes	48	51	62
Deferred foreign income taxes	51	—	(19)
Total foreign income taxes	99	51	43
Total provision for income taxes	$ 413	$ 411	$ 590

The reconciliation of the federal statutory tax rate to the effective income tax rate is as follows:

	2003	2002	2001
Statutory U.S. federal income tax rate	35.0%	35.0%	35.0%
Increase (reduction) in rate resulting from:			
State income tax, net of federal income tax effect	(0.6)	(0.3)	(0.5)
Non-deductible goodwill amortization	—	—	1.0
IRS settlement[a]	—	(8.5)	—
Tax exempt income	(2.8)	(2.7)	(2.8)
Other, net	(1.7)	(0.6)	(0.3)
Effective rate	29.9%	22.9%	32.4%

(a) In 2002, we reached a favorable settlement with the Internal Revenue Service regarding the treatment of certain reserves for obligations to policyholders on life insurance contracts resulting in a benefit of $152 million. The benefits associated with the settlement are non-recurring.

The components of the net deferred income tax liability at December 31, are as follows:

(Dollar amounts in millions)	2003	2002
Assets:		
Investments	$ 129	$ —
Future annuity and contract benefits	1,394	1,028
Net unrealized losses on derivatives	33	18
Other	126	8
Total deferred income tax assets	1,682	1,054
Liabilities:		
Net unrealized gains on investment securities	815	372
Investments	—	63
Present value of future profits	526	501
Deferred acquisition costs	1,631	928
Statutory contingency reserve	—	248
Other	115	30
Total deferred income tax liabilities	3,087	2,142
Net deferred income tax liability	$ 1,405	$ 1,088

Based on an analysis of our tax position, management believes it is more likely than not that the results of future operations and implementation of tax planning strategies will generate sufficient taxable income to enable us to realize all of our deferred tax assets. Accordingly, no valuation allowance for deferred tax assets has been established.

Federal income tax law allows mortgage guaranty insurance companies to deduct from current taxable income amounts added to statutory contingency loss reserves required by state law or regulation, subject to certain limitations. This federal tax deduction is permitted only to the extent that U.S. Mortgage Guaranty Insurance Company Tax and Loss Bonds ("Tax and Loss Bonds") are purchased in the amount of the tax benefit attributable to the deduction. Tax and Loss Bonds are non-interest bearing and mature ten years from the designated issue date. Unrecaptured amounts previously deducted for statutory contingency loss reserves must be included in federal taxable income in the tenth subsequent tax year or earlier voluntary redemption. Tax and Loss Bond redemptions in December 2003 reduced the deferred tax liability for statutory contingency reserves by $248 million.

Our current income tax liability was $222 million and $507 million, at December 31, 2003 and 2002, respectively.

(16) Supplemental Cash Flow Information

Net taxes paid were $798 million, $291 million and $20 million and interest paid was $95 million, $73 million and $151 million for the years ended December 31, 2003, 2002 and 2001, respectively. At the date we acquired Saison Life in 2002, its assets included $2.4 billion of cash which is not included in our Combined Statement of Cash Flows because this amount is presented with assets associated with discontinued operations.

(17) Stock Compensation

Certain Company employees have been granted GE stock options and restricted stock units ("RSUs") under GE's 1990 Long-Term Incentive Plan. RSUs give the recipients the right to receive shares of GE stock upon the lapse of their related restrictions. In the past, restrictions on most RSUs lapsed for 25% of the total shares awarded after three years, 25% after seven years, and 50% at retirement. Beginning in 2002, GE changed the vesting schedule for RSUs granted so that 25% of the restrictions lapse after three, five and ten years, with the final 25% lapsing at retirement. At December 31, 2003, our employees had 1,170,972 RSUs outstanding. Each RSU is convertible into one share of GE stock. We have recorded stock based compensation expense in the amount of $9 million, $6 million and $4 million for 2003, 2002 and 2001, respectively, related to the cost of the RSUs and stock options.

Stock options expire 10 years from the date they are granted. Options vest over service periods that range from one to five years.

GE employees have routinely transferred employment between various GE subsidiaries, including to/from Genworth and our subsidiaries. GE stock options held by these employees have been reflected as transfers in and out in the following table. Our combined financial statements include compensation expense related to these awards, if any, for the portion of an employee's vesting period that accrued during Genworth employment. After our reorganization, employment transfers will no longer occur between Genworth and other GE subsidiaries.

After our reorganization, we will establish, adopt and maintain plans for selected employees, which will provide for stock options, stock awards, restricted stock or other equity-related awards. Under these plans, unvested GE stock options, vested stock options held by our Chairman, President and Chief Executive Officer, GE stock appreciation rights and GE restricted stock units will be canceled and converted into awards of our company.

The following table summarizes stock option activity related to our employees for the three years ended December 31, 2003:

		Average per Share	
(Shares in thousands)	Shares Subject to Option	Exercise Price	Market Price
Balance at December 31, 2000	7,270	$ 23.89	$ 47.94
Options granted	2,266	41.01	41.01
Options transferred in	726	26.78	—
Options exercised	(524)	9.21	44.03
Options transferred out	(251)	26.69	—
Options terminated	(194)	39.22	—
Balance at December 31, 2001	9,293	28.71	40.08
Options granted	1,774	27.08	27.08
Options transferred in	426	27.85	—
Options exercised	(618)	9.41	32.17
Options transferred out	(787)	25.67	—
Options terminated	(252)	38.13	—
Balance at December 31, 2002	9,836	29.47	24.35
Options granted	258	31.53	31.53
Options transferred in	331	26.89	—
Options exercised	(906)	9.50	27.84

Options transferred out	(1,249)	31.02		—
Options terminated	(341)	37.69		—
Balance at December 31, 2003	7,929	$ 31.13	$	30.98

Outstanding options expire on various dates through 2013.

The following table summarizes information about stock options related to our employees outstanding at December 31, 2003:

	Outstanding			Exercisable	
Exercise price range	**Shares in thousands**	**Average life(a)**	**Average exercise price**	**Shares in thousands**	**Average exercise price**
$8.16 — 14.73	1,479	1.7	$ 11.20	1,479	$ 11.20
22.08 — 26.42	877	4.2	24.58	877	24.57
27.05 — 30.45	1,512	8.6	27.08	323	27.20
31.53 — 40.19	1,830	6.8	36.24	729	37.20
42.33 — 57.31	2,231	7.0	45.45	1,203	45.31
Total	7,929	6.0	$ 31.13	4,611	$ 27.88

(a) Average contractual life remaining in years.

At year-end 2002, options with an average exercise price of $21.14 were exercisable on 4,579 thousand shares; at year-end 2001, options with an average exercise price of $15.66 were exercisable on 4,323 thousand shares.

The following table contains the weighted-average grant-date fair value information for 2003, 2002 and 2001. The fair value is estimated using the Black-Scholes option pricing model.

	2003	**2002**	**2001**
Fair value per option(a)	$ 9.55	$ 7.68	$ 13.53
Valuation assumptions			
Expected option term (years)	6.0	6.0	6.0
Expected volatility	34.7%	33.7%	30.5%
Expected dividend yield	2.5%	2.7%	1.6%
Risk-free interest rate	3.5%	3.5%	4.9%

(a) Weighted averages of option grants during each period.

(18) Related Party Transactions

GE provides a variety of products and services to us, and we provide a variety of products and services to GE. The services we receive from GE included:

- customer service, transaction processing and a variety of functional support services provided by GE Capital International Services, or GECIS;
- employee benefit processing and payroll administration, (see notes 12 and 17);
- employee training programs, including access to GE training courses;
- insurance coverage under the GE insurance program;
- information systems, network and related services;
- leases for vehicles, equipment and facilities; and
- other financial advisory services such as tax consulting, capital markets services, research and development activities, and trademark licenses.

Our total expenses for these services were $87 million, $74 million and $52 million for the years ended December 31, 2003, 2002 and 2001, respectively. We also receive investment management and related administrative services provided by GEAM, for which we incurred expenses of $61 million, $39 million and $2 million for the years ended December 31, 2003, 2002 and 2001, respectively.

In addition, we have recorded our allocated share of GE's corporate overhead for certain services provided to us, which are not specifically billed to us, including public relations, investor relations, treasury, and internal audit services in the amount of $50 million, $49 million and $43 million for the years ended December 31, 2003, 2002 and 2001, respectively. We have also recorded expenses associated with GE stock option and restricted stock unit grants in the amount of $9 million, $6 million and $4 million for the years ended December 31, 2003, 2002 and 2001, respectively, as described in note 17. These amounts will not be paid to GE and have been recorded as a capital contribution in each year.

We have entered into certain insurance transactions with affiliates of GE. During each of 2003, 2002 and 2001 we collected $24 million, $20 million and $20 million, respectively, of premiums from various GE affiliates for long-term care insurance provided to employees of such affiliates. We have also reinsured some of the risks of our insurance policies with affiliates, and paid premiums of $56 million, $60 million and $58 million to ERC Life Reinsurance Company (an affiliate until December 2003), and $100 million, $94 million and $0 million to GE Pension Limited in 2003, 2002 and 2001, respectively.

We distribute some of our products through affiliates. We distribute our European payment protection insurance, in part, through arrangements with GE's consumer finance division and other GE entities, for which we have received gross written premiums of $293 million, $218 million and $194 million during 2003, 2002 and 2001, respectively. We have also reinsured lease obligation insurance and credit insurance marketed by GE's consumer finance division and other GE entities, for which we received premiums of $94 million, $105 million and $92 million during 2003, 2002 and 2001.

We sell to GE Mortgage Services, an affiliate of GE, properties acquired through claim settlement in our U.S. mortgage insurance business at a price equal to the product of the property's fair value and an agreed upon price factor. Under these arrangements, we received proceeds of $9 million, $13 million and $11 million for the years ended December 31, 2003, 2002 and 2001, respectively.

During 2002, we sold certain available-for-sale fixed maturities to a subsidiary of GE Capital that is not consolidated in our financial statements at fair value, which resulted in net realized investment gains of $114 million.

As of December 31, 2003 and 2002, we had several notes receivable from various GE affiliates in the amount of $209 million and $367 million, respectively. These notes mature at various dates through 2017 and bear interest at rates between 5.46% and 6.63%.

As of December 31, 2003 and 2002, we had approximately €2 million ($2 million) and £5 million ($9 million), respectively, of notes payable to various GE affiliates. These notes mature in 2011 and 2007 and bear interest at the six-month Euro Interbank Offered Rate ("EURIBOR") and 8.80%, respectively.

As of December 31, 2002, our Japanese life insurance business had ¥62.8 billion of long-term borrowings from various GE affiliates, which were carried at the translated amount of $530 million. As described in note 4, we sold our Japanese life insurance and domestic auto and homeowners' insurance businesses to American International Group, Inc. in 2003.

As of December 31, 2003 and 2002, we had certain operating receivables of $254 million and $0 million, respectively, and payables of $673 million and $763 million, respectively, with certain affiliated companies.

As of December 31, 2003, we held $47 million of commercial paper issued by GE Capital.

As of December 31, 2003 and 2002, we had a line of credit with GE that had an aggregate borrowing limit of $2.5 billion. There was an outstanding balance of $548 million as of December 31, 2003 and no outstanding balance as of December 31, 2002. Outstanding borrowings under this line of credit bear interest at the three-month U.S.$ London Interbank Offered Rate ("LIBOR") plus 25 basis points. Interest is accrued and settled quarterly, in arrears. We incurred interest expense under this line of credit of $0.5 million, $8 million and $11 million for the years ended December 31, 2003, 2002, and 2001, respectively. We also had a line of credit with an affiliate of GE Capital with an aggregate borrowing line of £10 million. There was no outstanding balance as of December 31, 2003 or 2002.

We, along with GE Capital, are participants in a revolving credit agreement that involves an international cash pooling arrangement on behalf of a number of GE subsidiaries in Europe, including some of our European subsidiaries. In these roles, either participant may make short-term loans to the other as part of the cash pooling arrangement. Each such borrowing shall be repayable upon demand, but not to exceed 364 days. This unsecured line of credit has an interest rate per annum equal to GE Capital Services' cost of funds for the currency in which such borrowing is denominated. This credit facility has an annual term, but is automatically extended for successive terms of one year each, unless terminated in accordance with the terms of the agreement. We had a net receivable of $9 million and $85 million under this credit facility as of December 31, 2003 and 2002, respectively.

GE Capital from time to time has provided guarantees and other support arrangements on our behalf, including performance guarantees and support agreements relating to securitization and comfort letters provided to government agencies. We have not incurred any charges for the provision of these guarantees and other support arrangements.

(19) Fair Value of Financial Instruments

Assets and liabilities that are reflected in the accompanying combined financial statements at fair value are not included in the following disclosure of fair value; such items include cash and cash equivalents, investment securities, separate accounts and derivative financial instruments. Other financial assets and liabilities—those not carried at fair value—are discussed below. Apart from certain of our borrowings and certain marketable securities, few of the instruments discussed below are actively traded and their fair values must often be determined using models. The fair value estimates are made at a specific point in time, based upon available market information and judgments about the financial instruments, including estimates of the timing and amount of expected future cash flows and the credit standing of counterparties. Such estimates do not reflect any premium or discount that could result from offering for sale at one time our entire holdings of a particular financial instrument, nor do they consider the tax impact of the realization of unrealized gains or losses. In many cases, the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realized in immediate settlement of the financial instrument.

The bases on which we estimate fair values are as follows:

Mortgage loans. Based on quoted market prices, recent transactions and/or discounted future cash flows, using rates at which similar loans would have been made to similar borrowers.

Other financial instruments. Based on comparable market transactions, discounted future cash flows, quoted market prices, and/or estimates of the cost to terminate or otherwise settle obligations.

Borrowings. Based on market quotes or comparables.

Investment contract benefits. Based on expected future cash flows, discounted at currently offered discount rates for immediate annuity contracts or cash surrender values for single premium deferred annuities.

Insurance—credit life. Based on future cash flows, considering expected renewal premiums, claims, refunds and servicing costs, discounted at a current market rate.

Insurance—mortgage. Based on carrying value which approximates fair value.

The following represents the fair value of financial assets and liabilities at December 31:

	2003			2002		
(Dollar amounts in millions)	**Notional amount**	**Carrying amount**	**Estimated fair value**	**Notional amount**	**Carrying amount**	**Estimated fair value**
Assets:						
Mortgage loans	$ (a)	$ 6,114	$ 6,414	$ (a)	$ 5,302	$ 5,684
Other financial instruments	(a)	34	34	(a)	44	44
Liabilities:						
Borrowing and related instruments:						
Borrowings [(b) (c)]	(a)	2,768	2,754	(a)	2,322	2,322
Investment contract benefits	(a)	31,206	31,013	(a)	30,962	32,238
Insurance — credit life	11,321	2,249	2,249	12,365	2,070	2,070
Performance guarantees, principally letters of credit	119	—	—	119	—	—
Insurance — mortgage	70,300	1,556	1,556	55,300	1,077	1,077

Other firm commitments:						
Ordinary course of business lending commitments	56	—	—	163	—	—
Commitments to fund limited partnerships	41	—	—	88	—	—

(a) These financial instruments do not have notional amounts.

(b) See note 13.

(c) Includes effects of interest rate and currency swaps.

On January 1, 2001, we adopted SFAS 133,*Accounting for Derivative Instruments and Hedging Activities,* as discussed in note 2. The paragraphs that follow provide additional information about derivatives and hedging relationships in accordance with SFAS 133.

The nature of our business activities necessarily involves the management of various financial and market risks, including those related to changes in interest rates. As discussed more fully in note 2 of the combined financial statements, we use derivative financial instruments to mitigate or eliminate certain of those risks. The January 1, 2001, accounting change previously described affected only the pattern and timing of non-cash accounting recognition.

A reconciliation of current period changes for the years ended December 31, 2003 and 2002, net of applicable income taxes in the separate component of stockholder's interest labeled "derivatives qualifying as hedges", follows:

(Dollar amounts in millions)	2003	2002
Derivatives qualifying as hedges as of January 1	$ (98)	$ (168)
Current period (decreases) increases in fair value, net	37	21
Reclassification to earnings, net	20	49
Reclassification adjustment from discontinued operations, net	36	—
Balance at December 31	$ (5)	$ (98)

Derivatives and Hedging. Our business activities routinely deal with fluctuations in interest rates in currency exchange rates and other asset prices. We follow strict policies for managing each of these risks, including prohibition on derivatives market-making, speculative derivatives trading or other speculative derivatives activities. These policies require the use of derivative instruments in concert with other techniques to reduce or eliminate these risks.

Cash flow hedges. Under SFAS 133, cash flow hedges are hedges that use simple derivatives to offset the variability of expected future cash flows. Variability can appear in floating rate assets, floating rate liabilities or from certain types of forecasted transactions, and can arise from changes in interest rates or currency exchange rates. For example, we may borrow funds at a variable rate of interest. If we need these funds to make a floating rate loan, there is no exposure to interest rate changes, and no hedge is necessary. However, if a fixed rate loan is made, we may contractually commit to pay a fixed rate of interest to a counterparty who will pay us a variable rate of interest (an "interest rate swap"). This swap will then be designated as a cash flow hedge of the associated variable rate borrowing. If, as would be expected, the derivative is highly effective in offsetting variable rates in the borrowing, changes in its fair value are recorded in a separate component of accumulated nonowner changes in stockholder's interest and released to earnings contemporaneously with the earnings effects of the hedged item. Further information about hedge effectiveness is provided below.

We use currency forwards and interest rate and currency swaps, to optimize investment returns and borrowing costs. For example, currency swaps and non-functional currency borrowings together provide lower funding costs than could be achieved by issuing debt directly in a given currency.

At December 31, 2003, amounts related to derivatives qualifying as cash flow hedges resulted in an increase of stockholder's interest of $93 million, of which $8 million was expected to be transferred to earnings in 2004, along with the earnings effects of the related forecasted transactions in 2003.

Fair value hedges. Under SFAS 133, fair value hedges are hedges that eliminate the risk of changes in the fair values of assets, liabilities and certain types of firm commitments. For example, we often purchase assets which pay a fixed rate of interest. If these assets were purchased to support fixed rate liabilities, there is consistency in the interest rate exposure of both, and no hedge is necessary. However, if the assets were purchased to offset floating rate liabilities, we will contractually commit to pay a fixed rate of interest to a counterparty who will pay us a floating rate of interest (an "interest rate swap"). This swap will then be designated as a fair value hedge of the asset purchased. Changes in fair value of derivatives designated and effective as fair value hedges are recorded in earnings and are offset by corresponding changes in the fair value of the hedged item.

We use interest rate swaps, currency swaps and interest rate and currency forwards to hedge the effect of interest rate and currency exchange rate changes on local and non functional currency denominated fixed rate borrowings and certain types of fixed rate assets. Equity options are used to hedge price changes in equity indexed annuity liabilities.

Net investment hedges. The net investment hedge designation under SFAS 133 refers to the use of derivative contracts or cash instruments to hedge the foreign currency exposure of a net investment in a foreign operation. Currency exposures that result from net investments in affiliates are managed principally by funding assets denominated in local currency with liabilities denominated in that same currency.

Derivatives not designated as hedges. SFAS 133 specifies criteria that must be met in order to apply any of the three forms of hedge accounting. For example, hedge accounting is not permitted for hedged items that are marked to market through earnings. We use derivatives to hedge exposures when it makes economic sense to do so, including circumstances in which the hedging relationship does not qualify for hedge accounting as described in the following paragraph. We will also occasionally receive derivatives in the ordinary course of business. Under SFAS 133, derivatives that do not qualify for hedge accounting are marked to market through earnings.

We use option contracts, including floors, as an economic hedge of changes in interest rates, currency exchange rates and equity prices on certain types of liabilities. Although these instruments are considered to be derivatives under SFAS 133, our economic risk is similar to, and managed on the same basis as other equity instruments we hold.

Earnings effects of derivatives. The table that follows provides additional information about the earnings effects of derivatives. In the context of hedging relationships, "effectiveness" refers to the degree to which fair value changes in the hedging instrument offset corresponding fair value changes in the hedged item. Certain elements of hedge positions cannot qualify for hedge accounting under SFAS 133 whether effective or not, and must therefore be marked to market through earnings. Time value of purchased options is the most common example of such elements in instruments we use. Pre-tax earnings effects of such items for the year ended December 31, 2003 are shown in the following table as "Amounts excluded from the measure of effectiveness."

(Dollar amounts in millions)	Cash flow hedges	Fair value hedges
Ineffectiveness	$ 1	$ 5
Amounts excluded from the measure of effectiveness	—	—

At December 31, 2003, the fair value of derivatives in a gain position and recorded in Other assets was $252 million and the fair value of derivatives in a loss position and recorded in Other liabilities was $281 million.

Counterparty credit risk. The risk that counterparties to derivative contracts will be financially unable to make payments to us according to the terms of the agreements is counterparty credit risk. We manage counterparty credit risk on an individual counterparty basis, which means that we net gains and losses for each counterparty to determine the amount at risk. When a counterparty exceeds credit exposure limits in terms of amounts they owe us, typically as a result of changes in market conditions (see table below), no additional transactions are permitted to be executed until the exposure with that counterparty is reduced to an amount that is within the established limit. All swaps are required to be executed under master swap agreements containing mutual credit downgrade provisions that provide the ability to require assignment or termination in the event either party is downgraded below A3 or A-. If the downgrade provisions had been triggered at December 31, 2003, we could have been required to disburse up to $190 million and could have claimed $161 million from counterparties—the net fair value losses and gains. At December 31, 2003 and 2002, gross fair value gains were $252 million and $278 million, respectively. At December 31, 2003 and 2002, gross fair value losses were $281 million and $275 million, respectively.

Except for such positions, all other swaps, purchased options and forwards with contractual maturities longer than one year are conducted within the credit policy constraints provided in the table below. We may, however, enter into derivative transactions for durations of five years or longer with lower rated counterparties (Moody's Aa3 and S&P's AA-) if the agreements governing such transactions require both us and the counterparties to provide collateral in certain circumstances. Foreign exchange forwards with contractual maturities shorter than one year must be executed with counterparties having an A-1/ P-1 credit rating and the credit limit for these transactions is $150 million.

Counterparty credit criteria

	Credit Rating	
	Moody's	Standard & Poor's
Term of transaction		
Up to five years	Aa3	AA-
Greater than five years	Aaa	AAA
Credit exposure limit		
Up to $50 million	Aa3	AA-
Up to $75 million	Aaa	AAA

(20) Non-Controlled Entities

One of the most common forms of off-balance sheet arrangements is asset securitization. We use GE Capital-sponsored and third party entities to facilitate asset securitizations. As part of this strategy, management considers the relative risks and returns of our alternatives and predominately uses GE Capital-sponsored entities. Management believes these transactions could be readily executed through third party entities at insignificant incremental cost.

The following table summarizes the current balance of assets sold to Qualified Special Purposes Entities (QSPE's) at December 31:

(Dollar amounts in millions)	2003	2002
Assets—collateralized by:		
Commercial mortgage loans	$ 816	$ 428
Fixed maturities	—	679
Other receivables	800	825
Total assets	$ 1,616	$ 1,932

We evaluate the economic, liquidity and credit risk related to the above QSPEs and believe that the likelihood is remote that any such arrangements could have a significant adverse effect on our financial position, results of operations, or liquidity. Financial support for certain SPE's is provided under credit support agreements, in which we provide limited recourse for a maximum of $119 million of credit losses in qualifying entities. Assets with credit support are funded by demand notes that are further enhanced with support provided by GE Capital. We record liabilities for such guarantees based on our best estimate of probable losses. To date, we have not been required to make any payments under any of the credit support agreements. These agreements will remain in place throughout the life of the related entities.

Sales of securitized assets to SPEs result in a gain or loss amounting to the net of sales proceeds, the carrying amount of net assets sold, the fair value of servicing rights and retained interests and an allowance for losses. Amounts recognized in our combined financial statements related to sales to sponsored or supported SPEs at December 31 are as follows:

(Dollar amounts in millions)	2003		2002	
	Cost	Fair value	Cost	Fair value
Retained interests—assets	$ 143	$ 171	$ 76	$ 103
Servicing asset	—	—	—	—
Recourse liability	—	—	—	—
Total	$ 143	$ 171	$ 76	$ 103

Retained interests. In certain securitization transactions, we retain an interest in transferred assets. Those interests take various forms and may be subject to credit prepayment and interest rate risks.

Servicing assets. Following a securitization transaction, we retain the responsibility for servicing the receivables, and, as such, are entitled to receive an ongoing fee based on the outstanding principal balances of the receivables. There are no servicing assets nor liabilities recorded as the benefits of servicing the assets are adequate to compensate an independent servicer for its servicing responsibilities.

Recourse liability. As described previously, under credit support agreements we provide recourse for credit losses in special purpose entities. We provide for expected credit losses under these agreements and such amounts approximate fair value.

(21) Restrictions on Dividends

Our insurance companies are restricted by state and foreign insurance departments as to the aggregate amount of dividends they may pay to their parent without regulatory approval, the purpose of which is to protect affected insurance policyholders, depositors or investors. Dividends in excess of regulatory prescribed limits are deemed "extraordinary" and require formal insurance department approval. Based on statutory results as of December 31, 2003, our subsidiaries could pay dividends of $1,121 million to us in 2004 without obtaining regulatory approval.

We received from our insurance subsidiaries dividends of $1,472 ($1,400 million of which were deemed "extraordinary") million, $840 million ($375 million of which were deemed "extraordinary") and $410 million, during 2003, 2002 and 2001, respectively. During 2003, we also received dividends from insurance subsidiaries related to discontinued operations of $495 million. We declared and paid dividends of $3,168 to our parent during 2003. We declared dividends of $171 million during 2002 of which $107 million was paid in 2002 and $64 million was paid in 2003. We declared dividends of $31 million in 2001 of which $6 million was paid in 2001 and $25 million was paid in 2002.

(22) Supplementary Financial Data

Our U.S. domiciled insurance subsidiaries file financial statements with state insurance regulatory authorities and the "NAIC" that are prepared on an accounting basis prescribed or permitted by such authorities (statutory basis). Statutory accounting practices differ from U.S. GAAP in several respects, causing differences in reported net earnings and stockholder's interest. Permitted statutory accounting practices encompass all accounting practices not so prescribed but that have been specifically allowed by state insurance authorities. Our insurance subsidiaries have no significant permitted accounting practices.

Combined statutory net income for our U.S. domiciled insurance subsidiaries for the years ended December 31, 2003, 2002 and 2001 was $389 million, $26 million and $648 million, respectively. The combined statutory capital and surplus as of December 31, 2003 and 2002 was 7.0 billion and 7.2 billion, respectively.

The NAIC has adopted Risk-Based Capital (RBC) requirements to evaluate the adequacy of statutory capital and surplus in relation to risks associated with: (i) asset risk, (ii) insurance risk, (iii) interest rate risk, and (iv) business risk. The RBC formula is designated as an early warning tool for the states to identify possible undercapitalized companies for the purpose of initiating regulatory action. In the course of operations, we periodically monitor the RBC level of each of our insurance subsidiaries. At December 31, 2002 and 2001, each of our insurance subsidiaries exceeded the minimum required RBC levels.

For statutory purposes, our mortgage insurance subsidiaries are required to maintain a statutory contingency reserve. Annual additions to the statutory contingency reserve equal 50% of earned premiums and are maintained for ten years.

(23) Operating and Geographic Segments

(a) Operating Segment Information

We conduct our operations through five business segments: (1) Protection, which includes our life insurance, long-term care insurance, group life and health insurance and European payment protection insurance; (2) Retirement Income and Investments, which includes our fixed, variable and income annuities, variable life insurance, asset management and specialized products, including GICs, funding agreements and structured settlements; (3) Mortgage Insurance, which includes our mortgage insurance products that facilitate homeownership by enabling borrowers to buy homes with low-down-payment mortgages; (4) Affinity, which includes life and health insurance and other financial products and services offered directly to consumers through affinity marketing arrangements with a variety of organizations, an institutional asset management business and several other small businesses that are not part of our core ongoing business; and (5) Corporate and Other, which includes net realized investment gains (losses), interest and other debt financing expenses and unallocated corporate income and expenses, as well as the results of several small, non-core businesses that are managed outside our operating segments.

The following is a summary of segment activity for 2003, 2002 and 2001:

2003—Segment Data (Dollar amounts in millions)	Protection	Retirement Income and Investments	Mortgage Insurance	Affinity	Corporate and Other	Combined
Premiums	$ 4,588	$ 1,045	$ 716	$ 244	$ 110	$ 6,703
Net investment income	1,199	2,511	218	62	25	4,015
Net realized investment gains	—	—	—	—	10	10
Policy fees and other income	366	225	48	260	44	943
Total revenues	6,153	3,781	982	566	189	11,671
Benefits and other changes in policy reserves	2,997	1,871	115	196	53	5,232
Interest credited	365	1,259	—	—	—	1,624
Underwriting acquisition and insurance expenses, net of deferrals	1,029	232	299	239	143	1,942
Amortization of deferred acquisition costs and intangibles	1,001	190	37	110	13	1,351
Interest expense	3	—	—	—	137	140
Total benefits and expenses	5,395	3,552	451	545	346	10,289
Earnings (loss) from continuing operations before income taxes	758	229	531	21	(157)	1,382
Provision (benefit) for income taxes	271	78	162	5	(103)	413
Net earnings (loss) from continuing operations	$ 487	$ 151	$ 369	$ 16	$ (54)	$ 969
Total assets	$ 29,254	$ 55,614	$ 6,110	$ 2,315	$ 10,138	$ 103,431

2002—Segment Data (Dollar amounts in millions)	Protection	Retirement Income and Investments	Mortgage Insurance	Affinity	Corporate and Other	Combined
Premiums	$ 4,088	$ 991	$ 677	$ 247	$ 104	$ 6,107
Net investment income	1,136	2,522	231	70	20	3,979
Net realized investment gains	—	—	—	—	204	204
Policy fees and other income	381	243	38	271	6	939
Total revenues	5,605	3,756	946	588	334	11,229
Benefits and other changes in policy reserves	2,630	1,769	46	180	15	4,640
Interest credited	362	1,283	—	—	—	1,645
Underwriting acquisition and insurance expenses, net of deferrals	930	221	233	312	112	1,808
Amortization of deferred acquisition costs and intangibles	846	210	39	116	10	1,221
Interest expense	—	—	—	—	124	124
Total benefits and expenses	4,768	3,483	318	608	261	9,438
Earnings (loss) from continuing operations before income taxes	837	273	628	(20)	73	1,791
Provision (benefit) for income taxes	283	87	177	(17)	(119)	411
Net earnings (loss) from continuing operations	$ 554	$ 186	$ 451	$ (3)	$ 192	$ 1,380
Total assets	$ 27,104	$ 53,624	$ 6,066	$ 2,317	$ 28,246	$ 117,357

2001—Segment Data	Protection	Retirement Income and Investments	Mortgage Insurance	Affinity	Corporate and Other	Combined
(Dollar amounts in millions)						
Premiums	$ 3,915	$ 1,023	$ 698	$ 286	$ 90	$ 6,012
Net investment income (losses)	1,119	2,482	227	74	(7)	3,895
Net realized investment gains	—	—	—	—	201	201
Policy fees and other income	409	216	40	327	1	993
Total revenues	5,443	3,721	965	687	285	11,101
Benefits and other changes in policy reserves	2,380	1,736	150	188	20	4,474
Interest credited	342	1,278	—	—	—	1,620
Underwriting acquisition and insurance expenses, net of deferrals	1,043	187	180	320	93	1,823
Amortization of deferred acquisition costs and intangibles	839	181	51	156	10	1,237
Interest expense	—	—	—	—	126	126
Total benefits and expenses	4,604	3,382	381	664	249	9,280
Earnings from continuing operations before income taxes	839	339	584	23	36	1,821
Provision (benefit) for income taxes	301	124	156	(1)	10	590
Net earnings from continuing operations	$ 538	$ 215	$ 428	$ 24	$ 26	$ 1,231
Total assets	$ 24,647	$ 50,512	$ 5,830	$ 2,211	$ 20,798	$ 103,998

(b) Revenues of Major Product Groups

(Dollar amounts in millions)	2003	2002	2001
Long-term care insurance	$ 2,417	$ 2,087	$ 1,921
European payment protection insurance	1,615	1,372	1,303
Life insurance	1,444	1,432	1,511
Group life and health insurance	677	714	708
Total Protection segment revenues	6,153	5,605	5,443
Spread-based products	3,457	3,447	3,456
Fee-based products	324	309	265
Total Retirement Income and Investments segment revenues	3,781	3,756	3,721
U.S. mortgage insurance	665	750	812
International mortgage insurance	317	196	153
Total Mortgage Insurance segment revenues	982	946	965
Affinity segment revenues	566	588	687
Corporate and Other segment revenues	189	334	285
Total revenues	$ 11,671	$ 11,229	$ 11,101

(c) Geographic Segment Information

We conduct our operations in two geographic regions: (1) United States and (2) International.

The following is a summary of geographic region activity as of and for the years ended December 31, 2003, 2002 and 2001.

2003	United States	International	Combined
(Dollar amounts in millions)			
Total revenues	$ 9,620	$ 2,051	$ 11,671
Net earnings from continuing operations	$ 717	$ 252	$ 969
Total assets	$ 96,452	$ 6,979	$ 103,431
2002			
Total revenues	$ 9,622	$ 1,607	$ 11,229
Net earnings from continuing operations	$ 1,217	$ 163	$ 1,380
Total assets	$ 111,739	$ 5,618	$ 117,357
2001			
Total revenues	$ 9,577	$ 1,524	$ 11,101
Net earnings from continuing operations	$ 1,094	$ 137	$ 1,231
Total assets	$ 98,569	$ 5,429	$ 103,998

(24) Litigation

We are subject to legal and regulatory actions in the ordinary course of our businesses, including class actions. Our pending legal and regulatory actions include proceedings specific to us and others generally applicable to business practices in the industries in which we are operating. Plaintiffs in class action and other lawsuits against us may seek very large or indeterminate amounts, including punitive and treble damages. Given the large or indeterminate amounts sought in certain of these matters and the inherent unpredictability of litigation, it is possible that an adverse outcome in some of our matters could have a material adverse effect on our combined financial condition or results of operations.

One of our insurance subsidiaries is named as a defendant in a lawsuit in Georgia (*McBride v. Life Insurance Co. of Virginia dba GE Life and Annuity Assurance Co.("GE Life")*) related to the sale of universal life insurance policies. The complaint was filed on November 1, 2000 as a class action on behalf of all persons who purchased certain universal life insurance policies from that subsidiary and alleges improper practices in connection with the sale and administration of universal life policies. We have vigorously denied liability with respect to the plaintiff's allegations. Nevertheless, to avoid the risks and costs associated with protracted litigation and to resolve its differences with policyholders, GE Life agreed in principle on October 8, 2003, to settle the case on a nationwide class action basis. The settlement documents have not been finalized, nor has any proposed settlement been submitted to the proposed class and the U.S. District Court for approval, and a final settlement is not certain. In the third quarter of 2003, we accrued $50 million in reserves relating to this litigation, which represents our best estimate of bringing this matter to conclusion. The precise amount of payments in this matter cannot be estimated because they are dependent upon court approval of the class and related settlement, the number of individuals who ultimately will seek relief in the claim form process of any approved class settlement, the identity of such claimants and whether they are entitled to relief under the settlement terms and the nature of the relief to which they are entitled.

One of our mortgage insurance subsidiaries is named as a defendant in two lawsuits filed in the U.S. District Court for the Northern District of Illinois, *William Portis et al. v. GE Mortgage Insurance Corp.* and *Karwo v. Citimortgage, Inc. and General Electric Mortgage Insurance Corporation.* The *Portis* complaint was filed on January 15, 2004, and the *Karwo* complaint was filed on March 15, 2004. Each action seeks certification of a nationwide class of consumers who allegedly were required to pay for our private mortgage insurance at a rate higher than our "best available rate," based upon credit information we obtained. Each action alleges that the Federal Fair Credit Reporting Act (the "FCRA") requires an "adverse action" notice to such borrowers and that we violated the FCRA by failing to give such notice. The plaintiffs in *Portis* allege in the complaint that they are entitled to "actual damages" and "damages within the Court's discretion of not more than $1,000 for each separate violation" of the FCRA. The plaintiffs in *Karwo* allege that they are entitled to "appropriate actual, punitive and statutory damages" and "such other or further relief as the Court deems proper." Similar cases are pending against six other mortgage insurers. We intend to vigorously defend against these actions, but we cannot predict their outcome.

Independent Auditors' Report

The Board of Directors
Genworth Financial inc.:

We have audited the accompanying statement of financial position of Genworth Financial, Inc. (the "Company") as of December 31, 2003. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial position is free of material misstatement. An audit of a statement of financial position includes examining, on a test basis, evidence supporting the amounts and disclosures in that statement. An audit of a statement of financial position also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit of the statement of financial position provides a reasonable basis for our opinion.

In our opinion, the statement of financial position referred to above presents fairly, in all material respects, the financial position of Genworth Financial, Inc. as of December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP
Richmond, Virginia
February 6, 2004

Genworth Financial, Inc.

Statement of Financial Position

December 31, 2003

Assets		
Cash	$	1,000
Total Assets	$	1,000
Stockholder's Interest		
Common stock, $0.01 par value; 1,000 shares authorized, issued and outstanding	$	10
Capital in excess of par value		990
Total Stockholder's Interest	$	1,000

Note to Statement of Financial Position

1. Organization and Purpose

Genworth Financial, Inc. ("Genworth") was incorporated in Delaware on October 23, 2003. In connection with its formation, Genworth issued 1,000 shares of common stock for $1,000 to GE Financial Assurance Holdings, Inc. ("GEFAHI"), an indirect subsidiary of General Electric Company ("GE").

Genworth was formed in preparation for the corporate reorganization of certain insurance and related subsidiaries of GE and an initial public offering of Genworth common stock. Genworth will acquire substantially all of the assets and liabilities of GEFAHI, a holding company for a group of companies that provide annuities and other investment products, life insurance, long-term care insurance, group life and health insurance and mortgage insurance. Genworth will also acquire certain other insurance businesses currently owned by other GE subsidiaries and enter into several significant reinsurance transactions with an affiliate of GE.

Other than the receipt and deposit of its initial capital and the filing of a Registration Statement with the Securities and Exchange Commission in connection with the planned initial public offering of its common stock, Genworth has not undertaken commercial activities.

Glossary of Selected Insurance Terms

The following Glossary includes definitions of certain insurance, reinsurance, investment and other terms.

A.M. Best	A.M. Best Company, a rating agency.
Account value	The amount of investment products held for the benefit of a policyholder or contract holder. For mutual funds, account value is equal to fair market value.
Accumulation period	The period during which an individual makes regular contributions to a deferred annuity or retirement plan. The period ends when the income payments begin.
Annualized first-year premiums	Premium payments related only to new sales and calculated as if they were consistently paid for the full year of the sale even if they were actually paid for only a portion of the year of the sale.
Annuity	A contract that provides for periodic payments to an annuitant for a specified period, often until the annuitant's death.
Assets under management	Assets we manage directly in our proprietary products, such as our mutual funds and variable annuities, in our separate accounts and in our general account, and assets invested in investment options included in our products that are managed by third-party sub-managers.
Bulk insurance	Primary mortgage insurance whereby a portfolio of loans is insured in a single, bulk transaction.
Captive reinsurance	In the mortgage insurance industry, a reinsurance program in which the mortgage insurer shares portions of the mortgage insurance risk written on loans originated or purchased by lenders with captive reinsurance companies affiliated with these lenders.
Captive reinsurer	In the mortgage insurance industry, any reinsurance company that is wholly-owned by another organization (generally the lender or an affiliate of the lender), the main purpose of which is to insure the risks of the parent organization.
Cash value	The amount of cash available to a policyholder on the surrender of or withdrawal from a life insurance policy or annuity contract.
Cede	Reinsuring with another insurance company all or a portion of the risk we insure.
Credit ratings	The opinions of rating agencies regarding an entity's ability to repay its indebtedness.

	The purpose of Moody's credit ratings is to provide investors with a simple system of gradation by which relative creditworthiness of securities may be noted. Moody's long-term obligation ratings currently range from "Aaa" (highest quality) to "C" (lowest rated). Moody's long-term obligation ratings grade debt according to its investment quality. Moody's considers "Aa2" and "A3" rated long-term obligations to be upper-medium grade obligations and subject to low risk. Moody's short-term credit ratings range from "P-1" (superior) to "NP" (not prime).
	S&P's credit ratings range from "AAA" (highest rating) to "D" (payment default). S&P publications indicate that an "A+" rated issue is somewhat more susceptible to the adverse effects of changes in circumstances and economic condition than obligations in higher rated categories; however, the obligor's capacity to meet its financial commitment to the obligation is still strong. S&P short-term ratings range from "A-1" (highest category) to "D" (payment default). Within the A-1 category some obligations are designated with a plus sign (+) indicating that the obligor's capacity to meet its financial commitment on the obligation is extremely strong.
Crediting rate	The interest rate credited on a life insurance policy or annuity contract, which may be a guaranteed fixed rate, a variable rate or some combination of both.
Deferred acquisition costs (DAC)	Commissions and other selling and issuance expenses which vary with and are primarily related to the sale and issuance of our insurance policies and investment contracts that are deferred and amortized over the estimated life of the related insurance policies in conformity with U.S. GAAP. These costs include commissions in excess of ultimate renewal commissions, direct mail and printing costs, sales material and some support costs, such as underwriting and policy and contract issuance expenses.
Deferred annuities	Annuity contracts that delay income payments until the holder chooses to receive them.
Defined benefit pension plan	A pension plan that promises to pay a specified amount to each eligible plan member who retires.
Defined contribution plan	A plan established under Section 401(a), 401(k), 403(b) or 457(b) of the Internal Revenue Code, under which the benefits to a participant depend on contributions made to, and the investment return on, the participant's account.
Earned premium	The portion of written premium, net of any amount ceded, that represents coverage already provided or that belongs to the insurer based on the part of the policy period that has passed.
Financial strength ratings	The opinions of rating agencies regarding the financial ability of an insurance company to meet its obligations under its insurance policies.

	A.M. Best's financial strength ratings for insurance companies currently range from "A++" (superior) to "F" (in liquidation). A.M. Best's ratings reflect its opinion of an insurance company's financial strength, operating performance and ability to meet its obligations to policyholders. A.M. Best considers "A" and "A-" rated companies to have an excellent ability to meet their ongoing obligations to policyholders and "B++" companies to have a good ability to meet their ongoing obligations to policyholders.
	Fitch's financial strength ratings currently range from "AAA" (exceptionally strong) to "D" (distressed). These ratings provide an assessment of the financial strength of an insurance organization and its capacity to meet senior obligations to policyholders and contract holders on a timely basis. According to Fitch's publications, "AA" (very strong) rated insurance companies are viewed as possessing very strong capacity to meet policyholder and contract obligations. Risk factors are modest, and the impact of any adverse business and economic factors is expected to be very small. The symbol (+) or (-) may be appended to a rating to indicate the relative position of a credit within a rating category. Such suffixes are not added to ratings in the "AAA" category or to ratings below the "CCC" category.
	Moody's financial strength ratings currently range from "Aaa" (exceptional) to "C" (lowest rated). Moody's ratings reflect the ability of insurance companies to repay punctually senior policy-holder claims and obligations. Moody's indicates that "A1" rated insurance companies offer good financial security, but elements may be present which suggest a susceptibility to impairment sometime in the future. The symbol "1" following "A" shows a company's relative standing within the "A" rating category.
	S&P's financial strength ratings currently range from "AAA" (extremely strong) to "R" (regulatory action). These ratings reflect S&P's opinion of an operating insurance company's financial capacity to meet the obligations of its insurance policies and contracts in accordance with their terms. According to S&P's publications, "A+" rated insurance companies have strong financial security characteristics, but are somewhat more likely to be affected by adverse business conditions than insurers with higher ratings. The symbol (+) following "A" shows a company's relative standing within the "A" rating category.
First-year premiums	The amount of premiums received during the first year on insurance policies sold plus the amount of deposits on variable and universal life policies sold or additional premiums or deposits from conversions received over the specified period. This figure does not reflect policies that lapse in their first year.

Fitch	Fitch Ratings Ltd. and its subsidiaries, a rating agency.
Fixed annuities	An annuity under which the interest rate credited on the annuity during the accumulation phase is a fixed rate, which may change periodically, until it matures.
Flow insurance	Primary mortgage insurance placed on an individual loan when the loan is originated.
Funding agreements	A contract that guarantees a minimum rate of return, which may be fixed or floating, on the amount invested.
General account	All of the assets of our insurance companies recognized for statutory accounting purposes other than those specifically allocated to a separate account. We bear the risk of our investments held in our general account.
Gross written premiums	Total premiums for insurance written and reinsurance assumed during a given period.
Group insurance	Insurance which is issued to a group, such as an employer, credit union, or trade association, and which provides coverage for individuals and sometimes their dependents.
Guaranteed investment contract (GIC)	A contract, usually purchased by ERISA qualified plans, that guarantees a minimum rate of return, which may be fixed or floating, on the amount invested.
Immediate annuities	Annuity contracts under which the benefits payable to the annuitant begin to be paid within one year of contract issuance.
Income annuities	Annuity contracts that provide for a single premium at the time of issue and guarantee a series of payments beginning within one year of the issue date and continuing over a period of years.
In-force	Policies and contracts reflected on our applicable records that have not expired or been terminated as of a given date.
Insurance in force	The value of mortgage insurance policies, based on the original principal amount of mortgages covered by mortgage insurance policies that remain in effect.
LIMRA International	Life Insurance Marketing and Research Association, an association of life insurance and other financial services companies.
Loan-to-value	The ratio of the original principal balance of a mortgage loan to the property's fair market value or appraised value at the time of the loan.
Long-term care insurance	Insurance that protects the insured from certain costs of care at home or in an outside facility.
Loss adjustment expense	The expense involved in settling a loss, excluding the actual value of the loss.

Medical stop loss insurance	Insurance that provides protection against catastrophic or unpredictable losses. It is purchased by employers who have decided to self-fund their employee benefit plans, but do not want to assume 100% of the liability for losses arising from the plans. Under a medical stop loss policy, the insurance company becomes liable for losses that exceed certain limits called deductibles.
Medicare supplement insurance	Insurance that provides coverage for Medicare-qualified expenses that are not covered by Medicare because of applicable deductibles or maximum limits.
Moody's	Moody's Investors Service, Inc., a rating agency.
Morbidity	The incidence of disease or disability in a specific population over a specific period of time.
Mortality	The number of deaths in a specific population over a specific period of time.
New insurance written	The original principal balance of mortgages covered by newly issued primary mortgage insurance.
New risk written	The original principal balance of mortgage loans covered by newly issued primary mortgage insurance, multiplied by the applicable coverage percentage.
Non-admitted assets	Certain assets or portions thereof that are not permitted to be reported as admitted assets in an insurer's statutory financial statement. As a result, certain assets which normally would be accorded value in the financial statements of non-insurance corporations are accorded no value and thus reduce the reported statutory policyholder surplus of the insurer.
Payment protection insurance	Insurance that helps consumers meet their payment obligations on outstanding financial commitments, such as mortgage, personal loans or credit cards, in the event of a misfortune, such as accident, illness, involuntary unemployment, temporary incapacity, permanent disability or death.
Persistency	Measurement by premiums of the percentage of insurance policies or annuity contracts remaining in force between specified measurement dates.
Policy loans	Loans from an insurer secured by the cash surrender value of a life insurance policy.
Pool insurance	In the U.S., mortgage insurance coverage on portfolios of loans, typically with an aggregate coverage limit, which is used as a credit enhancement in connection with the securitization of the related portfolio.
Portfolio credit enhancement	In our international mortgage insurance businesses, a form of primary mortgage insurance purchased by lenders on loans in a portfolio to reduce capital requirements or as a credit enhancement in anticipation of securitization.

Premiums	Payments and other consideration received on insurance policies issued or reinsured by an insurance company, which are earned in accordance with U.S. GAAP over the terms of the related insurance policies or in proportion to expected claims or expiration of risk, depending on the nature of the policy. Under U.S. GAAP, premiums on investment-type contracts are not accounted for as revenues.
Present value of future profits (PVFP)	An intangible asset that represents the actuarially estimated present value of future cash flows from an acquired block of insurance policies or investment contracts and that is amortized over the estimated life of the related insurance policies or contracts in conformity with U.S. GAAP.
Primary mortgage insurance	Mortgage insurance, including flow and bulk but excluding pool, that protects mortgage lenders and investors from default-related losses on mortgage loans.
Primary mortgage insurance in force	Primary mortgage insurance, as determined by the value of mortgage insurance policies that remain in effect, based on the original principal amount of mortgages covered by such policies.
Private mortgage insurance	Mortgage insurance provided by nongovernmental insurers that protects a lender or investor against loss if the borrower defaults.
Qualified insurer	A mortgage guaranty insurer that is approved by each of Fannie Mae and Freddie Mac, pursuant to their respective charters, as meeting their requirements for insuring against credit losses on high loan-to-value loans.
Reinsurance	The ceding by one insurance company to another company of all or a portion of a risk for a premium. The ceding of risk, other than in the case of assumption reinsurance, does not relieve the original insurer of its liability to the insured.
Reserves	Liabilities established by insurers and reinsurers to reflect the estimated costs of claim payments and the related expenses that the insurer or reinsurer will ultimately be required to pay in respect of insurance or reinsurance it has written. Reserves are established losses, future benefits, claims, loss expenses and unearned premiums. With respect to mortgage insurance, a statutory contingency reserve is also required to be established by applicable law to protect against catastrophic losses.
Risk in force	The original principal amount of mortgage loans, multiplied by the coverage percentage under the mortgage insurance policies that remain in effect.
S&P	Standard & Poor's Ratings Group, a rating agency.

Separate accounts	Assets of our insurance companies allocated under certain policies and contracts that are segregated from the general account and other separate accounts. The policyholder or contractholder bears the risk of investments held in a separate account.
Statutory accounting principles (SAP)	Accounting practices prescribed or permitted by an insurer's domiciliary state insurance regulator for purposes of financial reporting to regulators.
Statutory reserves	Monetary amounts established by state insurance law that an insurer must have available to provide for future obligations with respect to all policies. Statutory reserves are liabilities on the balance sheet of financial statements prepared in conformity with statutory accounting practices.
Statutory surplus	The excess of admitted assets over statutory liabilities as shown on an insurer's statutory financial statements.
Structured settlements	Customized annuities used to provide to a claimant ongoing periodic payments instead of a lump-sum payment. Structured settlements provide an alternative to a lump-sum settlement generally in a personal injury lawsuit and typically are purchased by property and casualty insurance companies for the benefit of an injured claimant with benefits scheduled to be paid throughout a fixed period or for the life of the claimant.
Surrender charge	An amount specified in an insurance policy or annuity contract that is charged to a policyholder or contractholder for early cancellations of, or withdrawal under, that policy or contract.
Surrenders and withdrawals	Amounts taken from life insurance policies and annuity contracts representing the full or partial values of these policies or contracts.
Term life insurance	Life insurance written for a specified period and under which no cash value is generally available on surrender.
Traditional flow mortgage insurance	Primary mortgage insurance placed on individual loans at or shortly after loan origination. Coverage is generally limited to 50% or less of the original loan balance.
Underwriting	The process of examining, accepting or rejecting insurance risks and classifying those risks that are accepted, in order to charge policyholders an appropriate premium.
Unearned premiums	The portion of a premium, net of any amount ceded, that represents coverage that has not yet been provided or that will belong to the insurer based on the part of the policy period to elapse in the future.
Universal life insurance	Interest sensitive life insurance under which separately identified interest, and mortality and expense charges are made to the policy fund, typically with flexible premiums.
U.S. GAAP	Generally accepted accounting principles in the U.S.

Variable annuity	An annuity contract under which values during the accumulation phase fluctuate according to the investment performance of a separate account or accounts supporting such contract that are designated by the contractholder.
Variable life insurance	A life insurance policy under which the benefits payable to the beneficiary upon the death of the insured or the surrender of the policy will vary to reflect the investment performance of a separate account or accounts supporting such policy that are designated by the contractholder.
Whole life insurance	A life insurance policy for an insured's entire life that offers the beneficiary benefits in the event of the insured's death, provided premiums have been paid when due; it also allows for the buildup of cash value but has no investment feature.
Written premium	The premium entered on an insurer's books for a policy issued during a given period of time, whether coverage is provided only during that period of time or also during subsequent periods.

145,000,000 Shares

Genworth Financial

Built on GE Heritage

Class A Common Stock

Prospectus

, 2004

Through and including , 2004 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The expenses, other than underwriting commissions, expected to be incurred in connection with the issuance and distribution of the securities being registered under this Registration Statement are estimated to be as follows:

Securities and Exchange Commission Registration Fee	$	40,450
National Association of Securities Dealers, Inc. Filing Fee		30,500
New York Stock Exchange Listing Fee		485,927
Printing and Engraving		*
Legal Fees and Expenses		*
Accounting Fees and Expenses		*
Miscellaneous		*
Total	$	

* To be completed by amendment

All offering expenses will be payable by the selling stockholder.

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers, as well as other employees and individuals, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent of such corporation. The Delaware General Corporation Law provides that Section 145 is not excluding other rights to which those seeking indemnification may be entitled under any certificate of incorporation, bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions, or (iv) for any transactions from which the director derived an improper personal benefit.

The amended and restated certificate of incorporation of Genworth Financial, Inc. (the "Registrant") provides that the Registrant will indemnify its directors and officers to the fullest extent permitted by law and that no director shall be liable for monetary damages to the Registrant or its stockholders for any breach of fiduciary duty, except to the extent provided by applicable law.

The General Electric Company (the ultimate parent of the Registrant) maintains liability insurance for its directors and officers and for the directors and officers of its majority-owned subsidiaries, including the Registrant. This insurance provides for coverage against loss from claims made against directors and officers in their capacity as such, including, subject to certain exceptions, liabilities under the federal securities laws. Prior to the completion of this offering, the Registrant intends to obtain additional liability insurance for its directors and officers to reduce the deductible payable under the policy maintained by the General Electric Company.

Item 15. Recent Sales of Unregistered Securities

The Registrant was incorporated on October 23, 2003 under the laws of the State of Delaware. In connection with its formation, the Registrant issued 1,000 shares of common stock for $1,000 to GE Financial Assurance Holdings, Inc., an indirect subsidiary of the General Electric Company, pursuant to the exemption provided by Section 4(2) of the Securities Act of 1933.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

Number	Description
1.1*	Form of Underwriting Agreement
3.1**	Amended and Restated Certificate of Incorporation of Genworth Financial, Inc.
3.2**	Amended and Restated Bylaws of Genworth Financial, Inc.
3.3**	Form of Certificate of Designations for Series A Cumulative Preferred Stock.
4.1***	Specimen Class A Common Stock certificate
4.2**	Indenture, dated as of June 26, 2001, between GE Financial Assurance Holdings, Inc. and The Chase Manhattan Bank, as Trustee.
4.3**	First Supplemental Indenture, dated as of June 26, 2001, among GE Financial Assurance Holdings, Inc., The Chase Manhattan Bank, as Trustee, Paying Agent and Exchange Rate Agent, and The Chase Manhattan Bank, Luxembourg, S.A., as Paying Agent
4.4**	Form of Second Supplemental Indenture among GE Financial Assurance Holdings, Inc., Genworth Financial, Inc. and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank.), as Trustee
4.5**	ISDA Master Agreement, dated as of March 2, 2000, between Morgan Stanley Derivative Products Inc. and GE Financial Assurance Holdings, Inc.
4.6**	Confirmation Letter, dated as of September 29, 2003, from Morgan Stanley Derivative Products Inc. to GE Financial Assurance Holdings, Inc.
4.7**	Form of Indenture between Genworth Financial, Inc. and The Bank of New York, as Trustee
4.8**	Form of Supplemental Indenture No. 1 between Genworth Financial, Inc. and The Bank of New York, as Trustee
4.9**	Form of Purchase Contract and Pledge Agreement between Genworth Financial, Inc. and The Bank of New York, as Purchase Contract Agent, Collateral Agent, Custodial Agent and Securities Intermediary
5.1*	Opinion of Weil, Gotshal & Manges LLP
10.1**	Form of Master Agreement among Genworth Financial, Inc., General Electric Company, General Electric Capital Corporation, GEI, Inc. and GE Financial Assurance Holdings, Inc.
10.2**	Form of Registration Rights Agreement between Genworth Financial, Inc. and GE Financial Assurance Holdings, Inc.
10.3**	Form of Transition Services Agreement among General Electric Company, General Electric Capital Corporation, GEI Inc., GE Financial Assurance Holdings, Inc., GNA Corporation, GE Asset Management Incorporated, General Electric Mortgage Holdings LLC and Genworth Financial, Inc.
10.4**	Form of Liability and Portfolio Management Agreement between Trinity Funding Company, LLC and Genworth Financial Asset Management, LLC
10.5**	Form of Liability and Portfolio Management Agreement among FGIC Capital Market Services, Inc., Genworth Financial Asset Management, LLC and General Electric Capital Corporation
10.6**†	Form of Outsourcing Services Separation Agreement among Genworth Financial, Inc., General Electric Company, General Electric Capital Corporation and GE Capital International Services, Inc.

10.7**	Form of Tax Matters Agreement by and among General Electric Company, General Electric Capital Corporation, GE Financial Assurance Holdings, Inc., GEI, Inc. and Genworth Financial, Inc.
10.8**	Form of Employee Matters Agreement among Genworth Financial, Inc., General Electric Company, General Electric Capital Corporation, GEI, Inc. and GE Financial Assurance Holdings, Inc.
10.9**	Form of Transitional Trademark License Agreement between GE Capital Registry, Inc. and Genworth Financial, Inc.
10.10**	Form of Intellectual Property Cross-License between Genworth Financial, Inc. and General Electric Company
10.11**	Coinsurance Agreement, dated as of April 15, 2004, by and between GE Life and Annuity Assurance Company and Union Fidelity Life Insurance Company
10.12**	Coinsurance Agreement, dated as of April 15, 2004, by and between Federal Home Life Insurance Company and Union Fidelity Life Insurance Company
10.13**	Coinsurance Agreement, dated as of April 15, 2004, by and between General Electric Capital Assurance Company and Union Fidelity Life Insurance Company
10.14**	Coinsurance Agreement, dated as of April 15, 2004, by and between GE Capital Life Assurance Company of New York and Union Fidelity Life Insurance Company
10.15**	Coinsurance Agreement, dated as of April 15, 2004, by and between American Mayflower Life Insurance Company of New York and Union Fidelity Life Insurance Company
10.16**	Retrocession Agreement, dated as of April 15, 2004, by and between General Electric Capital Assurance Company and Union Fidelity Life Insurance Company
10.17**	Retrocession Agreement, dated as of April 15, 2004 by and between GE Capital Life Assurance Company of New York and Union Fidelity Life Insurance Company
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10.32**†	Form of Investment Management Agreement between Financial Assurance Company Limited and GE Asset Management Limited
10.33**	Asset Management Services Agreement, dated as of January 1, 2004, by and among Genworth Financial, Inc., General Electric Financial Assurance Holdings, Inc. and GE Asset Management Incorporated
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10.40***	Form of Five-Year Credit Agreement among Genworth Financial, Inc., as borrower, the Lenders Named therein, and JPMorgan Chase Bank and Bank of America, N.A., as Co-Administrative Agents
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10.58***	Form of Australian Tax Matters Agreement between Genworth Financial, Inc. and General Electric Capital Corporation
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21.1**	Subsidiaries of the registrant
23.1***	Consent of KPMG LLP
23.2*	Consent of Weil, Gotshal & Manges LLP (included in Exhibit 5.1)
24.1**	Powers of Attorney
99.1***	Consent of Frank J. Borelli
99.2***	Consent of J. Robert Kerrey
99.3***	Consent of Thomas B. Wheeler

* To be filed by amendment.

** Previously filed.

*** Filed herewith.

† The registrant has applied for Confidential Treatment with respect to portions of this Exhibit. An unredacted version of this Exhibit has been filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedule

Number	Description
Schedule III	Supplementary Insurance Information

Item 17. Undertakings

The undersigned hereby undertakes as follows:

(a) To provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 4 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Richmond, Virginia, on this 28th day of April, 2004.

GENWORTH FINANCIAL, INC.

By: /s/ RICHARD P. MCKENNEY

Name: Richard P. McKenney
Title: Senior Vice President—Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933 this Amendment No. 4 to the Registration Statement has been signed by the following persons in the capacities indicated on the 28th day of April, 2004.

Signature	Title
* Michael D. Fraizer	Chairman of the Board of Directors, President and Chief Executive Officer (Principal Executive Officer)
/s/ RICHARD P. MCKENNEY Richard P. McKenney	Senior Vice President—Chief Financial Officer (Principal Financial Officer)
* Jamie S. Miller	Vice President and Controller (Principal Accounting Officer)
* Elizabeth J. Comstock	Director
* Pamela Daley	Director
* Dennis D. Dammerman	Director
* David R. Nissen	Director
* James A. Parke	Director

*By: /s/ RICHARD P. MCKENNEY

Richard P. McKenney
Attorney-in-fact

WHEN THE TRANSACTIONS REFERRED TO IN NOTE 1 TO THE AUDITED COMBINED FINANCIAL STATEMENTS ON PAGE F-7 HAVE BEEN CONSUMMATED, WE WILL BE IN A POSITION TO RENDER THE FOLLOWING REPORT.

/s/ KPMG LLP

Independent Auditors' Report

The Board of Directors
Genworth Financial, Inc.:

Under date of February 6, 2004, except as to note 1 which is as of , 2004, we reported on the combined statement of financial position of Genworth Financial, Inc. (the "Company") as of December 31, 2003 and 2002, and the related combined statements of earnings, stockholder's interest, and cash flows for each of the years in the three-year period ended December 31, 2003, which are included in the prospectus. In connection with our audits of the aforementioned combined financial statements, we also audited the related combined financial statement schedule in the registration statement. The financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic combined financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in note 2 to the combined financial statements, the Company changed its method of accounting for variable interest entities in 2003, its method of accounting for goodwill and other intangible assets in 2002, and its method of accounting for derivative instruments and hedging activities in 2001.

Richmond, Virginia
February 6, 2004, except as to
note 1 of the combined financial statements,
which is as of , 2004

Genworth Financial, Inc.
Supplemental Insurance Information
(Dollar amounts in millions)

Segment	Deferred Acquisition Costs	Future Annuity and Contract Benefits & Liability for Policy and Contract Claims	Unearned Premiums	Other Policyholder Liabilities	Premium Revenue
December 31, 2003					
Protection	$ 4,155	$ 17,871	$ 2,314	$ 63	$ 4,588
Retirement Income and Investments	1,249	43,744	—	351	1,045
Mortgage Insurance	89	340	1,216	44	716
Affinity	198	493	19	7	244
Corporate and Other	97	16	67	—	110
Total	$ 5,788	$ 62,464	$ 3,616	$ 465	$ 6,703
December 31, 2002					
Protection	$ 3,677	$ 16,274	$ 2,203	$ 31	$ 4,088
Retirement Income and Investments	1,373	42,473	—	561	991
Mortgage Insurance	68	345	732	40	677
Affinity	208	450	34	5	247
Corporate and Other	6	10	38	(1)	104
Total	$ 5,332	$ 59,552	$ 3,007	$ 636	$ 6,107
December 31, 2001					
Protection					$ 3,915
Retirement Income and Investments					1,023
Mortgage Insurance					698
Affinity					286
Corporate and Other					90
Total					$ 6,012

Segment	Net Investment Income	Interest Credited & Benefits and Other Changes in Policy Reserves	Amortization of Deferred Acquisition Costs	Other Operating Expenses	Premiums Written
December 31, 2003					
Protection	$ 1,199	$ 3,362	$ 889	$ 1,144	$ 4,454
Retirement Income and Investments	2,511	3,130	166	256	1,046
Mortgage Insurance	218	115	33	303	950
Affinity	62	196	89	260	236
Corporate and Other	25	53	5	288	124
Total	$ 4,015	$ 6,856	$ 1,182	$ 2,251	$ 6,810
December 31, 2002					
Protection	$ 1,136	$ 2,992	$ 769	$ 1,007	$ 4,397
Retirement Income and Investments	2,522	3,052	168	263	989
Mortgage Insurance	231	46	37	235	840
Affinity	70	180	84	344	226
Corporate and Other	20	15	2	244	40
Total	$ 3,979	$ 6,285	$ 1,060	$ 2,093	$ 6,492
December 31, 2001					
Protection	$ 1,119	$ 2,722	$ 682	$ 1,200	$ 4,073
Retirement Income and Investments	2,482	3,014	121	247	1,023
Mortgage Insurance	227	150	45	186	797
Affinity	74	188	82	394	248
Corporate and Other	(7)	20	3	226	46

Total	$ 3,895	$ 6,094	$ 933	$ 2,253	$ 6,187

INDEX TO EXHIBITS

Number	Description
1.1*	Form of Underwriting Agreement
3.1**	Amended and Restated Certificate of Incorporation of Genworth Financial, Inc.
3.2**	Amended and Restated Bylaws of Genworth Financial, Inc.
3.3**	Form of Certificate of Designations for Series A Cumulative Preferred Stock.
4.1***	Specimen Class A Common Stock certificate
4.2**	Indenture, dated as of June 26, 2001, between GE Financial Assurance Holdings, Inc. and The Chase Manhattan Bank, as Trustee.
4.3**	First Supplemental Indenture, dated as of June 26, 2001, among GE Financial Assurance Holdings, Inc., The Chase Manhattan Bank, as Trustee, Paying Agent and Exchange Rate Agent, and The Chase Manhattan Bank, Luxembourg, S.A., as Paying Agent
4.4**	Form of Second Supplemental Indenture among GE Financial Assurance Holdings, Inc., Genworth Financial, Inc. and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank.), as Trustee
4.5**	ISDA Master Agreement, dated as of March 2, 2000, between Morgan Stanley Derivative Products Inc. and GE Financial Assurance Holdings, Inc.
4.6**	Confirmation Letter, dated as of September 29, 2003, from Morgan Stanley Derivative Products Inc. to GE Financial Assurance Holdings, Inc.
4.7**	Form of Indenture between Genworth Financial, Inc. and The Bank of New York, as Trustee
4.8**	Form of Supplemental Indenture No. 1 between Genworth Financial, Inc. and The Bank of New York, as Trustee
4.9**	Form of Purchase Contract and Pledge Agreement between Genworth Financial, Inc. and The Bank of New York, as Purchase Contract Agent, Collateral Agent, Custodial Agent and Securities Intermediary
5.1*	Opinion of Weil, Gotshal & Manges LLP
10.1**	Form of Master Agreement among Genworth Financial, Inc., General Electric Company, General Electric Capital Corporation, GEI, Inc. and GE Financial Assurance Holdings, Inc.
10.2**	Form of Registration Rights Agreement between Genworth Financial, Inc. and GE Financial Assurance Holdings, Inc.
10.3**	Form of Transition Services Agreement among General Electric Company, General Electric Capital Corporation, GEI Inc., GE Financial Assurance Holdings, Inc., GNA Corporation, GE Asset Management Incorporated, General Electric Mortgage Holdings LLC and Genworth Financial, Inc.
10.4**	Form of Liability and Portfolio Management Agreement between Trinity Funding Company, LLC and Genworth Financial Asset Management, LLC
10.5**	Form of Liability and Portfolio Management Agreement among FGIC Capital Market Services, Inc., Genworth Financial Asset Management, LLC and General Electric Capital Corporation
10.6**†	Form of Outsourcing Services Separation Agreement among Genworth Financial, Inc., General Electric Company, General Electric Capital Corporation and GE Capital International Services, Inc.

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10.8**	Form of Employee Matters Agreement among Genworth Financial, Inc., General Electric Company, General Electric Capital Corporation, GEI, Inc. and GE Financial Assurance Holdings, Inc.
10.9**	Form of Transitional Trademark License Agreement between GE Capital Registry, Inc. and Genworth Financial, Inc.
10.10**	Form of Intellectual Property Cross-License between Genworth Financial, Inc. and General Electric Company
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QuickLinks

Exhibit 4.1

NUMBER
GNW

Genworth
Financial

CLASS A COMMON STOCK
PAR VALUE $0.001

SHARES

CUSIP

SEE REVERSE FOR CERTAIN DEFINITIONS

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

This Certifies that

is the owner of

Fully Paid and Non-Assessable Shares of Class A Common Stock of Genworth Financial, Inc.

transferable only on the books of the Corporation by the holder thereof in person or by duly authorized Attorney upon surrender of this Certificate, properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS, the facsimile signatures of the Corporation's duly authorized officers.

DATED

CHAIRMAN OF THE BOARD, PRESIDENT AND
CHIEF EXECUTIVE OFFICER

SECRETARY

COUNTERSIGNED AND REGISTERED:
THE BANK OF NEW YORK

TRANSFER AGENT
AND REGISTRAR BY

BY

AUTHORIZED OFFICER

Exhibit 10.25

MORTGAGE SERVICES AGREEMENT

dated as of , 2004

by and among

GE MORTGAGE SERVICES, LLC,

GENERAL ELECTRIC MORTGAGE
HOLDINGS LLC,

GE MORTGAGE CONTRACT SERVICES INC.

and

GENWORTH FINANCIAL, INC.

TABLE OF CONTENTS

SCHEDULES AND EXHIBITS

THIS MORTGAGE SERVICES AGREEMENT, dated as of , 2004, is made by and among GE MORTGAGE SERVICES, LLC, a North Carolina limited liability company ("Mortgage Services"), GENERAL ELECTRIC MORTGAGE HOLDINGS LLC, a North Carolina limited liability company ("GEMH"), GE MORTGAGE CONTRACT SERVICES INC., a Delaware corporation ("Contract Services") and GENWORTH FINANCIAL, INC., a Delaware corporation ("Genworth", and together with Mortgage Services, GEMH and Contract Services, the "Parties").

RECITALS

WHEREAS, Affiliates of the Parties, General Electric Company ("General Electric"), General Electric Capital Corporation ("GE Capital"), GEI, Inc. ("GEI"), GE Financial Assurance Holdings, Inc. ("GEFAHI") and Genworth entered into that certain Master Agreement, dated as of the date hereof (the "Master Agreement");

WHEREAS, pursuant to the terms of the Master Agreement, General Electric, GE Capital, GEI, GEFAHI, GNA Corporation, GE Asset Management Incorporated, GEMH and Genworth entered into that certain Transition Services Agreement dated as of the date hereof;

WHEREAS, GE Capital Mortgage Services, Inc., a predecessor in interest to Mortgage Services, and General Electric Mortgage Insurance Corporation ("GEMICO") entered into that certain Service Agreement dated as of January 1, 2001 (the "Existing Servicing Agreement");

WHEREAS, Mortgage Services and GEMICO entered into that certain Shared Services Agreement dated as of January 1, 2002 (the "Existing Shared Services Agreement");

WHEREAS, Mortgage Services and GEMICO desire to terminate the Existing Servicing Agreement and the Existing Shared Services Agreement;

WHEREAS, pursuant to the terms of the Master Agreement, it is contemplated that GEMH will provide, or cause to provide, certain services to Mortgage

Services and its Subsidiaries, including services previously provided by GEMICO and its Affiliates pursuant to the Existing Servicing Agreement and Existing Shared Services Agreement;

WHEREAS, Mortgage Services and GEMICO entered into that certain Lease Agreement (the "Lease Agreement"), effective as of October 1, 2002, with respect to approximately 1,100 square feet of office space located at 6601 Six Forks Road, Raleigh, North Carolina 27615 (the "Leased Premises");

WHEREAS, Mortgage Services and GEMICO desire to terminate the Lease Agreement and Mortgage Services desires to continue to use the Leased Premises on the terms set forth herein;

WHEREAS, GE Capital Residential Connection Corporation ("GECRCC") and Mortgage Services entered into that certain Indemnification Agreement dated as of May 1, 2003 (as assigned by GECRCC to Contract Services effective as of January 1, 2004, the "Indemnification Agreement");

WHEREAS, Mortgage Services and Contract Services desire to terminate the Indemnification Agreement and Mortgage Services desires for Contract Services to indemnify Mortgage Entities with respect to any and all Liabilities incurred by Mortgage Services with respect to the Scheduled Loans (as defined below);

WHEREAS, Contract Services has requested that, from time to time, Mortgage Services purchase certain New Loans and the related Loan Assets (as defined below) and Mortgage Services has agreed to (i) make such purchases on the terms and conditions set forth herein and (ii) account for such New Loans and related Loan Assets on its financial statements; and

WHEREAS, Mortgage Services desires that Genworth guarantee the obligations of Contract Services under this Agreement and Genworth has agreed to provide such guaranty;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Certain Defined Terms.

The following capitalized terms used in this Agreement shall have the meanings set forth below:

"Affiliate" means Affiliate as defined in the Master Agreement; provided however, that for the purposes of this Agreement the Closing Date as used in such definition shall be deemed to have occurred.

"Agreement" means this Mortgage Services Agreement, including all schedules and exhibits hereto, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Bona Fide Offer" means, with respect to any Held Loan, a written offer made by any Person, other than Mortgage Services, Contract Services or any of their respective Affiliates, in good faith to purchase such Held Loan, coupled with evidence reasonably satisfactory to Contract Services that (i) the offeror has the present financial ability to pay the offered price or has available financing to enable it to pay the offered price and (ii) the offered price is consistent with the sale price Mortgage Services would seek to obtain for a loan of substantially similar type held by Mortgage Services for its own account.

"Credit Enhancement" means any (i) security deposit, (ii) investment certificate, certificate of deposit, authorization to hold funds, hypothecation of account or like instrument, (iii) letter of credit, repurchase agreement, agreement of indemnity, guarantee or postponement agreement, (iv) recourse agreement, (v) security agreement, (vi) all property and assets of whatever nature, including personal property, whether tangible or intangible, and claims, rights

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and choses in action, (vii) certificate representing shares or the right to purchase capital of or interests in, any Person, or (viii) bond or debenture, or (ix) any and all insurance policies (including mortgage and title insurance), in each case pledged, assigned, mortgaged, made, delivered or transferred as security for the performance of any obligation under or with respect to any Loan by an obligor thereunder.

"Deficiency Amount" means, with respect to any Loan, in the event that the amount set forth in clause (ii) below is less than the amount set forth in clause (i) below, an amount that equals the absolute value of the difference between (i) the amount paid by Mortgage Services as purchase price with respect to such Loan minus the amount of all payments of principal received by Mortgage Services with respect to such Loan and (ii) the Disposition Purchase Price.

"Disposition Purchase Price" means, with respect to any Loan, the amount of proceeds (with respect to principal payable under such Loan) received by Mortgage Services from the disposition of such Loan and the related Loan REO (including pursuant to Sections 6.06 and 6.07) after the date hereof.

"Employee Matters Agreement" means that certain Employee Matters Agreement dated as of the date of the Master Agreement by and among General Electric, GEFAHI, GEI and Genworth.

"Employment Costs" means costs and expenses described in Section 4.02(b)(i) and 4.02(d)(i).

"Environmental Law" means any domestic or foreign, federal, state or local statute, rule, regulation or ordinance pertaining to the protection of human health and safety or the environment, including but not limited to the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") (42 U.S.C. § 9601 *et seq.*), the Hazardous Material Transportation Act (49 U.S.C. § 1801 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*) and the Occupational Safety and Health Act (29 U.S.C. § 651 *et seq.*), all as now or hereafter amended or supplemented, and the regulations promulgated pursuant thereto, and judicial interpretations thereof, as well as common law rights of action under theories of nuisance, trespass and strict liability.

"Fair Market Value" means, with respect to any Loan, the fair market value of such Loan determined, by Contract Services, on the basis that such Loan is sold on an arm's length basis between a willing seller and a willing buyer.

"Finance Laws" means the U.S.A. Patriot Act, the Truth in Lending Act, Laws prohibiting deceptive, misleading and unfair acts and practices, the Gramm-Leach-Bliley Act, the Real Estate Settlement Procedures Act, the Home Mortgage Disclosure Act, the Consumer Credit Protection Act, the Right to Financial Privacy Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Homeowners Ownership and Equity Protection Act, the Federal

Trade Commission Act, the Fair Debt Collection Practices Act and other state or federal Laws regulating lending and all rules and regulations promulgated pursuant to any of the foregoing.

"GEMH Parties" means, collectively, GEMH, Contract Services and Genworth.

"GE Services" means any and all services provided by General Electric and its Affiliates to Mortgage Entities prior to the date hereof through the corporate functions of General Electric and its Affiliates, including tax, treasury, capital markets, legal, finance and information technology services but excluding any services provided by GEMH or its Affiliates of the same type as the GEMH Services to the Mortgage Entities at any time prior to the date hereof.

"Held Loan" means any Loan with respect to which Mortgage Services is a lender (whether initially or as assignee) and that has not been sold, transferred or assigned by Mortgage Services to any Person (other than another Mortgage Entity).

"Information Systems" means computing telecommunications or other digital operating or processing systems or environments, including, without limitation, computer programs, data, databases, computers, computer libraries, communications equipment, networks and systems. When referenced in connection with GEMH Services, Information Systems shall mean the Information Systems accessed and/or used in connection with the GEMH Services.

"Intellectual Property" means all of the following, whether protected, created or arising under the laws of the United States or any other foreign jurisdiction: (i) patents, patent applications and statutory invention registrations, including divisions, continuations, continuations-in-part, substitute application of the foregoing and any extensions, reissues, restorations and reexaminations thereof, and all rights therein provided by international treaties or conventions, (ii) copyrights and mask work rights, whether or not registered, published or unpublished, and registrations and applications for registration thereof, and all rights therein whether provided by international treaties or conventions or otherwise, (iii) trademarks, service marks, trade dress, logos and other identifiers of source, including all goodwill associated therewith and all common law rights, registrations and applications for registration thereof, and all rights therein provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (iv) intellectual property rights arising from or in respect of domain names, domain name registrations and reservations, (v) trade secrets, (vi) intellectual property rights arising from or in respect of Technology, and (vii) all other applications and registrations related to any of the intellectual property rights set forth in the foregoing clauses (i) — (vi) above.

"Lender" means with respect to a Loan, a lender under such Loan.

"Liens" means any title defect, conflicting or adverse claim of ownership, mortgage, security interest, lien, pledge, claim, right of first refusal, option, charge, covenant, restriction, reservation, lease, order, decree, judgment, stipulation, settlement, attachment, restriction, objection or any other encumbrance of any nature whatsoever, whether or not perfected.

"Loans" means, collectively, Scheduled Loans and New Loans.

"Loan Agreement" means with respect to any Loan, any agreement or instrument evidencing the obligations of an obligor with respect to such Loan, including any loan agreement or note, and all amendments, addenda, riders and modifications thereto and thereof.

"Loan Assets" means with respect to any Loan, (i) any agreement or instrument evidencing the obligation of an obligor with respect to such Loan, including any loan agreement, note or other evidence of indebtedness of an obligor, any and all amendments, addenda, riders and modifications thereto and thereof and any and all documents executed in connection therewith (including (A) any and all mortgages, deeds of trust and other instruments or agreements including any and all amendments, addenda, riders, modifications thereto and thereof, in each case of this clause (i)(A) securing the obligations of the obligor under such Loan, and (B) any and all assignments of the instruments and agreements set forth in clause (i)(A) above, notices of transfer and equivalent instruments), (ii) any and all Credit Enhancements related to such Loan, (iii) any and all rights, interest and title of the applicable Lender with respect to such Loan including any and all rights to service such Loan and any and all other rights, benefits and proceeds arising from or in connection with such Loan, and (iv) any and all correspondence and documents of Contract Services and its Affiliates to the extent related to such Loan and other books and records, documents and agreements related to such Loan that the applicable Lender and Mortgage Services agree, pursuant to the applicable Loan Purchase Agreement, are to be sold, transferred and assigned to Mortgage Services pursuant to such Loan Purchase Agreement.

"Loan Closing" means the consummation of the sale and purchase transactions contemplated by Sections 6.03(a)(i), 6.04 and 6.05.

"Loan Closing Date" means the date on which the applicable Loan Closing occurs.

"Loan File" means, with respect to any Loan, any agreements, instruments, documents and correspondence described in clauses (i), (ii) and (iv) of the definition of the Loan Assets.

"Loan Purchase Agreement" means (i) with respect to any New Loan, an industry standard purchase and sale agreement between Mortgage Services and the applicable Lender substantially in the form of Exhibit A and otherwise in form and substance reasonably satisfactory to Mortgage Services and (ii) with respect to any Scheduled Loan, a purchase and sale agreement entered into by Mortgage Services and the applicable Lender with respect to the sale by such Lender and the purchase by Mortgage Services of such Scheduled Loan.

"Loan Purchase Price" means, with respect to a New Loan, the purchase price agreed upon by Mortgage Services and the applicable Lender.

"Loan REO" means any Mortgaged Property that Mortgage Services has acquired as a result of a foreclosure in connection with the applicable Loan.

"Loan Schedule" means a written schedule delivered from time to time by Contract Services to Mortgage Services setting forth all of the New Loans which Contract Services wishes to present to Mortgage Services for purchase pursuant to the terms of this

Agreement on a Loan Closing Date, which schedule sets forth the following information for each Loan: name of obligor, name of Lender, account number and the outstanding principal balance as of the most recent reporting period.

"Mortgage Entities" means Mortgage Services and its Subsidiaries.

"Mortgaged Property" means any real property that secures the obligations of the obligor under a Loan.

"Mortgage Servicing Rights" means assets designated as Mortgage Servicing Rights on the books and records of Mortgage Entities.

"MS Services" means the services provided by Mortgage Services pursuant to Section 2.03.

"MS Servicing Costs" means costs and expenses incurred by Mortgage Services in the ordinary course of business in connection with the management and servicing of the Held Loans pursuant to Section 2.03, (i) including fees and other costs payable by Mortgage Services pursuant to the Wells Fargo Agreement or any other similar subservicing agreement in connection with such Held Loans but (ii) excluding in all events any out-of-pocket costs and expenses (other than the Loan Purchase Price and the purchase price paid by Mortgage Services with respect to Scheduled Loans and any and all interest expenses incurred by Mortgage Services in connection with the funding of any Loan) incurred by Mortgage Services in connection with the acquisition or disposition of any Loan (including any loan boarding costs payable by Mortgage Services pursuant to the Wells Fargo Agreement or any other subservicing agreement, attorney costs and expenses, custodian fees, recording and filing fees and other costs and expenses customarily incurred in connection with an acquisition or disposition of residential mortgage loans).

"Net Amount" means, as of any date, an amount equal to the difference between (i) the sum of: (A) the aggregate Loan Purchase Price of the applicable Purchased Loans, (B) the aggregate purchase price paid by Mortgage Services with respect to the Scheduled Loans held by Mortgage Services as of such date and (C) the aggregate purchase price paid by Mortgage Services with respect to the REOs held by Mortgage Services as of such date minus (ii) the aggregate amount of principal payments received by Mortgage Services as of such date with respect to the Loans set forth in clauses (i)(A) and (i)(B).

"New Loan" means any one- to four-family residential mortgage loan that has been underwritten by an Affiliate of GEMH. For the avoidance of doubt, "New Loan" shall exclude any and all Scheduled Loans.

"Permitted Lien" means (i) any Lien for taxes not yet due and payable, (ii) any mechanic's or materialmen's lien, which an obligor under a Loan is required to remove and (iii) any other Lien on the obligor's interest in any Mortgaged Property which is specifically permitted in accordance with the terms of the related Loan Agreement or other documents, agreements or instruments that constitute Loan Assets and which does not materially affect the value of the Mortgaged Property subject to such Lien.

"Purchased Loan" means any New Loan purchased by Mortgage Services as required by this Agreement and that has not been sold, transferred or assigned by Mortgage Services to GEMH or any other Person (other than another Mortgage Entity).

"Representative(s)" of a Person means any director, officer, employee, agent, consultant, accountant, auditor, financing source, attorney, investment banker or other representative of such Person.

"REO Agreement" means that certain Agreement for the Purchase and Sale of Property, dated as of October 3, 1994, among GE Capital Asset Management Corporation ("GECAMC"), GEMICO, GE Residential Mortgage Insurance Corporation of North Carolina, General Electric Mortgage Corporation of North Carolina and Verex Assurance, Inc., as assigned by GECAMC to Mortgage Services pursuant to that certain Assignment, Assumption and Recognition Agreement dated as of May 1, 1995, and as modified by that certain Corrective – Restated Amendment to the Purchase and Sale of Property dated as of September 11, 1998 and as amended by that certain Second Amendment to the Agreement for the Purchase and Sale of Property dated as of the date hereof.

"REO" means any Property (as defined in the REO Agreement) purchased by Mortgage Services or its predecessor-in-interest pursuant to the REO Agreement.

"Scheduled Loans" means loans set forth on Schedule B.

"Service Termination Date" shall have the meaning specified in Schedule A hereto, in respect of any GEMH Service, or such earlier date as provided hereunder.

"Software" means the object and source code versions of computer programs and any associated documentation therefore.

"Technology" means, collectively, all designs, formulas, algorithms, procedures, techniques, ideas, know-how, software, programs, models, routines, confidential and proprietary information, databases, tools, inventions, invention disclosures, creations, improvements, works of authorship, and all recordings, graphs, drawings, reports, analyses, other writings, and any other embodiment of the above, in any form, whether or not specifically listed herein.

"Transition Employees" means, collectively, the Fully Dedicated Transition Employees and Partially Allocated Transition Employees.

"Underwriting/Insurance Agreement" means an agreement or an insurance policy entered into between an Affiliate of GEMH and a Lender pursuant to which such Affiliate of GEMH has an option to purchase a Loan from the Lender upon occurrence of certain events specified in such agreement or insurance policy.

"Virus" shall mean any computer instructions (i) that adversely affect the operation, security or integrity of a computing telecommunications or other digital operating or processing system or environment, including without limitation, other programs, data, databases, computer libraries and computer and communications equipment, by altering, destroying, disrupting or inhibiting such operation, security or integrity; (ii) that without functional purpose,

self-replicate without manual intervention; and/or (iii) that purport to perform a useful function but which actually perform either a destructive or harmful function, or perform no useful function and utilize substantial computer, telecommunications or memory resources.

"WARN Act" means the Workers Adjustment and Retraining Notification Act and any state and local "plant closing" or "mass layoff" law.

"Wells Fargo" means Wells Fargo Home Mortgage, Inc.

"Wells Fargo Agreement" shall mean that certain Subservicing Agreement, dated September 30, 2000, by and between Wells Fargo and GE Capital Mortgage Services, Inc., presently known as Mortgage Services, as such Subservicing Agreement may be amended, restated and otherwise modified from time to time in accordance with the terms thereof.

"Wells Fargo Proceeds" means, with respect to any Liability, any proceeds payable by Wells Fargo to Mortgage Services pursuant to Section 7.2 of the Wells Fargo Agreement with respect to such Liability.

SECTION 1.02. Other Terms. For purposes of this Agreement, the following terms have the meanings set forth in the sections or agreements indicated.

Term	Section

Affiliate	Master Agreement
Bona Fide Purchase Price	Section 6.06
Breaching Party	Section 10.01(a)
Business Day	Master Agreement
Claims	Section 6.03(a)(ii)
Closing	Master Agreement
Closing Date	Master Agreement
Facilities Fee	Section 4.01(b)(iv)
Force Majeure	Master Agreement
Fully Dedicated Transition Employee	Section 2.02
GE	Recitals
GE Capital	Recitals
GE Confidential Information	Master Agreement
GEFAHI	Recitals
GEI	Recitals
GEMH Indemnified Party	Section 8.01(a)
GEMH Manager	Section 12.01
GEMH Services	Section 2.01(a)
GEMH Substitute Service	Section 2.01(a)
General Electric	Recitals
Genworth	Preamble
Genworth Confidential Information	Master Agreement
Governmental Approval	Master Agreement
Guaranteed Obligations	Section 11.01
Guaranty	Section 11.01
Indemnification Agreement	Recitals

Term	Section
Indemnified Party	Master Agreement
Indemnifying Party	Master Agreement
Indemnity Payment	Master Agreement
Identified Costs	Section 4.01(b)(iii)
IT Costs	Section 4.01(b)(ii)
Law	Master Agreement
Leased Premises	Recitals
Liabilities	Master Agreement
Loan Closing Documents	Section 6.05(b)
Loss Mitigation Costs	Section 4.01(b)(iii)
Master Agreement	Recitals
Mortgage Services Indemnified Party	Section 8.01(b)
Mortgage Services Manager	Section 12.02
MS Standard	Section 5.01(b)
Non-Breaching Party	Section 10.01(a)
Operating Plan	Schedule A
Partially Allocated Transition Employee	Section 2.02
Parties	Preamble
Person	Master Agreement
Service Charges	Section 4.01(b)(ivi)
Standard for Services	Section 5.01(a)
Subsidiary	Master Agreement
Tax Returns	Master Agreement
Term	Section 10.01(a)
Transactions	Master Agreement
Trigger Date	Master Agreement

ARTICLE II

SERVICES AND TERMS

SECTION 2.01. GEMH Services; Scope

(a) During the period commencing on the date hereof and ending on the relevant Service Termination Date, subject to the terms and conditions set forth in this Agreement, GEMH shall provide or cause to be provided to Mortgage Entities all services provided to any Mortgage Entities by GEMH and/or its Affiliates by the Partially Allocated Transition Employees and the Fully Dedicated Transition Employees prior to the date hereof, including the services listed in Schedule A hereto (the "GEMH Service(s)"). The "GEMH Services" also shall include (1) any services to be provided or cause to be provided by GEMH to Mortgage Entities as agreed pursuant to Sections 2.02, 2.04, 3.02 and 12.05(a) and (2) any GEMH Substitute Service; provided, however, that (i) except as set forth in Section 2.04(b), the scope of each GEMH Service shall be substantially the same as the scope of such service provided by GEMH and its Affiliates to Mortgage Services, the predecessor of Mortgage Services or any other Mortgage Entity, as applicable, on the last day prior to the date hereof and

that such service was provided by GEMH and its Affiliates to Mortgage Services, the predecessor of Mortgage Services or any other Mortgage Entity, as applicable, in the ordinary course, (ii) the use of each GEMH Service by Mortgage Entities shall include use of such GEMH Service contractors by Mortgage Services and/or by any other Mortgage Entity in substantially the same manner as used by the contractors of Mortgage Services, predecessor of Mortgage Services and other Mortgage Entities, as applicable, prior to the date hereof (including use by Wells Fargo pursuant to the Wells Fargo Agreement). The preceding sentence shall not be deemed to restrict or otherwise limit the volume or quantity of the GEMH Services. If, for any reason, GEMH is unable to provide, or cause to be provided, any GEMH Service to any Mortgage Entity pursuant to the terms of this Agreement, GEMH shall provide or cause to be provided to Mortgage Entities a substantially equivalent service (a "GEMH Substitute Service") at or below the cost for the substituted GEMH Service and otherwise in accordance with the terms of this Agreement, including, the Standard for Services.

(b) The GEMH Services shall include such maintenance, support, error correction, training, updates and enhancements normally and customarily provided by GEMH to its Subsidiaries that receive such services. If Mortgage Services requests that GEMH provide a custom modification in connection with any GEMH Service, Mortgage Services shall be responsible for the cost of such custom modification, and to the extent such custom modification constitutes Software, and such Software and all Intellectual Property therein is owned by Mortgage Services, GEMH hereby assigns such Software and all Intellectual Property therein to Mortgage Services and Mortgage Services hereby grants GEMH a perpetual, worldwide, fully paid up, irrevocable, transferable, royalty-free, non-exclusive license, with the right to sublicense, to use and modify such Software. The GEMH Services shall include all functions, responsibilities, activities and tasks, and the materials, documentation, resources, rights and licenses to be used, granted or provided by GEMH that are not specifically described in this Agreement as a part of the GEMH Services, but are incidental to, and would normally be considered an inherent part of, or necessary subpart included within, the GEMH Services or are otherwise necessary for GEMH to provide, or Mortgage Entities to receive, the GEMH Services.

(c) For the avoidance of doubt, GEMH shall have no liability for any variance between the actual results of operations of Mortgage Services and the estimated results of operations set forth in the Operating Plan, unless and to the extent such variance is due to the gross negligence or willful misconduct of GEMH.

(d) Notwithstanding any provision to the contrary in this Agreement, GEMH shall not be obligated to provide any of the GE Services and GEMH shall have no liability for any acts or omissions of any party resulting from instructions given by or at the direction of the Mortgage Services Manager or in connection with the obligations of the Mortgage Services Manager pursuant to Section 12.02 hereof.

(e) During the Term, GEMH and Mortgage Services shall cooperate with one another and use their good faith, commercially reasonable efforts to effect the efficient, timely and seamless provision and receipt of GEMH Services.

SECTION 2.02. Transition Employees Services. GEMH agrees that during the Term it shall provide, or cause to be provided, to Mortgage Entities the services of (a)

employees of Affiliates of GEMH set forth on Schedule C-1, or any employees with equivalent or greater skills who replace such employees in the positions set forth on Schedule C-1, in each case on a full-time basis (each such employee who performs GEMH Services on a full-time basis, a "Fully Dedicated Transition Employee") and (b) employees of Affiliates of GEMH set forth on Schedule C-2, or any employees with equivalent or greater skills who replace such employees in the positions set forth on Schedule C-2, in each case on a part-time basis as set forth on Schedule C-2 (each such employee who performs GEMH Services on a part-time basis as set forth on Schedule C-2, a "Partially Allocated Transition Employee").

SECTION 2.03. Management of Held Loans.

(a) During the Term, Mortgage Services shall manage and service the Held Loans in accordance with the MS Standard. For the avoidance of doubt, such management and servicing shall include restructuring, modification and disposition of the Held Loans and the related Loan Assets as well as other loss mitigation activities, such as foreclosure on the Mortgaged Property that secures the Held Loans, in each case in accordance with the MS Standard. In managing and servicing the Held Loans, Mortgage Services shall utilize the Wells Fargo Agreement, to the extent permitted by the terms thereof, or a substantially similar subservicing agreement.

(b) Mortgage Services shall maintain all licenses and other authorizations, in each case issued by a Governmental Authority, necessary to manage the Held Loans (including its status as an approved Fannie Mae/Freddie Mac seller/servicer).

SECTION 2.04. Reporting; Transition; MSR Sale.

(a) During the Term, GEMH shall provide, or cause to be provided, the following support, which support shall be in addition to the GEMH Services described in Schedule A:

(i) GEMH shall provide, or cause to be provided, current and reasonably available historical data related to the GEMH Services and predecessor services thereto as reasonably required by Mortgage Services in a manner and within a time period as mutually agreed upon by the parties; and

(ii) GEMH shall make reasonably available to the Mortgage Entities the Partially Allocated Transition Employees and Fully Dedicated Transition Employees (to the extent of their respective percentage designations on Schedule C-2) and contractors of GEMH and its Affiliates with respect to the services covered by the Identified Costs whose assistance, expertise or presence is necessary to (A) assist the transition team of Mortgage Services in establishing a fully functioning stand-alone environment and the timely assumption by Mortgage Services, or by a supplier to Mortgage Services, of the GEMH Services and (B) facilitate the implementation of the Operating Plan.

(b) The Parties acknowledge and agree that except as set forth in this Section 2.04(b), GEMH shall have no obligation to provide, or cause to be provided, services in connection with any sale by any Mortgage Entity of Mortgage Servicing Rights or other disposition of assets that are not in ordinary course of business of any Mortgage Entity. The

Parties further acknowledge and agree that during the Term, upon request by Mortgage Services, Fully Dedicated Transition Employees and Partially Allocated Transition Employee shall assist Mortgage Entities in any such sale or disposition; provided, however, that no Partially Allocated Transition Employee shall be required to dedicate a greater percentage of such employee's time (on full time equivalent basis) to such assistance and to provision of other GEMH Services than the percentage set forth in the column headed "Allocated %/FTE" on Schedule C-2 for such employee or his or her replacement. GEMH may further agree, but shall not be obligated, to provide additional assistance in connection with any such sale or disposition beyond that set forth above in this Section 2.04(b), in which event Mortgage Services shall reimburse GEMH, upon the same terms and conditions as apply to other GEMH Services, for the direct incremental costs and expenses actually incurred by GEMH and its Affiliates in connection with the provision of such additional service, which costs and expenses would not have been otherwise incurred as a result of the provision by GEMH and/or its Affiliates of other GEMH Services; provided that such costs and expenses have been authorized in writing in advance by the Mortgage Services Manager (or another authorized representative of Mortgage Services or its Affiliates). Notwithstanding the foregoing, this Section 2.04(b) shall not be applicable to the sale of any servicing rights pursuant to Section 6.07.

SECTION 2.05. Performance and Receipt of Services.

(a) Security. Each of Mortgage Services and GEMH shall at all times comply with its own then in-force security guidelines and policies applicable to the performance, access and/or use of the GEMH Services and Information Systems.

(b) No Viruses. Each of Mortgage Services and GEMH shall take commercially reasonable measures to ensure that no Viruses or similar items are coded or introduced into the GEMH Services or the Information Systems of Mortgage Services, GEMH or any of their respective Affiliates. If a Virus is found to have been introduced into the GEMH Services or any Information Systems of any Party or its Affiliates, Mortgage Services and GEMH shall use their commercially reasonable efforts to cooperate and to diligently work together to eliminate the effects of such Virus.

(c) Reasonable Care. Each of Mortgage Services and GEMH shall exercise reasonable care in providing and receiving the GEMH Services and the MS Services to (i) prevent access to the Information Systems by unauthorized Persons and (ii) not damage, disrupt or interrupt the GEMH Services, the MS Services or Information Systems of any Party.

ARTICLE III

OTHER ARRANGEMENTS

SECTION 3.01. Computer-Based Resources.

(a) Prior to the Trigger Date, Mortgage Entities shall continue to have access to the Information Systems of GEMH and its Subsidiaries. On and after the Trigger Date, Mortgage Entities shall not have any right to access all or any part of the Information Systems of GEMH or any of its Subsidiaries, except to the extent necessary for any Mortgage Entity to

receive the GEMH Services or implement the Operating Plan (in addition and not in limitation of Section 2.05, subject to Mortgage Services complying with all reasonable security measures implemented by GEMH as deemed necessary by GEMH to protect its Information Systems and the Information Systems of its Subsidiaries, provided, that Mortgage Entities have had a commercially reasonable period of time to comply with such security measures).

(b) Prior to the Trigger Date, GEMH and its Subsidiaries shall continue to have access to the Information Systems of the Mortgage Entities. On and after the Trigger Date neither GEMH nor its Subsidiaries shall have any right to access all or any part of the Information Systems of Mortgage Entities, except to the extent necessary for GEMH and its Subsidiaries to perform the GEMH Services (in addition and not in limitation of Section 2.05, subject to GEMH and its Subsidiaries complying with all reasonable security measures implemented by the applicable Mortgage Entity as deemed necessary by Mortgage Entities to protest their respective Information Systems; provided, that GEMH and its Subsidiaries have had a commercially reasonable period of time to comply with such security measures).

(c) In addition but not in limitation of Section 12.06, notwithstanding the foregoing, Mortgage Services and GEMH acknowledge and agree that any information received by Mortgage Services, GEMH or any of their respective Subsidiaries through the access by such Party or by any of its Subsidiaries shall not be used by such Party and such Party shall cause its Subsidiaries not to use such information, for purposes other than provisions of GEMH Services hereunder, in case of GEMH and its Subsidiaries, and receipt of the GEMH Services and provision of MS Services, in case of Mortgage Entities.

SECTION 3.02. Access; Leased Premises.

(a) Mortgage Services will allow GEMH and its Representatives reasonable access to the facilities of Mortgage Services necessary for the performance by GEMH and its Representatives of the GEMH Services and for GEMH to fulfill its obligations under this Agreement.

(b) GEMH will allow Mortgage Services and its Representatives reasonable access to the facilities of GEMH necessary for Mortgage Services to fulfill its obligations under this Agreement, to implement the Operating Plan and to transition GEMH Services to Mortgage Entities or to a supplier designated by Mortgage Services.

(c) During the Term, GEMH shall allow, and shall cause to allow, Mortgage Entities and its Representatives to access and use the Leased Premises or equivalent premises, reasonably acceptable to Mortgage Services, in the same manner as such Leased Premises were used by Representatives of Mortgage Entities prior to the date hereof.

ARTICLE IV

COSTS AND DISBURSEMENTS; PERSONNEL COSTS; PAYMENTS

SECTION 4.01. Costs and Disbursements.

(a) Subject to Section 4.02, all ordinary costs and expenses incurred by Mortgage Services in connection with performance of its obligations under this Agreement (including personnel costs and expenses with respect to Mortgage Services' employees, any amounts payable directly or indirectly by Mortgage Services to General Electric or its Affiliates with respect to GE Services and the MS Servicing Costs) shall be payable by Mortgage Services and GEMH shall have no Liability to Mortgage Services with respect to such costs and expenses.

(b) Mortgage Services shall reimburse GEMH for:

(i) all reasonable out of pocket expenses incurred by GEMH in connection with GEMH Services that can be identified as actually incurred for the sole benefit of Mortgage Entities; provided, however, that (other than with respect to the third party support for tax filing and audit described in paragraph j of Schedule A) (A) any out-of-pocket costs and expenses in the aggregate in excess of $10,000 per any calendar month or in excess of $5,000 per provider per any calendar month shall only be payable by Mortgage Services, if such out of pocket expenses have been authorized in writing by the Mortgage Services Manager (or another authorized representative of Mortgage Services or its Affiliates) prior to having been incurred by GEMH, (B) Mortgage Services receives from GEMH reasonably detailed data and other documentation sufficient to support the calculation of amounts due to GEMH and (C) out of pocket expenses shall not include (w) any costs or expenses described in Section 4.02, which shall be payable pursuant to Section 4.02, (x) any costs or expenses incurred by GEMH or any of its Subsidiaries in connection with providing Mortgage Entities access and use of facilities described in Section 3.02 (y) any costs or expenses incurred by GEMH or any of its Subsidiaries in connection with providing GEMH Services set forth in paragraph (i) of Schedule A and (z) Identified Costs described in Section 4.01(b)(ii-iii), which shall be payable pursuant to Section 4.01(b)((ii-iii) ; and

(ii) an amount of $700,000 per annum (payable in quarterly installments as set forth in Section 4.04) with respect to information technology and data processing services, allocated on pro-rata basis based on the number of calendar days such GEMH Services are actually provided ("IT Costs"); and

(iii) an amount of $168,000 per annum (payable in quarterly installments as set forth in Section 4.04) with respect to loss mitigation services (including restructuring of loans and foreclosure), allocated on pro-rata basis based on the number of calendar days such GEMH Services are actually provided ("Loss Mitigation Costs", and together with IT Costs, "Identified Costs"); and

(iv) $10,000 per annum (payable in quarterly installments as set forth in Section 4.04) with respect to access and use by Mortgage Entities and their respective Representatives of facilities described in Section 3.02 and provision by GEMH and its Subsidiaries of GEMH Services set forth in paragraph (j) of Schedule A ("Facilities Fee", and together with Identified Costs, the "Service Charges").

SECTION 4.02. Personnel Costs; Right to Hire; Severance

(a) Mortgage Services shall pay all actual personnel costs and expenses incurred by Mortgage Services with respect to its employees providing services under this Agreement. All severance and employee costs, if any, related to the termination of any Mortgage Services employees (including any amounts payable pursuant to the WARN Act) will be paid entirely by Mortgage Services. Mortgage Services will be responsible for any and all costs and expenses associated with the transfer of Mortgage Services employees to any Mortgage Services' Affiliates, including for any wind down/shut down costs and expenses associated with a wind down or shut down of one or more of Mortgage Services' facilities.

(b) Subject to Article IX of the Employee Matters Agreement:

(i) During the Term, Mortgage Services will reimburse GEMH for the amount per annum set forth on Schedule C-1 opposite each Fully Dedicated Transition Employee's name and the amount per annum set forth on Schedule C-2 opposite each Partially Allocated Transition Employee's name. The parties acknowledge and agree that in the event Mortgage Services terminates any GEMH Service pursuant to Section 10.01 hereof or GEMH does not provide, or cause to be provided, GEMH Services, in each case, with respect to any Fully Dedicated Transition Employee specified on Schedule C-1 or any Partially Allocated Transition Employee specified on Schedule C-2 during the calendar year, the amount payable with respect to such calendar period shall be pro-rated such that Mortgage Services shall pay the portion of a payment that is allocable to the number of days in such calendar year during which such GEMH Services were actually provided by such Fully Dedicated Transition Employee or such Partially Allocated Transition Employee.

(ii) Mortgage Services will have the right to hire Fully Dedicated Transition Employees at the Trigger Date, provided that such Fully Dedicated Transition Employees continue to provide GEMH Services to the extent necessary through the expiration of this Agreement consistent with GEMH Services provided prior to the Trigger Date.

(iii) To the extent that Mortgage Services does not offer employment to such Fully Dedicated Transition Employees effective as of the Trigger Date or such employment offer is not accepted, then GEMH and its Affiliates will retain such Fully Dedicated Transition Employees to continue to provide GEMH Services to Mortgage Services to the extent necessary through the earlier of the expiration or termination of this Agreement. GEMH will make a decision on or prior to the earlier of the expiration or termination of this Agreement as to whether GEMH or any of its Affiliates wants to offer such Fully Dedicated Transition Employees continued employment with GEMH or any of its Affiliates.

(iv) If neither GEMH, Mortgage Services nor any of their respective Affiliates offers employment to such Fully Dedicated Transition Employees which is comparable to the terms of their employment immediately prior to the end of the Term, Mortgage Services will reimburse GEMH for all severance costs, if any, related to the termination of such Fully Dedicated Transition Employees. For the avoidance of doubt, Mortgage Services shall not be liable for such costs for more than the number of positions set forth on Schedule C-1. If such comparable employment is offered by either GEMH, Mortgage Services or any of their respective Affiliates and is declined by such employees, the employee would not be entitled to

any severance benefits. For purposes of this Section 4.02(b), "comparable" shall be as defined in the applicable employee benefit plan of GEMH with respect to severance benefits.

(c) Neither GEMH nor any of its Affiliates shall terminate employment of any Transition Employee who is 60% or more allocated to Mortgage Entities or provision of GEMH Services without prior written consent of Mortgage Services.

(d) (i) During the Term, Mortgage Services will pay GEMH the amount of $250,000 per annum in consideration of involvement of management of GEMH and its Affiliates with the GEMH Services provided hereunder, allocated on pro-rata basis based on the number of calendar days GEMH Services were actually provided.

(ii) At the earlier of the expiration or termination of this Agreement, Mortgage Services will pay to GEMH an amount of $500,000 and Mortgage Services shall not be responsible for any severance costs with respect to any Partially Allocated Transition Employee.

(e) During the Term, Mortgage Services shall be responsible for all costs and expenses incurred by GEMH, Mortgage Services and their respective Affiliates in connection with any retention program instituted with respect to any Transition Employee; provided that any such retention program has been authorized in writing by the Mortgage Services Manager (or another authorized representative of Mortgage Services or its Affiliates).

(f) For the avoidance of doubt, Mortgage Services shall have no Liability with respect to any costs or expenses related to any employee of GEMH or any of its Affiliates except as set forth in this Section 4.02.

SECTION 4.03. Loan Acquisition and Disposition Costs. Subject to receipt by Contract Services of reasonably detailed data and other documentation sufficient to support the calculation of amounts due to Mortgage Services, Contract Services shall promptly upon receipt of an invoice from Mortgage Services (but in no event later than within seventy-five (75) days of the date of such invoice) reimburse Mortgage Services for all out-of-pocket costs and expenses incurred by Mortgage Services in connection with an acquisition of any Loan and/or a disposition of any Loan by Mortgage Services. For the avoidance of doubt, such out-of-pocket costs and expenses (i) shall not include the Loan Purchase Price, any purchase price paid by Mortgage Services with respect to any Scheduled Loan, any interest expense incurred by Mortgage Services in connection with the funding of Loans or any MS Servicing Costs but (ii) shall include loan boarding fees payable by Mortgage Services pursuant to the Wells Fargo Agreement or any other subservicing agreement pursuant to which such Loan is serviced, attorneys' fees and expenses, custodian fees, recording and filing fees and other fees and expenses customarily incurred in connection with an acquisition or disposition of residential mortgage loans. If Contract Services fails to pay any amount payable pursuant to this Section 4.03 (excluding any amount contested in good faith) by the date specified above, Contract Services shall be obligated to pay to Mortgage Services, in addition to the amount due, interest on such amount at the lesser of (i) the three (3) month London Interbank Offered Rate (LIBOR) plus 100 basis points or (ii) the maximum rate of interest allowed by applicable Law, from the

date the payment was due through the date of payment. Any and all disputes with respect to this Section 4.03 shall be resolved pursuant to Section 9.02.

SECTION 4.04. Payments of Service Charges and Employment Costs.

(a) Subject to Section 4.04(a)(iii):

(i) all Service Charges and Employment Costs shall be invoiced by GEMH on a quarterly basis in arrears.

(ii) Together with each invoice submitted to Mortgage Services for payment pursuant to this Section 4.04(a), GEMH shall provide Mortgage Services with reasonably detailed data and documentation sufficient to support the calculation of any amount due to GEMH under this Agreement for the purposes of verifying the accuracy of such calculations.

(iii) The parties acknowledge and agree that in the event GEMH does not provide, or cause to be provided, GEMH Services specified in Section 3.02 and paragraph (j) of Schedule A during the entire calendar quarter, the amount of the Facilities Fee payable with respect to such quarterly period shall be pro-rated such that Mortgage Services shall pay the portion of a quarterly payment that is allocable to the number of days in such calendar quarter during which such GEMH Services were actually provided.

(b) (i) Prior to the Trigger Date, Mortgage Services and GEMH shall arrange for the payment of all Service Charges and Employment Costs through the GE Internal Billing System ("IBS"). Mortgage Services shall have the right to dispute any Service Charges and Employment Costs settled through the IBS during any calendar quarter by delivering written notice of such dispute, setting forth in reasonable detail the basis therefor, to GEMH within, and no later than, 60 days after the end of such quarter. If the Parties do not promptly resolve such dispute, the dispute shall be resolved pursuant to Section 9.02.

(ii) From and after Trigger Date, Mortgage Services shall pay the amount of any invoice submitted to Mortgage Services by GEMH pursuant to Section 4.04(a) in U.S. dollars within seventy-five (75) days of the date of such invoice. If Mortgage Services fails to pay such amount (excluding any amount contested in good faith) by such date, Mortgage Services shall be obligated to pay to GEMH, in addition to the amount due, interest on such amount at the lesser of (i) the three (3) month London Interbank Offered Rate (LIBOR) plus 100 basis points or (ii) the maximum rate of interest allowed by applicable Law, from the date the payment was due through the date of payment. If Mortgage Services disputes GEMH's calculation of any amount due to GEMH, then the dispute shall be resolved pursuant to Section 9.02.

ARTICLE V

STANDARDS; COMPLIANCE WITH LAWS

SECTION 5.01. Standards.

(a) GEMH agrees to perform, and cause to perform, the GEMH Services such that the nature, quality, standard of care and the service levels at which such GEMH Services are performed are no less than the nature, quality, standard of care and service levels at which the substantially same services were performed by or on behalf of GEMH during the most recent service period prior to the date hereof in which such services were performed by or on behalf of GEMH in the ordinary course (the "Standard for Services").

(b) Mortgage Services agrees to manage and service and, to cause to manage and service the Held Loans, such that the nature, quality, standard of care and service levels at which Mortgage Services manages and services such Held Loans are no less than the nature, quality, standard of care and service levels at which Mortgage Services manages and services other loans of similar type held by Mortgage Services for its own account (the "MS Standard").

SECTION 5.02. Compliance with Laws. Each of GEMH and Mortgage Services shall comply, and shall cause to comply, with all applicable Laws (including all Finance Laws) when providing or receiving the GEMH Services, managing or servicing the Loans (in case of Mortgage Services) and when performing other obligations under this Agreement.

ARTICLE VI

PURCHASE OF NEW LOANS AND SALE OF LOANS AND LOAN ASSETS

SECTION 6.01. Loan Schedule. Contract Services shall, from time to time during the Term, provide to Mortgage Services a Loan Schedule setting forth all of the New Loans that Contract Services desires for Mortgage Services to purchase.

SECTION 6.02. Loan Purchase Agreement.

(a) On or prior to the date Contract Services delivers a Loan Schedule to Mortgage Services, Contract Services shall designate, or cause to be designated, Mortgage Services as a designee for the purchase of New Loans and related Loan Assets under the applicable Underwriting/Insurance Agreement.

(b) Mortgage Services shall use its commercially reasonable efforts to enter into a Loan Purchase Agreement. Contract Services shall use its commercially reasonable efforts to assist Mortgage Services in the negotiations of such Loan Purchase Agreement, pursuant to which the Lender agrees to sell, transfer and assign to Mortgage Services the applicable New Loans and the related Loan Assets and Mortgage Services agrees to purchase and accept such Loans and the related Loan Assets on the terms and conditions set forth therein. The Loan Purchase Agreement shall include (i) representations and warranties, in form and substance reasonably satisfactory to Mortgage Services, to the effect that the applicable New Loan and related Loan Assets comply with and do not violate applicable Laws (including Finance Laws) and (ii) an obligation on the part of the applicable Lender to repurchase the applicable New Loan from Mortgage Services in the event that the Lender, inter alia, has breached the representation and warranty described in clause (i) above with respect to such New Loan and the related Loan Assets.

SECTION 6.03. Agreement to Sell and Purchase the New Loans; Assignment of Claims.

(a) (i) Subject to the terms and provisions of this Agreement, Mortgage Services agrees to purchase and accept on a Loan Closing Date from a Lender, the New Loans and the related Loan Assets set forth on the applicable Loan Schedule and with respect to which the conditions set forth in Section 6.05 have been satisfied or waived by Mortgage Services in accordance therewith; provided that the applicable Lender sells, transfers and assigns to Mortgage Services such Loans and the related Loan Assets free and clear of all Liens.

(ii) Mortgage Services agrees that upon request of Contract Services on or prior to the applicable Loan Closing Date, Mortgage Services shall assign, on the Loan Closing Date, its rights and claims pursuant to the applicable Loan Agreement (the "Claims"), if any, against any Person other than any Mortgage Entity, Contract Services or any of their respective Affiliates, solely with respect to any event, occurrence or circumstance that gave rise to the exercise by Contract Services of its option to purchase the applicable Loan from the applicable Lender; provided, however, (A) for the avoidance of doubt, the Claims shall not include any rights, title or interest of any Person in any document, agreement, instrument or property that (1) secures the obligations of the borrower or any guarantor with respect to the Loan or, (2) evidences such security; and (B) Mortgage Services shall not be required to assign any Claim, the assignment of which to Contract Services, in the reasonable judgment of Mortgage Services, would violate any applicable Law (including any Finance Law); (C) during the period that any such Loan is a Held Loan, (1) Contract Services shall comply with all applicable Laws (including Finance Laws) in enforcing or pursuing any of its Claims against the applicable Person, (2) in the event Mortgage Services determines that Contract Services actions or omissions, with respect to any Claim including enforcement and exercise thereof do not comply with or violate any applicable

Law (including any Finance Law), upon notice from Mortgage Services, Contract Services shall cease and desist, or cause to cease and desist, such action or undertake such action as necessary to comply with applicable Law, (3) Contract Services shall not undertake any foreclosure action with respect to any borrower or guarantor under such Loan or Loan Assets; (4) Contract Services shall not enforce or pursue any of its Claims to any detriment of any Mortgage Entity or any of its Affiliates, and (5) such Claims shall not be transferred or assigned by Contract Services to any Person; and (D) in additional but not in limitation of Section 8.04, Contract Services shall indemnify, defend and hold harmless Mortgage Services Indemnified Parties from and against any and all Liabilities incurred or suffered by any Mortgage Services Indemnified Party relating to, arising out of, or resulting from the assignment of the Claims to Contract Services and any action or omission of Contract Services or any of its Representatives, including in connection with enforcement and/or exercise of any such assigned Claims.

(iii) Contract Services acknowledges that Mortgage Services would be irreparably harmed by any breach of Section 6.03(a)(ii) and that there would be no adequate remedy at law or in damages to compensate Mortgage Services for any such breach. Contract Services agrees that Mortgage Services shall be entitled to seek injunctive relief requiring specific performance by Contract Services of its obligations under Section 6.03(a)(ii).

(b) Notwithstanding any provision of Section 6.03(a) to the contrary, Mortgage Services shall have no obligation pursuant to this Agreement to purchase:

(i) at a Loan Closing, any New Loan or any Loan Assets other than the New Loans set forth on the applicable Loan Schedule and the Loan Assets related to such New Loans, in all cases with respect to which the conditions set forth in Section 6.05 have been satisfied or waived by Mortgage Services in accordance therewith.

(ii) any New Loan or any related Loan Asset, which New Loan or Loan Asset in the reasonable judgment of Mortgage Services does not comply with or violates applicable Law (including any Finance Law);

(iii) any New Loan or any related Loan Asset if, after giving effect to such purchase, Mortgage Services would hold Held Loans and REOs with respect to which the Net Amount exceeds $100,000,000;

(iv) any loan other than the New Loans; and

(v) any New Loan or any related Loan Assets in the event Mortgage Services and the applicable Lender are unable to enter into the Loan Purchase Agreement within 90 Business Days of receipt by Mortgage Services of the applicable Loan Schedule (or such other period as the parties thereto may mutually agree).

(c) Contract Services hereby acknowledges and agrees that any and all amounts payable by any Person (other than Mortgage Services) with respect to, in connection with or pursuant to the New Loans and the related Loan Assets acquired by Mortgage Services pursuant to this Agreement (other than amounts payable with respect to the Claims assigned to Contract Services pursuant to Section 6.03(a)(ii)) with respect to any period after the applicable Loan Closing and any and all disposition proceeds with respect to such New Loans and the related Loan Assets shall be the property of Mortgage Services.

(d) All amounts which are received by Contract Services or any of its Affiliates in respect of the New Loans and the related Loan Assets (other than with respect to any amounts received with respect to the Claims assigned to Contract Services pursuant to Section 6.03(a)(ii)) acquired pursuant to this Agreement from and after the applicable Loan Closing which are properly allocable to periods after the applicable Loan Closing shall be received by such Person as agent, in trust for and on behalf of Mortgage Services, and following the applicable Loan Closing, on a weekly basis, Contract Services shall transfer, or cause to be transferred, by wire transfer of immediately available funds, and remit (or cause to be remitted) to Mortgage Services all such amounts received by or paid to Contract Services or any of its Affiliates as of such date and shall provide Mortgage Services information as to the nature and source of such payments, including any invoice related thereto.

SECTION 6.04. Loan Purchase Price. On the Loan Closing Date, Mortgage Services shall pay to the Lender the aggregate amount of the Loan Purchase Price set forth in the Loan Purchase Agreement with respect to the New Loans being purchased at such Loan Closing.

SECTION 6.05. Conditions Precedent. With respect to any Loan Closing, the obligations of Mortgage Services under Sections 6.03 and 6.04 shall be subject to the satisfaction or waiver in writing by Mortgage Services, on or prior to such Loan Closing of the following conditions:

(a) The obligations of Contract Services required to be performed by it at or prior to a Loan Closing pursuant to the terms of this Article VI shall have been duly performed and complied with and all representations and warranties of Contract Services under this Agreement and all representations and warranties of the Lender under the Loan Purchase Agreement shall be true and correct as of the applicable Loan Closing Date with the same force and effect as though such representations and warranties had been made as of such date.

(b) Mortgage Services shall have received, all of the following documents and instruments (the "Loan Closing Documents"), duly executed by all signatories other than Mortgage Services as required pursuant to the respective terms thereof:

(i) Loan Schedule;

(ii) Loan Purchase Agreement; and

(iii) Loan File.

SECTION 6.06. Right of First Refusal. If at any time during the Term, Mortgage Services presents to Contract Services a Bone Fide Offer with respect to any Loan or Loan REO, Contract Services may, by written notice to Mortgage Services within five (5) Business Days of receipt of such Bona-Fide Offer, elect to purchase such Loan or Loan REO, as the case may be at the purchase price offered by the offeror of such Bona Fide Offer ("Bona Fide Purchase Price") and (a) upon receipt of the amount equal to the Bone Fide Purchase Price, Mortgage Services shall sell, transfer and assign to Contract Services or its designee (i) such Loan and the related Loan Assets or Loan REO, as the case may be, on "AS-IS, WHERE IS" basis without any representations or warranties (except for a representation and warranty that such Loans and the related Loan Assets or Loan REO, as applicable, are being sold, transferred and assigned free and clear of Liens that have been created by Mortgage Entities (other than the Permitted Liens)) and (ii) any and all rights of Mortgage Services under the applicable Loan Purchase Agreement to the extent such rights are assignable and (b) Contract Services or its designee shall (i) purchase and accept such Loans and the related Loan Assets or Loan REOs, as the case may be, and (ii) assume all Liabilities with respect to such Loans and related Loan Assets or Loan REOs, as the case may be arising from and after such sale, transfer and assignment.

SECTION 6.07. Repurchase of Loans. Upon expiration or early termination of this Agreement or of Article VI pursuant to Section 10.01, (a) subject to receipt of the payment set forth in clause (b)(iii) below, Mortgage Services shall sell, transfer and assign, or shall cause its Subsidiaries to sell, transfer and assign to Contract Services or its designee, (i) any and all Held Loans and the related Loan Assets and Loan REOs, on "AS-IS, WHERE IS" basis without any representations or warranties (except for a representation and warranty that such Loans, related Loan Assets and Loan REOs are being sold, transferred and assigned free and clear of Liens that have been created by Mortgage Entities other than the Permitted Liens)) and (ii) any and all rights of Mortgage Services under the applicable Loan Purchase Agreement to the extent such rights are assignable and (b) Contract Services or such designee shall (i) purchase and accept such Loans, related Loan Assets and Loan REOs, (ii) assume all Liabilities with respect to such Loans, the related Loan Assets and Loan REOs arising from and after such sale, transfer and assignment and (iii) pay Mortgage Services an amount equal to the Fair Market Value of such Held Loans and Loan REOs in immediately available funds to the account designated in writing by Mortgage Services at least two Business Days prior to such sale, transfer and assignment. For the avoidance of doubt, in connection with any sale, transfer or assignment of any Loan or Loan REOs, pursuant to this Section 6.07, Mortgage Services shall sell, transfer and assign any and all rights of Mortgage Services to service such Loans and Loan REOs.

SECTION 6.08. Transition Assistance. Upon request of Contract Services, Mortgage Services shall provide, or cause to be provided, reasonable assistance to Contract Services to transition the management and servicing of the Loans, the related Loan Assets and Loan REOs that are being purchased by Contract Services from Mortgage Services pursuant to Sections 6.06 and 6.07; provided, however, that the provision of such assistance shall not impose undue burden on the operations of Mortgage Entities. Contract Services shall pay for all out-of-pocket costs and expenses incurred by Mortgage Entities and its Affiliates as a result of the provision by Mortgage Entities and its Affiliates of such assistance; provided that such costs and expenses have been authorized in writing in advance by the GEMH Manager (or an authorized representative of Contract Services). Notwithstanding the foregoing, Mortgage Services shall have no obligation to provide, or cause to be provided, the above mentioned assistance to the extent that GEMH or an authorized representative of Contract Services fails to authorize such costs and expenses necessary for Mortgage Entities and its Affiliates to incur in order to provide such assistance.

SECTION 6.09. Further Assurances. In addition to the foregoing, Contract Services shall, and shall cause its Subsidiaries and designees to, whenever and as often as reasonably requested to do so by Mortgage Services, do, execute, acknowledge and deliver any and all such other and further acts, assignments, transfers and any instruments of further assurance, approvals and consents as are necessary or proper in order to complete, ensure and perfect the sale, transfer and assignment to Mortgage Services contemplated hereby of the applicable Loans and the related Loan Assets and the consummation of the other transactions contemplated hereby.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

SECTION 7.01. Representations and Warranties of Mortgage Services. Mortgage Services represents and warrants to GEMH Parties that (a) Mortgage Services has the full corporate power and authority required to enter into, execute, deliver, and fully perform under, this Agreement and that to do so will not violate or conflict with its certificate of incorporation (or its equivalent) or by-laws or any material term or provision of any agreement, instrument, order or decree to which it is a party or by which it is bound, (b) this Agreement has

been duly executed and delivered by Mortgage Services and is a valid and binding obligation of Mortgage Services, enforceable against it in accordance with its terms and (c) Mortgage Services has obtained all Governmental Approvals and consents from other Persons, if any, necessary for Mortgage Services to perform its obligations under this Agreement.

SECTION 7.02. Representation and Warranties of GEMH Parties. Each GEMH Party represents and warrants to Mortgage Services that (a) such GEMH Party has the full corporate power and authority required to enter into, execute, deliver, and fully perform under, this Agreement and that to do so will not violate or conflict with its certificate of incorporation (or its equivalent) or by-laws of any material term or provisions of any agreement, instrument, order or decree to which it is a party or by which it is bound, (b) this Agreement has been duly executed and delivered by such GEMH Party and is a valid and binding obligation of such GEMH Party enforceable against it in accordance with its terms and (c) such GEMH Party and its Affiliates (as applicable) have obtained all Governmental Approvals and consents from other Persons, if any, necessary or required for such GEMH Party or its Affiliates to perform its obligations under this Agreement.

SECTION 7.03. Survival. The representations and warranties set forth in this Article VII shall survive for a period of eighteen (18) months after the date hereof.

ARTICLE VIII

INDEMNIFICATION; LIMITATION ON LIABILITY

SECTION 8.01. Limited Liability.

(a) Notwithstanding the provisions of Section 5.01, neither GEMH nor any of its Affiliates, any of their respective directors, officers or employees, nor any of the heirs, executors, successors nor assigns of any of the foregoing (each, a "GEMH Indemnified Party") shall have any liability in contract, tort or otherwise to any Mortgage Services Indemnified Party or its Representatives for or in connection with (i) any GEMH Services rendered or to be rendered by any GEMH Indemnified Party pursuant to this Agreement, (ii) the transactions contemplated by this Agreement or (iii) any GEMH Indemnified Party's actions or inactions in connection with any such GEMH Services or such transactions; provided, however, that such limitation on liability shall not extend to or otherwise limit any Liabilities that have resulted directly from such GEMH Indemnified Party's (A) gross negligence or willful misconduct, (B) improper use or disclosure of information of, or regarding, a customer or potential customer of a Mortgage Services Indemnified Party (defined below) or (C) violation of applicable Law. Notwithstanding the foregoing, this Section 8.01(a) shall not be applicable to any indemnification obligation of GEMH and Contract Services pursuant to Section 6.03(a)(ii) and Section 8.04 and any payment obligations of any GEMH Parties pursuant to this Agreement, including pursuant to Sections 4.03, 6.03(a)(ii), 6.06, 6.07, 6.08 and Article XI.

(b) Notwithstanding the provisions of Section 5.01, neither Mortgage Services nor any of its Affiliates, any of their respective directors, officers or employees, nor any of the heirs, executors, successors nor assigns of any of the foregoing (each, a "Mortgage Services Indemnified Party") shall have any liability in contract, tort or otherwise to any GEMH

Indemnified Party or its Representatives for or in connection with (i) the MS Services, (ii) the transactions contemplated by this Agreement or (iii) any Mortgage Services Indemnified Party's actions or inactions in connection with any such MS Services or such transactions; provided, however, that such limitation on liability shall not extend to or otherwise limit any Liabilities that have resulted directly from such Mortgage Services Indemnified Party's (A) gross negligence or willful misconduct, (B) improper use or disclosure of information of, or regarding, a customer or potential customer of a GEMH Indemnified Party or (C) violation of applicable Law. Notwithstanding the foregoing, this Section 8.01(b) shall not be applicable to any payment obligations of Mortgage Services pursuant to this Agreement, including pursuant to Article IV.

SECTION 8.02. Indemnification by GEMH. In addition and not in limitation of Section 8.04:

(a) GEMH shall indemnify, defend and hold harmless each Mortgage Services Indemnified Party from and against any and all Liabilities incurred or suffered by any Mortgage Services Indemnified Party relating to, arising out of, or resulting from (i) the gross negligence or willful misconduct of a GEMH Indemnified Party in connection with the transactions contemplated by this Agreement or such GEMH Indemnified Party's provision of the GEMH Services, (ii) the improper use or disclosure of information of, or regarding, a customer or potential customer of a Mortgage Services Indemnified Party in connection with the transactions contemplated by this Agreement or such GEMH Indemnified Party's provision of the GEMH Services, or (iii) any violation of applicable Law by a GEMH Indemnified Party in connection with the transactions contemplated by this Agreement or such GEMH Indemnified Party's provision of the GEMH Services.

(b) GEMH shall indemnify, defend and hold harmless each Mortgage Services Indemnified Party from and against any and all Liabilities incurred or suffered by any Mortgage Services Indemnified Party relating to, arising out of, or resulting from the provision of the MS Services by Mortgage Services or any of its Subsidiaries, except for (A) any Liabilities that result from a Mortgage Services Indemnified Party's negligence in connection with the provision of the MS Services, (B) any Liabilities that result from a Mortgage Services Indemnified Party's breach of this Agreement or (C) any Liabilities for which Mortgage Services is required to indemnify a GEMH Indemnified Party pursuant to Section 8.03.

(c) Notwithstanding the foregoing, the aggregate liability of GEMH pursuant to this Section 8.02 shall in no event exceed the aggregate amount of $10,000,000.

SECTION 8.03. Indemnification by Mortgage Services.

(a) Mortgage Services shall indemnify, defend and hold harmless each GEMH Indemnified Party from and against any and all Liabilities incurred or suffered by any GEMH Indemnified Party relating to, arising out of, or resulting from (i) the gross negligence or willful misconduct of a Mortgage Services Indemnified Party or any of its Representatives in connection with the transactions contemplated by this Agreement or such Mortgage Indemnified Party's provision of the MS Services, (ii) the improper use or disclosure of information of, or regarding, a customer or potential customer of a GEMH Indemnified Party in connection with the transactions contemplated by this Agreement or such Mortgage Services Indemnified Party's

provision of the MS Services, or (iii) any violation of applicable Law by a Mortgage Services Indemnified Party in connection with the transactions contemplated by this Agreement or such Mortgage Services Indemnified Party's provision of the MS Services.

(b) Mortgage Services shall indemnify, defend and hold harmless each GEMH Indemnified Party from and against any and all Liabilities incurred or suffered by any GEMH Indemnified Party relating to, arising out of, or resulting from the provision of the GEMH Services by GEMH or any of its Subsidiaries, except for (A) any Liabilities that result from a GEMH Indemnified Party's negligence in connection with the provision of the GEMH Services, (B) any Liabilities that result from a GEMH Indemnified Party's breach of this Agreement or (C) any Liabilities for which GEMH is required to indemnify a Mortgage Services Indemnified Party pursuant to Section 8.02.

(c) Notwithstanding the foregoing, the aggregate liability of Mortgage Services pursuant to this Section 8.03 shall in no event exceed the aggregate amount of $10,000,000.

SECTION 8.04. Loans and Loan Assets Indemnification.

(a) Notwithstanding any provision to the contrary in this Agreement (including Section 8.01), Contract Services shall indemnify, defend and hold harmless each Mortgage Services Indemnified Party from and against any and all Liabilities incurred or suffered by any Mortgage Services Indemnified Party relating to, arising out of, or resulting from or in connection with the Loans, the Loan Assets or any Mortgaged Property (including arising out of or resulting from any noncompliance or violation of Environmental Laws of any applicable Mortgaged Property) or any matters set forth in Section 4.03 and Article VI; provided, however, that GEMH shall not have any liability under this Section 8.04 with respect to Liabilities that have resulted directly from Mortgage Services Indemnified Party's (A) gross negligence or willful misconduct, (B) improper use or disclosure of information of, or regarding, a customer or potential customer of Mortgage Services Indemnified Party or (C) violation of applicable Law. For the avoidance of doubt, (i) Liabilities for which Contract Services shall indemnify, defend and hold harmless pursuant to this Section 8.04 shall include (x) any and all Liabilities resulting from the failure of Mortgage Services to receive any amounts (including interest and late fees) payable with respect to any Loan and/or Loan Asset pursuant to the applicable documents, agreements and instruments that constitute Loan Assets, including failure resulting from any breach of representation or warranty or covenant made by Contract Services in this Agreement and/or by the applicable Lender in the applicable Loan Purchase Agreement, (y) the Deficiency Amount and (z) any and all Liabilities that would have been payable to Mortgage Services pursuant to the Indemnification Agreement had such Indemnification not been terminated, except to the extent Mortgage Services has previously been indemnified for such Liabilities pursuant to the Indemnification Agreement and (ii) shall exclude any and all MS Servicing Costs, the Loan Purchase Price, the amounts paid as purchase price with respect to any Scheduled Loan and any and all interest expense incurred by Mortgage Services in connection with the funding of any of the Loans.

SECTION 8.05. Indemnification Procedures.

(a) The matters set forth in Sections 5.6 through 5.9 of the Master Agreement shall be deemed incorporated into, and a made a part of, this Agreement.

(b) (i) Notwithstanding any provision to the contrary in this Agreement or in the Master Agreement, any Liability subject to indemnification or contribution pursuant to this Article VIII will be net of Wells Fargo Proceeds that actually reduce the amount of such Liability. Accordingly, the amount which any Indemnifying Party is required to pay to any Indemnified Party will be reduced by any Wells Fargo Proceeds theretofore actually recovered by or on behalf of the Indemnified Party in respect of the related Liability. If an Indemnified Party receives an Indemnity Payment required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Wells Fargo Proceeds with respect to such Liability, then the Indemnified Party will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if such Wells Fargo Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(ii) The Indemnified Party shall use its commercially reasonable efforts to seek to collect or recover from Wells Fargo the amounts due to such Indemnified Party pursuant to Section 7.2 of the Wells Fargo Agreement to which the Indemnified Party is entitled in connection with any Liability for which the Indemnified Party seeks indemnification pursuant to this Article VIII; provided that the Indemnified Party's inability to collect or recover any such amounts shall not limit the Indemnifying Party's obligations hereunder.

SECTION 8.06. Limitation on Liability. Notwithstanding any other provision contained in this Agreement, neither GEMH Parties, on the one hand, nor Mortgage Services, on the other hand, shall be liable to the other for any special, indirect, punitive, incidental or consequential losses, damages or expenses of the other, including loss of profits, arising from any claim relating to breach of this Agreement or otherwise relating to any of the GEMH Services or MS Services provided hereunder. For clarification purposes only, the Parties agree that the limitation on liability contained in this Section 8.06 shall not apply to (a) damages awarded to a third party pursuant to a third party claim for which GEMH is required to indemnify, defend and hold harmless any Mortgage Services Indemnified Party under Section 8.02, (b) damages awarded to a third party pursuant to a third party claim for which Mortgage Services is required to indemnify, defend and hold harmless any GEMH Indemnified Party under Section 8.03, (c) damages awarded to a third party pursuant to a third party claim for which Contract Services is required to indemnify, defend and hold harmless any Mortgage Services Indemnified Party under Section 8.04 or that are payable by Genworth pursuant to Article XI, (d) any and all Liabilities resulting from the failure of Mortgage Services to receive any amounts (including interest and late fees) payable with respect to any Loan and/or Loan Asset pursuant to any document, agreement or instrument that constitutes a Loan Asset, including the failure resulting from any breach of representation or warranty or covenant made by GEMH Party in this Agreement and/or by the applicable Lender in the applicable Loan Purchase Agreement and (e) any Deficiency Amount.

SECTION 8.07. Liability for Payment Obligations. Nothing in this Article VIII shall be deemed to eliminate or limit, in any respect, any Party's payment obligations as expressly set forth in this Agreement.

ARTICLE IX

DISPUTE RESOLUTION

SECTION 9.01. Applicable Law. This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the State of New York irrespective of the choice of Laws principles of the State of New York other than Section 5-1401 of the General Obligations Law of the State of New York.

SECTION 9.02. Dispute Resolution. To the extent not resolved through discussions between the GEMH Manager and the Mortgage Services Manager, any dispute, controversy or claim arising out of, or relating to, the transactions contemplated by this Agreement, or the validity, interpretation, breach or termination of any provision of this Agreement, or the calculation or allocation of the costs of any GEMH Service, shall be resolved in accordance with Article VII of the Master Agreement.

ARTICLE X

TERMINATION

SECTION 10.01. Termination.

(a) The term of this Agreement shall commence on the date hereof and, unless earlier terminated pursuant to this Section 10.01(a), expire on December 31, 2005 (the "Term"). This Agreement shall terminate with respect to each GEMH Service on the applicable Service Termination Date or other termination date specified in this Agreement or the Schedules hereto. In addition, (i) Mortgage Services may from time to time terminate any GEMH Service, in whole or in part, upon giving at least sixty (60) days' (or such shorter period of time as is mutually agreed upon in writing by the parties) prior written notice to GEMH specifying which GEMH Service is being so terminated (such termination will not in any way affect the obligations of the party terminating this Agreement with respect to such GEMH Service to continue to receive all other GEMH Services not so terminated and to continue to provide such other GEMH Services as required by this Agreement); (ii) either party (the "Non-Breaching Party") may terminate this Agreement with respect to any GEMH Service, in whole or in part, at any time upon prior written notice by the Non-Breaching Party to the other party (the "Breaching Party") if the Breaching Party has failed to perform any of its material obligations under this Agreement relating to such GEMH Service, and such failure shall have continued without cure for a period of sixty (60) days after receipt by the Breaching Party of a written notice of such failure from the Non-Breaching Party seeking to terminate such GEMH Service and (iii) Mortgage Services may terminate this Agreement with respect to its obligations pursuant to Section 2.03 and Article VI, in whole but not in part, at any time upon prior written notice to Contract Services if Contract Services has failed to perform any of its material obligations pursuant to Article VI or Section 8.04 or any of its other material obligations pursuant to this Agreement, in each case relating to the Loans and the related Loan Assets purchased by Mortgage Services pursuant to this Agreement and Loan REOs, and such failure shall have continued without cure for a period of sixty (60) days after receipt by Contract Services of a written notice of such failure from Mortgage Services seeking to terminate its obligations pursuant to Section 2.03 and Article VI;

provided, however, that (x) no GEMH Service may be terminated pursuant to Section 10.01(a)(ii) and (y) no obligations of Mortgage Services pursuant to Section 2.03 and Article VI may be terminated pursuant to Section 10.01(a)(iii), until the parties have completed the dispute resolution process set forth in Section 7.2 of the Master Agreement.

(b) In addition to and not in limitation of the rights and obligations set forth in Section 2.01(e), upon the request of Mortgage Services, (i) GEMH will, during the Term cooperate with Mortgage Services and use its good faith, commercially reasonable efforts to assist the transition of such GEMH Service to Mortgage Services (or Affiliate of Mortgage Services or such third-party vendor designated by the Mortgage Services) by the Service Termination Date for such GEMH Service and (ii) GEMH will, for a reasonable period of time after the effective date of any termination (which shall not exceed six months after the effective date of termination) of any such GEMH Service pursuant to Section 10.01(a)(ii) above, (A) at the written request of Mortgage Services, continue to provide the terminated GEMH Service (subject to the timely payment, when due and payable, by Mortgage Services of all Service Charges and Employment Costs related to such terminated GEMH Service) and (B) cooperate with Mortgage Services and use its good faith, commercially reasonable efforts to assist the transition of such GEMH Service to Mortgage Services (or Affiliate of Mortgage Services or such third-party vendor designated by Mortgage Services) as soon as reasonably practicable. The Service Charges and Employment Costs for a terminated GEMH Service that is continuing to be provided pursuant to clause (ii)(A) of the preceding sentence shall be calculated consistent with the basis on which such Service Charges and Employment Costs were calculated prior to the termination of such GEMH Service..

SECTION 10.02. Effect of Termination.

(a) Except with respect to any GEMH Service that is continuing to be provided pursuant to Section 10.01(b)(ii)(A) above after the termination of such GEMH Service, upon termination or expiration of any GEMH Service pursuant to this Agreement, GEMH will have no further obligation to provide the terminated GEMH Service, and Mortgage Services will have no obligation to pay any future Service Charges and Employment Costs relating to any such GEMH Service (other than for GEMH Services provided in accordance with the terms of this Agreement and received by Mortgage Services prior to such termination).

(b) Upon termination of this Agreement with respect to the obligations of Mortgage Services pursuant to Section 2.03 and Article VI, Mortgage Services shall have no further obligation to undertake the undertaking set forth in Section 2.03 and Article VI, except for the sale, transfer and assignment of the Loans and Loan REOs as set forth in Section 6.07. Upon payment of the amounts set forth in Section 6.07, Contract Services shall have no further obligation under Article VI (other than the obligation pursuant Section 6.03(a)(ii)).

SECTION 10.03. Survival. Section 3.01 (Computer-Based Resources), Article IV (Costs and Disbursements), Section 6.03(a)(ii) (Claims), Section 6.07 (Repurchase of Loans), Article VIII (Indemnification; Limitation on Liability), Article IX (Dispute Resolution), Section 10.01(b) (Termination), Section 10.02 (Effect of Termination), this Section 10.03 (Survival), Article XI (Guaranty), and Article XII (General Provisions) shall survive the expiration or other termination of this Agreement and remain in full force and effect.

SECTION 10.04. Business Continuity; Force Majeure.

(a) GEMH shall maintain and comply with reasonable disaster recovery, crisis management and business continuity plans and procedures designed to help ensure that it can continue to provide the GEMH Services in accordance with this Agreement in the event of a disaster or other significant event that might otherwise impact its operations. Upon the written request of Mortgage Services, GEMH shall (i) disclose to Mortgage Services GEMH's disaster recovery, crisis management and business continuity plans and procedures applicable to a GEMH Service and (ii) permit Mortgage Services to participate in testing of such disaster recovery, crisis management and business continuity plans and procedures, in each case so that Mortgage Services may assess such plans and procedures and develop or modify its own such plans and procedures in connection with the GEMH Service as Mortgage Services reasonably deems necessary.

(b) No Party (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure; provided that such party shall have exhausted the procedures described in its disaster recovery, crisis management, and business continuity plan. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (i) notify the other party of the nature and extent of any such Force Majeure condition and (ii) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement as soon as feasible.

ARTICLE XI

GUARANTY

SECTION 11.01. Guaranty. Genworth hereby unconditionally and irrevocably guarantees the full and prompt satisfaction, payment and performance of all liabilities and obligations of Contract Services pursuant to this Agreement, including Section 8.04, to any and all of the Mortgage Services Indemnified Parties, in each case whether such liabilities or obligations are now or hereafter existing, and any and all reasonable costs and expenses (including fees and expenses of counsel) incurred by the Mortgage Services Indemnified Parties in enforcing any of their respective rights under this Agreement with respect to obligations of Contract Services and Genworth (including in enforcing any rights under this Article XI) (the "Guaranteed Obligations"). The guaranty set forth in this Article XI (the "Guaranty") is an absolute, present and continuing guaranty of payment and performance and not a guaranty of collection only and is in no way conditional or contingent upon any attempt to collect from Contract Services or any other guarantor in respect of the Guaranteed Obligations.

SECTION 11.02. Guaranty Absolute. Genworth guaranties that the Guaranteed Obligations will be satisfied strictly in accordance with the terms of this Agreement, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Mortgage Services Indemnified Parties with respect thereto. Genworth's undertakings and obligations hereunder are a derivative of, and not in excess of the

Guaranteed Obligations. The liability of Genworth under this Guaranty shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any provision of this Agreement, any other agreement or instrument relating to this Agreement, or avoidance or subordination of any of the Guaranteed Obligations;

(b) any change in or any other amendment or waiver of any term of, or any consent to departure from any requirement of, this Agreement (other than this Article XI);

(c) any release or amendment or waiver of any term of any other guaranty of, or any consent to departure from any requirement of any other guaranty of, all or any of the Guaranteed Obligations;

(d) the absence of any attempt to collect any of the Guaranteed Obligations from Contract Services or from any other guarantor or any other action to enforce the same or the election of any remedy by any of Mortgage Services Indemnified Parties;

(e) any waiver, consent, extension, forbearance or granting of any indulgence by any of Mortgage Services Indemnified Parties with respect to any provision of this Agreement (other than this Article XI);

(f) the election by any of Mortgage Services Indemnified Parties in any proceeding under chapter 11 of Title 11 of the United States Code (together with any successor thereto, the "Bankruptcy Code") of the application of section 1111(b)(2) of the Bankruptcy Code;

(g) the disallowance, under section 502 of the Bankruptcy Code, of all or any portion of the claims of any of the Mortgage Services Indemnified Parties for payment or performance of any of the Guaranteed Obligations; or

(h) any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

SECTION 11.03. Waiver.

(a) Genworth hereby (i) waives (A) promptness, diligence, notice of acceptance and any and all other notices with respect to any of the Guaranteed Obligations or this Article XI, (B) any requirement that any of the Mortgage Services Indemnified Parties exhaust any right or take any action against Contract Services or any other Person, (C) the filing of any claim with a court in the event of receivership or bankruptcy of Contract Services, (D) protest or notice of protest with respect to nonpayment or non-performance of all or any of the Guaranteed Obligations, and (E) all demands whatsoever (and any requirement that same be made on any Person as a condition precedent to Genworth's obligations hereunder); and (ii) covenants and agrees that, this Guaranty will not be discharged except by complete performance of the Guaranteed Obligations and any other obligations of Genworth contained herein.

(b) If, in the exercise of any of its rights and remedies, any of the Mortgage Services Indemnified Parties shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against Contract Seller or any other Person, whether because of any applicable law pertaining to "election of remedies" or similar doctrine, Genworth hereby consents to such action by such Mortgage Services Indemnified Party and waives any claim based upon such action. Any election of remedies which results in the denial or impairment of the right of such Mortgage Services Indemnified Party to seek a deficiency judgment against Contract Services shall not impair the obligation of Genworth to pay the full amount of the Guaranteed Obligations or any other obligation of Genworth contained herein.

(c) Genworth consents and agrees that the Guarantied Parties shall be under no obligation to marshal any assets in favor of the Guarantor or otherwise in connection with obtaining payment of any or all of the Guaranteed Obligations from any Person or source.

Until the indefeasible payment in full in cash and the full performance of all of the Guaranteed Obligations, Genworth waives and relinquishes any and all rights which it may acquire against Contract Services by way of subrogation, contribution or reimbursement by reason of this Guaranty or by any payment made hereunder.

ARTICLE XII

GENERAL PROVISIONS

SECTION 12.01. GEMH Manager. Promptly after the date hereof, GEMH will designate a dedicated services account manager (the "GEMH Manager") who will assist with coordinating the delivery of the GEMH Services and will have authority to act on GEMH Party's behalf with respect to the GEMH Services and other obligations of GEMH under this Agreement. The GEMH Manager will work with Mortgage Services Manager to address the Mortgage Services' issues and the Parties' relationship under this Agreement.

SECTION 12.02. Mortgage Services Manager; Functional Leaders.

(a) Promptly after the date hereof, Mortgage Services will identify an employee of Mortgage Services or of its Affiliates (the "Mortgage Services Manager") who will be the transition leader and have authority to act on Mortgage Services behalf with respect to the GEMH Services and obligations of Mortgage Services under this Agreement. The Mortgage Services Manager shall be responsible for the day-to-day supervision of all Mortgage Services employees and the Fully-Dedicated Transition Employees as well as the Partially Allocated Transition Employees to the extent pertaining to provision of GEMH Services. The Mortgage Services Manager will consult with the GEMH Manager with respect to any other matters in connection with this Agreement including without limitation with respect to the rights and obligations of the parties under Section 12.05. The Mortgage Services Manager will work with the GEMH Manager to address GEMH's issues and the Parties' relationship under this Agreement.

(b) On or prior to June 30, 2005, Mortgage Services shall identify functional leaders who will commence the transition of GEMH Services from GEMH to Mortgage Services or a supplier designated by Mortgage Services.

SECTION 12.03. Independent Contractors. Each Party shall act solely as independent contractor and nothing in this Agreement shall constitute or be construed to be or create a partnership, joint venture, or principal/agent relationship between GEMH Parties, on the one hand, and Mortgage Services, on the other. Except as set forth in Section 4.02, all Persons employed by GEMH or any of its Affiliates in the performance of its obligations under this Agreement shall be the sole responsibility of GEMH and all Persons employed by Mortgage Services in performance of its obligations under this Agreement shall be the sole responsibility of Mortgage Services.

SECTION 12.04. Subcontractors. Any Party may hire or engage one or more subcontractors to perform any or all of its obligations under this Agreement; provided that (a) GEMH shall in all cases remain liable for all its obligations under this Agreement, including with respect to the scope of the GEMH Services, the Standard for Services and the content of the GEMH Services provided to Mortgage Services and (b) Mortgage Services shall in all cases remain liable for all its obligations under this Agreement, including with respect to the scope and content of its management and servicing of the Loans and the MS Standard. Under no circumstances shall Mortgage Services be responsible for making any payments directly to any subcontractor engaged by any GEMH Party or any GEMH Party be responsible for making any payments directly to any subcontractor engaged by Mortgage Services.

SECTION 12.05. Additional Services; Books and Records; Mortgage Services Property.

(a) If, during the Term, Mortgage Services identifies a need for additional or other services to be provided by or on behalf of GEMH, the Parties agree to negotiate in good faith to provide such requested services (provided that such services are of a type generally provided by GEMH or any of its Affiliates at such time) and the applicable service fees, payment procedures, and other rights and obligations with respect thereto. To the extent practicable, such additional or other services shall be provided on terms substantially similar to those applicable to GEMH Services of similar types and otherwise on terms consistent with those contained in this Agreement.

(b) All books, records and data maintained by GEMH for Mortgage Services with respect to the provision of a GEMH Service to Mortgage Services shall be the exclusive property of Mortgage Services. Mortgage Services, at its sole cost and expense, shall have the right to inspect, and make copies of, any such books, records and data during regular business hours upon reasonable advance notice to GEMH. At the sole cost and expense of GEMH, upon termination of the provision of any GEMH Service, the relevant books, records and data relating to such terminated Service shall be delivered by GEMH to Mortgage Services in a mutually agreed upon format to the address of Mortgage Services set forth in Section 12.07 or any other mutually agreed upon location; provided, however, that GEMH shall be entitled to retain one copy of all such books, records and data relating to such terminated GEMH Service for archival purposes and for purposes of responding to any dispute that may arise with respect thereto. Upon the termination of this Agreement, at the sole cost and expense of GEMH, GEMH shall deliver to Mortgage Services any and all other property of Mortgage Services or any other Mortgage Entity in GEMH's possession to Mortgage Services.

SECTION 12.06. Confidential Information. Each Party agrees that Section 6.2 of the Master Agreement is hereby incorporated by reference into, and a made a part of, this Agreement; provided, however, that for the purposes of this Agreement (i) references in Section 6.2 of the Master Agreement to "GE Parties" shall be deemed to refer to "Mortgage Entities", (ii) references in Section 6.2 of the Master Agreement to "Genworth" shall be deemed to refer to "GEMH Parties", and (iii) references in Section 6.2 of the Master Agreement to "Genworth Business" shall be deemed to refer to "the business of GEMH Parties".

SECTION 12.07. Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 12.07):

if to Mortgage Services:

GE Mortgage Services, LLC
6601 Six Forks Road
Raleigh, North Carolina 27615
Attention: General Manager

with a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue

New York, NY 10153
Attention: Howard Chatzinoff, Esq.

if to GEMH Parties

General Electric Mortgage Holdings LLC
6601 Six Forks Road
Raleigh, North Carolina 27615
Attention: President

with a copy to

General Electric Mortgage Holdings LLC
6601 Six Forks Road
Raleigh, North Carolina 27615
Attention: General Counsel

and

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E Byrd Street
Richmond, VA 23219-4074
Attention: Allen C. Goolsby, Esq.

SECTION 12.08. Taxes.

(a) Each Party shall be responsible for any personal property taxes on property it owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts.

(b) Each of the parties agrees that if reasonably requested by the other party, it will cooperate with such other party to enable the accurate determination of such other party's tax liability and assist such other party in minimizing its tax liability to the extent legally permissible. GEMH invoices shall separately state the amounts of any taxes the GEMH is proposing to collect from Mortgage Services.

SECTION 12.09. Regulatory Approval and Compliance. Each of Mortgage Services and each GEMH Party shall be responsible for its own compliance with any and all Laws applicable to its performance under this Agreement; provided, however, that each of Mortgage Services and GEMH shall, subject to reimbursement of out-of-pocket expenses by the requesting party, cooperate and provide one another with all reasonably requested assistance (including, the execution of documents and the provision of relevant information) required by the requesting party to ensure compliance with all applicable Laws in connection with any regulatory action, requirement, inquiry or examination related to this Agreement, the GEMH Services or the MS Services.

SECTION 12.10. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

SECTION 12.11. Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the Schedules and Exhibits hereto) constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties with respect to the subject matter of this Agreement.

SECTION 12.12. Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by any Party without the prior written consent of the other party. Except as provided in Article VIII with respect to GEMH Indemnified Parties and Mortgage Services Indemnified Parties, this Agreement is for the sole benefit of the parties to this Agreement and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 12.13. Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by all the parties to such agreement. No waiver by any party of any provision hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by either Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

SECTION 12.14. Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (b) references to the terms Article, Section, Exhibit, paragraph, and Schedule are references to the Articles, Sections, Exhibits, paragraphs, and Schedules to this Agreement unless otherwise specified, (c) the word "including" and words of similar import shall mean "including, without limitation," (d) provisions shall apply, when appropriate, to

successive events and transactions, (e) the headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement and (f) this Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted. Unless specifically stated in the Master Agreement that a particular provision of the Master Agreement should be given effect in lieu of a conflicting provision in this Agreement, to the extent that any provision contained in this Agreement conflicts with, or cannot logically be read in accordance with, any provision of the Master Agreement, the provision contained in this Agreement shall prevail.

SECTION 12.15. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of any such Agreement.

SECTION 12.16. No Right to Set-Off. No Party shall set-off, counterclaim or otherwise withhold any amount owed by such Party to another Party on account of any obligation owed to such Party by another Party.

SECTION 12.17. Existing Agreements.

(a) The Parties acknowledge and agree that from and after the date hereof the Existing Servicing Agreement and the Existing Shared Services Agreement shall be deemed terminated and shall be of no further force and effect.

(b) The Lease Agreement is hereby terminated and shall be of no further force and effect;provided, however, that the indemnification provisions set forth in Sections 6 and 7 of the Indemnification Agreement shall survive such termination.

(c) The Indemnification Agreement is hereby terminated and shall be of no further force and effect.

SECTION 12.18. Further Assurances. Each Party agrees that upon request of another Party, at any time after the date hereof such first Party will forthwith execute and deliver to the requesting Party or its designee such further instruments of assignment, transfer, conveyance, endorsement, direction or authorization and other documents as the requesting Party or its counsel may reasonably request in order to effectuate the purposes of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

GE MORTGAGE SERVICES, LLC

By: ____________________
Name:
Title:

GENERAL ELECTRIC MORTGAGE HOLDINGS LLC

By: ____________________
Name:
Title:

GE MORTGAGE CONTRACT SERVICES INC.

By: ____________________
Name:
Title:

GENWORTH FINANCIAL, INC.

By: ____________________
Name:
Title:

Acknowledged and agreed:
GENERAL ELECTRIC MORTGAGE INSURANCE CORPORATION,
solely with respect to Sections 7.02 and 12.17

By: ____________________
Name: ________________
Title: ________________

Schedule A

GEMH Services

GEMH Services	Service Termination Date
(a) Processing for Accounts Payable,Accounts Receivable and Escheats Payable; Processing Related to Bank Account Acitivity (including Cash Wiring Services).	December 31, 2005
(b) Treasury and Controllership (including Transition)	90 Days from the Effective Date
(c) Legal	December 31, 2005
(d) Information Technology and Data Processing	December 31, 2005
(e) Risk/Vendor Management	December 31, 2005

(f)	Quality	December 31, 2005
(g)	Loss Mitigation, including restructuring of loans and foreclosure	December 31, 2005
(h)	Finanacial Planning and Analysis for Asset Management	December 31, 2005
(i)	Facilities, including access to and management of facilities described in Section 3.02.	December 31, 2005
(j)	Tax Services. GEMH shall continue to provide global tax related services to the Mortgage Entities and to GE in a manner that is consistent with past practices and as required by such Mortgage Entities and/or GE to satisfy its global income and other tax compliance and reporting responsibilities, including (without limitation) the provision of tax data and information to support US federal and state (as well as, to the extent applicable, non-US) tax returns or audit examinations and the tax aspects or components of any financial and/or statutory statements or other similar reports or filings. GEMH shall, at Mortgage Services' sole cost and expense, retain a third-party provider to prepare and file, subject to prior review and approval by Mortgage Services, all Tax Returns to be filed in 2004 and 2005 in respect of Mortgage Entities and their respective assets and respond to any audit examinations through the Service Termination Date.	December 31, 2005

Schedule B — Scheduled Loans

Count	Loan Number	Purchase Date		Purchase Price
Active Loans @ 4/14/04				
1	279868	05/01/03	$	244,926.10
2	286789	05/01/03	$	257,548.43
3	4394917	05/01/03	$	57,527.54
4	279789	05/01/03	$	243,321.99
5	911715	05/01/03	$	249,162.40
6	122646961	05/01/03	$	125,949.02
7	123164469	05/01/03	$	152,724.86
8	9909369	05/01/03	$	95,417.26
9	123543498	05/01/03	$	145,231.58
10	122747264	05/01/03	$	170,675.74
11	914917	05/01/03	$	201,207.23
12	832240	05/01/03	$	279,967.27
13	275787	05/01/03	$	81,199.13
14	879919	05/01/03	$	132,137.08
15	9954831	05/01/03	$	112,926.32
16	9882693	05/01/03	$	323,288.14
17	123995722	05/01/03	$	58,362.50
18	9886964	05/01/03	$	77,569.40
19	4442049	05/01/03	$	118,385.06
20	4424536	05/01/03	$	135,454.00
21	262403	05/01/03	$	181,316.28
22	851176	05/01/03	$	37,403.79
23	123611576	05/01/03	$	42,089.53
24	124109851	05/01/03	$	42,284.75
25	290234	05/01/03	$	44,987.03
26	970817	05/01/03	$	46,506.63
27	9960554	05/01/03	$	46,545.93
28	4431954	05/01/03	$	49,492.72
29	124149154	05/01/03	$	55,121.41
30	758204	05/01/03	$	57,780.28
31	9986840	05/01/03	$	62,253.99
32	312382	05/01/03	$	66,868.52
33	9887388	05/01/03	$	67,581.24
34	123182206	05/01/03	$	94,489.47
35	124285107	05/01/03	$	116,192.81
36	123907248	05/01/03	$	116,993.80
37	796079	05/01/03	$	124,439.12

Count	Loan Number	Purchase Date		Purchase Price
38	123555989	05/01/03	$	124,986.07
39	123506297	05/01/03	$	127,984.81
40	8062176	05/01/03	$	140,004.22
41	123332439	05/01/03	$	143,144.64
42	4391845	05/01/03	$	158,260.36
43	123771776	05/01/03	$	169,855.75
44	743239	05/01/03	$	176,289.04
45	124838863	05/01/03	$	183,791.08
46	124839671	05/01/03	$	195,415.81
47	123592776	05/01/03	$	196,024.29
48	862688	05/01/03	$	208,912.44
49	123562233	05/01/03	$	210,025.97
50	124837352	05/01/03	$	213,955.25
51	123917973	05/01/03	$	216,975.86
52	123561508	05/01/03	$	217,726.96
53	261169	05/01/03	$	246,493.15

54	912251	05/01/03	$	252,843.69
55	822878	05/01/03	$	378,366.20
56	9908647	05/01/03	$	44,526.71
57	124653957	05/01/03	$	58,674.74
58	334403	05/01/03	$	80,100.05
59	9929733	05/01/03	$	117,311.39
60	250768629	7/14/2003	$	194,271.82
61	250768637	1/30/2004	$	73,854.51
62	250768645	1/15/2004	$	134,791.13
63	250768652	1/15/2004	$	128,304.31
64	250768678	1/15/2004	$	119,731.35
65	250768686	1/15/2004	$	127,828.14
66	250768694	1/15/2004	$	341,366.25
67	250768702	1/15/2004	$	277,405.06
68	250768728	1/15/2004	$	288,555.40
69	250768736	1/15/2004	$	269,688.04
70	250768744	1/15/2004	$	88,287.10
71	250768751	1/15/2004	$	223,306.74
72	250768769	1/15/2004	$	125,284.45
73	250768785	1/15/2004	$	95,393.93
74	250768793	1/15/2004	$	95,353.69
75	250768801	1/15/2004	$	121,264.30

Count	Loan Number	Purchase Date		Purchase Price
76	250768819	1/15/2004	$	122,370.18
77	250768827	1/15/2004	$	59,568.06
78	250768835	2/13/2004	$	120,324.08
			$	11,383,945.35
Liquidated Loans @4/14/04				
79	364501	05/01/03	$	298,893.75
80	842767	05/01/03	$	130,128.21
81	122761794	05/01/03	$	148,611.06
82	123221137	05/01/03	$	259,896.20
83	123206898	05/01/03	$	159,726.16
84	284838	05/01/03	$	216,557.07
85	260764	05/01/03	$	267,396.63
86	266423	05/01/03	$	111,122.28
87	122646425	05/01/03	$	127,294.60
88	122646086	05/01/03	$	131,967.16
89	773459	05/01/03	$	132,689.29
90	741780	05/01/03	$	137,561.34
91	122816465	05/01/03	$	145,853.22
92	989664	05/01/03	$	149,325.53
93	260052	05/01/03	$	149,443.75
94	358469	05/01/03	$	172,243.27
95	9909916	05/01/03	$	34,720.52
96	4391856	05/01/03	$	39,612.60
97	9988032	05/01/03	$	42,825.18
98	9992164	05/01/03	$	49,807.44
99	911679	05/01/03	$	51,879.00
100	910030	05/01/03	$	56,814.32
101	381419	05/01/03	$	57,928.41
102	978581	05/01/03	$	63,968.39
103	123506594	05/01/03	$	66,726.02
104	753713	05/01/03	$	67,366.90
105	123403164	05/01/03	$	68,392.37
106	762893	05/01/03	$	69,876.55
107	9986530	05/01/03	$	73,557.38
108	851483	05/01/03	$	74,319.53
109	9963939	05/01/03	$	74,712.26
110	821076	05/01/03	$	81,466.58

Count	Loan Number	Purchase Date		Purchase Price
111	8266702	05/01/03	$	84,877.62
112	879788	05/01/03	$	87,696.80
113	9923895	05/01/03	$	89,655.14
114	9991332	05/01/03	$	105,132.93
115	885322	05/01/03	$	113,263.77
116	9900767	05/01/03	$	119,037.20
117	8229650	05/01/03	$	125,875.19
118	283189	05/01/03	$	127,184.17
119	123611295	05/01/03	$	142,024.06
120	9967099	05/01/03	$	144,723.69
121	744035	05/01/03	$	145,199.03
122	122645781	05/01/03	$	150,427.50
123	338534	05/01/03	$	182,712.02
124	123802597	05/01/03	$	188,978.97

125	124138827	05/01/03	$	190,156.29
126	123561904	05/01/03	$	222,627.54
127	977486	05/01/03	$	224,358.10
128	9987590	05/01/03	$	258,581.88
129	296352	05/01/03	$	298,674.01
130	763180	05/01/03	$	439,448.00
131	3678232	05/01/03	$	55,930.36
132	804747	05/01/03	$	62,414.99
133	755018	05/01/03	$	106,286.07
134	8281206	05/01/03	$	136,104.06
135	760949	05/01/03	$	267,237.34
136	122815863	05/01/03	$	128,427.41
137	123338188	05/01/03	$	255,351.01
138	3740032	05/01/03	$	267,248.30
139	123798043	05/01/03	$	188,978.97
140	124311234	05/01/03	$	202,977.42
141	4394898	05/01/03	$	140,114.02
142	250768777	1/15/2004	$	174,726.77
			$	9,139,113.59
	Grand Total		$	20,523,058.94

Schedule C-1

Fully Dedicated Transition Employees

EMPLOYEE NAME	FUNCTION	$ (000'S)	
J. Santucci	Legal	$	70
S. Netter	Risk/Vendor Management	$	70
C. Smith	Risk/Vendor Management	$	70
M. Riggan	Risk/Vendor Management	$	70
A. James	Loss Mitigation	$	70
S. Whitham	Financial Planning and Analysis for Asset Management	$	70
R. Conyers	Financial Planning and Analysis for Asset Management	$	70

Schedule C-2

Partially Allocated Transition Employees

EMPLOYEE NAME	FUNCTION	ALLOCATED%(FTE)	$ (000'S)	
M. Frye	Finance	10%	$	7
M. Bonello	Treasury and Controllership (including Transition).	40%	$	28
Processing for Accounts Payable, Accounts Receivable and Escheats Payable; Processing Related to Bank Account Acitivity (including Cash Wiring Services).	Finance	100%	$	70
T. Kleissler	Legal	25%	$	17
P. Holoman	Legal	60%	$	42
D. Dodd	Legal	10%	$	7
A. Goldberg	Loss Mitigation	10%	$	7
N. Fitzpatrick	Loss Mitigation	10%	$	7
C. Day	Loss Mitigation	70%	$	49
K. Reed	Loss Mitigation	70%	$	49
R. Bradley	Loss Mitigation	80%	$	56
D. Caudill	Loss Mitigation	15%	$	10
R. Hitch	Loss Mitigation	75%	$	52
B. Sobczek	Loss Mitigation	40%	$	28
E. Townsend	Loss Mitigation	75%	$	52
K. Wheeler	Loss Mitigation	75%	$	52
J. Eikelberner	Financial Planning and Analysis for Asset Management	5%	$	3
R. Steineger	Tax	20%	$	14
Quality Team	Quality	50%	$	35

Exhibit 10.28

DERIVATIVES MANAGEMENT SERVICES AGREEMENT

AMONG

GE LIFE AND ANNUITY ASSURANCE COMPANY,

FEDERAL HOME LIFE INSURANCE COMPANY,

FIRST COLONY LIFE INSURANCE COMPANY,

GENERAL ELECTRIC CAPITAL ASSURANCE COMPANY,

AND

GENWORTH FINANCIAL, INC.

AND

GNA CORPORATION

AND

GENERAL ELECTRIC CAPITAL CORPORATION

DATED AS OF , 2004

THIS DERIVATIVES MANAGEMENT SERVICES AGREEMENT (the "Agreement") is made and entered into as of the day of , 2004 (the "Effective Date"), by and among GE LIFE AND ANNUITY ASSURANCE COMPANY, an insurance company domiciled in the Commonwealth of Virginia ("GELAAC"), FEDERAL HOME LIFE INSURANCE COMPANY, an insurance company domiciled in the Commonwealth of Virginia ("FHL"), FIRST COLONY LIFE INSURANCE COMPANY, an insurance company domiciled in the Commonwealth of Virginia ("FCL"), GENERAL ELECTRIC CAPITAL ASSURANCE COMPANY, an insurance company domiciled in the State of Delaware ("GECA"; GECA, GELAAC, FHL and FCL are individually a "Client" and collectively, the "Clients"), Genworth Financial, Inc., a Delaware corporation ("GENWORTH"), GNA CORPORATION, a Washington corporation ("GNA") and GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation ("GECC").

RECITALS

WHEREAS, the Clients are subsidiaries of GENWORTH, and the Clients and GENWORTH are all majority-owned subsidiaries of GECC; and

WHEREAS, each Client, from time to time, has desired and may in the future desire to hedge certain risks, including but not limited to interest rate risk, associated with its assets through the use of instruments commonly referred to as derivatives; and

WHEREAS, resolutions adopted by the GECC Board and related policy statements require that GECC's Treasury Operation ("GECC Treasury") executes, manages and administers all derivative transactions on behalf of GECC and its subsidiaries; and

WHEREAS, GNA performs certain investment management services for the Clients, including oversight of derivatives transactions; and

WHEREAS, GECC Treasury may from time to time, at the request of GNA, appoint certain individuals at GNA as representatives of GECC Treasury with limited authority to execute, manage and administer certain derivative transactions on behalf of the Clients; and

WHEREAS, each of the Clients has or shall enter into ISDA Master Agreements together with related schedules and confirmations (the "Contracts") with various unaffiliated counterparties (individually, a "Counterparty" and collectively, the "Counterparties"); and

WHEREAS, each of the Clients, GENWORTH, GECC and GNA desire to enter into this Agreement to set forth the services that each of GENWORTH, GECC and GNA will provide to the Clients in connection with the Contracts;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Clients, GENWORTH, GECC and GNA hereby agree as follows:

ARTICLE I
DEFINITIONS AND USAGE

1.1 __Definitions__. The following capitalized terms, as used in this Agreement, have the following meanings:

"Affiliate" of a Person means a Person who, directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such Person.

"Applicable Law" or "Applicable Laws" means any domestic or foreign federal, state or local statute, law, ordinance or code, including the insurance code of the domiciliary state of each Client (as applicable to such Client), or any rules, regulations, administrative interpretations or orders issued by any Governmental Authority, including any Insurance Authority, pursuant to any of the foregoing, and any order, writ, injunction, directive, judgment or decree of a court of competent jurisdiction applicable to the parties hereto.

"Board" means the Board of Directors of a Client as the same may be elected from time to time by the shareholders of such Client.

"Contracts" shall have the meaning set forth in the recitals to this Agreement.

"Effective Date" shall have the meaning set forth in the introductory paragraph.

"GAAP" means generally accepted accounting principles in effect, from time to time, in the United States.

"Governmental Authority" means any Insurance Authority or any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or any federal, national, state, municipal, county, city or other political subdivision.

"Insurance Authority" means the department, bureau, commission or other agency responsible for overseeing insurance matters within any state that a Client is authorized to do business (as applicable to such Client).

"Investment Committee" means, with respect to any Client, a committee designated by such Client's Board to oversee such Client's investment activities, including the execution and management of derivative transactions.

"Investment Guidelines" shall, with respect to each Client, mean the resolutions pertaining to derivatives transactions adopted by the Board of such Client.

"Person" means an individual, corporation, partnership, limited liability company, association, trust or any other entity or organization, including governmental or political subdivision or an agency or instrumentality thereof.

"Records" shall have the meaning set forth in Section 2.5.

"Representatives" means, as applicable, a Client's or GENWORTH's directors, officers, employees, accountants and legal and financial advisors.

"Representer" shall have the meaning set forth in Section 6.2.

"SAP" means statutory accounting procedures and principles prescribed or permitted by Applicable Law.

1.2 **Headings; Rules of Construction**. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. Except as otherwise expressly provided in this Agreement, the following rules of interpretation apply to this Agreement: (i) the singular includes the plural and the plural includes the singular; (ii) "or" and "any" are not exclusive and "include" and "including" are not limiting; (iii) a reference to any agreement or other contract includes permitted supplements and amendments; (iv) a reference to a law includes any amendment or modification to such law and any rules or regulations issued thereunder; (v) a reference to a person includes its successors and permitted assigns; and (vi) a reference in this Agreement to an article, section, annex, exhibit or schedule is to the article, section, annex, exhibit or schedule of this Agreement.

ARTICLE II
SERVICES

2.1 **Execution and Management**. As to each Client, subject to the provisions of this Section 2.1, GECC Treasury will establish and confirm the terms of derivative transactions from time to time in the name of such Client and shall execute and deliver or otherwise enter into from time to time one or more derivatives confirmations or agreements evidencing such derivative transactions on behalf of and in the name of such Client as requested by such Client. In its performance of the foregoing obligations, GECC Treasury may appoint, from time to time, at the request of GNA, certain employees of GNA as representatives of GECC Treasury with authority to execute, manage and administer certain derivative transactions on behalf of the Clients in accordance with the terms of such appointment; provided, however, that such appointment shall be in writing and any action taken by any such GNA employee shall be in accordance with GECC's policies with respect to derivatives transactions as in effect from time to time.

2.2 **Credit Support**. With respect to each Contract, unless otherwise agreed by GECC and the applicable client, GENWORTH will provide a guaranty in favor of the Counterparty

to such Contract.

2.3 **Administrative Services**. With respect to the Contracts, GECC will provide certain administrative services, including without limitation certain legal services and paying agent services, on behalf of each Client, as set forth in the Administrative Services Agreement (in the form attached as Exhibit A hereto), dated as of the date hereof, among GECC and the Clients. In its performance of the foregoing obligations, GECC may appoint, from time to time, certain employees of GNA as representatives of GECC Treasury with authority to execute, manage and administer certain derivative transactions on behalf of the Clients in accordance with the terms of such appointment; provided, however, that any such appointment shall be in writing and any action taken by any such GNA employee shall be in accordance with GECC's policies with respect to derivatives transactions as in effect from time to time.

2.4 **Covenants of GECC and GNA.**

(a) Each of GECC and GNA shall discharge its duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters should use in the conduct of an enterprise of a like character and with like aims. Further, each of GECC and GNA shall use the same skill and care in the management of each Client's derivative transactions and in its other duties hereunder as it uses in the administration of other similar matters for which it has comparable responsibility.

(b) In the performance of its duties and obligations to each Client under this Agreement, each of GECC and GNA shall act in conformity with (i) the Articles/Certificate of Incorporation and Bylaws of the Client, (ii) the Client's Investment Guidelines or other written instructions of the Client's Board, (iii) the Client's Investment Committee or Representatives of Client, as applicable, (iv) GECC's policies, including with respect to derivatives transactions, as in effect from time to time, and (v) all Applicable Laws.

2.5 **Recordkeeping and Reports; Review and Inspection.**

(a) GENWORTH, GECC and GNA shall, unless such parties agree otherwise with one or more of the Clients, maintain all records, memoranda, instructions or authorizations (collectively, "Records") relating to the execution, management and administration of derivative transactions on behalf of each Client as required by Applicable Laws, GAAP or SAP. Such Records will be the property of the applicable Client. On a timely basis, GENWORTH, GECC and GNA shall make available to a Client, at its administrative offices or such other location as may be designated by such Client, copies or originals of such Records upon reasonable request and, as necessary, to comply with Applicable Laws.

(b) All Records, both internal and external with third parties, to the extent within the control of GENWORTH, GECC and GNA, will clearly specify the ownership interest of the applicable Client with respect to the relevant derivative transactions.

(c) Records concerning derivative transactions executed or managed on behalf of a Client that are not maintained physically on such Client's premises or in such Client's care, custody and control shall be subject to review and audit at any time by such Client, its Representatives, any Insurance Authority and any other Governmental Authority, or any other entity designated by such Client, and GENWORTH, GECC and GNA shall cooperate with and provide reasonable assistance to any such person, including any auditor appointed by such Client to conduct an audit of or for the Client. Such Records shall be maintained for the time periods and in a format required by Applicable Law. GENWORTH, GECC and GNA shall notify the applicable Client prior to destruction of such Client's Records (in order that such Client may request transfer of such Records to such Client as an alternative to destruction); provided that GENWORTH, GECC and GNA may not, in any event, destroy such Records prior to expiration of all applicable statutes of limitation.

(d) GENWORTH, GECC and GNA shall provide to each Client such other documents and information pertaining to this Agreement and the derivative transactions executed or managed on behalf of such Client at such times as such Client may reasonably request including, but not limited to, information required to prepare reports to any Insurance Authority or any other entity designated by such Client or as may be required to comply with GAAP, SAP or Applicable Law.

(e) GENWORTH, GECC and GNA will fully cooperate with each Client with respect to unsettled or unreconciled transactions and daily transmission of trading activity.

2.6 **Information Furnished to GENWORTH, GECC or GNA**. Each Client shall furnish to GENWORTH, GECC or GNA in a timely manner any information that GENWORTH, GECC or GNA may reasonably request with respect to the services performed under this Agreement for such Client. In determining the requirements of Applicable Laws with respect to a Client, GENWORTH, GECC and GNA may rely on an interpretation of law by legal counsel to such Client. In determining the requirements of applicable accounting rules with respect to a Client, GENWORTH, GECC and GNA may rely on an interpretation of such rules by accountants for such Client.

ARTICLE III
TERM AND TERMINATION

3.1 This Agreement shall continue in effect for an initial term beginning on the Effective Date and ending December 31, 2004. Unless earlier terminated, this Agreement shall automatically renew on January 1, 2005 and on each January 1 thereafter for successive periods of one (1) year. This Agreement may be terminated (i) at any time during the initial term or any renewal term by GENWORTH, GECC or any Client (but only with respect to such Client's participation in the Agreement) without payment of any penalty upon sixty (60) days prior written notice to the other parties (which notice shall specify the effective date of termination), and (ii) immediately for cause by any Client, but only with respect to such Client's participation in the Agreement (cause being understood as any material breach, action or omission by GENWORTH, GECC or GNA that, in the reasonable belief of such Client, is inconsistent with the terms of this Agreement). This Agreement also shall automatically terminate in the event of its unauthorized assignment by any party or, unless otherwise agreed, if any party ceases to be a majority-owned direct or indirect subsidiary of General Electric Company. Termination in any manner shall not affect the rights of any party, including the status of any guarantees issued pursuant to Section 2.2 of this Agreement that accrued prior to termination.

3.2 Within sixty (60) days of the termination of this Agreement, GENWORTH, GECC and GNA shall transfer all Records of a Client to such Client or its designee. All reasonable costs to transfer a Client's Records shall be paid by such Client.

ARTICLE IV
COMPENSATION

Each of GENWORTH, GNA and GECC agree that if services are performed under this agreement, the parties will determine appropriate compensation at the time the services are rendered, provided, that such compensation shall be fair and reasonable. Such agreement, however, shall not extend to reimbursement of losses, damages and other expenses contemplated under Section 7.2 and for reimbursement of out-of pocket expenses incurred on behalf of a Client.

ARTICLE V
CONFIDENTIALITY

Subject to the duty of GENWORTH, GECC, GNA or a Client to comply with Applicable Laws, each party hereto shall treat as confidential all information with respect to any other party received pursuant to this Agreement. No party shall use or disclose another party's confidential information except as contemplated by this Agreement.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

6.1 **By Client.** Each Client represents and warrants that:

(a) It is an insurance company duly organized, validly existing and in good standing under the laws of its state of incorporation and has the power and authority (including approval from the relevant Insurance Authority, if required) to execute, deliver and perform this Agreement; and

(b) This Agreement is the valid and binding obligation of the Client enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally or by the principles governing the availability of equitable remedies.

6.2 **By GENWORTH, GECC and GNA.** Each of GENWORTH, GECC and GNA (each a "Representer") represents and warrants with respect only to itself that:

(a) It is a corporation duly organized, validly existing and in good standing under the laws of its domiciliary state, has the power and authority to execute, deliver and perform this Agreement;

(b) This Agreement is the valid and binding obligation of the Representer enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally or by the principles governing the availability of equitable remedies; and

(c) Neither the execution and delivery nor the performance of this Agreement by the Representer will violate any law, statute, order, rule or regulation or judgment, order or decree by any federal, state, local or foreign court or governmental authority, domestic or foreign, to which the Representer is subject nor will the same constitute a breach of, or default under, provisions of any agreement or contract to which it is a party or by which it is bound.

ARTICLE VII
MISCELLANEOUS

7.1 **Limitation of Liability**. In furnishing each Client with services as provided herein, none of GENWORTH, GECC or GNA nor any officer, director or agent thereof shall be held liable to such Client, its creditors or the holders of its securities for good faith errors of judgment or for anything except willful misfeasance, bad faith or negligence in the performance of its duties, or reckless disregard of its obligations and duties under the terms of this Agreement. It is further understood and agreed that GENWORTH, GECC

and GNA may rely upon information furnished to it by a Client that GENWORTH, GECC or GNA (as applicable) reasonably believes to be accurate and reliable. Certain federal laws, including federal securities laws, impose liabilities under certain circumstances on persons who act in good faith and therefore nothing contained herein shall in any way constitute a waiver or limitation of any rights that a Client may have under any such federal laws.

7.2 **Indemnification.**

(a) Notwithstanding any limitation of liability contained in Section 7.1, GENWORTH, GECC and GNA shall indemnify and hold each Client harmless from and against any losses, damages, expenses (including reasonable attorneys' fees), liabilities, penalties, demands and claims of any nature whatsoever with respect to or arising out of the breach or violation by GENWORTH, GECC or GNA of any agreement, covenant, representation or warranty made by GENWORTH, GECC or GNA herein.

(b) Each Client shall indemnify and hold GENWORTH, GECC or GNA harmless from and against any losses, damages, expenses (including reasonable attorneys' fees), liabilities, penalties, demands and claims of any nature whatsoever with respect to or arising out such Client's breach or violation of any agreement, covenant, representation or warranty made by such Client herein.

7.3 **Assignment**. No assignment (by operation of law or otherwise) of this Agreement, in whole or in part, nor any of the rights, interests or obligations under this Agreement by any party shall be effective without the prior written consent of the other parties and any necessary approvals from the relevant Insurance Authority. Subject to the provisions of this Section 7.3, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and permitted assigns.

7.4 **Independent Contractor**. GENWORTH, GNA and GECC shall be deemed to be independent contractors and, except as expressly provided or authorized in this Agreement, shall have no authority to act for or represent any Client. Each Client shall always retain the ultimate authority to make decisions regarding the execution or management of derivative transactions on its own behalf.

7.5 **Right to Contract with Third Parties**. Nothing herein shall be deemed to grant to GENWORTH, GNA or GECC an exclusive right to provide the services described herein to a Client, and each Client retains the right to contract with any third party, affiliated or unaffiliated, for the performance of services or for the use of facilities as are available to or have been requested by such Client pursuant to this Agreement; provided, however, GECC Treasury shall exclusively execute all derivatives transactions of any subsidiary with which GECC has direct or indirect voting control in accordance with the GECC Derivatives Policy.

7.6 **Governing Law**. With respect to each Client, this Agreement shall be governed by the laws of the state in which such Client is domiciled, without giving effect to its conflict of laws principles.

7.7 **Notices**. Any notice under this Agreement shall be given in writing, addressed, and delivered by hand or facsimile, or mailed postpaid by U.S. Mail or overnight courier service, to the party to this Agreement entitled to receive such notice, at such party's principal place of business as set out here:

If to GECC:

General Counsel — Treasury
General Electric Capital Corporation
201 High Ridge Road
Stamford, Connecticut 06927-9400
Facsimile: (203) 357-3490

If to GNA:

General Counsel
GNA Corporation
6620 West Broad Street
Richmond, Virginia 23230
Facsimile: (804) 662-2414

If to GENWORTH:

General Counsel
Genworth Financial, Inc.
6620 West Broad Street
Richmond, Virginia 23230
Facsimile: (804) 662-2414

If to Client #1:

General Counsel
GE Life and Annuity Assurance Company
6610 West Broad Street
Richmond, Virginia 23230
Facsimile: (804) 281-6005

If to Client #2:

General Counsel
Federal Home Life Insurance Company
700 Main Street
Lynchburg, Virginia 24504
Facsimile: (434) 948-5819

If to Client #3:

General Counsel
First Colony Life Insurance Company
700 Main Street
Lynchburg, Virginia 24504
Facsimile: (434) 948-5819

If to Client #4

General Counsel
General Electric Capital Assurance Company
6620 West Broad Street
Richmond, Virginia 23230
Facsimile: (804) 662-2414

or to such other address as each party may designate in writing mailed to the other parties. Unless otherwise permitted by the terms hereof, whenever any notice is required to be given hereunder, such notice shall be deemed given and such requirement satisfied only when such notice is delivered by hand, or, if delivered by facsimile, overnight courier or mail, when received.

7.8 **Severability**. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.9 **Amendments**. No term or provision of this Agreement may be modified, amended, waived, discharged or terminated except by an agreement in writing, executed by each of the parties hereto; provided that any material amendment shall be subject to the approval, if required, of the relevant Insurance Authority. Any amendment that is applicable only to certain Clients or to a single Client need not be executed by any Client to which the amendment does not apply.

7.10 **Entire Agreement**. This Agreement supersedes any and all oral or written agreements or understandings heretofore made, and contains the entire agreement of the parties, with respect to the subject matter hereof.

7.11 **Counterparts**. This Agreement may be executed in one or more counterparts, and such counterparts together shall constitute one and the same agreement.

7.12 **Additional Parties.** Additional insurance company subsidiaries of Genworth Financial, Inc. may become party to and bound by the provisions of this Agreement subject only to executing the Adoption Agreement attached hereto as Exhibit 1 and obtaining any necessary regulatory approvals. Each such additional insurance company becoming a party to this Agreement shall be deemed a "Client" hereunder.

[THE REST OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

GENERAL ELECTRIC CAPITAL CORPORATION

By: ________________________
Name:
Title:

GENWORTH FINANCIAL, INC.

By: ________________________
Name:
Title:

GNA CORPORATION

By: ______________________________
Name:
Title:

GENERAL ELECTRIC CAPITAL ASSURANCE COMPANY

By: ______________________________
Name:
Title:

GE LIFE AND ANNUITY ASSURANCE COMPANY

By: ______________________________
Name:
Title:

FEDERAL HOME LIFE INSURANCE COMPANY

By: ______________________________
Name:
Title:

FIRST COLONY LIFE INSURANCE COMPANY

By: ______________________________
Name:
Title:

EXHIBIT 1

ADOPTION AGREEMENT

(DERIVATIVES MANAGEMENT SERVICES AGREEMENT)

By executing this Adoption Agreement, the undersigned corporation, an insurance company subsidiary of General Electric Capital Corporation, hereby adopts and agrees to be bound by the terms and provisions of the Derivatives Management Services Agreement between General Electric Capital Corporation, Genworth Financial, Inc., GNA Corporation, General Electric Capital Assurance Company, GE Life and Annuity Assurance Company, Federal Home Life Insurance Company and First Colony Life Insurance Company dated as of , 2004 (the "Agreement"), as provided in Section 7.12 of the Agreement.

This Adoption Agreement shall become effective on the date executed unless otherwise noted.

[Name and Address of Corporation]

By: ______________________________
Name:
Title:
Date:

Exhibit 10.35

CONFIDENTIAL TREATMENT REQUESTED: INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND NOTED WTH "". AN UNREDACTED VERSION OF THIS DOCUMENT HAS ALSO BEEN PROVIDED TO THE SECURITIES AND EXCHANGE COMMISSION.**

AMENDED AND RESTATED

MASTER OUTSOURCING AGREEMENT

by and between

First Colony Life Insurance Company

and

GE Capital International Services

[Date]

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AMENDED AND RESTATED
MASTER OUTSOURCING AGREEMENT

AMENDED AND RESTATED MASTER OUTSOURCING AGREEMENT ("Agreement") entered into as of the Execution Date, by and between First Colony Life Insurance Company, a Virginia insurance company, with offices at 700 Main Street, Lynchburg, Virginia 24504 ("CUSTOMER") and GE Capital International Services, a corporation duly formed and existing under the laws of India with a place of business at AIFGECIS Building, 1 Rafi Marg, Delhi-110001 and Corporate office at 90A Sector 18, Gurgaon, Haryana ("PROVIDER").

RECITALS

WHEREAS, PROVIDER and CUSTOMER are parties to a Master Outsourcing Services Agreement and one or more related Project Specific Agreements which incorporate the terms of such Master Outsourcing Services Agreement, as well as certain other services agreements ("PSAs");

WHEREAS, CUSTOMER is a Subsidiary of Genworth Financial, Inc., a Delaware corporation ("Genworth");

WHEREAS, General Electric Company and General Electric Capital Corporation have determined to consolidate the Genworth business, including Genworth and certain of its Affiliates, into a separate corporate structure with Genworth acting as the parent entity for the Genworth business, and have further determined to divest a controlling interest in the stock of Genworth (the "Separation") and, as part of such divestiture, to conduct an initial public offering of the common stock of Genworth (the "IPO");

WHEREAS, in anticipation of the proposed Separation, PROVIDER and CUSTOMER have determined that it is appropriate to amend and restate such Master Outsourcing Services Agreement in the form of this Amended and Restated Master Outsourcing Services Agreement;

WHEREAS, PROVIDER supplies business and financial and related support services;

WHEREAS, CUSTOMER requires the performance of Services, as defined in the related PSA(s);

WHEREAS, the parties contemplate that PROVIDER will handle a variety of outsourcing projects and services for CUSTOMER and the parties seek to define the basic terms applicable to outsourcing projects between the parties; the parties intend to incorporate these provisions by reference into the outstanding PSAs and PSAs that they enter into for specific outsourcing projects hereafter;

WHEREAS, this Agreement is being executed on, and shall take effect as of, the closing date of the IPO or, if regulatory approval occurs on a later date, on and as of such later date (the "Execution Date"); and

WHEREAS, capitalized terms used herein shall have the meanings given such terms in Exhibit A hereto.

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

WITNESSETH

1.0 Services.

1.1 Structure of the Agreement.

(a) The Services are governed by the terms of this Agreement as amended and/or supplemented as set forth in Exhibit B, and the PSAs. Each PSA executed after the Execution Date shall be in the form attached as Exhibit C, unless otherwise agreed to by the parties.

(b) PROVIDER agrees to provide the Services under the terms and conditions of this Agreement and as more specifically described in the PSAs.

1.2 Business Continuity and Disaster Recovery Services. PROVIDER shall provide the services set forth in the business continuity and disaster recovery plans referred to in Exhibit D (collectively, the "BCP/DRP Plans"). The BCP/DRP Plans shall address all operations identified by CUSTOMER as "Mission Critical;" shall meet the substantive requirements specified by CUSTOMER and shall be agreed upon by CUSTOMER and PROVIDER. Further, at no additional charge to CUSTOMER other than as provided in Section 2 and the Pricing Template set forth in Exhibit F, PROVIDER will (a) actively review and update the BCP/DRP Plans, (b) test the BCP/DRP Plans at least annually, (c) permit CUSTOMER the opportunity to participate in such testing, (d) give CUSTOMER access to the results and analysis of such testing, and (e) correct deficiencies in the BCP/DRP Plans revealed by such testing. Failure to provide the services described in such BCP/DRP Plans will constitute a material breach of this Agreement, subject to cure as set forth in Section 8.1(f).

1.3 PROVIDER Responsibilities. Except as otherwise noted in this Agreement, PROVIDER shall provide, at its expense, all materials, labor, equipment, facilities and other items necessary to deliver the Services. Subject to Section 6.3 herein, all employees performing the Services shall be skilled in their trades and licensed, if required, by all proper authorities.

1.4 Service Locations; Security. Except as provided in the BCP/DRP Plans, without the prior written consent of CUSTOMER, PROVIDER shall not change or move the original location for the performance by PROVIDER of the Services required under this Agreement. In performing the Services, operating the Facilities used by it to provide the Services and protecting CUSTOMER's data, information and other property, PROVIDER will comply with the security procedures set forth in Exhibit E of this Agreement.

1.5 Support of CUSTOMER Divestitures. If CUSTOMER divests any business operation (other than pursuant to a transaction that would constitute a Change of Control), PROVIDER will provide the Services to such operation if such operation (i) used the Services prior to being divested, (ii) after being divested uses either essentially the same services as before being divested, or CUSTOMER or the acquiring entity compensates PROVIDER to modify its systems or processes used to perform and provide the Services as necessary to accommodate the use of the Services as reasonably requested by the acquiring entity, (iii) the acquiror of such operation agrees to be subject to the provisions of this Agreement and the PSAs, and (iv) CUSTOMER is not in payment default at the time of the request, but, in that case, PROVIDER must provide the Services if paid in advance. At CUSTOMER's option, PROVIDER and such acquiror shall enter into a separate agreement and PSA(s) providing for the provision of the Services, which agreements shall be on substantially the same terms and conditions as are set forth in this Agreement and the PSA(s), with such changes therein as the parties may agree upon. PROVIDER shall charge for the continuing performance and delivery of such Services based on the then-existing charging methodologies and may charge CUSTOMER or the acquiring entity for the reasonable implementation and set-up fees relating to the extension of the Services to such entity approved in writing in advance. PROVIDER and the acquiring entity will negotiate in good faith for up to one hundred twenty (120) days following the divestiture to agree upon alternative terms and conditions that will apply to the provision of the Services to such entity by PROVIDER. If they are unable to so agree, at the request of the acquiring entity, PROVIDER shall be required to provide the Services to such acquiring entity until the earlier of (i) the last day of the twelfth (12^{th}) month following such 120-day negotiation period and (ii) the termination date of this Agreement and related PSAs, provided, that if such termination date is to occur later than twelve (12) months following the end of such 120-day period and PROVIDER is requested to provide such Services for less than twelve (12) months following the end of such period, such acquiring entity or CUSTOMER shall bear all costs actually incurred by PROVIDER as a result of such reduction in volume, provided, further, that PROVIDER shall use commercially reasonable efforts to mitigate such costs. Such Services shall be provided by PROVIDER regardless of whether the acquiring entity is a competitor of the GE Group. PROVIDER shall provide Services Transfer Assistance as reasonably requested by the acquiror, solely at the acquiror's cost, for the period during which PROVIDER is required to provide Services to such acquiror.

1.6 PROVIDER Divestitures. If PROVIDER executes a definitive agreement to divest any or part of any business operation relating to the Services provided to CUSTOMER other than the CUSTOMER India operations operating on a stand-alone basis (specifically, the operations responsible for providing core services exclusively relating to long term care, life insurance, group insurance, annuities, retirement plans and mortgage insurance to CUSTOMER, but excluding, *inter alia,* accounting, help desk, software solutions, e-learning and other knowledge-based operations, collectively, the "Genworth Stand-Alone Operations") (a "PROVIDER Divestiture"), PROVIDER will provide no less than thirty (30) days' prior written notice of the expected closing date of the PROVIDER Divestiture to CUSTOMER, which notice will include the identity of the acquiror and any Affiliate which would provide Services to CUSTOMER and a description of the material terms of the transaction applicable to the Services being transferred to the acquiror. PROVIDER will provide CUSTOMER with such further

information regarding the divestiture and the acquiror as CUSTOMER may reasonably request. CUSTOMER may take no action with respect to the proposed PROVIDER Divestiture (in which case the PROVIDER Divestiture may proceed without CUSTOMER's consent) or, within thirty (30) days of receipt of such notice from PROVIDER, CUSTOMER may at its option (i) exercise the Carve-Out Option (as more fully described in Section 9.2 hereof) only with respect to the Carve-Out Resources relating to such Services which are being or have been divested to the acquiring entity at a purchase price equal to the lesser of book value or the value of the divested operations relating to CUSTOMER implied by the consideration to be paid by the acquiror and/or (ii) terminate the PSAs affected by the PROVIDER Divestiture and require PROVIDER and/or the acquiror to provide Services Transfer Assistance for a period not exceeding fourteen (14) months from the date of receipt of notice by PROVIDER from CUSTOMER. Notwithstanding any other provision of this Agreement, PROVIDER shall be responsible for all transition costs incurred by CUSTOMER relating to its exercise of the Carve-Out Option or its termination of the PSAs and transition of the Services in-house or to a new PROVIDER. Any transfer of the PSAs pursuant to this paragraph shall be subject to the receipt by CUSTOMER of all necessary regulatory approvals. For the avoidance of doubt, any transfer by PROVIDER of the Genworth Stand-Alone Operations shall be subject to the limitations described under Section 10.0 hereof.

1.7 New Services. From time to time, CUSTOMER may request that PROVIDER furnish additional services to CUSTOMER that are not within the scope of the Services ("New Services"). PROVIDER will discuss with CUSTOMER such request and the ramifications of such additional services on the existing Services, but will not be obligated to provide such additional services. Such requests shall be addressed through the Change Control Procedure described in Section 19.0 hereof. CUSTOMER shall bear all costs agreed in advance between the parties and incurred by PROVIDER on account of transition or migration of New Services from CUSTOMER to PROVIDER.

1.8 Services Not to be Withheld; PROVIDER Relief Except as provided in Section 8.2 and 21.1 hereof (it being understood that Force Majeure will not relieve PROVIDER of its responsibility to provide the Services set forth in the BCP/DRP Plans), PROVIDER shall not voluntarily refuse to provide all or any portion of the Services in violation or breach of the terms of the Agreement or any related PSA. PROVIDER shall be relieved from its obligation to perform any Services and its obligations to pay any service credit under a PSA to the extent it is unable to perform any Services or to perform in accordance with any applicable Performance Standard as a result of CUSTOMER's failure to perform its obligations under such PSA. Notwithstanding the dispute resolution provisions set forth in Section 21.12, if PROVIDER breaches this covenant, CUSTOMER shall be entitled to apply to a court of competent jurisdiction for specific performance by PROVIDER of its obligations under this Agreement and the related PSAs without the necessity of posting any bond.

2.0 Charges.

2.1 Generally. Notwithstanding any provision related to fees and charges in a PSA to the contrary, as consideration for the provision of the Services, CUSTOMER will pay to PROVIDER the charges calculated as set forth in this Section 2.0 (the "Charges"). The Charges

in effect immediately prior to the Execution Date shall be referred to as the "Baseline Charges". For existing PSAs, the Baseline Charges and the Charges for the initial Contract Year (or part thereof) shall be as set forth on Exhibit L. For PSAs executed after the Execution Date, the Baseline Charges shall be set forth in each such PSA. The Charges shall be adjusted annually to reflect changes in PROVIDER's Base Costs and to reflect scheduled discounts from the Baseline Charges pursuant to the following formula:

New Charges = Baseline Charges * Discount Factor * Cost Factor

2.2 Discount Factor. For the periods indicated, the "Discount Factor" shall mean and be as follows:

Period	Discount Factor
from the Execution Date through the first anniversary of the Trigger Date (as defined below)	**
from the first anniversary of the Trigger Date through the second anniversary of the Trigger Date	**
from the second anniversary of the Trigger Date through the third anniversary of the Trigger Date	**

"Cost Factor" means and shall be calculated as follows:

Y(n) Base Cost/Y(0) Base Cost

where Y(n) Base Cost is determined pursuant to Section 2.3 for each Contract Year, Y(n-1) Base Cost is the Base Cost for the preceding Contract Year and Y(0) Base Cost is the Base Cost for the initial Contract Year, as set forth in Exhibit L.

2.3 Adjustment of Charges. Prior to the commencement of each Contract Year, the parties will negotiate in good faith to agree upon the elements of Base Cost and the rates to be charged to CUSTOMER for such elements during such year (excluding the cost of hedging foreign currency exchange risks, which shall be charged to CUSTOMER on a pass-through basis as described in Section 2.8). The parties will reflect their agreement on such matters in a written document to be executed by each of them and the Charges for the Services in such year shall not exceed the agreed amounts. Any amendment or addition to such elements or rates must be approved by CUSTOMER in advance in writing. If the parties are unable to agree upon such matters, the Cost Factor for the applicable year shall be calculated using Base Cost as determined by PROVIDER in accordance with the definition of Base Cost, provided, that Base Cost for any Contract Year shall not exceed one hundred five percent (105%) of Base Cost for the immediately preceding Contract Year. If Base Cost relating to any PSA for any Contract Year during the Initial Term exceeds one hundred five percent (105%) of Base Cost for the immediately preceding Contract Year, CUSTOMER may terminate that PSA upon at least six (6) months' written notice to PROVIDER and shall not be liable for any costs incurred by PROVIDER as a result of such termination.

2.4 Renewal Pricing. As described in Section 7.2, at least eighteen (18) months prior to the expiration of the Initial Term, PROVIDER will propose in writing to CUSTOMER revised methods for calculating Base Cost and Charges to CUSTOMER under the Base Cost and Baseline Charges methodology described in this Section 2.0. The applicable charges proposed by PROVIDER for the first and second years of the renewal term shall be determined as provided in this Section 2.4 and Exhibit F, but shall reflect Discount Factors of ** and **, respectively, provided, that such charges shall be at least as favorable to CUSTOMER as PROVIDER's charges for similar services provided to any other CUSTOMER of PROVIDER. If the parties are unable to agree on revised costs, CUSTOMER may elect to exercise the Carve-Out Option upon expiration of this Agreement and the related PSAs, as described in Section 9.2.

2.5 Reduction in Work. CUSTOMER shall provide PROVIDER with no less than nine (9) months' written notice in advance if the amount of Services consumed by the Genworth Group under all of the outstanding MOAs will change in a manner that will result in a reduction in the Dedicated FTEs necessary to provide the Services to seventy-five percent (75%) or less of the Dedicated FTEs agreed upon by the parties for the most recent Contract Year pursuant to Section 2.3, as adjusted pursuant to any notices previously given pursuant to this Section 2.5. In such an event, PROVIDER shall bear all costs relating to such reduction in volume to the extent stated in such nine-(9) month notice. If CUSTOMER does not provide nine (9) months' advance written notice of such a reduction, CUSTOMER shall bear any facilities occupancy, technology and telecommunications costs incurred by PROVIDER resulting from such reduction, provided, that PROVIDER shall use commercially reasonable efforts to mitigate such costs.

2.6 Currency. All currency references in this Agreement are in the currency of the United States of America and all payments shall be made in such currency.

2.7 Taxes. The Charges for the Services shall be inclusive of any sales, use, gross receipts or value added, withholding, ad valorem and other taxes based on or measured by PROVIDER's cost in acquiring equipment, materials, supplies or services used by PROVIDER in providing the Services. Further, each party shall bear sole responsibility for any real or personal property taxes on any property it owns or leases, for franchises or similar taxes on its business, for employment taxes on its employees, for intangible taxes on property it owns or licenses and for taxes on its net income. If a sales, use, privilege, value added, excise, services and/or similar tax ("Tax") is assessed with respect to PROVIDER'S Charges to CUSTOMER for the provision of the Services, CUSTOMER shall be responsible for and pay the amount of any such Tax to PROVIDER or as applicable Law otherwise requires, in addition to the Charges. CUSTOMER may report and (as appropriate) pay any Taxes directly if CUSTOMER provides PROVIDER with a direct pay or exemption certificate. PROVIDER's invoices shall separately state the amounts of any Taxes PROVIDER is proposing to collect from CUSTOMER. PROVIDER shall promptly notify CUSTOMER of any claim for Taxes asserted by any applicable taxing authorities. Notwithstanding the above, CUSTOMER's liability for such Taxes is conditioned upon PROVIDER providing CUSTOMER notification within twenty (20) business days of receiving any proposed assessment of any additional Taxes, interest or penalty due by PROVIDER. PROVIDER shall coordinate with CUSTOMER the response to and settlement of, any such assessment. CUSTOMER shall be entitled to receive and to retain any refund of Taxes paid to PROVIDER pursuant to this Agreement.

2.8 Foreign Currency Hedging. PROVIDER shall bear all costs associated with the purchase, exchange or translation of currencies as necessary in connection with the performance of the Services. If PROVIDER elects to enter into hedging transactions with third parties relating to such risks, CUSTOMER will reimburse PROVIDER for the reasonable costs (without mark-up by PROVIDER) of such hedging transactions, provided, however, that CUSTOMER approves of the hedging strategy and the hedging contracts related to such transactions in writing as part of the annual budget process, as further described in Section 20.4.

2.9 Continuous Improvement; Planning. PROVIDER shall use commercially reasonable efforts to increase productivity and efficiency in performing the Services and shall endeavor to reduce Base Cost annually, depending on the overall reduction in its cost of operations. The parties will participate in an annual budgeting process as part of determining Base Cost that will address improvements in PROVIDER productivity and efficiency in performing the Services and dedicate appropriate resources to execute the budgeted improvements. To support PROVIDER's demand planning, each quarter, CUSTOMER shall provide PROVIDER a good faith estimate of its requirements for the Services for the following twelve (12) months.

3.0 Billing and Payment.

3.1 Invoices. PROVIDER shall submit an invoice each month for the Charges relating to the Services provided during the prior month period. For the partial month period prior to the Execution Date, PROVIDER shall submit an invoice for Charges calculated as provided in the original Master Outsourcing Agreement and PSAs. For periods beginning on and after the Execution Date, Charges shall be calculated as set forth in this Agreement. Each invoice shall detail all information relevant to calculation of the Charges and the total amount due. PROVIDER agrees to include the information and prepare the invoice in the form as reasonably requested by CUSTOMER.

3.2 Payments. All payments, due and payable by CUSTOMER to PROVIDER, will be made within sixty (60) days of CUSTOMER's receipt of invoice ("Payment Date"). CUSTOMER shall use its good faith efforts to provide PROVIDER as promptly as practicable with the details of any objection it may have to any invoice, but any failure to provide such details shall not foreclose CUSTOMER's right to dispute such invoice. CUSTOMER shall pay the part of any invoiced amount that is not in dispute by the Payment Date.

3.3 Reimbursements. Payment of all reimbursable expenses approved by CUSTOMER in writing in advance will be made within sixty (60) days after CUSTOMER's receipt of invoice together with copies of receipts and other verification.

3.4 Method of Payment. The method of payment shall be by electronic fund transfer to PROVIDER's designated bank account or such other manner as agreed upon by the parties.

3.5 Notice of Default. If CUSTOMER does not pay any invoice by the Payment Date, PROVIDER shall serve CUSTOMER a notice pursuant to Section 16.0 (a "Payment

Default Notice") and simultaneously initiate the procedures for consideration of Disputes by senior executives of the parties by giving notice as described under Section 1.2 of Exhibit G.

3.6 PROVIDER Termination for Non-Payment.

(a) PROVIDER shall have the right to terminate any PSA, without prejudice to any other legal rights to which it may be entitled, if CUSTOMER fails to pay to PROVIDER any material amount (i) that is undisputed or determined by the senior executives under Section 1.2 of Exhibit G to be due to PROVIDER, within five (5) business days following CUSTOMER's agreement that such amount is not in dispute or the conclusion of the senior executives' negotiations, whichever is earlier, or (ii) that remains in dispute and is not paid following the conclusion of the senior executives' negotiations contemplated by Section 3.6(b) hereof.

(b) PROVIDER shall have no right to terminate if CUSTOMER pays any disputed amount within five (5) business days following the conclusion of the senior executives' negotiations under Exhibit G, without prejudice, and invokes the remainder of the dispute resolution process set forth in Exhibit G.

(c) If pursuant to the dispute resolution process, PROVIDER is found to have charged improperly, PROVIDER shall promptly refund such excess amount along with interest at an annual rate equal to the lesser of (i) the three (3) month London Interbank Offered Rate (LIBOR) plus 100 basis points or (ii) the maximum rate of interest allowed by applicable law, from the date the payment was made through the date of the refund.

3.7 Past Due Amounts. Past due amounts (including Charges, reimbursable expenses and credits) will bear interest at an annual rate equal to the lesser of (i) the three (3) month London Interbank Offered Rate (LIBOR) plus 100 basis points or (ii) the maximum rate of interest allowed by applicable law, from the date the payment was due through the date of payment.

4.0 Performance Standards.

4.1 Generally. All work relating to the Services shall be completed in a professional, timely manner and shall conform to such additional Performance Standards, if any, as may be set forth in each PSA. Such Performance Standards may be revised from time to time upon the mutual agreement of the parties.

4.2 Measurement and Reporting. Unless otherwise specified, each Performance Standard shall be measured on a monthly basis. PROVIDER shall create, implement, support and maintain reports for monitoring the metrics associated with the Performance Standards and such other metrics as are mutually agreed upon by the parties on a schedule agreed upon in each PSA or within ninety (90) days after the execution of each PSA.

4.3 Compliance. PROVIDER shall perform the Services in compliance with all applicable Laws, stock exchange rules or generally accepted, statutory or regulatory accounting

or actuarial principle specified in any PSA or otherwise by CUSTOMER, in each case as applicable to the business processes of CUSTOMER performed by PROVIDER as part of the Services, just as if CUSTOMER performed the Services itself. PROVIDER shall notify CUSTOMER whenever changes in the Services or Performance Standards are necessary to comply with applicable Indian Laws. It is understood that any reference in the PSAs to standards, policies and procedures established by General Electric Company or its Affiliates, is deemed to include any replacement standards, policies and procedures established by CUSTOMER or any member of the Genworth Group, and communicated to PROVIDER, provided, that GECIS shall be entitled to recover its cost of complying with such standards, policies and procedures as part of the Charges for the Services established pursuant to Section 2 and Schedule F.

4.4 Additional Remedies. In addition to all other remedies available under this Agreement, any PSA or at law, CUSTOMER may take one or more of the following actions in the event of PROVIDER's failure to comply with the Performance Standards, provided, that CUSTOMER may not exercise any of these remedies if the failure in performance is caused by inaccurate or incomplete data or information provided by CUSTOMER:

(a) require training of all PROVIDER employees involved in performing the affected Services, the length and nature of such training to be mutually agreed upon by PROVIDER and CUSTOMER;

(b) cause the PROVIDER to correct any deficient Services at no charge or fee to CUSTOMER; or

(c) direct PROVIDER to assign additional employees to perform the Services, which instruction PROVIDER agrees to follow.

5.0 Record Keeping and Audits.

5.1 Generally. PROVIDER will keep appropriate records of time and costs related to the Services, as required by Law or as reasonably requested by CUSTOMER. PROVIDER shall maintain a complete audit trail for all financial and non-financial transactions resulting from or arising in connection with this Agreement and the PSAs in such manner as is required under the Genworth Records Management Policies and Indian and United States GAAP. PROVIDER will maintain such audit trail for such periods of time as may be specified in the Genworth Records Management Policies or, if no such period is specified, for such period as the parties may agree upon. PROVIDER shall provide to CUSTOMER, its auditors (including internal audit staff and external auditors), inspectors, regulators, customers and other representatives as CUSTOMER may from time to time designate in writing, access at all reasonable times to any facility or part of a facility at which either PROVIDER or any of its permitted subcontractors is providing the Services, to PROVIDER personnel, to PROVIDER's systems, policies and procedures relating to the Services, and to data and records relating to the Services for the purpose of performing audits and inspections of either PROVIDER or any of its subcontractors with respect to (i) any aspect of PROVIDER's or such subcontractor's performance of the Services, (ii) compliance with the security procedures or (iii) any other matter relevant to this Agreement, including, without

limitation, the determination and calculation of all elements of Base Cost and all other elements of the pricing mechanism described in Section 2.0 hereof and in Exhibit F. PROVIDER shall reasonably cooperate with CUSTOMER in the performance of these audits, including installing and operating audit software. If CUSTOMER requires PROVIDER to conduct any special audit other than as provided in this Section 5.1 and if the same results in any increased cost to PROVIDER, PROVIDER shall be entitled to pass on such extra costs to CUSTOMER through a special invoice, but only to the extent approved by CUSTOMER in advance.

5.2 Reports and Certifications. PROVIDER shall provide CUSTOMER such other reports and certifications relating to the Services as CUSTOMER may reasonably request, including all reports and sub-certifications necessary for officers of CUSTOMER to make the certifications required under the Sarbanes-Oxley Act of 2002 and all related rules and regulations and all related applicable stock exchange listing requirements.

6.0 CUSTOMER Commitments.

6.1 System Access. CUSTOMER agrees to provide to PROVIDER, at CUSTOMER'S expense, necessary access to the mainframe computer and related information technology systems (the "System") on which CUSTOMER data is processed during the times (the "Service Hours") specified in the PSAs, subject to reasonable downtime for utility outages, maintenance, performance difficulties and the like. In the event of a change in the Service Hours, CUSTOMER will provide PROVIDER with at least fifteen (15) calendar days written notice of such change.

6.2 Data Integrity. CUSTOMER will ensure that all data and information submitted by it to PROVIDER for performing the Services shall be accurate and complete and furnished in a timely manner.

6.3 Training. CUSTOMER shall provide all PROVIDER employees who are dedicated to CUSTOMER operations with training or training materials relating to business processes and regulatory matters uniquely related to the CUSTOMER business and reasonably required by such employees to meet the Performance Standards.

To the extent any non-performance or failure to meet Performance Standards by PROVIDER is due to CUSTOMER's failure to comply with this Section 6.0, such non-performance or failure shall not be considered a breach in Performance Standards and/or a breach of this Agreement by PROVIDER.

7.0 Term.

7.1 Initial Term. The term of this Agreement shall commence on the Execution Date and terminate on the third (3^{rd}) anniversary of the Trigger Date (the "Common Termination Date"). The period from the Execution Date to the Common Termination Date is referred to as the "Initial Term".

7.2 Limitation on Termination of MOAs; Renewal. CUSTOMER may terminate individual PSAs prior to the Common Termination Date either for cause or for convenience as described therein or in this Agreement. CUSTOMER, however, may not terminate this Agreement, other than for cause as described in Section 8.0, prior to the Common Termination Date, unless all of the members of the Genworth Group then party to an MOA terminate all of the existing MOAs at one time. At least eighteen (18) months prior to the Common Termination Date, PROVIDER shall propose revised terms and conditions on which the Agreement may be renewed for an additional two (2) year period (the "Renewal Period"). CUSTOMER and all of the Genworth Affiliates then party to an MOA may at their sole option renew all, but not less than all, of the MOAs for the Renewal Period, provided, that CUSTOMER, such Genworth Affiliates and PROVIDER agree upon revised charges and other terms and conditions to be applicable to the Services during the Renewal Period prior to the date that is fourteen (14) months prior to the Common Termination Date (the "Notification Date"). If the parties are unable to so agree, CUSTOMER shall inform PROVIDER within fifteen (15) days following the Notification Date as to whether it will exercise the Carve-Out Option (which may only be exercised with respect to all of the then-outstanding MOAs), as described in Section 1.0 of Exhibit H and/or require PROVIDER to provide Services Transfer Assistance. If CUSTOMER, such Genworth Affiliates and PROVIDER fail to agree upon the terms for renewal of the MOAs, or if CUSTOMER fails to provide PROVIDER the notice described above, all of the MOAs will automatically terminate on the Common Termination Date and CUSTOMER shall not be entitled to exercise its Carve-Out Option or require PROVIDER to provide Services Transfer Assistance.

8.0 Termination.

8.1 Termination for Cause by CUSTOMER. CUSTOMER shall have the right at any time to terminate any PSA in whole or in part with respect to the affected Services, effective immediately and without prejudice to any other legal rights to which CUSTOMER may be entitled, upon the occurrence of the following events:

(a) PROVIDER becomes subject to any voluntary or involuntary order of any governmental agency prohibiting or materially impairing the performance of any of the Services;

(b) if such Services are inadequate, unsatisfactory or substantially not in conformance with the Performance Standards or if PROVIDER's representations and warranties are materially inaccurate and, upon receipt of notice thereof from CUSTOMER, PROVIDER (i) does not immediately undertake action in good faith to cure such default, and (ii) does not provide to CUSTOMER a preliminary analysis of the root cause of such default and an initial plan to cure such default within ten (10) days of such notice, and (iii) has not agreed with CUSTOMER on a definitive plan to cure such default acceptable to CUSTOMER within thirty (30) days of such notice, and (iv) has not fully cured such default within ninety (90) days of such notice or such longer period as may have been approved by CUSTOMER as part of PROVIDER's plan to cure such default;

(c) if PROVIDER or CUSTOMER, due to the actions of PROVIDER, is administratively cited by any governmental agency for materially violating, or is judicially found to have materially violated, any Law governing the performance of the Services;

(d) if a trustee or receiver or similar officer of any court is appointed for PROVIDER or for a substantial part of the property of PROVIDER, whether with or without consent;

(e) if bankruptcy, composition, reorganization, insolvency or liquidation proceedings are instituted by or against PROVIDER without such proceedings being dismissed within ninety (90) days from the date of the institution thereof; or

(f) a material breach of this Agreement or a PSA by PROVIDER (which shall include a series of non-material or persistent breaches by PROVIDER, that in the aggregate constitute a material breach or have a material and significant adverse impact (i) on the administrative, management, planning, financial reporting or operations functions of CUSTOMER or (ii) on the management of the Services), and, upon receipt of notice thereof from CUSTOMER, PROVIDER (i) does not immediately undertake action in good faith to cure such breach, and (ii) does not provide to CUSTOMER a preliminary analysis of the root cause of such breach and an initial plan to cure such breach within ten (10) days of such notice, and (iii) has not agreed with CUSTOMER on a definitive plan to cure such breach acceptable to CUSTOMER within thirty (30) days of such notice, and (iv) has not fully cured such default within ninety (90) days of such notice or such longer period as may have been approved by CUSTOMER as part of PROVIDER's plan to cure such breach, provided, that any breach referred to in Section 1.2 shall be fully cured within thirty (30) days of such notice.

Within fifteen (15) days of its notice to PROVIDER of its intent to terminate any PSA, in whole or in part, under this Section 8.1, CUSTOMER shall inform PROVIDER as to whether it will exercise its Carve-Out Option (which may only be exercised with respect to all of the outstanding MOAs, as described in Section 1.0 of Exhibit H) and/or whether it will require PROVIDER to provide Services Transfer Assistance for a period not exceeding twenty-four (24) months from the date of such notice. If CUSTOMER fails to do so, CUSTOMER shall not be entitled to exercise its Carve-Out Option and/or require PROVIDER to provide Services Transfer Assistance.

8.2 Termination by PROVIDER.

(a) PROVIDER may not terminate this Agreement or any PSA for any reason other than (i) non-payment in accordance with Section 3.6, (ii) as described below under Section 8.4 (Termination Relating to Damages Cap) hereof and (iii) as described below under Section 8.5 (Change of Control), it being understood that PROVIDER will be relieved from its obligations to perform in accordance with the terms of this Agreement or a PSA to the extent that it is prevented from doing so as a result of the failure by CUSTOMER to perform any of its obligations under this Agreement or such PSA.

(b) Within fifteen (15) days of PROVIDER's notice to CUSTOMER of PROVIDER's intent to terminate any PSA in accordance with Sections 8.2(a)(i) or 8.2(a)(ii), CUSTOMER shall inform PROVIDER as to whether it will require PROVIDER to provide Services Transfer Assistance for a period not exceeding fourteen (14) months from the date of such notice, provided, in the case of a termination described in clause (i), that CUSTOMER has

made all outstanding payments under any invoice in accordance with Section 3.2 hereof. If CUSTOMER fails to give such notice, CUSTOMER shall not be entitled to require PROVIDER to provide Services Transfer Assistance. At PROVIDER's option, CUSTOMER shall be required to pay for Services Transfer Assistance provided under this paragraph in advance.

(c) With respect to any other breach of this Agreement or a PSA by CUSTOMER, PROVIDER will be entitled to invoke the applicable dispute resolution process under Section 21.12 hereof and pursue all remedies permitted by that process, but shall not be entitled to terminate this Agreement or any related PSA or voluntarily withhold any Services except as authorized pursuant to such process.

8.3 Termination for Convenience.

(a) CUSTOMER may terminate any PSA in whole or in part at any time upon at least one (1) year's prior written notice to PROVIDER. Such notice shall include a commercially reasonable plan for the reduction of Services to be purchased from PROVIDER that will enable PROVIDER to mitigate all costs of such termination. PROVIDER shall be responsible for all costs that PROVIDER incurs as a result of such termination.

(b) Notwithstanding the provisions of the preceding paragraph, CUSTOMER may terminate any PSA in whole or in part at any time upon at least ninety (90) days' prior written notice to PROVIDER. In such event, CUSTOMER shall be responsible for all costs that PROVIDER incurs as a result of such termination; provided, that PROVIDER has taken all commercially reasonable steps to mitigate such costs. Such costs shall not include any element of lost profits or lost opportunity costs.

(c) Within fifteen (15) days of its notice to PROVIDER of its intent to terminate any PSA, in whole or in part, under this Section 8.3, CUSTOMER shall inform PROVIDER as to whether it will require PROVIDER to provide Services Transfer Assistance for a period not exceeding fourteen (14) months from the date of such notice. If CUSTOMER fails to do so, CUSTOMER shall not be entitled to require PROVIDER to provide Services Transfer Assistance.

8.4 Termination Right Related to Damages Cap.

(a) If either the GE Group members or the Genworth Group members incur liability to the others under one or more MOAs in excess of the applicable Simple Breach Cap or Excluded Matters Cap and do not agree to reset to zero the amounts counted toward such cap, the members of the group that has not incurred such excess liability shall have the right to terminate all, but not less than all, of the then-outstanding MOAs for material breach. Notwithstanding the preceding sentence, CUSTOMER may only exercise the Carve-Out Option if all of the Genworth Group members party to an MOA also exercise the Carve-Out Option under their respective MOAs at the same time.

(b) Within fifteen (15) days of the notice to PROVIDER of termination of the MOAs under this Section 8.4, CUSTOMER shall inform PROVIDER as to whether it will

exercise its Carve-Out Option and/or whether it will require PROVIDER to provide Services Transfer Assistance for a period not exceeding twenty-four (24) months from the date of such notice. If CUSTOMER fails to do so, CUSTOMER shall not be entitled to exercise its Carve-Out Option and/or require PROVIDER to provide Services Transfer Assistance.

8.5 Termination Right Relating to Change of Control of CUSTOMER. If a Change of Control of Genworth occurs, PROVIDER shall, unless the parties otherwise agree during a one hundred twenty (120) day negotiation period following the Change of Control, have the right to terminate all, but not less than all, of the then-outstanding MOAs upon the later of (A) the last day of the eighteenth (18^{th}) month following the effective date of the Change of Control or (B) the expiration of the Initial Term, provided that such termination right is exercised within fifteen (15) days following the end of the one hundred twenty (120) day negotiation period.

8.6 Continued Performance. Termination of this Agreement for any reason provided herein shall not relieve either party from its obligation to perform its obligations hereunder up to the effective date of such termination or to perform such obligations as may survive termination.

9.0 Obligations on Expiration and Termination.

9.1 Services Transfer Assistance.

(a) PROVIDER shall cooperate with CUSTOMER to assist in the orderly transfer of the Services to CUSTOMER itself or its designee (including another services provider) in connection with the expiration, non-renewal or earlier termination of the Agreement and/or each PSA for any reason, however described, or exercise of the Carve-Out Option. The Services include "Services Transfer Assistance," which includes providing CUSTOMER and its designees and their agents, contractors and consultants, as necessary, with (i) such cooperation and other services incidental to the transfer of the Services as they may reasonably request, (ii) all or such portions of the Services as CUSTOMER may request, and (iii) such other transition services as may be provided for in any PSA. Neither the term of the Agreement nor the term of any PSA shall be deemed to have expired or terminated until the Services Transfer Assistance thereunder is completed.

(b) Upon CUSTOMER's request, PROVIDER shall provide Services Transfer Assistance commencing up to one (1) year prior to expiration or termination of the Agreement or any PSA and continuing for the periods described in this Agreement. PROVIDER shall provide the Services Transfer Assistance even in the event of CUSTOMER's material breach (other than an uncured payment default) of this Agreement or any PSA.

(c) If any Services Transfer Assistance provided by PROVIDER requires the utilization of additional resources that PROVIDER would not otherwise use in the performance of the Services, but for which there is a charging methodology provided for in the Agreement or such PSAs, CUSTOMER will pay PROVIDER for such usage at the then-current applicable Charges and in the manner set forth in the Agreement and/or applicable PSAs. If the Services Transfer Assistance requires PROVIDER to incur costs that PROVIDER would not otherwise incur in the performance of the Services under the Agreement and applicable PSAs, then

PROVIDER shall notify CUSTOMER of the identity and scope of the activities requiring that PROVIDER incur such costs and the projected amount of the charges that will be payable by CUSTOMER for the performance of such assistance. Upon CUSTOMER's prior authorization, PROVIDER shall perform the assistance and invoice CUSTOMER for such charges. CUSTOMER shall bear all costs agreed in advance between the parties and incurred by PROVIDER on account of transition/migration of services/processes from PROVIDER to CUSTOMER or its designee.

9.2 Carve-Out Option. At any time during the term of this Agreement and prior to the Volume Reduction Date, PROVIDER agrees that CUSTOMER or its designee shall have the right, upon the occurrence of any one of the Carve-Out Conditions and to the extent permissible under (i) applicable law or (ii) any existing contractual obligation of PROVIDER, to require PROVIDER to transfer to CUSTOMER the Carve-Out Resources used by PROVIDER to provide or support the provision of the Services as described in Exhibit H hereof (the "Carve-Out Option").

10.0 Assignment and Subcontracting.

10.1 PROVIDER Assignment. Without the prior written consent of CUSTOMER, PROVIDER shall not voluntarily, involuntarily or by operation of law, assign or otherwise transfer this Agreement, any related PSA or any of PROVIDER's rights hereunder or thereunder, except as permitted under Section 1.6 hereof. Any assignment or transfer without CUSTOMER's written consent, except as permitted under Section 1.6 hereof, shall be null and void and at the option of CUSTOMER shall constitute a material breach of this Agreement. Notwithstanding anything to the contrary above, PROVIDER shall have the right to assign this Agreement or any PSA, in whole or in part, to any Affiliate of PROVIDER upon thirty (30) days prior written notice to CUSTOMER and subject to receipt by CUSTOMER of all regulatory approvals. Following any such assignment to an Affiliate of PROVIDER, PROVIDER shall remain liable for the performance of all of PROVIDER's obligations under this Agreement and each PSA. This Agreement and all of the terms and provisions hereof will be binding upon, and will inure to the benefit of PROVIDER's successors and permitted assigns.

10.2 Subcontracting. PROVIDER shall not enter into subcontracts for the performance of the Services without the prior written consent of CUSTOMER. In the event a subcontract is proposed by PROVIDER, PROVIDER shall furnish such information as reasonably requested by CUSTOMER to enable CUSTOMER to ascertain to its satisfaction that such proposed subcontractor of PROVIDER is able to meet CUSTOMER's quality standards and comply with the terms and conditions of this Agreement. Notwithstanding CUSTOMER's consent to any subcontract, PROVIDER shall remain liable for the performance of all of PROVIDER's obligations under this Agreement and each PSA. CUSTOMER shall not be obligated to pay any person other than PROVIDER for Services rendered by any subcontractor.

10.3 CUSTOMER Assignment. Notwithstanding anything to the contrary in this Section 10.0, CUSTOMER shall have the right to assign this Agreement or any PSA, in whole or in part, to any Affiliate of CUSTOMER upon thirty (30) days prior written notice to PROVIDER and subject to receipt by CUSTOMER of all regulatory approvals. Following any such

assignment to an Affiliate of CUSTOMER, CUSTOMER shall remain liable for the performance of all of CUSTOMER's obligations under this Agreement and each PSA. This Agreement and all of the terms and provisions hereof will be binding upon, and will inure to the benefit of CUSTOMER's successors and permitted assigns.

11.0 Confidentiality.

11.1 Obligations of PROVIDER. From and after the Execution Date, subject to Section 11.3 and the rights of PROVIDER with respect to the CUSTOMER Licensed Technology pursuant to Exhibit I, and except as otherwise contemplated by this Agreement or any PSA, the PROVIDER shall not, and shall cause its Affiliates and their respective officers, directors, employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives of any Person providing financing (collectively, "Representatives"), not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing Services to CUSTOMER or use or otherwise exploit for its own benefit or for the benefit of any third party, any CUSTOMER Confidential Information. If any disclosures are made in connection with providing Services to CUSTOMER, its Affiliates or Representatives under this Agreement, then the CUSTOMER Confidential Information so disclosed shall be used only as required to perform the Services. PROVIDER shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the CUSTOMER Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 11.1, any Information, material or documents relating to the Genworth Business currently or formerly conducted, or proposed to be conducted, by any member of the Genworth Group furnished to or in possession of the PROVIDER and its Affiliates and Representatives, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by PROVIDER, its Affiliates and their respective Representatives, that contain or otherwise reflect such Information, material or documents is hereinafter referred to as "CUSTOMER Confidential Information." "CUSTOMER Confidential Information" does not include, and there shall be no obligation hereunder with respect to, Information that (i) is or becomes generally available to the public, other than as a result of a disclosure by PROVIDER, its Affiliates or Representatives not otherwise permissible hereunder, (ii) PROVIDER or such Affiliate or Representative can demonstrate was or became available to such person from a source other than CUSTOMER or its Affiliates, or (iii) is developed independently by PROVIDER or such Affiliate or Representative without reference to the CUSTOMER Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by such persons to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, CUSTOMER or any of its Affiliates with respect to such information.

11.2 Obligations of CUSTOMER. From and after the Execution Date, subject to Section 11.3 and the rights of CUSTOMER with respect to the PROVIDER Licensed Technology pursuant to Exhibit I, and except as otherwise contemplated by this Agreement, CUSTOMER shall not, and shall cause its Affiliates and their respective Representatives, not to,

directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing Services to CUSTOMER or any Affiliate of CUSTOMER or use or otherwise exploit for its own benefit or for the benefit of any third party, any PROVIDER Confidential Information. If any disclosures are made in connection with providing Services to CUSTOMER or any of its Affiliates under this Agreement, then the PROVIDER Confidential Information so disclosed shall be used only as required to perform the Services. CUSTOMER and its Affiliates shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the PROVIDER Confidential Information by any of their Representatives as they currently use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 11.2, any Information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by GE or any of its Affiliates (other than any member of the Genworth Group) furnished to or in possession of CUSTOMER or any of its Affiliates, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by CUSTOMER or its officers, directors and Affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "PROVIDER Confidential Information." "PROVIDER Confidential Information" does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by CUSTOMER or its Representatives not otherwise permissible hereunder, (ii) CUSTOMER or such Representative can demonstrate was or became available to it from a source other than PROVIDER and its Affiliates, or (iii) is developed independently by CUSTOMER or its Representatives without reference to the PROVIDER Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by CUSTOMER to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, PROVIDER or its Affiliates with respect to such information.

11.3 Required Disclosures. If PROVIDER or its Affiliates, on the one hand, or CUSTOMER or its Affiliates, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law to disclose or provide any CUSTOMER Confidential Information or PROVIDER Confidential Information as applicable, the entity or person receiving such request or demand shall use all reasonable efforts to provide the other party with written notice of such request or demand as promptly as practicable under the circumstances so that such other party shall have an opportunity to seek an appropriate protective order. The party receiving such request or demand agrees to take, and cause its representatives to take, at the requesting party's expense, all other reasonable steps necessary to obtain confidential treatment by the recipient. Subject to the foregoing, the party that received such request or demand may thereafter disclose or provide any CUSTOMER Confidential Information or PROVIDER Confidential Information, as the case may be, to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

11.4 HIPAA Addendum. If PROVIDER in connection with the provision of a Service, constitutes a Business Associate (as defined in HIPAA and/or the HIPAA Privacy Rule) and uses Protected Health Information (as defined in HIPAA and/or the HIPAA Privacy Rule) generated by or entrusted to Customer, then the terms of Exhibit J shall apply with respect to such Service. CUSTOMER shall provide notice to PROVIDER of changes in HIPAA and/or the HIPAA Privacy Rule relevant to the performance of the Services and appropriate training to PROVIDER regarding compliance with HIPAA and the HIPAA Privacy Rule in accordance with Section 6.3

11.5 Data Ownership. All data, records, and reports relating to the Genworth Business and the customers of the Genworth Group (collectively, "Records"), whether in existence at the Execution Date hereof or compiled thereafter in the course of performing the Services, shall be treated by PROVIDER and its subcontractors as the exclusive property of CUSTOMER or other member of the Genworth Group and the furnishing of such Records, or access to such items by, PROVIDER and/or its subcontractors, shall not grant any express or implied interest in or license to PROVIDER and/or its subcontractors relating to such Records other than as is necessary to perform and provide the Services to the Genworth Group. Upon request by CUSTOMER at any time and from time to time and without regard to the default status of the parties under the Agreement, PROVIDER and/or its subcontractors shall promptly deliver to CUSTOMER the Records in electronic format and in such hard copy as exists on the date of the request by Customer.

12.0 Indemnities.

12.1 Indemnity by PROVIDER. PROVIDER agrees to indemnify, hold harmless and defend the members of the Genworth Group and their respective directors, officers, employees and agents, from and against any and all actions, liabilities, losses, damages, injuries, judgments and external expenses, including, without limitation, attorneys' fees, court costs, sanctions imposed by a court, experts' fees, interest or penalties relating to any judgment or settlement, and other legal expenses (including all incidental expenses in connection with such liabilities, obligations, claims or Actions based upon or arising out of damage, illness or injury (including death) to person or property caused by or sustained in connection with the performance of this Agreement) ("Liabilities"), brought, alleged or incurred by or awarded to any person who is not a member of the GE Group or the Genworth Group (a "Third Party Claim") arising out of or based upon:

(a) any alleged or actual violation of any Law by PROVIDER or any of its Affiliates or Representatives (excluding the Genworth Group and excluding any such violation to the extent caused by a breach of this Agreement or any PSA by any Member of the Genworth Group);

(b) the gross negligence or willful misconduct of PROVIDER or any of its Affiliates (excluding the Genworth Group);

(c) PROVIDER's provision of any services to any third party from the same facilities from which the Services are provided to the CUSTOMER;

(d) the improper or illegal use or disclosure of consumer information (including personal, credit or medical information) regarding any customer or potential customer of CUSTOMER in contravention of PROVIDER's obligations under this Agreement or any PSA; and

(e) PROVIDER's tax liabilities arising from PROVIDER's provision of Services, as set forth in Section 2.7 hereof.

12.2 Indemnity by CUSTOMER. CUSTOMER agrees to indemnify, hold harmless and defend PROVIDER, each other member of the GE Group, and their respective directors, officers, employees and agents, from and against any and all Liabilities relating to any Third Party Claim arising out of or based upon the provision of Services by PROVIDER to CUSTOMER, except for Liabilities arising out of or based upon:

(a) negligence of PROVIDER, its Affiliates or Representatives;

(b) any of the Excluded Matters related to an act or omission of PROVIDER, its Affiliates or Representatives;

(c) any matter with respect to which PROVIDER is required to indemnify CUSTOMER under Section 12.1 hereof; or

(d) any Third Party Claim that any resources provided by the CUSTOMER or used by PROVIDER in connection with the Services infringe, violate or misappropriate any Intellectual Property or Trademarks of any third party, excluding any such infringement, violation or misappropriation caused by:

(i) any such resources first provided to PROVIDER after the Execution Date, but excluding any infringement, violation or misappropriation resulting from modifications by or on behalf of the PROVIDER to any such resources, combinations of such resources with other items, or use of such resources, except as specified by CUSTOMER in each case (it being understood that the use of all Software included in any such resources in combination with computers or other hardware with which such Software is intended to be used shall be deemed to be so specified);

(ii) any such resources first specified by CUSTOMER after the Execution Date for use by PROVIDER in connection with the Services, but excluding any infringement, violation or misappropriation resulting from (A) modifications by or on behalf of the PROVIDER to any such resources, combinations of such resources with other items, or use of such resources, except as specified by CUSTOMER in each case (it being understood that the use of all Software included in any such resources in combination with computers or other hardware with which such Software is intended to be used shall be deemed to be so specified) and (B) any failure by PROVIDER to fulfill its express obligation under any PSA or other applicable written agreement between the parties to

obtain any rights or consents necessary for the use by PROVIDER of any Intellectual Property of a third party; and

(iii) modifications by or on behalf of the CUSTOMER after the Execution Date to any such resources provided by PROVIDER and/or its Affiliates and Representatives to the CUSTOMER in the course of performing the Services, combinations of such resources with other items, or use of such resources, except as specified by PROVIDER in each case (it being understood that the use of any and all Software in any such resources in combination with computers or other hardware with which such Software is intended to be used shall be deemed to be so specified).

12.3 Indemnification Obligations Net of Insurance Proceeds and Other Amounts, On an After-Tax Basis.

(a) Any Liability subject to indemnification pursuant to this Section 12.0 will be net of Insurance Proceeds that actually reduce the amount of the Liability and will be determined on an After-Tax Basis. Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification hereunder (an "Indemnified Party") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnified Party in respect of the related Liability. If an Indemnified Party receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnified Party will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto. The Indemnified Party shall use its commercially reasonable efforts to seek to collect or recover any third-party (which shall not include any captive insurance subsidiary) Insurance Proceeds (other than Insurance Proceeds under an arrangement where future premiums are adjusted to reflect prior claims in excess of prior premiums) to which the Indemnified Party is entitled in connection with any Liability for which the Indemnified Party seeks indemnification pursuant to this Section 12.0; provided that the Indemnified Party's inability to collect or recover any such Insurance Proceeds shall not limit the Indemnifying Party's obligations hereunder.

(c) The term "After-Tax Basis" as used in this Section 12.0 means that, in determining the amount of the payment necessary to indemnify any party against, or reimburse any party for, Liabilities, the amount of such Liabilities will be determined net of any reduction

in tax derived by the Indemnified Party as the result of sustaining or paying such Liabilities, and the amount of such indemnification payment will be increased (i.e., "grossed up") by the amount necessary to satisfy any income or franchise tax liabilities incurred by the Indemnified Party as a result of its receipt of, or right to receive, such Indemnity Payment (as so increased), so that the Indemnified Party is put in the same net after-tax economic position as if it had not incurred such Liabilities, in each case without taking into account any impact on the tax basis that an Indemnified Party has in its assets.

12.4 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnified Party shall receive notice or otherwise learn of the assertion of any Third Party Claim or of the commencement by any such Person of any Action with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnified Party pursuant to this Section 12.4, such Indemnified Party shall give such Indemnifying Party written notice thereof within 20 days after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail. Notwithstanding the foregoing, the failure of any Indemnified Party or other Person to give notice as provided in this Section 12.4 shall not relieve the Indemnifying Party of its obligations under this Section 12.4, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) An Indemnifying Party may elect to defend (and to seek to settle or compromise), at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third Party Claim. Within 30 days after the receipt of notice from an Indemnified Party in accordance with Section 12.4(a) (or sooner, if the nature of such Third Party Claim so requires), the Indemnifying Party shall notify the Indemnified Party of its election whether the Indemnifying Party will assume responsibility for defending such Third Party Claim, which election shall specify any reservations or exceptions. After notice from an Indemnifying Party to an Indemnified Party of its election to assume the defense of a Third Party Claim, such Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnified Party except as set forth in the next sentence. If the Indemnifying Party has elected to assume the defense of the Third Party Claim but has specified, and continues to assert, any reservations or exceptions in such notice, then, in any such case, the reasonable fees and expenses of one separate counsel for all Indemnified parties shall be borne by the Indemnifying Party, but the Indemnifying Party shall be entitled to reimbursement by the Indemnified Party for payment of any such fees and expenses to the extent that it establishes that such reservations and exceptions were proper.

(c) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnified Party of its election as provided in Section 12.4(b) such Indemnified Party may defend such Third Party Claim at the cost and expense of the Indemnifying Party.

(d) Unless the Indemnifying Party has failed to assume the defense of the Third Party Claim in accordance with the terms of this Agreement, no Indemnified Party may settle or compromise any Third Party Claim without the consent of the Indemnifying Party. No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of any pending or threatened Third Party Claim in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party without the consent of the Indemnified Party if (i) the effect thereof is to permit any injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly against such Indemnified Party and (ii) such settlement does not include an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Third Party Claim.

12.5 Additional Matters.

Indemnification payments in respect of any Liabilities for which an Indemnified Party is entitled to indemnification under this Section 12.5 shall be paid by the Indemnifying Party to the Indemnified Party as such Liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification payment, including documentation with respect to calculations made on an After-Tax Basis and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnities contained in this Section 12.5 shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnified Party; (ii) the knowledge by the Indemnified Party of Liabilities for which it might be entitled to indemnification hereunder; (iii) any termination of this Agreement or any PSA; and (iv) the sale or other transfer by any party of any assets or businesses or the assignment by it of any liabilities.

If payment is made by or on behalf of any Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

In an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant if they conclude that substitution is desirable and practical. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this section, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

12.6 Remedies Cumulative; Limitations.

(a) The rights provided in this Section 12.6 shall be cumulative and, subject to the provisions of Section 12.0 and Section 21.12, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

(b) PROVIDER's indemnity hereunder shall not extend to any Liabilities incurred or suffered by CUSTOMER as a result of inaccurate or incomplete data or information submitted to PROVIDER by CUSTOMER.

(c) The liability of each party (and their respective Affiliates) to each other with respect to the indemnified matters shall be included in the calculation of, and limited by, the Excluded Matters Cap.

13.0 Limitation of Liability.

13.1 No System Liability. PROVIDER shall have no liability to CUSTOMER for any delay of performance or breach of this Agreement to the extent caused by or related to any errors in the System or the lack of availability to PROVIDER of the System provided by CUSTOMER under Section 6.1.

13.2 Liability for Simple Breach. The parties shall be liable to one another for fifty percent (50%) of all Direct Damages resulting from their respective breaches of this Agreement or PSA or negligence in the performance of the Services during the Initial Term, provided, that (i) neither party shall have any liability to the other with respect to an individual breach or negligent act or omission until the losses resulting from such matter exceed $25,000, and then only to the extent that such losses exceed $25,000, and (ii) the parties and their Affiliates' liability to each other for Direct Damages for such matters arising out of all of the MOAs during the Initial Term shall not exceed $5,000,000 in the aggregate (the "Simple Breach Cap").

13.3 Liability for Excluded Matters. Subject to the Excluded Matters Cap described in the following sentence, the parties shall be liable to one another for one hundred percent (100%) of all Direct Damages resulting from (i) a party's gross negligence or willful misconduct, (ii) PROVIDER's improper or illegal use or disclosure of consumer information (including, but not limited to, personal, credit or medical information) regarding any customer or potential customer of the CUSTOMER Group, (iii) PROVIDER's breach of its agreement not to voluntarily withhold Services, (iv) a breach of Section 15.1(f), or (v) a party's violation of Law (collectively, the "Excluded Matters"). The parties and their Affiliates' liability to each other for Direct Damages arising out of or relating to the Excluded Matters and their respective indemnification obligations under ARTICLE XII arising under all of the MOAs during the Initial Term shall not exceed $25,000,000 in the aggregate (the "Excluded Matters Cap").

13.4 No Liability for Acts in Accordance with Instructions. Notwithstanding anything to the contrary set forth in the Agreement or any related PSA, neither party shall be liable to the other party or any of its Affiliates with respect to any act or omission taken or not taken pursuant to the specific instruction, direction or request, in writing of such other party made through its authorized representative.

14.0 PROVIDER Employees.

14.1 Responsibility for PROVIDER Employees. PROVIDER shall be responsible for all payments to its employees including any insurance coverage and benefit programs required by applicable law and regulation. Nothing in this agreement shall constitute an employer-employee relationship between the employees of PROVIDER and the CUSTOMER.

15.0 Representations, Warranties and Covenants.

15.1 PROVIDER Representations. PROVIDER represents, warrants and covenants that:

(a) PROVIDER has the facilities, equipment, staff, experience and expertise to perform and provide the Services required hereunder;

(b) PROVIDER is solvent and able to meet all financial obligations as they mature, and agrees to notify CUSTOMER promptly of any change in this status;

(c) PROVIDER has the necessary power and authority to execute, deliver and perform its obligations under this Agreement and this Agreement has been or will be duly executed and delivered by PROVIDER and constitutes or will constitute the valid and binding agreement of PROVIDER, enforceable in accordance with its terms;

(d) Subject to Section 6.3, the execution and delivery of this Agreement by PROVIDER and the consummation by PROVIDER of the transactions herein contemplated will not contravene any provision of applicable Law, and will not constitute a breach of or default under any agreement or other instrument or any decree, judgment or order to which PROVIDER is currently a party or by which PROVIDER is bound;

(e) PROVIDER has provided to CUSTOMER a list referring to this paragraph which, to the knowledge of PROVIDER, sets forth all Software used by PROVIDER (other than such Software provided to PROVIDER by CUSTOMER) in the performance of the Services as of the Execution Date;

(f) After the Execution Date, PROVIDER will not use any New Provider Materials in performing the Services without the prior written consent of CUSTOMER; and

(g) After the Execution Date, PROVIDER will not enter into any material agreement for the purchase of Hardware or Third Party Software or enter into any material Third Party Agreements without the prior written consent of CUSTOMER.

15.2 CUSTOMER Representations. CUSTOMER represents, warrants and covenants that:

(a) CUSTOMER has the necessary power and authority to execute, deliver and perform its obligations under this Agreement and this Agreement has been or will be duly

executed and delivered by CUSTOMER and constitutes the valid and binding agreement of CUSTOMER, enforceable in accordance with its terms; and

(b) The execution and delivery of this Agreement by CUSTOMER and the consummation by CUSTOMER of the transactions herein contemplated will not contravene any provision of applicable law, and will not constitute a breach of or default under any agreement or other instrument or any decree, judgment or order to which CUSTOMER is currently a party or by which CUSTOMER is bound.

15.3 Approvals and Consents. Each party shall be responsible for obtaining all approvals, permissions, consents or grants required or which may be required for such party to undertake its duties and responsibilities regarding any Services under this Agreement and any related PSA. Additionally, each party shall provide such cooperation and support as may be necessary for the other party to secure such approvals, permissions, consents or grants.

15.4 Cooperation.

(a) The parties shall timely, diligently and on a commercially reasonable basis cooperate, facilitate the performance of their respective duties and obligations under this Agreement and each related PSA and reach agreement with respect to matters left for future review, consideration and/or negotiation and agreement by the parties, as specifically set forth in this Agreement and PSA. Further, the parties shall deal and negotiate with each other and their respective Affiliates in good faith in the execution and implementation of their duties and obligations under this Agreement.

(b) Not in limitation of Sections 12.2(d)(i) and (ii), the parties shall make good faith efforts to share (i) versions, patches, fixes and other modifications recommended or required by third party providers of Software provided hereunder by either party to the other prior to or after the Execution Date and (ii) information regarding the foregoing (i).

(c) PROVIDER agrees, at CUSTOMER'S request and expense, to provide documentary information and any further assistance required in order to respond for CUSTOMER to state department of insurance or third party or administrative demands in regulatory or legal proceedings or in conjunction with formal department of insurance inquiries related to the Services performed by PROVIDER. The assistance rendered by PROVIDER under this Section 15.4(c) shall include causing PROVIDER's employees to travel to the United States to participate in or testify at regulatory or legal proceedings relating to the Services as required by Law or request of any Governmental Authority or as otherwise reasonably requested by CUSTOMER, provided, that CUSTOMER shall reimburse PROVIDER for the reasonable travel and living expenses incurred by such employees in accordance with CUSTOMER's reimbursement policies generally applicable to CUSTOMER's employees.

16.0 Notices.

All notices, requests, claims, demands and other communications under this Agreement shall be given or made (and shall be deemed to have been duly given or made if the sender has

reasonable means of showing receipt thereof) by delivery in person, by reputable international courier service, by facsimile with receipt confirmed (followed by delivery of an original via reputable international courier service) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 16.0):

TO PROVIDER:	
Attention:	Pramod Bhasin
Designation:	President & CEO
Address:	GE Towers, Sector Road, DLF City Phase V Sector Road, Sector 53, Gurgaon, Haryana
Fax:	91 124 235 6976
E-mail:	Pramod.Bhasin@geind.GE.com
Copy To:	
Attention:	Raghuram Raju
Designation:	General Counsel
Address:	GE Towers, Sector Road, DLF City Phase V Sector Road, Sector 53, Gurgaon, Haryana
Fax:	91 124 235 6978
E-mail:	raghuram.raju@geind.ge.com

TO CUSTOMER:

Attention:	Scott McKay
Designation:	Senior Vice President, Operations & Quality
Address:	6620 West Broad Street, Richmond, VA 23230
Fax:	804/662-7766
E-mail:	scott.mckay@ge.com

Copy To:

Attention:	Leon Roday
Designation:	Senior Vice President and General Counsel
Address:	6620 West Broad Street, Richmond, VA 23230
Fax:	(804) 662-2414
E-mail:	Leon.Roday@ge.com

Attention:	Elana Edwards
Designation:	President
Address:	700 Main Street, Lynchburg, VA 24504
Fax:	(804) 662-7766
E-mail:	elana.edwards@ge.com

Attention:	Beth Wortman
Designation:	General Counsel
Address:	700 Main Street, Lynchburg, VA 24504
Fax:	(434) 948-5819
E-mail:	beth.wortman@ge.com

The parties may agree to additional notice requirements related to specific outsourcing projects from time to time.

17.0 Intellectual Property.

Exhibit I of this Agreement sets forth certain additional rights and obligations of the parties with respect to intellectual property.

18.0 Non-Compete.

18.1 Limitations on Provision of Services. From the Execution Date until the Volume Reduction Date, to the extent that PROVIDER provides such Services to CUSTOMER, PROVIDER shall not market, sell or provide the Services (including granting licenses to use or assigning any interest in any PROVIDER Licensed Technology, but excluding any such assignment in connection with a PROVIDER divestiture permitted pursuant to Section 1.6 of this Agreement) to any third party in the business of underwriting, marketing, issuing or administering any (i) life insurance, long-term care insurance, or annuities, (ii) mortgage insurance, or (iii) credit life, credit health, credit unemployment or credit casualty insurance products either directly or through a re-insurer; provided, however, that PROVIDER shall have a right to provide the Services to GE and its Affiliates or any party that was an Affiliate of GE on the Execution Date.

18.2 Volume Reduction Date. PROVIDER shall notify CUSTOMER of the potential occurrence of the Volume Reduction Date. If, within ten (10) days of its receipt of such notice, CUSTOMER notifies PROVIDER of its intent to increase the volume of Services consumed by CUSTOMER such that the level of Dedicated FTEs or Customer-Controllable Revenues, as applicable, increases above the fifty percent (50%) threshold, and does so increase such volume within sixty (60) days of receipt of such notice, then the Volume Reduction Date shall not be deemed to have occurred.

18.3 Equitable Relief. PROVIDER acknowledges that any violation of the restrictions contained in the foregoing paragraph would result in irreparable injury to CUSTOMER, and PROVIDER further acknowledges that, in the event of its violation of any of these restrictions, CUSTOMER shall be entitled to obtain from any court of competent jurisdiction (in any jurisdiction) preliminary and permanent injunctive relief, regardless of the dispute resolution provisions set forth in Exhibit G, as well as damages to which it may be entitled under such provisions.

19.0 Change Control Procedure.

If either party requests a modification of the Agreement or any PSA, including (i) a change to the scope of the Services, Dedicated FTEs, Performance Standards, or Charges under any PSA, (ii) a change to the Exhibits or Schedules to the Agreement, (iii) the addition of New Services, (iv) a change to the features, functionality, scalability or performance of the Services, or (v) any other change to the terms of the Agreement or any PSA, the requesting party's Account Executive or his or her designee shall submit a written proposal in the form attached as Exhibit K (a "Change Order Request") to the other party's Account Executive describing such desired change. Such party's Account Executive shall review the proposal and reject or accept the proposal in writing within a reasonable period of time, but in no event more than thirty (30) days after receipt of the proposal. If the proposal is rejected, the writing shall include the reasons for rejection. If the proposal is accepted, the parties shall mutually agree on the changes to be made, if necessary, to the Agreement, the applicable PSA, or any applicable Exhibits. All such changes shall be made only in a written Change Order signed by the Account Executive of each of the parties or his designee (authorized in writing by the applicable party), and thereafter embodied in the applicable documents by appropriate written addenda thereto executed by PROVIDER and CUSTOMER.

20.0 Governance.

20.1 PROVIDER Account Executive.

(a) Designation and Authority. Immediately after execution of this Agreement, PROVIDER shall designate a PROVIDER Account Executive for the PROVIDER engagement under this Agreement. The PROVIDER Account Executive, and his/her designee(s), shall have the authority to act for and bind PROVIDER and its subcontractors in connection with all aspects of this Agreement. All of CUSTOMER's communications shall be sent to the PROVIDER Account Executive or his/her designee(s).

(b) Selection. Before assigning an individual to the position of Account Executive, whether the person is initially assigned or subsequently assigned, PROVIDER shall:

(i) notify CUSTOMER of the proposed assignment for CUSTOMER's approval;

(ii) introduce the individual to appropriate CUSTOMER representatives; and

(iii) consistent with law and PROVIDER's reasonable personnel practices, provide CUSTOMER with any other information about the individual that is reasonably requested.

(c) PROVIDER shall cause the person assigned to the position of Account Executive to maintain his or her principal office at a location designated by CUSTOMER and to devote all time and effort that is reasonably necessary to the provision of the Services under this

Agreement. PROVIDER shall use commercially reasonable efforts to maintain the initial PROVIDER Account Executive at CUSTOMER for the minimum term of eighteen (18) months following the Execution Date, provided that any term that such Account Executive has already spent in his or her current position prior to the Execution Date shall be considered as a part of the 18-month period referred to herein, and each of the subsequent PROVIDER Account Executives for a minimum term of eighteen (18) months, unless such Account Executive (i) voluntarily resigns from PROVIDER, (ii) is dismissed by PROVIDER for (A) misconduct or (B) unsatisfactory performance in respect of his or her duties and responsibilities to CUSTOMER or PROVIDER, (iii) is unable to work due to his or her death, injury or disability, or (iv) is removed from the CUSTOMER assignment at the request of CUSTOMER. Whenever possible, PROVIDER shall give CUSTOMER at least ninety (90) days advance notice of a change of the Account Executive or if such ninety (90) days notice is not possible, the longest notice otherwise possible.

(d) Removal. If CUSTOMER determines that it is not in the best interests of CUSTOMER for the PROVIDER Account Executive to continue in his or her capacity, then CUSTOMER shall give PROVIDER written notice requesting that the Account Executive be replaced. PROVIDER shall replace the Account Executive as promptly as practicable, but, in any case, within thirty (30) days, in accordance with this Section 20.1.

20.2 CUSTOMER Account Executive.

(a) Designation and Authority. Immediately after execution of this Agreement, CUSTOMER shall designate a CUSTOMER Account Executive for the PROVIDER engagement under this Agreement. The CUSTOMER Account Executive and his/her designee(s) shall have the authority to act for and bind CUSTOMER and its contractors in connection with all aspects of this Agreement. All of PROVIDER's communications shall be sent to the CUSTOMER Account Executive or his/her designee(s).

(b) Term. CUSTOMER shall cause the person assigned to the position of Account Executive to devote substantial time and effort to the management of CUSTOMER's responsibilities under this Agreement. Whenever possible, CUSTOMER shall give PROVIDER at least ninety (90) days advance notice of a change of the Account Executive or if such ninety (90) days notice is not possible, the longest notice otherwise possible.

20.3 Key Employees of PROVIDER. For this Agreement and each PSA executed pursuant hereto, PROVIDER shall notify CUSTOMER in writing of the names of all of the PROVIDER employees providing Services under each such agreement who are at the senior professional band and above (each a "Key Employee"). Such notice shall be provided within thirty (30) days of the execution of this Agreement and each PSA. PROVIDER shall use commercially reasonable efforts to maintain the initial Key Employees at CUSTOMER for the minimum term of eighteen (18) months following the Execution Date, provided that any term that such Key Employee has already spent in his or her current position prior to the Execution Date shall be considered as a part of the 18-month period referred to herein, and each of the subsequent Key Employees for a minimum term of eighteen (18) months, unless any such Key Employee (i) voluntarily resigns from PROVIDER, (ii) is dismissed by PROVIDER for

(A) misconduct or (B) unsatisfactory performance in respect of his or her duties and responsibilities to CUSTOMER or PROVIDER, (iii) is unable to work due to his or her death, injury or disability, or (iv) is removed from the CUSTOMER assignment at the request of CUSTOMER. Whenever possible, PROVIDER shall give CUSTOMER at least ninety (90) days advance notice of a change of a Key Employee or if such ninety (90) days notice is not possible, the longest notice otherwise possible. If CUSTOMER determines that it is not in the best interests of CUSTOMER for any Key Employee to continue in his or her capacity, then CUSTOMER shall give PROVIDER written notice requesting that such Key Employee be replaced. PROVIDER shall replace the Key Employee as promptly as practicable, but, in any case, within thirty (30) days, in accordance with this Section 20.3.

20.4 Meetings.

(a) The parties will participate in an (i) annual budgeting and pricing process and a quarterly demand planning process as described in Section 2.9 and (ii) an annual business strategy and productivity enhancement process as directed by CUSTOMER.

(b) CUSTOMER may call meetings from time to time with reasonable notice to be held by telephone or video conference to generally review matters relating to the terms and conditions of this Agreement and any PSA, the compliance of each of the parties herewith, and to consider policies, planning and performance relating to quality controls, production, efficiency and productivity, costs and any other special matter or matters of concern. In addition, either party shall have the right to call meetings by telephone or video conference, as necessary, with reasonable notice to the other party, to discuss and resolve specific matters of concern as they occur. All meetings shall be attended by the representatives of the parties who are responsible for performances as to those matters to be discussed. Either party may also request an in-person meeting with reasonable notice to the other party. The expenses for such meeting, including travel and lodging shall be borne by the party calling the meeting; however, such expenses will be agreed upon by the parties prior to such meeting.

20.5 Operational Dispute Resolution. As contemplated by Section 1.2 of Exhibit G, the parties may attempt to resolve Disputes in the normal course of business at the operational level as described in this Section 20.5. The line managers of the parties shall attempt in good faith to resolve such Dispute through negotiation. If the line managers cannot resolve the Dispute within a reasonable period of time, the Dispute shall be escalated by CUSTOMER to the applicable operations leader and by PROVIDER to the applicable service leader. If such persons can not resolve the Dispute within a reasonable period of time, the Dispute shall be escalated to the Account Executives of both parties. If the Dispute is not resolved by the Account Executives within a reasonable period of time or, in any case, if such Dispute is not resolved within ten (10) days after commencement of negotiations pursuant to this Section 20.5, the Dispute shall be handled in accordance with Exhibit G.

21.0 Miscellaneous.

21.1 Force Majeure. No party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment

obligation) under this Agreement or any related PSA, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (i) notify the other parties of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible. The preceding sentence shall not relieve PROVIDER of its obligation to provide the Services described in the BCP/DRP Plans described in Section 1.2 hereof. If PROVIDER's performance is affected by Force Majeure for a period of more than ten (10) calendar days, then CUSTOMER may terminate this Agreement by giving written notice to PROVIDER before performance has resumed without payment of any amount other than accrued Charges.

21.2 Independent Contractors. The parties shall be and act as independent contractors, and under no circumstances shall this Agreement be construed as one of agency, partnership, joint venture or employment between the parties. Each party agrees and acknowledges that it neither has nor will give the appearance or impression of having any legal authority to bind or commit the other party in any way.

21.3 Failure to Object Not a Waiver. The failure of either party to object to or to take affirmative action with respect to any conduct of the other party which is in violation of the terms hereof shall not be construed as a waiver thereof, nor of any future breach or subsequent wrongful conduct.

21.4 Governing Law. This Agreement is to be governed by and construed and interpreted in accordance with the laws of Virginiaof the United States of America, which is applicable to contracts wholly made and performed therein. PROVIDER hereby submits to the jurisdiction of all courts where CUSTOMER is authorized to do business and all courts of the United States. Any action in regard to the contract or arising out of its terms and conditions shall be instituted and litigated in the United States.

21.5 No Third-Party Beneficiaries. Except as provided in Section 12.0 with respect to Indemnified parties, this Agreement is for the sole benefit of the parties to this Agreement and members of their respective Group and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

21.6 Public Announcements. The parties shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement and the PSAs, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

21.7 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the PSAs and the attachments hereto and thereto) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties hereto with respect to such subject matter, provided, that, unless otherwise expressly agreed by the parties, matters arising prior to the Execution Date shall be governed by the provisions of the Master Outsourcing Agreement (including the PSAs and attachments thereto) as in effect prior to such date.

21.8 Amendment. No provision of this Agreement or any PSA may be amended or modified except by a written instrument signed by all the parties to such agreement. No waiver by any party of any provision hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by any party hereto of a breach of any provision of this Agreement or any PSA shall not operate or be construed as a waiver of any other subsequent breach.

21.9 Rules of Construction. Interpretation of this Agreement and the PSAs shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (b) references to the terms Article, Section, paragraph, Schedule and Exhibit are references to the Articles, Sections, paragraphs, Schedules and Exhibits to this Agreement and the PSAs unless otherwise specified, (c) the word "including" and words of similar import shall mean "including, without limitation," (d) provisions shall apply, when appropriate, to successive events and transactions, (e) the table of contents and headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement and the PSAs, and (f) this Agreement and the PSAs shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted. In the event of any apparent conflict between the provisions of this Agreement, any Exhibit to this Agreement or any PSA, such provisions shall be construed so as to make them consistent to the extent possible, and if such is not possible, then the parties will negotiate in good faith to resolve such conflicts in a commercially reasonable manner. If the parties are unable to resolve such conflicts, then the provisions of this Agreement shall control, provided, that the provisions of Exhibit B shall control over the provisions of the Agreement and any other Exhibits. In the event of any conflict between the provisions of this Agreement and any PSA, the provisions of this Agreement shall control.

21.10 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

21.11 Remedies Not Exclusive. No remedy herein conferred upon or reserved to a party is intended to be exclusive of any other remedy available at law or in equity, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity, by statute or otherwise.

21.12 Dispute Resolution. Any dispute, controversy or claim arising out of or relating to this Agreement or any related PSA, or the validity, interpretation, breach or termination of any provision of this or PSA shall be resolved in accordance with the dispute resolution process set forth in Exhibit G hereof.

21.13 Language. All PSAs, documents, exhibits, schedules, deliverable items, notices and communications of any kind relating to this Agreement and the PSAs shall be made in the English language.

21.14 Survival. The following sections of this Agreement shall survive termination of this Agreement and any PSA:

9.0 Obligations on Expiration and Termination
11.0 Confidentiality
12.0 Indemnities
13.0 Limitation of Liability
16.0 Notices
17.0 Intellectual Property
18.0 Miscellaneous

22.0 Attachments.

The following Exhibits are attached hereto and are incorporated into this Agreement:

Exhibit A Definitions

Exhibit B	Local Modifications to Master Agreement
Exhibit C	Form of PSA
Exhibit D	BCP/DRP Plans
Exhibit E	Security Procedures
Exhibit F	Pricing Template
Exhibit G	Dispute Resolution
Exhibit H	Carve-Out Option
Exhibit I	Intellectual Property
Exhibit J	Business Associate Addendum
Exhibit K	Change Control Procedure
Exhibit L	MOAs and PSAs

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the date first written above.

First Colony Life Insurance Company

By: ____________________

Its: ____________________

GE Capital International Services

By: ____________________

Its: ____________________

EXHIBIT A

Definitions

"Action" means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any federal, state, local, foreign or international Government Authority or any arbitration or mediation tribunal.

"Addendum" means the terms which are supplemental to and/or deviate from this Agreement as set forth inExhibit B.

"Agreement" means this Agreement, as amended and/or supplemented as set forth in Exhibit A, together with the other Exhibits and Schedules hereto.

"Affiliate" means (and, with a correlative meaning, "affiliated") means, with respect to any Person, any direct or indirect subsidiary of such Person, and any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such first Person; provided, however, that from and after the Execution Date, no member of the Genworth Group shall be deemed an Affiliate of any member of the GE Group for purposes of this Agreement and no member of the GE Group shall be deemed an Affiliate of any member of the Genworth Group for purposes of this Agreement. As used in this definition, "control" (including with correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies or the power to appoint and remove a majority of directors (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"After Tax Basis" shall have the meaning given in Section (c) hereof.

"Appraiser" shall have the meaning given in Exhibit A

Bankruptcy Code" has the meaning set forth in Section 2.04 ofExhibit I.

"Base Cost" shall be PROVIDER's actual direct cost of providing the Services reasonably and equitably determined to be attributable to CUSTOMER by PROVIDER for each year. The elements of PROVIDER's direct cost are described in the attached Exhibit L, and shall take into account productivity gains or losses.

"Baseline Charges" has the meaning set forth inSection 2.1.

"Baseline FTEs" means the number of Dedicated FTEs employed by PROVIDER and its Affiliates to perform the Services under all of the MOAs as of the Execution Date, as agreed upon by the parties. Upon the occurrence of any event that reduces the number of Dedicated FTEs employed by PROVIDER to perform Services under the MOAs (including any transfer by PROVIDER of operations, but excluding the effects of productivity improvements), other than at the direction of any member of the Genworth Group, the Baseline FTEs shall be reduced to

reflect the reduction in the numbers and classes of Dedicated Employees affected by such change.

"Baseline Customer-Controllable Revenues" means the budgeted aggregate Compensation and Benefits expense (as defined inExhibit F) of the Baseline FTEs for the first twelve months of the Initial Term, as agreed upon by the parties. Upon the occurrence of any event that reduces the number of Dedicated FTEs employed by PROVIDER to perform Services under the MOAs (including any transfer by PROVIDER of operations, but excluding the effects of productivity improvements), other than at the direction of any member of the Genworth Group, the Baseline Customer-Controllable Revenues shall be reduced to reflect the reduction in the numbers and classes of Dedicated Employees affected by such change.

"BCP/DRP Plans" shall have the meaning given such term in Section 1.2 hereof.

"Carve-Out" means the process set forth inExhibit H commencing upon the election by CUSTOMER of the Carve-Out Option.

"Carve-Out Conditions" shall have the meaning given such term in Exhibit H hereof.

"Carve-Out Option" shall have the meaning given in Section 9.2 hereof.

"Carve-Out Resources" shall have the meaning given such term in Exhibit H hereof.

"Change Control Procedure" means the procedure set forth in Section 19.0 and Exhibit H for amending the Agreement including (i) a change to the scope of the Services, Dedicated FTEs, Performance Standards, or Charges under any Transaction Document, (ii) a change to the Exhibits or Schedules to this Agreement, (iii) the addition of New Services, (iv) a change to the features, functionality, scalability or performance of the Services, and (v) any other change to the terms of this Agreement or PSA.

"Change of Control" (of CUSTOMER) means any (i) consolidation or merger of GENWORTH with or into another entity or entities (whether or not GENWORTH is the surviving entity), excluding any such consolidation or merger with or into an Affiliate of GENWORTH or GE or an Affiliate of GE, (ii) any sale or transfer by GENWORTH of fifty percent (50%) or more of its assets, excluding any such sale to an Affiliate of GENWORTH or to GE or an Affiliate of GE, (iii) any sale, transfer or issuance or series of sales, transfers or issuances of shares or other voting securities of GENWORTH by GENWORTH or the holders thereof, as a result of which one holder, or a group of holders acting in concert (other than GE or an Affiliate of GE), acquires the voting power (under ordinary circumstances) to elect a majority of the directors of GENWORTH. Notwithstanding the foregoing, no transaction of the type described in clauses (i), (ii) or (iii) of this Section shall constitute a Change of Control if, as of immediately following such transaction, persons that possess the voting power (under ordinary circumstances) to elect a majority of the directors of GENWORTH as of immediately prior to such transaction continue to hold (directly or indirectly) such voting power.

"Change of Control" (of PROVIDER) shall have the meaning given such term in Exhibit H hereof.

"Change Order" means a document that amends the Agreement, including the changes described in (i) through (v) of the definition of "Change Control Procedure," executed pursuant to the Change Control Procedure, in substantially the form set forth in Exhibit H.

"Change Order Request" has the meaning given in Section 19.0 hereof.

"Charges" shall have the meaning given such term in Section 2.1

"Common Termination Date" shall have the meaning given such term in Section 7.1 hereof.

"Contract Year" means the calendar year or any portion thereof (e.g. the initial Contract Year shall be the period from the Execution Date through December 31, 2004).

"Cost Factor" shall have the meaning given such term in Section 2.2 hereof.

"CPR" shall have the meaning given such term in Exhibit G hereof.

"CPR Arbitration Rules" shall have the meaning given such term in Exhibit G hereof.

"CUSTOMER Confidential Information" shall have the meaning given such term in Section 11.1 hereof.

"Customer-Controllable Revenue" means the aggregate salaries of the Dedicated FTEs.

"CUSTOMER Licensed Technology" means all Technology and Intellectual Property owned by CUSTOMER or its Affiliates and provided to PROVIDER (or its authorized subcontractors in accordance with Section 10) by CUSTOMER or its Affiliates for use or necessary for use in the provision of the Services (which, for the avoidance of doubt, does not include any Technology or Intellectual Property owned by a third party). CUSTOMER Licensed Technology shall include Technology or Intellectual Property developed by PROVIDER (or its authorized subcontractors in accordance with Section 10) and owned by CUSTOMER, except as otherwise provided in the Agreement or any PSA relating to such developed Technology or Intellectual Property.

"Dedicated FTEs" shall mean the full-time equivalent employees, including supervisors, direct support personnel (e.g. trainers) and other members of the PROVIDER management identified and agreed to by CUSTOMER, dedicated to the performance of the Services from time to time.

"Delayed Transfer Legal Entities" means Financial Assurance Company Limited, Financial Insurance Company Limited, Consolidated Insurance Group Limited, GE Financial Assurance Compania de Seguros y Reaseguros de Vida SA and GE Financial Insurance Compania de Seguros y Reaseguros SA.

"Direct Damages" means actual, direct damages incurred by the claiming party which include, by way of example (a) erroneous payments made by PROVIDER or CUSTOMER as a result of a

failure by PROVIDER to perform its obligations under an MOA or PSA, (b) the costs to correct any deficiencies in the Services, (c) the costs incurred by CUSTOMER to transition to another provider of Services and/or to take some or all of such functions and responsibilities in-house, (d) the difference in the amounts to be paid to PROVIDER hereunder and the charges to be paid to such other provider and/or the costs of providing such functions, responsibilities and tasks in-house, and (e) similar damages. "Direct Damages" shall not include, and neither party or its Affiliates shall be liable for, any indirect, special, incidental, exemplary, punitive or consequential damages (including, without limitation, any loss of data or records, lost profits or other economic loss) arising out of its breach, negligence or any of the Excluded Matters, even if the other party or its Affiliates have been advised of the possibility of or could have foreseen such damages, provided that any such damages relating to a Third Party Claim shall be considered Direct Damages. For the avoidance of doubt, PROVIDER shall remain liable for all Direct Damages regardless of whether such damages are the subject of any reinsurance arrangement entered into by CUSTOMER. Direct Damages shall be calculated and paid on an After-Tax Basis, net of Insurance Proceeds, in the manner described in Section 12.3.

"Discount Factor" shall have the meaning given such term in Sections 2.2 and 2.4 hereof.

"Dispute" shall have the meaning given such term in Exhibit G hereof.

"Excluded Matters" shall have the meaning given such term in Section 13.3 hereof.

"Excluded Matters Cap" shall have the meaning given such term in Section 13.3 hereof.

"Execution Date" means the date of this Agreement as set forth on the first page hereof.

"Facility" shall have the meaning given such term in Exhibit H hereof.

"Fair Market Value" shall have the meaning given such term in Exhibit H hereof.

"Force Majeure" means, with respect to a party, an event beyond the control of such party (or any Person acting on its behalf), which by its nature could not have been foreseen by such party (or such Person), or, if it could have been foreseen, was unavoidable, and includes, without limitation, acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one or more acts of terrorism or failure of energy sources.

"GAAP" means generally accepted accounting principles prevailing from time to time in the applicable jurisdiction.

"GE" means General Electric Company.

"GE Group" means GE and each Person (other than any member of the Genworth Group) that is an Affiliate of GE immediately after the Execution Date.

"Genworth" shall have the meaning given such term in the recitals of this Agreement.

"Genworth Business" means the businesses of (a) the members of the Genworth Group; (b) GEFAHI; (c) the Delayed Transfer Legal Entities and (d) those terminated, divested or discontinued businesses of the members of Genworth Group, other than those listed on Schedule A-1.

"Genworth Common Stock" means the Class A Common Stock, $0.0001 par value per share and the Class B Common Stock, $0.0001 par value per share, of Genworth.

"Genworth Group" means Genworth, each Subsidiary of Genworth immediately after the Execution Date and each other Person that is either controlled directly or indirectly by Genworth immediately after the Execution Date; provided, that certain assets referred to by the parties as "Delayed Transfer Asset," that are transferred to Genworth at any time following the Closing shall, to the extent applicable, be considered part of the Genworth Group for all purposes of this Agreement.

"Genworth Records Management Policies" means the Genworth Records Management Policy adopted by Genworth and provided to GECIS,as amended from time to time.

"Governmental Authority" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental authority, agency, department, board, commission or instrumentality whether federal, state, local or foreign (or any political subdivision thereof), and any tribunal, court or arbitrator(s) of competent jurisdiction.

"Hardware" shall have the meaning given such term in Exhibit H hereof.

"HIPPA" shall have the meaning given such term in Exhibit J hereof.

"Improvement" means any modification, derivative work or improvement of any Technology.

"Indemnity Payment" shall have the meaning given such term in Section 12.3 hereof.

"Indemnified Party" shall have the meaning given such term in Section 12.3 hereof.

"Indemnifying Party" shall have the meaning given such term in Section 12.3 hereof.

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data, including customer and/or consumer non-public personal financial information, non-public health information and protected health information as defined by applicable Law.

"Initial Notice" shall have the meaning given such term in Exhibit G hereof.

"Initial Term" shall have the meaning given such term in Section 5.1 hereof.

"Insurance Proceeds" means those monies: (a) received by an insured from an insurance carrier; (b) paid by an insurance carrier on behalf of the insured; or (c) received (including by way of set off) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

"Intellectual Property" means all of the following, whether protected, created or arising under the laws of the United States or any other foreign jurisdiction: (i) patents, patent applications (along with all patents issuing thereon), statutory invention registrations, divisions, continuations, continuations-in-part, substitute applications of the foregoing and any extensions, reissues, restorations and reexaminations thereof, and all rights therein provided by international treaties or conventions, (ii) copyrights, mask work rights, database rights and design rights, whether or not registered, published or unpublished, and registrations and applications for registration thereof, and all rights therein whether provided by international treaties or conventions or otherwise, (iii) trade secrets, (iv) intellectual property rights arising from or in respect of Technology and (v) all other applications and registrations related to any of the intellectual property rights set forth in the foregoing clauses (i) – (v) above. As used in this Agreement, the term "Intellectual Property" expressly excludes (x) trademarks, service marks, trade dress, logos and other identifiers of source, including all goodwill associated therewith and all common law rights, registrations and applications for registration thereof, and all rights therein provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing and (y) intellectual property rights arising from or in respect of domain names, domain name registrations and reservations (all of the foregoing collectively, the "Trademarks").

"Key Employee" shall have the meaning given in Section 20.3 hereof.

"Law" means any federal, state, local or foreign law (including common law), statute, code, ordinance, rule, regulation, order or other requirement enacted, promulgated, issued or entered by a Governmental Authority, including without limitation, the Gramm-Leach-Bliley Act, its implementing regulations, applicable state privacy laws, and HIPPA.

"Liabilities" shall have the meaning given such term in Section 12.1.

"Licensed Products and Services" means those products and services that use, practice or incorporate the Licensor's Intellectual Property or Technology.

"Licensee" means a Person receiving a license or sublicense under Exhibit I.

"Licensor" means a Person granting a license or sublicense under Exhibit I.

"Mission Critical" operations shall mean those operations identified by CUSTOMER from time to time as mission critical in one (1) or more written notices to PROVIDER.

"MOAs" means (i) all of the Amended and Restated Master Outsourcing Agreements entered into between Affiliates of Genworth and PROVIDER in connection with that certain Outsourcing Services Separation Agreement dated , 2004 between Genworth, PROVIDER, General Electric Company and General Electric Capital Corporation, and (ii) all PSAs executed pursuant to such Amended and Restated Master Outsourcing Agreements, all as identified by the parties as of the Execution Date.

"New Provider Materials" means all Software first used by PROVIDER or its Affiliates or their Representatives in performing the Services after [the Execution Date].

"New Services" shall have the meaning given such term in Section 1.7 hereof.

"Non-exclusive Employees" shall have the meaning given such term in Exhibit H hereof.

"Notification Date" shall have the meaning given such term in Section 7.2 hereof.

"Payment Date" shall have the meaning given such term in Section 3.5 hereof.

"Payment Default Notice" shall have the meaning given such term in Section 3.5 hereof.

"Performance Standards" means the performance requirements for PROVIDER set forth in any PSA.

"Person" means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, governmental authority or other entity.

"PROVIDER Licensed Technology" means all Technology and Intellectual Property owned by PROVIDER or its Affiliates and used in the provision of the Services under the Agreement and PSAs (which, for the avoidance of doubt, does not include any Technology or Intellectual Property owned by a third party).

"PROVIDER Confidential Information" has the meaning given such term in Section 11.2 hereof.

"PROVIDER Divestiture" shall have the meaning given such term in Section 1.6 hereof.

"PROVIDER Employees" shall have the meaning given such term in Exhibit H hereof.

"PSA(s)" means the Project Specific Agreements entered into between the parties under the original Master Outsourcing Agreement and hereafter and certain other services agreements entered into between the parties, all of which are and shall be listed on Exhibit G hereof.

"Renewal Period" shall have the meaning given such term in Section 5.2 hereof.

"Response" shall have the meaning given such term in Exhibit G hereof.

"SAP" means statutory accounting practices mandated by state law or regulation.

"Service Hours" shall have the meaning given such term in Section 6.1 hereof.

"Services" means (a) any services described in a PSA, (b) the services described in the BCP/DRP Plans, and (c) any other functions, responsibilities, tasks not specifically described in the Agreement or PSA which are required for the proper performance of and provision of the above services, or are an inherent part of, or necessary subpart included within, such services.

"Services Transfer Assistance" shall have the meaning given such term in Section 9.1 hereof.

"Simple Breach Cap" shall have the meaning given such term in Section 13.2 hereof.

"Software" means the object and source code versions of computer programs and associated documentation, training materials and configurations to use and modify such programs, including programmer, administrator, end user and other documentation.

"Subsidiary" or "subsidiary" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such entity, (ii) the total combined equity interests, or (iii) the capital or profit interests, in the case of a partnership; or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"System" shall have the meaning given such term in Section 6.1 hereof.

"Taxes" shall have the meaning given such term in Section 2.6 hereof.

"Technology" means, collectively, all designs, formulas, algorithms, procedures, techniques, ideas, know-how, Software, programs, models, routines, databases, tools, inventions, creations, improvements, works of authorship, and all recordings, graphs, drawings, reports, analyses, other writings, and any other embodiment of the above, in any form, whether or not specifically listed herein.

"Third Party Agreements" shall have the meaning given such term in Exhibit H hereof.

"Third Party Claim" shall have the meaning given such term in Section 12.1 hereof.

"Third Party Software" shall have the meaning given such term in Exhibit H hereof.

"Trigger Date" means the first date on which members of the GE Group cease to beneficially own (excluding for such purposes shares of Genworth Common Stock beneficially owned by GE but not for its own account, including (in such exclusion) beneficial ownership which arises by virtue of some entity that is an Affiliate of GE being a sponsor of or advisor to a mutual or

similar fund that beneficially owns shares of Genworth Common Stock) more than fifty percent (50%) of the outstanding Genworth Common Stock.

"Volume Reduction Date" means the date on which either (i) the number of Dedicated FTEs used by PROVIDER to perform the Services for CUSTOMER and its Affiliates under all of the MOAs, or (ii) the annualized Customer-Controllable Revenues relating to Dedicated FTEs performing Services for CUSTOMER and its Affiliates under all of the MOAs are less than fifty percent (50%) of the Baseline FTEs or Baseline Customer-Controllable Revenues, respectively.

Schedule A-1

Discontinued Businesses

GE Property & Casualty Insurance Company
GE Casualty Insurance Company
GE Indemnity Insurance Company
GE Auto & Home Assurance Company
Bayside Casualty Insurance Company

EXHIBIT B

Local Modifications to Master Agreement

None

EXHIBIT C

Form of PSA

PROJECT SPECIFIC AGREEMENT

This Project Specific Agreement ("PSA") is entered into on , 200 by **[NAME]** (hereafter "CUSTOMER") and **[GE Capital International Services]** (hereafter "PROVIDER").

WHEREAS, CUSTOMER and PROVIDER are parties to that certain Amended and Restated Master Outsourcing Agreement between CUSTOMER and PROVIDER dated , 200 ("ARMOA");

WHEREAS, CUSTOMER now desires that PROVIDER provide certain services to CUSTOMER and PROVIDER desires to provide such services pursuant to the terms of the ARMOA;

WHEREAS, this PSA defines certain rights and liabilities of the parties with respect to **[Insert general Project Name or Type of Service]**; and

WHEREAS, capitalized terms used herein and not defined shall have the meaning given such terms in the ARMOA.

NOW THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

(1) Incorporation of ARMOA by Reference**. The provisions of the ARMOA are hereby incorporated in their entirety into this PSA by reference.**

The ARMOA provides substantive terms that the parties agree will govern and define their rights and liabilities in this PSA. The ARMOA defines many fundamental provisions including, but not limited to, a description of the conditions under which the parties may terminate this PSA, confidentiality requirements, contractual remedies, limitations on assignment and subcontracting, indemnification rights, intellectual property rules, limitation of liability, particular representations and warranties made by the parties, and jurisdictional issues. The PSA shall be governed by the terms and conditions stated in the ARMOA.

The provisions of this PSA set forth below describe the term of this PSA, the Services to be performed, performance standards, if any, fees that may be charged, regulatory rules applicable to the Services, and other particulars not otherwise described in the ARMOA.

In the event of any conflict between the provisions of the ARMOA and this PSA, the ARMOA shall control. The parties to this PSA may deviate from any terms

and conditions of the ARMOA, only to the extent that the ARMOA permits such deviation. Otherwise, such deviations are not permissible.

(2) Term. **This PSA shall commence on the execution date of this PSA and shall continue for so long as the ARMOA is effective.** [The PSA should run concurrently with the ARMOA unless the parties agree otherwise.]

(3) Description of Services.

(a) The services to be performed by PROVIDER are described below and in <u>Exhibit A</u> to this PSA (the "Services"). The Services will be performed with the oversight of and in conjunction with the offices of CUSTOMER located in the United States of America.

(b) Services generally shall be performed by PROVIDER at certain times of the day to provide for reasonable overlap of common working hours between PROVIDER and CUSTOMER.

(c) [To the extent CUSTOMER requires specific back-up requirements for records constituting CUSTOMER's books of account, such requirements should be inserted in this Section 3, or if such requirements are regulatory in nature, in Section 6 below. The inclusion of specific back-up requirements may increase the Baseline Charges for the Services.]

(4) Performance Standards.

(a) PROVIDER shall perform the Services in conformance with CUSTOMER's guidelines and procedures for the Services as agreed to by the parties and attached as Schedule .

(b) [Section 4.1 of the ARMOA contemplates the insertion of Performance Standards, if any, for the Services. Insert any additional Performance Standards applicable to this PSA as new subsections of this Section 4 or as a new Schedule to this PSA.]

(c) [Section 4.2 of the ARMOA contemplates measuring the Performance Standards monthly, but allows for deviations. If different measurement periods are desired, such should be inserted in this Section 4.]

(5) Fees.

(a) CUSTOMER agrees to pay the following Baseline Charges to PROVIDER for performance of the Services: **[Insert FTE rate]. [Please note that <u>Exhibit A</u> to the ARMOA requires Baseline Charges for new PSAs to be defined in each PSA. The Baseline Charges must be an FTE rate to avoid problems with the pricing adjustment, volume reduction and non-compete provisions of the ARMOA.]**

At the time of execution of the PSA, the parties expect that no. of FTEs will be required to complete the Services. The volume of services required under this PSA may increase during the term of the PSA. In case the volume increases during the term, the parties may agree to increase the number of FTEs providing the Services under the PSA, provided that such number will not exceed . **[Insert the maximum cap of FTE here. The number of FTEs may be changed outside this range in accordance with the Change Control Procedure in Section 19.0 of the ARMOA.]**

(b) [To the extent the fee structure is subject to regulation and the applicable requirements are not addressed in the ARMOA, include such requirements here. For instance, certain existing PSAs require PROVIDER to satisfy certain expense and cost allocation requirements, such as New York Insurance Department Regulation No. 33].

(6) Regulatory Matters.

(a) PROVIDER shall (i) assist and cooperate with CUSTOMER with respect to any regulatory examination or investigation of CUSTOMER or legal proceeding involving CUSTOMER, (ii) make available personnel with detailed knowledge of the Services to meet with CUSTOMER or any regulatory agency with jurisdiction over CUSTOMER at such place as may be requested by CUSTOMER or such regulatory agency, and (iii) employ a compliance officer to monitor the performance of the Services.

(b) [Section 4.3 of the ARMOA requires PROVIDER to perform the Services in compliance with all applicable Laws, stock exchange rules or generally accepted, statutory or regulatory accounting or actuarial principles specified in a PSA. Therefore, any specific rules that CUSTOMER must require PROVIDER to

comply with in performing the Services should be set forth in this Section 6. For instance, an existing PSA requires that: "CUSTOMER records must be maintained by PROVIDER and CUSTOMER in accordance with applicable laws and regulations including, but not limited to, New York Insurance Department Regulation No. 152 (11 NYCRR Part 243)." However, please review Exhibit B to the ARMOA to ensure the specific rules have not already been included there.] Customer shall have the responsibility to inform the Provider about specific compliance and/ or regulatory requirements that the Provider needs to comply with and provide regular updates and training regarding the same.

(7) Remedies. [Insert additional remedies, if any, agreed to by the parties. See Section 4.4 of the ARMOA.]

(8) Intellectual Property

(a) [Under Section 1.02 of <u>Exhibit I</u> to the ARMOA, all Technology and Intellectual Property developed jointly by the parties will be owned by PROVIDER. However, the parties may agree otherwise in a PSA. Therefore, any deviations from this rule should be specified in this Section 8.]

(b) [<u>Schedule I-1</u> of <u>Exhibit I</u> to the ARMOA contains a list of Technology and Intellectual Property which may not be sublicensed, assigned or otherwise provided to a third party by CUSTOMER without the written consent of General Electric Company. Section 2.01(e) of <u>Exhibit I</u> to the ARMOA allows the parties to add additional intellectual property to this list for a particular PSA.]

(c) [Section 2.02(e) of Exhibit I to the ARMOA states that PROVIDER will have no license to any CUSTOMER Licensed Technology following the termination of the ARMOA or any related PSA, unless the ARMOA or PSA provides otherwise. Therefore, to the extent the parties desire that PROVIDER continue to license certain CUSTOMER Licensed Technology after termination, this should be inserted in this Section 8.]

(d) [Section 5.03(a) of Exhibit I to the ARMOA states that CUSTOMER, on behalf of itself and its Affiliates, assumes all risk and liability with their use of the PROVIDER Licensed Technology, subject to any exclusions set forth in the ARMOA or PSA. Therefore, any exclusions to this rule should be inserted in this Section 8.]

(e) [Section 5.03(b) of Exhibit I to the ARMOA states that PROVIDER, on behalf of itself and its Affiliates, assumes all risk and liability with their use of the CUSTOMER Licensed Technology, subject to any exclusions set forth in the ARMOA or PSA. Therefore, any exclusions to this rule should be inserted in this Section 8.]

(f) **[Section 5.04 of Exhibit I to the ARMOA states that the parties may agree in any PSA to amend the terms and conditions of licenses granted under Exhibit I to the ARMOA. Therefore, any additional or different licensing terms should be included in this Section 8.]**

(9) Other Matters.

(a) Provider will have access to the System during the following time periods: [Insert time periods] ("Service Hours"). **[Please refer to Section 6.1 of the ARMOA which contemplates that each PSA will define the "Service Hours" applicable to such PSA. CUSTOMER may also desire to define the parameters or scope of "access" in this Section 9 of the PSA.]**

(b) [Section 16.0 of the ARMOA contains notice information for the parties. If representatives at the PSA level are different than the ARMOA level representatives, the parties should consider inserting additional notice information under this Section 9.]

(c) If known, the process owners for each party should be inserted into this Section 9.

(d) PROVIDER represents and warrants to CUSTOMER that

(i) PROVIDER has the necessary power and authority to execute, deliver and perform its

obligations under this PSA and this PSA has been or will be duly executed and delivered by PROVIDER and constitutes or will constitute the valid and binding agreement of PROVIDER, enforceable in accordance with its terms; and

(ii) The execution and delivery of this PSA by PROVIDER and the consummation by PROVIDER of the transactions herein contemplated will not contravene any provision of applicable Law, and will not constitute a breach of or default under any agreement or other instrument or any decree, judgment or order to which PROVIDER is currently a party or by which PROVIDER is bound.

(e) CUSTOMER represents and warrants to PROVIDER that

(i) CUSTOMER has the necessary power and authority to execute, deliver and perform its obligations under this PSA and this PSA has been or will be duly executed and delivered by CUSTOMER and constitutes or will constitute the valid and binding agreement of CUSTOMER, enforceable in accordance with its terms; and

(ii) The execution and delivery of this PSA by CUSTOMER and the consummation by CUSTOMER of the transactions herein contemplated will not contravene any provision of applicable Law, and will not constitute a breach of or default under any agreement or other instrument or any decree, judgment or order to which CUSTOMER is currently a party or by which CUSTOMER is bound.

(10) FURTHER, THE PARTIES AGREE THAT THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES RELATING TO THIS SUBJECT SHALL CONSIST OF 1) THIS PSA AND 2) THE ARMOA, INCLUDING AMENDMENTS TO THOSE DOCUMENTS FROM TIME TO TIME EXECUTED BY THE PARTIES. THIS STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES SUPERSEDES ALL PROPOSALS OR OTHER PRIOR AGREEMENTS, ORAL OR WRITTEN, AND ALL OTHER COMMUNICATIONS BETWEEN THE

PARTIES RELATING TO THE SUBJECT DESCRIBED HEREIN.

[signatures appear on the following page]

IN WITNESS WHEREOF, authorized representatives of the parties have duly executed this PSA, as of the day and year first written above.

[CUSTOMER ENTITY]

By: ______________________________

Name: ______________________________

Title: ______________________________

[GE CAPITAL INTERNATIONAL SERVICES]

By: ______________________________

Name: ______________________________

Title: ______________________________

<u>Exhibit A</u>

<u>Services</u>

<u>EXHIBIT D</u>

<u>BCP/DRP Plans</u>

As of the Execution Date, CUSTOMER has identified the operational processes set forth in the table below as "Mission Critical" with respect to the Services provided under all of the MOAs. PROVIDER shall provide under this Agreement the Services described in the referenced BCP/DR Plans to the extent the related processes are included within the Services performed under this Agreement. The references to the BCP/DR Plans set forth in the table below include such BCP/DR Plans as they may be amended or supplemented from time to time by agreement of the parties.

Business	Process ID	BCP/DR Plan Reference
GEMICO	2052	*
GEMICO	2051	*
GEMICO	2050	*
GEMICO	2049	*
GEMICO	2048	*
GEMICO	2047	*
GEFA	2627	*
GEFA	1761	*
GEFA	1284	*
GEFA	1969	*
GEFA	1754	*
GEFA	1747	*
GEFA	1746	*
GEFA	1745	*
GEFA	1744	*
GEFA	1272	*
GEFA	1991	*
GEFA	2658	*
GEFA	3145	*
GEFA	1266	*
GEFA	1741	*
GEFA	2311	*
GEFA	1739	*
GEFA	1962	*
GEFA	2491	*
GEFA	1243	*
GEFA	1257	*
GEFA	2246	*
GEFA	1960	*
GEFA	1759	*
GEFA	3381	*
GEFA	3384	*

*As provided by PROVIDER to CUSTOMER by email from to on , 2004.

<u>EXHIBIT E</u>

<u>Security Procedures</u>

After the Execution Date, Provider shall comply with (i) the security procedures and policies generally applicable within the General Electric Company and its subsidiaries and as observed by PROVIDER immediately prior to the Execution Date, and (ii) such other security procedures and policies as CUSTOMER may direct, provided, that GECIS shall be entitled to recover its cost of complying with such procedures and policies as part of the Charges for the Services established pursuant to Section 2 and Schedule F.

EXHIBIT F

Pricing Template

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EXHIBIT G

Dispute Resolution

The following provisions shall govern any Dispute arising under the Agreement or the PSAs:

1.1 General Provisions.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement or any PSA, or the validity, interpretation, breach or termination thereof (a "Dispute"), shall be resolved in accordance with the procedures set forth in this Exhibit G, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified below.

(b) Commencing with a request contemplated by Section 1.2 set forth below, all communications between the parties or their representatives in connection with the attempted resolution of any Dispute, including any mediator's evaluation referred to in Section 1.3 set forth below, shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from discovery and production, and shall not be admissible in evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the resolution of the Dispute.

(c) The parties expressly waive and forego any right to (i) punitive, exemplary, statutorily-enhanced or similar damages in excess of compensatory damages, and (ii) trial by jury.

(d) The specific procedures set forth below, including but not limited to the time limits referenced therein, may be modified by agreement of the parties in writing.

(e) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Exhibit G are pending. The parties will take such action, if any, required to effectuate such tolling.

1.2 Consideration by Senior Executives.

If a Dispute is not resolved in the normal course of business at the operational level, the parties shall attempt in good faith to resolve such Dispute by negotiation between executives who hold, at a minimum, the office of President and CEO of the respective business entities involved in such Dispute. Either party may initiate the executive negotiation process by providing a written notice to the other (the "Initial Notice"). Fifteen (15) days after delivery of the Initial Notice, the receiving party shall submit to the other a written response (the "Response"). The Initial Notice and the Response shall include (i) a statement of the Dispute and of each party's position, and (ii) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Such executives will meet in

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person or by telephone within thirty (30) days of the date of the Initial Notice to seek a resolution of the Dispute.

1.3 Mediation.

If a Dispute is not resolved by negotiation as provided in Section 1.2 within forty-five (45) days from the delivery of the Initial Notice, then either party may submit the Dispute for resolution by mediation pursuant to the CPR Institute for Dispute Resolution (the "CPR") Model Mediation Procedure as then in effect. The parties will select a mediator from the CPR Panels of Distinguished Neutrals. Either party at commencement of the mediation may ask the mediator to provide an evaluation of the Dispute and the parties' relative positions.

1.4 Arbitration.

(a) If a Dispute is not resolved by mediation as provided in Section 1.3 within thirty (30) days of the selection of a mediator (unless the mediator chooses to withdraw sooner), either party may submit the Dispute to be finally resolved by arbitration pursuant to the CPR Rules for Non-Administered Arbitration as then in effect (the "CPR Arbitration Rules"). The parties consent to a single, consolidated arbitration for all known Disputes existing at the time of the arbitration and for which arbitration is permitted.

(b) The neutral organization for purposes of the CPR Arbitration Rules will be the CPR. The arbitral tribunal shall be composed of three arbitrators, of whom each party shall appoint one in accordance with the "screened" appointment procedure provided in Rule 5.4 of the CPR Arbitration Rules. The arbitration shall be conducted in New York City. Each party shall be permitted to present its case, witnesses and evidence, if any, in the presence of the other party. A written transcript of the proceedings shall be made and furnished to the parties. The arbitrators shall determine the Dispute in accordance with the law of the State of New York, without giving effect to any conflict of law rules or other rules that might render such law inapplicable or unavailable, and shall apply this Agreement, or the applicable MOA or PSA, according to its terms, provided that the provisions relating to arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq.

(c) The parties agree to be bound by any award or order resulting from any arbitration conducted in accordance with this Section 1.4 and further agree that judgment on any award or order resulting from an arbitration conducted under this Section 1.4 may be entered and enforced in any court having jurisdiction thereof.

(d) Except as expressly permitted by this Agreement, no party will commence or voluntarily participate in any court action or proceeding concerning a Dispute, except (i) for enforcement as contemplated by Section 1.4(c) above, (ii) to restrict or vacate an arbitral decision based on the grounds specified under applicable law, or (iii) for interim relief as provided in paragraph (e) below. For purposes of the foregoing, the parties hereto submit to the non-exclusive jurisdiction of the courts of the State of New York.

(e) In addition to the authority otherwise conferred on the arbitral tribunal, the tribunal shall have the authority to make such orders for interim relief, including injunctive relief, as it may deem just and equitable. If the tribunal shall not have been appointed, either party may seek interim relief from a court having jurisdiction if the award to which the applicant may be entitled may be rendered ineffectual without such interim relief. Upon appointment of the tribunal following any grant of interim relief by a court, the tribunal may affirm or disaffirm such relief, and the parties will seek modification or rescission of the court action as necessary to accord with the tribunal's decision.

Each party will bear its own attorneys' fees and costs incurred in connection with the resolution of any Dispute in accordance with this Exhibit G.

1.5 Continued Performance.

The parties agree to continue to perform their respective obligations under this Agreement and any related PSA during a Dispute.

EXHIBIT H

Carve-Out Option

1.0 Affected Carve-Out Resources (a) If the Carve-Out Option is exercised in connection with any Carve-Out Condition other than a PROVIDER Divestiture, the Carve-Out Option shall be exercisable for all, but not less than all, of the Carve-Out Resources used by PROVIDER in connection with all of the then-outstanding MOAs and related PSAs.

(b) If the Carve-Out Option is exercised in connection with a PROVIDER Divestiture, the Carve-Out Option shall be exercisable for all, but not less than all, of the Carve-Out Resources used by PROVIDER in connection with Services transferred to the acquiror as part of the PROVIDER Divestiture.

2.0 Warranty. As of the date hereof, PROVIDER represents and warrants that to its knowledge there is no law or existing contractual obligation of PROVIDER that would materially impair the exercise of the Carve-Out Option by CUSTOMER with relation to any material Hardware, Third-Party Software or PROVIDER Licensed Technology, or to any PROVIDER Employees, except to the extent expressly disclosed to and approved in writing by CUSTOMER.

3.0 Notice. CUSTOMER shall notify PROVIDER of its exercise of the Carve-Out Option (i) at the expiration of the Initial Term, within fifteen (15) days following the Notification Date; (ii) within fifteen (15) days of notice to PROVIDER of its intent to terminate the affected PSAs in the case of a Material Breach, (iii) within one hundred twenty (120) days following a Change of Control of PROVIDER, and (iv) within thirty (30) days of PROVIDER's notice to CUSTOMER of a PROVIDER Divestiture.

4.0 Consents. CUSTOMER and PROVIDER shall cooperate with each other and shall use commercially reasonable efforts to obtain any approvals, permissions, consents or grants required for CUSTOMER to exercise the Carve-Out Option with relation to all Carve-Out Resources, including Third Party Software and Third Party Agreements.

5.0 No Carve-Out Option for Acquiror. No acquiror of a business operation divested by CUSTOMER shall be entitled to exercise the Carve-Out Option.

6.0 Definitions. As used in this Exhibit H, the following capitalized terms shall have the following meaning:

(a) "PROVIDER" refers to PROVIDER and each Affiliate of PROVIDER providing Services under any MOA or PSA, as applicable.

(b) "Carve-Out Resources" refers to the Hardware, Third Party Software, PROVIDER Licensed Technology, PROVIDER Employees, Third Party Agreements, and the Facility, to the extent that they are severable and identifiable, as described below.

(c) "Carve-Out Conditions" means (a) any Change in Control of PROVIDER, (b) a Material Breach, (c) CUSTOMER's becoming entitled to terminate the Agreement under Section 8.4 of the Agreement, (d) the expiration of the Initial Term, or (e) the occurrence of a PROVIDER Divestiture.

For the purposes of this provision only, a "Material Breach" shall refer to any breach or a series of breaches resulting in the termination of one or more PSAs where: (i) such breach or breaches are material and relate to Excluded Matters (other than matters involving the gross negligence of PROVIDER), (ii) CUSTOMER is entitled to recover damages from PROVIDER in excess of $2,000,000 relating to such breach or breaches, or (iii) such PSAs accounted for ten percent (10%) or more of the aggregate billings by PROVIDER to CUSTOMER and its Affiliates under all of the MOAs during the immediately preceding twelve (12) months, provided, that any dispute as to whether a matter constitutes a Material Breach shall be resolved pursuant to the dispute resolution provisions set forth in Exhibit G and any exercise of the Carve-Out Option by CUSTOMER based on any such matter shall be deferred until such dispute is resolved.

(d) A "Change of Control" of PROVIDER means any (i) consolidation or merger of PROVIDER with or into another entity or entities (whether or not PROVIDER is the surviving entity), excluding any such consolidation or merger with or into GE or an Affiliate of GE, (ii) any sale or transfer by PROVIDER of fifty percent (50%) or more of its assets, excluding any such sale to GE or an Affiliate of GE, (iii) any sale, transfer or issuance or series of sales, transfers or issuances of shares or other voting securities of PROVIDER by PROVIDER or the holders thereof, as a result of which one holder, or a group of holders acting in concert (other than GE or an Affiliate of GE), acquires the voting power (under ordinary circumstances) to elect a majority of the board of directors (or similar managing group) of PROVIDER. Notwithstanding the foregoing, no transaction of the type described in clauses (i), (ii) or (iii) shall constitute a Change of Control of PROVIDER if, as of immediately following such transaction, persons that possess the voting power (under ordinary circumstances) to elect a majority of the board of directors (or similar managing group) of PROVIDER as of immediately prior to such transaction continue to hold (directly or indirectly) such voting power.

(e) "Fair Market Value" shall mean the fair market value of the Carve-Out Resources as proposed by CUSTOMER in its Carve-Out Option notice, served prior to the Notification Date, and agreed by PROVIDER. In the event of disagreement between the parties as to the fair market value of the Carve-Out Resources as specified in the Carve-Out Option notice, the parties shall appoint one (1) appraiser each and such two (2) appraisers will jointly appoint a third (3^{rd}) appraiser within thirty (30) days of such disagreement. Within sixty (60) days of their appointment, the three (3) appraisers will each determine and certify in writing the Fair Market Value of the Carve-Out Resources consistent with the methodology described below. The Fair Market Value shall be the average of the three (3) appraised values, which value shall be final and binding on the parties. For the purposes of this provision, an appraiser shall be an investment banker of international repute. Fair Market Value shall be determined by the appraisers pursuant to the methodology set forth in Schedule H-1 to this Exhibit H .

7.0 Terms and Conditions of Option. If the Carve-Out Option is exercised, the parties agree to consider in good faith and agree upon commercially reasonable terms and conditions for

the exercise of such option proposed by either party, including, without limitation, the terms and conditions (A) to optimize the consequences for both parties on their respective tax and regulatory positions (B) to optimize the fulfillment of the obligations of PROVIDER to its employees, or (C) to optimize the execution of the transition of the Carve-Out Resources from PROVIDER to CUSTOMER or its designee, or (D) to optimize the transaction structure, or combination of transaction structures, to minimize any adverse financial impact to either party, including, but not limited to, the consideration of joint ventures or equity ownership or asset sales or some combination thereof provided, that such optimization does not materially expand or reduce the rights of CUSTOMER relating to the Carve-Out Option.

8.0 Services Transfer Assistance. PROVIDER shall be obligated to provide Services Transfer Assistance to CUSTOMER until the Carve-Out is completed, but shall not be required to provide any portion of the Services provided to CUSTOMER under the MOAs after CUSTOMER has acquired from PROVIDER the Carve-Out Resources used by PROVIDER to provide such Services or to provide Services Transfer Assistance for (i) in the case of an exercise of the Carve-Out Option relating to the expiration of the Initial Term or a PROVIDER Divestiture, more than fourteen (14) months, and (ii) eighteen (18) months, in the case of an exercise of the Carve-Out Option relating to a Change of Control of PROVIDER; AND (iii) in any other case, twenty-four (24) months**.**

9.0 Payment Obligations. Upon completion of the Carve-Out, all outstanding MOAs and PSAs shall automatically terminate. The monetary consideration to be paid by CUSTOMER for the Carve-Out Resources upon the exercise of the Carve-Out Option shall be equal to (i) the Fair Market Value of the Carve-Out Resources if CUSTOMER exercises the Carve-out Option upon the expiration of the Initial Term, (ii) the book value and all related transition costs of the Carve-Out Resources at the time of transfer if CUSTOMER exercises the Carve-out Option following (a) a Material Breach of any MOA or PSA by PROVIDER, and (b) a Change of Control of PROVIDER or (iii) if CUSTOMER exercises the Carve-Out Option in connection with a PROVIDER Divestiture, the lesser of (y) the book value of the assets to be purchased by CUSTOMER or (z) the value of the divested operations relating to CUSTOMER implied by the consideration to be paid by the acquiror in the PROVIDER Divestiture. The methodology for calculating book value for purposes of this paragraph is set forth in Schedule H-2 to this Exhibit H**.**

10. Transfer of Carve-Out Resources. The Carve-Out Resources shall be transferred to CUSTOMER as set forth below (subject to any limitations on such transfer referred to in Section 2.0, above):

(a) Hardware. "Hardware" means the hardware and other furniture, fixtures and equipment owned or leased and then currently being used by PROVIDER exclusively to perform the Services under any MOA or PSA or to support such performance. To the extent any such items are not used by PROVIDER exclusively to perform the Services, PROVIDER shall assist CUSTOMER or its designee in purchasing, leasing or otherwise obtaining the use of comparable items.

(b) Third-Party Software. If PROVIDER has licensed or purchased and is using any Software licensed from a third-party exclusively to provide or support the provision of the Services under any MOA or PSA ("Third-Party Software"), CUSTOMER may elect to take, or elect to direct to its designee, a transfer or an assignment of any and all of the licenses for such software and any attendant maintenance agreements, provided that such licenses are by their terms transferable or assignable. To the extent any such licenses and the attendant current maintenance agreements are not used exclusively to provide Services to CUSTOMER or are not transferable or assignable by PROVIDER to CUSTOMER or its designee, PROVIDER shall assist CUSTOMER or its designee, in obtaining in the name of CUSTOMER or its designee and at the expense of CUSTOMER, a license for such software and a maintenance agreement for such software.

(c) PROVIDER Employees. CUSTOMER or its designee shall have the right to make offers of employment to any or all PROVIDER employees exclusively performing or supporting the performance of the Services ("PROVIDER Employees"). To the extent any PROVIDER Employees perform or support the performance of the Services on other than an exclusive basis (including all employees indirectly supporting the performance of the Services by providing administrative services, including legal, human resources, compliance and other services, ("Non-exclusive Employees"), PROVIDER and CUSTOMER shall use commercially reasonable efforts to allocate such Non-exclusive Employees in an equitable manner between the parties.

(d) Third-Party Agreements. "Third Party Agreements" means any third party agreements not otherwise treated in this Exhibit H, and used by PROVIDER exclusively in connection with Services being provided under any MOA or PSA, including, third party agreements for maintenance, business continuity and disaster recovery services and other necessary third party services then being used by PROVIDER to perform the Services. To the extent any such agreements are not used by PROVIDER exclusively to provide such Services or are not transferable by PROVIDER to CUSTOMER, PROVIDER shall assist CUSTOMER in obtaining in CUSTOMER's name, an agreement for comparable services.

(e) Facilities. PROVIDER will use commercially reasonable efforts to assist CUSTOMER in obtaining a facility comparable to the facility used by PROVIDER to provide the Services (the "Facility").

Schedule H-1

Fair Market Value Calculation

General methods for calculation shall be: (1) a Discounted Cash Flow (DCF) analysis based on the contractual cash flows represented by the aggregate Genworth MOAs and adjusted for carve-out costs; (2) multiples of Revenue, Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) and EBIT for comparable transactions at the time of carve out. Projected net cash flow will be discounted on the basis outlined below. The final valuation will consider market factors, making appropriate adjustments to the variables below.

1. DCF Methodology

Cash Flows In.

Cash flows in (revenue) will be calculated using Genworth Group payments as of the valuation date and projected forward over the Initial Term and Renewal Period, taking into account any future contractual margin reductions, historical volume trends, and any known events as documented in the most recent quarterly capacity management processes.

Cash Flows Out.

Expenses will be calculated as of the valuation date using actual expenses and projected forward taking into account the following categories and trends:

(a) C&B up 12%
(b) FX up 6%
(c) Facility down 4%
(d) Technology & Telecom down 8% and 15% respectively
(e) Direct support down 13%
(f) Other variable down 6%
(g) Overhead down 3%

NOTE: Expense trends will change over time and will be re-calculated based on the prevailing trends supported by the most recent annual pricing process.

Carve Out Costs Subtracted From DCF Valuation

Carve-out costs will include one-time costs including, without limitation, legal entity set-up, transaction costs, capital investments, and the costs to replace assets and personnel required for the Genworth Group to continue the operations of its Insurance business on a stand-alone basis

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in substantially the same manner as immediately prior to the exercise of the Carve-Out Option, but which are not to be transferred from GECIS to Genworth at the time of the carve-out.

Term

The term shall be the initial term of the contract and the renewal term.

Discount Rates

The discount rate applied to the cash flows shall be determined to take into account the following factors:

(1) private company with a single customer.
(1) Cost of Capital of Comparable companies
(2) sufficient to generate an after tax equity return
(3) growth rate.

Final DCF Valuation.

The final DCF valuation shall take into consideration NPV of future cash flows over the Initial Term and Renewal Period and may be adjusted for any market conditions that apply to companies of similar characteristics with respect to market space, company maturity, cash flow profile and general market conditions.

2. Multiples Valuation Methodology

The multiples valuations will be based upon the stated revenue and pre-tax earnings for the PROVIDER insurance segment servicing the Genworth Group under the MOAs in the most recent year. Multiples will be applied from comparable transactions to the calculated EBITDA and EBIT amounts, and to the stated revenue.

Final Valuation

In case of disagreement, the final valuation shall be developed by the appraisers appointed in accordance with Section 6.0(e) of Exhibit H, taking into account the factors outlined above.

Schedule H-2

Book Value Calculation

General method for calculating book value shall be aggregation of transferable assets and transferable liabilities. An illustrative asset category list is included below for the purposes of describing the form analysis to be completed as of the valuation date.

Un-audited Initial Asset Value	Total
$K	
Account Head	
Assets	
Cash & Bank Balance	
Receivables	236
Accrued Revenues	2,529
Loans to Employees	241
Travel Advances	265
Security Deposit / Adv. Rent	504
Project Advances	—
Fixed Assets (Net)	6,973
Inter Company Deposits/Loans	—
Investment in Countrywide by Mauritius	—
Inter Co Balances(cost sharing)	—
Other Assets	706
Total Assets	11,455

Assets

At the time the Carve-Out Option is exercised under circumstances requiring payment of the book value of the Carve-Out Resources (a “book value carve out”), the parties will analyze each asset and evaluate its transferability to the Genworth Group in accordance with Exhibit H (i.e. those that are indentifiable and severable). Only such Carve-Out Resources as are actually transferred shall be included in the calculation of Book Value.

Liabilities

The above calculation assumes that no liabilities (other than Carve-Out Resources) are transferred to Genworth in a book value carve out situation. At the time of a book value carve out, Genworth and PROVIDER will evaluate the transferability of liabilities pertaining directly to the Genworth Group and may agree that such liabilities will be transferred to the Genworth Group All such transferred liabilities will be deducted from the asset values to arrive at book value to be paid to PROVIDER.

EXHIBIT I

Intellectual Property

ARTICLE I
Ownership

Section 1.01. Ownership of Pre-Closing IP and Solely Developed IP.

As between CUSTOMER and PROVIDER (i) all Technology and Intellectual Property owned or licensed by CUSTOMER or its Affiliates or PROVIDER or its Affiliates prior to the Execution Date shall continue to be so owned or licensed after the Execution Date, (ii) all Technology and Intellectual Property acquired, developed or licensed solely by or on behalf of CUSTOMER or its Affiliates or solely by or on behalf of PROVIDER or its Affiliates after the Execution Date and used in connection with the Services provided under the Agreement and PSAs shall continue to be owned or licensed by the applicable acquiror, developer or licensee.

Section 1.02. Ownership of Post-Closing IP Jointly-Developed - Default Rule and Modification of Default Rule

After the Execution Date, as between CUSTOMER and PROVIDER, all Technology and Intellectual Property developed jointly by or on behalf of PROVIDER and CUSTOMER pursuant to, or in connection with, the Agreement and PSAs shall be owned by PROVIDER. PROVIDER and CUSTOMER may agree in any PSA executed after the Execution Date that certain Technology or Intellectual Property that would otherwise be owned by PROVIDER shall be owned, as between the parties, by CUSTOMER. This Agreement and the PSAs shall not assign any rights to Technology or Intellectual Property between the parties other than as specifically set forth herein or in a PSA.

Section 1.03. Residual Knowledge.

Notwithstanding anything to the contrary contained in this Agreement or any PSA, PROVIDER and CUSTOMER may further develop their generalized knowledge, skills and experience, and the mere subsequent use by the parties of such knowledge, skills and experience shall not constitute a breach of this Agreement, subject to their obligations respecting CUSTOMER's Confidential Information or PROVIDER Confidential Information, as the case may be, pursuant to the Agreement.

ARTICLE II
License Grant

Section 2.01. Grant from PROVIDER to CUSTOMER and its Affiliates.

(a) PROVIDER hereby grants, and will cause its Affiliates to grant, to CUSTOMER and its Affiliates a non-exclusive, irrevocable, royalty-free, fully paid up,

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worldwide, perpetual right and license, with no right to sublicense except as provided herein, under the PROVIDER Licensed Technology: (i) to allow employees, directors and officers of CUSTOMER and its Affiliates to use and practice the PROVIDER Licensed Technology for internal purposes, (ii) to make, have made, use, sell, have sold, import, and otherwise commercialize Licensed Products and Services and (iii) to create Improvements in accordance with Section 2.03 of this Exhibit I.

(b) Subject to paragraph (e), below, CUSTOMER and its Affiliates may grant sublicenses of the right and license granted under this Section 2.01 of this Exhibit I to an acquiror of any of the businesses, operations or assets of CUSTOMER or its Affiliates to which this Agreement relates, which acquiror executes an agreement to be bound by all obligations of CUSTOMER and its Affiliates under this Exhibit I relating to such right and license (a copy of which agreement is provided to PROVIDER). CUSTOMER and its Affiliates may assign the right and license granted under this Section 2.01 of this Exhibit I in accordance with Section 5.01 of this Exhibit I.

(c) Subject to Section 11.0 (Confidentiality) of the Agreement, CUSTOMER and its Affiliates may permit their suppliers, contractors and consultants to exercise the right and license granted to CUSTOMER and its Affiliates under this Section 2.01 of this Exhibit I on behalf of and at the direction of CUSTOMER and its Affiliates (and not solely for the benefit of such suppliers, contractors and consultants).

(d) Subject to Section 11.0 (Confidentiality), CUSTOMER and its Affiliates may permit employees, directors and officers of their customers and suppliers in the ordinary course of CUSTOMER's business (and not Persons who are customers or suppliers merely to access and use the PROVIDER Licensed Technology) to use training and productivity-enhancing Software and documentation that is subject to the right and license granted under this Section 2.01 of this Exhibit I and is for general use by customers and suppliers, provided that CUSTOMER's or its Affiliates' purpose in permitting such use is to benefit the business of CUSTOMER or its Affiliates, provided further that such customers and suppliers may not use any such Software and documentation in advertising, publicity or marketing activities without PROVIDER'S prior written approval, which approval will not be unreasonably withheld.

(e) Notwithstanding anything in this Agreement or any PSA to the contrary, CUSTOMER and its Affiliates shall not sublicense, assign or otherwise provide to any third party (including any acquiring entity, contractor, consultant, customer or supplier of CUSTOMER or its Affiliates) any of the Technology or Intellectual Property set forth on Schedule I-1, without the prior written consent of General Electric Company, which will not be unreasonably withheld. For the avoidance of doubt, it shall not be unreasonable to withhold such consent if any such acquiring entity, contractor, consultant, customer or supplier is a competitor of PROVIDER or its Affiliates. The parties may mutually agree in a PSA executed after the Execution Date to amend Schedule I-1 to include additional Technology or Intellectual Property.

Section 2.02. Grant from CUSTOMER to PROVIDER and its Affiliates.

(a) (i) CUSTOMER hereby grants, and will cause its Affiliates to grant, to PROVIDER and its Affiliates a non-exclusive, royalty-free, irrevocable subject to paragraph (e) below, fully paid up, worldwide right and license, with no right to sublicense except as provided herein, under the CUSTOMER Licensed

Technology: (A) to allow employees, directors and officers of PROVIDER and its Affiliates to use and practice the CUSTOMER Licensed Technology for internal purposes, (B) to make, have made, use, sell, have sold, import, and otherwise commercialize Licensed Products and Services and (C) to create Improvements in accordance with Section 2.03 of this Exhibit I.

(ii) In addition to the foregoing right and license, CUSTOMER hereby grants, and shall cause its Affiliates to grant, to PROVIDER a non-exclusive, royalty-free, fully paid up, worldwide right and license, irrevocable during the term of this Agreement and with no right to sublicense, to use all CUSTOMER Licensed Technology, trademarks, service marks, trade dress, logos and other identifiers of source owned by CUSTOMER or its Affiliates and provided to PROVIDER for the sole purpose of providing Services to CUSTOMER and its Affiliates under the Agreement and PSAs. PROVIDER shall comply with all reasonable quality control standards and guidelines provided by CUSTOMER to PROVIDER in writing that are intended to protect the goodwill associated with such trademarks, service marks, trade dress, logos and other identifiers of source. PROVIDER may permit its suppliers, contractors and consultants to exercise such right and license on behalf of and at the direction of PROVIDER (and not for the benefit of such suppliers, contractors and consultants), subject to the prior written consent of CUSTOMER (which shall not be required in the case of temporary employees of PROVIDER and which, otherwise, shall not be unreasonably withheld) and the receipt of any necessary regulatory approval.

(b) Subject to the provisions of Section 10.0 (Assignment and Subcontracting) of the Agreement, PROVIDER and its Affiliates may grant sublicenses of the right and license granted under this Section 2.02 of this Exhibit I to an acquiror of any of the businesses, operations or assets of PROVIDER or its Affiliates to which this Agreement relates, which acquiror executes an agreement to be bound by all obligations of PROVIDER and its Affiliates under this Exhibit I relating to such right and license (a copy of which agreement is provided to CUSTOMER). PROVIDER and its Affiliates may assign the right and license granted under this Section 2.02 of this Exhibit I in accordance with Section 5.01 of this Exhibit I.

(c) Subject to the provisions of Section 11.0 ("Confidentiality") and Section 10 ("Assignment and Subcontracting") of the Agreement, PROVIDER and its Affiliates may permit their suppliers, contractors and consultants to exercise the right and license granted to PROVIDER and its Affiliates under this Section 2.02 of this Exhibit I on behalf of and at the direction of PROVIDER and its Affiliates (and not solely for the benefit of such suppliers, contractors and consultants).

(d) Subject to the provisions of Section 11.0 ("Confidentiality") of the Agreement, PROVIDER and its Affiliates may permit employees, directors and officers of their customers and suppliers in the ordinary course of PROVIDER' business (and not Persons who

are customers or suppliers merely to access and use the CUSTOMER Licensed Technology) to use training and productivity-enhancing Software and documentation that is subject to the right and license granted under this Section 2.02 of this Exhibit I and is for general use by customers and suppliers, provided that PROVIDER' or its Affiliates' purpose in permitting such use is to benefit the business of PROVIDER or its Affiliates, provided further that such customers and suppliers may not use any such Software and documentation in advertising, publicity or marketing activities without CUSTOMER's prior written approval, which approval will not be unreasonably withheld.

(e) PROVIDER, its Affiliates and their respective sub-licensees shall have no license to any CUSTOMER Licensed Technology following the expiration or termination of the Agreement or all PSAs to which such CUSTOMER Licensed Technology relates (including any termination in connection with the exercise by CUSTOMER of the Carve-Out Option), unless otherwise specifically agreed in the Agreement or any PSA. For the avoidance of doubt, the licenses under this Section 2.02 of this Exhibit I shall continue during the provision of any Services Transfer Assistance.

Section 2.03. Improvements. Improvements and all Intellectual Property rights therein made solely by or on behalf of the Licensee shall be owned by the Licensee. Improvements jointly developed by Licensee and Licensor shall be owned by PROVIDER. For the avoidance of doubt, (i) Licensee shall not own any Intellectual Property rights or Technology licensed to Licensee hereunder and (ii) each party may freely assign or license Improvements owned by it but shall not have the right to assign any Intellectual Property or Technology of the other party and shall only have the right to sublicense Intellectual Property or Technology of the other party as expressly set forth herein. No rights are granted to the other party to any Improvements owned by each party, unless such Improvements are otherwise subject to the provisions of Sections 2.01 or 2.02 of this Exhibit I.

Section 2.04. Section 365(n) of the Bankruptcy Code. All rights and licenses granted under this Exhibit I are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "**Bankruptcy Code**"), licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The parties shall retain and may fully exercise all of their respective rights and elections under the Bankruptcy Code.

Section 2.05. Customers. Each party agrees that it will use reasonable efforts to not knowingly bring any legal action or proceeding against, or otherwise communicate with, any customer of the other party with respect to any alleged infringement, misappropriation or violation of any Intellectual Property of such party licensed hereunder based on such customer's use of the other party's products or services without first providing the other party written notice of such alleged infringement, misappropriation or violation.

Section 2.06. Reservation of Rights. All rights not expressly granted by a party hereunder are reserved by such party. Without limiting the generality of the foregoing, the parties expressly acknowledge that nothing contained herein shall be construed or interpreted as a grant, by implication or otherwise, of any licenses other than the licenses expressly set forth in

this Article II. The licenses granted in Sections 2.01 and 2.02 of this Exhibit I are subject to, and limited by, any and all licenses, rights, limitations and restrictions with respect to, as applicable, the PROVIDER Licensed Technology and the CUSTOMER Licensed Technology previously granted to or otherwise obtained by any third party that are in effect as of the Execution Date.

Section 2.07. Delivery of Software.

(a) Either party may request one (1) copy of Software or other electronic or written documentation ("Electronic Materials") that (i) is subject to the license granted to such requesting party under this Article II and (ii) has not already been provided to the requesting party since the Execution Date. The delivering party shall make available or deliver to the requesting party a copy of any such Software or Electronic Materials that are in existence at the time of such request.

(b) All Software and Electronic Materials required to be made available to or delivered to a Licensee pursuant to Section 2.07(a) of this Exhibit I will be delivered by the Licensor to the Licensee electronically, or with the assistance of the Licensor, downloaded by the Licensee from the Internet, provided that the Licensee complies with all reasonable security measures implemented by the Licensor.

Section 2.08. Liability for Acts of Permitted Users and Sublicensees.

Each Licensee shall be liable to the Licensor for the acts and omissions of the Licensee's sublicensees and other persons permitted to use any Intellectual Property or Technology of the Licensor in accordance with this Article II as though such persons were licensees thereunder.

ARTICLE III
Covenants

Section 3.01. **Ownership**. No party shall represent that it has any ownership interest in any Intellectual Property or Technology of the other party licensed hereunder.

Section 3.02. **Prosecution and Maintenance**. Each party retains the sole right to protect at its sole discretion the Intellectual Property and Technology owned by such party, including, without limitation, deciding whether to file and prosecute applications to register patents, copyrights and mask work rights included in such Intellectual Property, whether to abandon prosecution of such applications, and whether to discontinue payment of any maintenance or renewal fees with respect to any patents included in such Intellectual Property.

Section 3.03. **Third Party Infringements, Misappropriations, Violations**.

(a) Subject to any confidentiality restrictions that would prevent such disclosure, each party shall promptly notify the other party in writing of any actual or possible infringements, misappropriations or other violations of the Technology or Intellectual Property of the other party being licensed hereunder by a third party that come to such party's attention, as

well as the identity of such third party or alleged third party and any evidence of such infringement, misappropriation or other violation within such party's custody or control. The other party shall have the sole right to determine at its sole discretion whether any action shall be taken in response to such infringements, misappropriations or other violations.

(b) Subject to any confidentiality restrictions that would prevent such disclosure, each party shall promptly notify the other party in writing upon learning of the existence or possible existence of rights held by any third party that may be infringed, misappropriated or otherwise violated by the use or practice of the Technology or Intellectual Property of the other party (or any element or portion thereof) licensed hereunder, as well as the identity of such third party and any evidence relating to such purported infringement, misappropriation or other violation within such party's custody or control. Such party shall cooperate fully with the other party to avoid infringing, misappropriating or violating any third party intellectual property rights, and shall discontinue all use and practice of such Technology or Intellectual Property that is the subject of such purported infringement, misappropriation or other violation upon the reasonable request of the other party.

(c) Subject to any confidentiality restrictions that would prevent such disclosure, each party shall promptly notify the other party in writing upon learning of the existence or possible existence of rights held by any third party that may be infringed, misappropriated or otherwise violated by the use or practice of the Technology or Intellectual Property (or any element or portion thereof) licensed to the other party hereunder, as well as the identity of such third party. The other party shall cooperate fully with such party to avoid infringing, misappropriating or violating any third party intellectual property rights, and shall discontinue all use and practice of such Technology or Intellectual Property that is the subject of such purported infringement, misappropriation or other violation upon the reasonable request of such party, and shall provide such party any evidence relating to such purported infringement, misappropriation or other violation within the other party's custody or control.

Section 3.04. **Patent Marking**. Each party acknowledges and agrees that it will comply with all reasonable requests of the other party relative to patent markings required to comply with or obtain the benefit of statutory notice or other provisions.

ARTICLE IV
No Termination

Notwithstanding anything to the contrary contained herein or in the Agreement, but subject to Section 2.02(e) of this Exhibit I, the terms and conditions of this Exhibit I may only be terminated upon the mutual written agreement of the parties. In the event of a breach of the terms or conditions of this Exhibit I, the sole and exclusive remedy of the non-breaching party shall be to recover monetary damages and/or to obtain injunctive or equitable relief as otherwise provided in the Agreement.

ARTICLE V
General Provisions

Section 5.01. **Assignment.**

(a) The rights and duties under this Exhibit I shall not be assignable or delegable, in whole or in part, by any party hereto to any third party, including, without limitation, Affiliates of any party, without the prior written consent of the other party hereto and any necessary regulatory approval, and any attempted assignment or delegation without such consent shall be null and void. Notwithstanding the foregoing, the rights and duties under this Exhibit I may be assigned by any party as follows without obtaining the prior written consent of the other party hereto:

(i) PROVIDER, in its sole discretion, may assign any or all of its rights under this Exhibit I, and may delegate any or all of its duties under this Exhibit I to any Affiliate of PROVIDER at any time, which expressly accepts such assignment in writing and assumes, as applicable, any such obligations, provided that PROVIDER shall continue to remain liable for the performance by such assignee;

(ii) CUSTOMER, in its sole discretion, may assign any or all of its rights under this Exhibit I, and may delegate any or all of its duties under this Exhibit I to any Affiliate of CUSTOMER at any time, which expressly accepts such assignment in writing and assumes, as applicable, any such obligations, provided that CUSTOMER shall continue to remain liable for the performance by such assignee; and

(iii) Subject to Section 2.01(e) of this Exhibit I, each party may assign any or all of its rights, or delegate any or all of its duties, under this Exhibit I to (i) an acquiror of all or substantially all of the equity or assets of the business of such party to which this Agreement relates or (ii) the surviving entity in any merger, consolidation, equity exchange or reorganization involving such party, provided that such acquiror or surviving entity, as the case may be, executes an agreement to be bound by all the obligations of such party under this Exhibit I (a copy of which agreement is provided to the other party).

(b) If a party requests the written consent of the other party to any assignment of this Agreement, the other party agrees to negotiate in good faith with such party regarding such consent. The terms and conditions of this Exhibit I shall also be binding upon and inure to the benefit of and be enforceable by the successors, legal representatives and permitted assigns of each party hereto. All license rights and covenants contained herein shall run with all Intellectual Property of any party licensed hereunder and shall be binding on any successors in interest or assigns thereof.

Section 5.02. **Warranty and Disclaimer.** NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN OR IN ANY PSA, BUT SUBJECT TO THE INDEMNITIES CONTAINED IN SECTION 12 OF THE AGREEMENT, THE INTELLECTUAL PROPERTY AND TECHNOLOGY LICENSED BY EACH PARTY TO THE OTHER PARTY PURSUANT TO THIS AGREEMENT IS FURNISHED "AS IS", WITH

ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, QUALITY, USEFULNESS, COMMERCIAL UTILITY, ADEQUACY, COMPLIANCE WITH ANY LAW, DOMESTIC OR FOREIGN AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.

Section 5.03. Assumption of Risk.

(a) Except as provided in Section 15.1(f) of the Agreement or any PSA entered into after the Execution Date, CUSTOMER, on behalf of itself and its Affiliates, hereby assumes all risk and liability in connection with their use of the PROVIDER Licensed Technology.

(b) Except as provided in Section 12.2 of the Agreement or any PSA executed after the Execution Date, PROVIDER, on behalf of itself and its Affiliates, hereby assumes all risk and liability in connection with their use of the CUSTOMER Licensed Technology.

Section 5.04. Amendment by PSA. The parties may agree in any PSA to amend the terms and conditions of the licenses granted under this Exhibit I.

Schedule I-1

Restricted Intellectual Property

	Name of Restricted Intellectual Property Innovation	US Business alignment and COE	Brief Notes
1	Migration Toolkit	GECIS	
2	Multi Collinearity Macro	GEFA -ACOE	Macro uses advanced features of SAS. This basically performs the data diagnostics before the modeling process begins.
3	Reconciliation Reporting tool	GEFA -FCOE	Used across GECIS Finance processes -has the capability to capture information at item level (open items for purpose of reconciliation).

EXHIBIT J

Business Associate Addendum

I. Purpose.

In order to disclose certain information to PROVIDER under this Addendum, some of which may constitute Protected Health Information ("PHI") (defined below), CUSTOMER and PROVIDER mutually agree to comply with the terms of this Addendum for the purpose of satisfying the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing privacy regulations at 45 C.F.R. Parts 160-164 ("HIPAA Privacy Rule"). These provisions shall apply to PROVIDER to the extent that PROVIDER is considered a "Business Associate" under the HIPAA Privacy Rule and all references in this section to Business Associates shall refer to PROVIDER. Capitalized terms not otherwise defined herein shall have the meaning assigned in the Agreement. Notwithstanding anything else to the contrary in the Agreement, in the event of a conflict between this Addendum and the Agreement, the terms of this Addendum shall prevail.

II. Permitted Uses and Disclosures.

A. Business Associate agrees to use or disclose Protected Health Information ("PHI") that it creates for or receives from CUSTOMER or any other member of the Genworth Group only as follows. The capitalized term "Protected Health Information or PHI" has the meaning set forth in 45 C.F.R. Section 164.501, as amended from time to time. Generally, this term means individually identifiable health information including, without limitation, all information, data and materials, including without limitation, demographic, medical and financial information, that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past present, or future payment for the provision of health care to an individual; and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual. This definition shall include any demographic information concerning members and participants in, and applicants for, health benefit plans of the Genworth Group. All other terms used in this Addendum shall have the meanings set forth in the applicable definitions under the HIPAA Privacy Rule.

B. Functions and Activities on Company's Behalf. Business Associate is permitted to use and disclose PHI it creates for or receives from the Genworth Group only for the purposes described in this Addendum or the Agreement that are not inconsistent with the provisions of this Addendum, or as required by law, or following receipt of prior written approval from members of the Genworth Group for which the relevant PHI was created or from which the relevant PHI was received. In addition to these specific requirements below, Business Associate may use or disclose PHI only in a manner that would not violate the HIPAA Privacy Rule if done by the applicable members of the Genworth Group.

C. Business Associate's Operations. Business Associate is permitted by this Agreement to use PHI it creates for or receives from the Genworth Group: (i) if such use is reasonably necessary for Business Associate's proper management and administration; and (ii) as reasonably necessary to carry out Business Associate's legal responsibilities. Business Associate is permitted to disclose PHI it creates for or receives from the Genworth Group for the purposes identified in this Section only if the following conditions are met:

(1) The disclosure is required by law; or

(2) The disclosure is reasonably necessary to Business Associate's proper management and administration, and Business Associate obtains reasonable assurances in writing from any person or organization to which Business Associate will disclose such PHI that the person or organization will:

a. Hold such PHI as confidential and use or further disclose it only for the purpose for which Business Associate disclosed it to the person or organization or as required by law; and

b. Notify Business Associate (who will in turn promptly notify the members of the Genworth Group for which the relevant PHI was created or from which the relevant PHI was received) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.

D. Minimum Necessary Standard. In performing the functions and activities on behalf of the Genworth Group pursuant to the Agreement, Business Associate agrees to use, disclose or request only the minimum necessary PHI to accomplish the purpose of the use, disclosure or request. Business Associate must have in place policies and procedures that limit the PHI disclosed to meet this minimum necessary standard.

E. Prohibition on Unauthorized Use or Disclosure. Business Associate will neither use nor disclose PHI it creates or receives for or from the Genworth Group, or from another business associate of the Genworth Group, except as permitted or required by this Addendum or the Agreement that are not inconsistent with the provisions of this Addendum, or as required by law, or following receipt of prior written approval from members of the Genworth Group for which the relevant PHI was created or from which the relevant PHI was received.

F. De-identification of Information. Business Associate agrees neither to de-identify PHI it creates for or receives from the Genworth Group or from another business associate of the Genworth Group, nor use or disclose such de-identified PHI, unless such de-identification is expressly permitted under the terms and conditions of this Addendum or the Agreement and related to the Genworth Group's activities for purposes of "treatment", "payment" or "health care operations", as those terms are defined under the HIPAA Privacy Rule. De-identification of PHI, other than as expressly permitted under the terms and conditions of the Addendum for Business Associate to perform services for the Genworth Group, is not a permitted use of PHI under this Addendum. Business Associate further agrees that it will not create a "Limited Data Set" as defined by the HIPAA Privacy Rule using PHI it creates or receives, or receives from another business associate of the Genworth Group, nor use or disclose such Limited Data Set unless: (i) such creation, use or disclosure is expressly permitted under the terms and conditions

of this Addendum or the Agreement that are not inconsistent with the provisions of this Addendum; and such creation, use or disclosure is for services provided by Business Associate that relate to the Genworth Group's activities for purposes of "treatment", "payment" or "health care operations", as those terms are defined under the HIPAA Privacy Rule.

G. Information Safeguards. Business Associate will develop, document, implement, maintain and use appropriate administrative, technical and physical safeguards to preserve the integrity and confidentiality of and to prevent non-permitted use or disclosure of PHI created for or received from the Genworth Group. These safeguards must be appropriate to the size and complexity of Business Associate's operations and the nature and scope of its activities. Business Associate agrees that these safeguards will meet any applicable requirements set forth by the U.S. Department of Health and Human Services, including (as of the effective date or as of the compliance date, whichever is applicable) any requirements set forth in the final HIPAA security regulations. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate resulting from a use or disclosure of PHI by Business Associate in violation of the requirements of this Addendum.

III. Conducting Standard Transactions. In the course of performing services for the Genworth Group, to the extent that Business Associate will conduct Standard Transactions for or on behalf of the Genworth Group, Business Associate will comply, and will require any subcontractor or agent involved with the conduct of such Standard Transactions to comply, with each applicable requirement of 45 C.F.R. Part 162. "Standard Transaction(s)" shall mean a transaction that complies with the standards set forth at 45 C.F.R. parts 160 and 162. Further, Business Associate will not enter into, or permit its subcontractors or agents to enter into, any trading partner agreement in connection with the conduct of Standard Transactions for or on behalf of the Genworth Group that:

a. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;

b. Adds any data element or segment to the maximum defined data set;

c. Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or

d. Changes the meaning or intent of the Standard Transaction's implementation specification.

IV. Sub-Contractors, Agents or Other Representatives. Business Associate will require any of its subcontractors, agents or other representatives to which Business Associate is permitted by this Addendum or the Agreement (or is otherwise given by the applicable member of the Genworth Group's prior written approval) to disclose any of the PHI Business Associate creates or receives for or from the Genworth Group, to provide reasonable assurances in writing that subcontractor or agent will comply with the same restrictions and conditions that apply to the Business Associate under the terms and conditions of this Addendum with respect to such PHI.

IV Protected Health Information Access, Amendment and Disclosure Accounting.

A. Access. Business Associate will promptly upon the request of a member of the Genworth Group make available to such member, or, such members, or, at the direction of the applicable member of the Genworth Group, to the individual (or the individual's personal representative) for inspection and obtaining copies any PHI about the individual which Business Associate created for or received from the Genworth Group and that is in Business Associate's custody or control, so that the Genworth Group may meet its access obligations under 45 Code of Federal Regulations § 164.524.

B. Amendment. Upon the request of a member of the Genworth Group, Business Associate will promptly amend or permit such member access to amend any portion of the PHI which Business Associate created for or received from such member of the Genworth Group, and incorporate any amendments to such PHI, so that the members of the Genworth Group may meet their amendment obligations under 45 Code of Federal Regulations § 164.526.

C. Disclosure Accounting. So that the members of the Genworth Group may meet their disclosure accounting obligations under 45 Code of Federal Regulations § 164.528:

1. Disclosure Tracking. Business Associate will record for each disclosure, not excepted from disclosure accounting under Section V.C.2 below, that Business Associate makes to the Genworth Group of PHI that Business Associate creates for or receives from the Genworth Group, (i) the disclosure date, (ii) the name and member or other policy identification number of the person about whom the disclosure is made, (iii) the name and (if known) address of the person or entity to whom Business Associate made the disclosure, (iv) a brief description of the PHI disclosed, and (v) a brief statement of the purpose of the disclosure (items i-v, collectively, the "disclosure information"). For repetitive disclosures Business Associate makes to the same person or entity (including the Genworth Group) for a single purpose, Business Associate may provide a) the disclosure information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures and (c) the date of the last of these repetitive disclosures. Business Associate will make this disclosure information available to the Genworth Group promptly upon the Genworth Group's request.

2. Exceptions from Disclosure Tracking. Business Associate need not record disclosure information or otherwise account for disclosures of PHI that this Addendum or the applicable member of the Genworth Group in writing permits or requires (i) for the purpose of treatment activities of the Genworth Group's payment

activities, or health care operations, (ii) to the individual who is the subject of the PHI disclosed or to that individual's personal representative; (iii) to persons involved in that individual's health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to law enforcement officials or correctional institutions regarding inmates; or (vii) pursuant to an authorization; (viii) for disclosures of certain PHI made as part of a Limited Data Set; (ix) for certain incidental disclosures that may occur where reasonable safeguards have been implemented; and (x) for disclosures prior to April 14, 2003.

3. Disclosure Tracking Time Periods. Business Associate must have available for the Genworth Group the disclosure information required by this section for the 6 years preceding their request for the disclosure information (except Business Associate need have no disclosure information for disclosures occurring before April 14, 2003).

VI. Additional Business Associate Provisions.

A. Reporting of Breach of Privacy Obligations. Business Associate will provide written notice to the members of the Genworth Group for which the relevant PHI was created or from which the relevant PHI was received of any use or disclosure of PHI that is neither permitted by this Addendum nor given prior written approval by the applicable member of the Genworth Group promptly after Business Associate learns of such non-permitted use or disclosure. Business Associate's report will at least:

(i) Identify the nature of the non-permitted use or disclosure;

(ii) Identify the PHI used or disclosed;

(iii) Identify who made the non-permitted use or received the non-permitted disclosure;

(iv) Identify what corrective action Business Associate took or will take to prevent further non-permitted uses or disclosures;

(v) Identify what Business Associate did or will do to mitigate any deleterious effect of the non-permitted use or disclosure; and

(vi) Provide such other information, including a written report, as the applicable member of the Genworth Group may reasonably request.

B. Amendment. Upon the effective date of any final regulation or amendment to final regulations promulgated by the U.S. Department of Health and Human Services with respect to PHI, including, but not limited to the HIPAA privacy and security regulations, this Addendum and the Agreement will automatically be amended so that the obligations they impose on Business Associate remain in compliance with these regulations.

In addition, to the extent that new state or federal law requires changes to Business Associate's obligations under this Addendum, this Addendum shall automatically be amended to include such additional obligations, upon notice by any member of the Genworth Group to Business Associate of such obligations. Business Associate's continued performance of services under the Agreement shall be deemed acceptance of these additional obligations.

C. Audit and Review of Policies and Procedures. Business Associate agrees to provide, upon request by any member of the Genworth Group, access to and copies of any policies and procedures developed or utilized by Business Associate regarding the protection of PHI. Business Associate agrees to provide, upon such request, access to Business Associate's internal practices, books, and records, as they relate to Business Associate's services, duties and

obligations set forth in this Addendum and the Agreement(s) under which Business Associate provides services and / or products to or on behalf of the Genworth Group, for purposes of their review of such internal practices, books, and records.

EXHIBIT K

Change Control Procedure

PURPOSE: Establish an efficient and effective means to control updates, modifications and other changes to the Agreement, including, without limitation, the scope of the Services, Dedicated FTEs, Performance Standards, Charges, Exhibits, Schedules and PSAs.

PROCESS: Consistent with the Agreement, the following process shall be followed to originate, process and maintain control over Change Order Requests and Change Orders under the Agreement.

A. Either PROVIDER or CUSTOMER may identify and submit for consideration a proposed change to the Agreement.

B. All requests for changes shall be submitted in writing to the Account Executives designated by PROVIDER and CUSTOMER. The following areas should be clearly addressed in each Change Order Request:

1. Origination;

2. Clear statement of requested change;

3. Rationale for change;

4. Impact of requested change in terms of operations, cost, schedule and compliance with the matters referred to in Section 19.0 of this Agreement;

5. Effect of change if accepted;

6. Effect of rejection of change;

7. Recommended level of priority;

8. Date final action is required; and

9. Areas for signature by the approval authorities of each party.

C. The Account Executives shall review all Change Order Requests, determine whether to recommend the Change Order Request be accepted or rejected by the parties and forward the Change Order Request, their individual recommendations and the basis for their recommendations to PROVIDER and CUSTOMER for a final decision.

D. The Account Executives will be responsible for the final approval of all Change Order Requests.

E. The Account Executives will be responsible for the implementation of all Change Orders approved pursuant to Change Order Requests, including the coordination of the preparation and execution by the parties of addendums to the Agreement and/or its associated Exhibits to incorporate each requested and agreed change into the Agreement, as applicable.

F. No Change Order or change shall be effective or binding upon the parties to the Agreement until an addendum to the Agreement and/or its associated Exhibits , as applicable, incorporating such change into the Agreement and/or its associated Exhibits has been executed by PROVIDER and CUSTOMER.

G. Requests for changes shall use the format provided below:

CHANGE ORDER REQUEST FORM

CHANGE ORDER REQUEST NUMBER:

ORIGINATOR:

REQUESTED CHANGE:

RATIONALE FOR CHANGE:

EFFECT OF CHANGE ACCEPTANCE:

IMPACT OF CHANGE REJECTION:

PRIORITY:

DATE FINAL ACTION ON CHANGE ORDER IS REQUIRED:

DISPOSITION OF REQUEST:

CHANGE ORDER NUMBER:

[Note: Attach any documents, comments or notes that explain, describe or otherwise support the Change Order Request.]

______________	**APPROVED**	______________	**APPROVED**
______________	**REJECTED**	______________	**REJECTED**
______________	**REJECTED WITH COMMENT**	______________	**REJECTED WITH COMMENT**

Approved as of: ____________________________

CUSTOMER Account Executive **PROVIDER Account Executive**

EXHIBIT L

PSAs and Base Costs

Original MOA: Master Outsourcing Agreement between First Colony Life Insurance Company and GE Capital International Services dated April 26, 2000.

The following PSAs are governed by this Agreement:

		FTE Rates		
PSA PPC ID No.	**PSA & Amendments Index No.**	**Y(0) Base Cost per FTE (2003)**	**Y(0) Baseline Charges per FTE (2003)**	**New Charges per FTE for Initial Contract Year (2004)**
FCL – 1244-01	F23, F23.1	**	**	**
FCL –1244-02	F23, F23.1	**	**	**
FCL –1272-01	F-27	**	**	**
FCL –1734-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL –1737-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL – 1738-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL– 1759-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL – 1759-02	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL –1967-90	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL – 1969-01	F-21	**	**	**
FCL – 1975-01	F-14	**	**	**

FCL – 1977-90	F-10, F10.1, F10.2, F10.3	**	**	**
FCL – 1981-01	F6, F6.1	**	**	**
FCL – 1981-02	F-6, F-6.1	**	**	**
FCL – 1984-01	F-7, F-37	**	**	**
FCL – 1985-01	F-10, F10.1, F10.2, F10.3	**	**	**
FCL – 1987-01	F-27	**	**	**
FCL – 2182-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL – 2246-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL – 2306-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL – 2491-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL – 2764-01	F-10, F-10.1, F-10.2, F-10.3	**	**	**
FCL –2924-01	F-42	**	**	**
FCL – 3066-01	F-23, F-23.1	**	**	**
FCL – 3145-01	F-43	**	**	**
FCL – 3111301	F-25, F-25.1, F-25.2	**	**	**
FCL - 3111501	F-25, F-25.1, F-25.2	**	**	**
FCL - 3111701	F-25, F-25.1, F-25.2	**	**	**
FCL -3112801	F-25, F-25.1, F-25.2	**	**	**
FCL – 3380-01	F-10.3	**	**	**
FCL-1964-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL-1963-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL-1959-90	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL-1737-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL-1960-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL-1962-01	PSAs: F28, F28.1, DOS: F42	**	**	**
FCL-1152-99	PSAs: F33, DOS: F40	**	**	**

Exhibit 10.36

CONFIDENTIAL TREATMENT REQUESTED: INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND NOTED WTH "". AN UNREDACTED VERSION OF THIS DOCUMENT HAS ALSO BEEN PROVIDED TO THE SECURITIES AND EXCHANGE COMMISSION.**

AMENDED AND RESTATED

MASTER OUTSOURCING AGREEMENT

by and between

GE Life and Annuity Assurance Company

and

GE Capital International Services

[Date]

TABLE OF CONTENTS

AMENDED AND RESTATED
MASTER OUTSOURCING AGREEMENT

AMENDED AND RESTATED MASTER OUTSOURCING AGREEMENT ("Agreement") entered into as of the Execution Date, by and between GE Life and Annuity Assurance Company, a Virginia insurance company, with offices at 6610 West Broad Street, Richmond, Virginia 23230 ("CUSTOMER") and GE Capital International Services, a corporation duly formed and existing under the laws of India with a place of business at AIFGECIS Building, 1 Rafi Marg, Delhi-110001 and Corporate office at 90A Sector 18, Gurgaon, Haryana ("PROVIDER").

RECITALS

WHEREAS, PROVIDER and CUSTOMER are parties to a Master Outsourcing Services Agreement and one or more related Project Specific Agreements which incorporate the terms of such Master Outsourcing Services Agreement, as well as certain other services agreements ("PSAs");

WHEREAS, CUSTOMER is a Subsidiary of Genworth Financial, Inc., a Delaware corporation ("Genworth");

WHEREAS, General Electric Company and General Electric Capital Corporation have determined to consolidate the Genworth business, including Genworth and certain of its Affiliates, into a separate corporate structure with Genworth acting as the parent entity for the Genworth business, and have further determined to divest a controlling interest in the stock of Genworth (the "Separation") and, as part of such divestiture, to conduct an initial public offering of the common stock of Genworth (the "IPO");

WHEREAS, in anticipation of the proposed Separation, PROVIDER and CUSTOMER have determined that it is appropriate to amend and restate such Master Outsourcing Services Agreement in the form of this Amended and Restated Master Outsourcing Services Agreement;

WHEREAS, PROVIDER supplies business and financial and related support services;

WHEREAS, CUSTOMER requires the performance of Services, as defined in the related PSA(s);

WHEREAS, the parties contemplate that PROVIDER will handle a variety of outsourcing projects and services for CUSTOMER and the parties seek to define the basic terms applicable to outsourcing projects between the parties; the parties intend to incorporate these provisions by reference into the outstanding PSAs and PSAs that they enter into for specific outsourcing projects hereafter;

WHEREAS, this Agreement is being executed on, and shall take effect as of, the closing date of the IPO or, if regulatory approval occurs on a later date, on and as of such later date (the "Execution Date"); and

WHEREAS, capitalized terms used herein shall have the meanings given such terms in Exhibit A hereto.

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

WITNESSETH

1.0 Services.

1.1 Structure of the Agreement.

(a) The Services are governed by the terms of this Agreement as amended and/or supplemented as set forth in Exhibit B, and the PSAs. Each PSA executed after the Execution Date shall be in the form attached as Exhibit C, unless otherwise agreed to by the parties.

(b) PROVIDER agrees to provide the Services under the terms and conditions of this Agreement and as more specifically described in the PSAs.

1.2 Business Continuity and Disaster Recovery Services. PROVIDER shall provide the services set forth in the business continuity and disaster recovery plans referred to in Exhibit D (collectively, the "BCP/DRP Plans"). The BCP/DRP Plans shall address all operations identified by CUSTOMER as "Mission Critical;" shall meet the substantive requirements specified by CUSTOMER and shall be agreed upon by CUSTOMER and PROVIDER. Further, at no additional charge to CUSTOMER other than as provided in Section 2 and the Pricing Template set forth in Exhibit F, PROVIDER will (a) actively review and update the BCP/DRP Plans, (b) test the BCP/DRP Plans at least annually, (c) permit CUSTOMER the opportunity to participate in such testing, (d) give CUSTOMER access to the results and analysis of such testing, and (e) correct deficiencies in the BCP/DRP Plans revealed by such testing. Failure to provide the services described in such BCP/DRP Plans will constitute a material breach of this Agreement, subject to cure as set forth in Section 8.1(f).

1.3 PROVIDER Responsibilities. Except as otherwise noted in this Agreement, PROVIDER shall provide, at its expense, all materials, labor, equipment, facilities and other items necessary to deliver the Services. Subject to Section 6.3 herein, all employees performing the Services shall be skilled in their trades and licensed, if required, by all proper authorities.

1.4 Service Locations; Security. Except as provided in the BCP/DRP Plans, without the prior written consent of CUSTOMER, PROVIDER shall not change or move the original location for the performance by PROVIDER of the Services required under this Agreement. In performing the Services, operating the Facilities used by it to provide the Services and protecting CUSTOMER's data, information and other property, PROVIDER will comply with the security procedures set forth in Exhibit E of this Agreement.

1.5 Support of CUSTOMER Divestitures. If CUSTOMER divests any business operation (other than pursuant to a transaction that would constitute a Change of Control), PROVIDER will provide the Services to such operation if such operation (i) used the Services prior to being divested, (ii) after being divested uses either essentially the same services as before being divested, or CUSTOMER or the acquiring entity compensates PROVIDER to modify its systems or processes used to perform and provide the Services as necessary to accommodate the use of the Services as reasonably requested by the acquiring entity, (iii) the acquiror of such operation agrees to be subject to the provisions of this Agreement and the PSAs, and (iv) CUSTOMER is not in payment default at the time of the request, but, in that case, PROVIDER must provide the Services if paid in advance. At CUSTOMER's option, PROVIDER and such acquiror shall enter into a separate agreement and PSA(s) providing for the provision of the Services, which agreements shall be on substantially the same terms and conditions as are set forth in this Agreement and the PSA(s), with such changes therein as the parties may agree upon. PROVIDER shall charge for the continuing performance and delivery of such Services based on the then-existing charging methodologies and may charge CUSTOMER or the acquiring entity for the reasonable implementation and set-up fees relating to the extension of the Services to such entity approved in writing in advance. PROVIDER and the acquiring entity will negotiate in good faith for up to one hundred twenty (120) days following the divestiture to agree upon alternative terms and conditions that will apply to the provision of the Services to such entity by PROVIDER. If they are unable to so agree, at the request of the acquiring entity, PROVIDER shall be required to provide the Services to such acquiring entity until the earlier of (i) the last day of the twelfth (12^{th}) month following such 120-day negotiation period and (ii) the termination date of this Agreement and related PSAs, provided, that if such termination date is to occur later than twelve (12) months following the end of such 120-day period and PROVIDER is requested to provide such Services for less than twelve (12) months following the end of such period, such acquiring entity or CUSTOMER shall bear all costs actually incurred by PROVIDER as a result of such reduction in volume, provided, further, that PROVIDER shall use commercially reasonable efforts to mitigate such costs. Such Services shall be provided by PROVIDER regardless of whether the acquiring entity is a competitor of the GE Group. PROVIDER shall provide Services Transfer Assistance as reasonably requested by the acquiror, solely at the acquiror's cost, for the period during which PROVIDER is required to provide Services to such acquiror.

1.6 PROVIDER Divestitures. If PROVIDER executes a definitive agreement to divest any or part of any business operation relating to the Services provided to CUSTOMER other than the CUSTOMER India operations operating on a stand-alone basis (specifically, the operations responsible for providing core services exclusively relating to long term care, life insurance, group insurance, annuities, retirement plans and mortgage insurance to CUSTOMER, but excluding, *inter alia,* accounting, help desk, software solutions, e-learning and other knowledge-based operations, collectively, the "Genworth Stand-Alone Operations") (a "PROVIDER Divestiture"), PROVIDER will provide no less than thirty (30) days' prior written notice of the expected closing date of the PROVIDER Divestiture to CUSTOMER, which notice will include the identity of the acquiror and any Affiliate which would provide Services to CUSTOMER and a description of the material terms of the transaction applicable to the Services being transferred to the acquiror. PROVIDER will provide CUSTOMER with such further

information regarding the divestiture and the acquiror as CUSTOMER may reasonably request. CUSTOMER may take no action with respect to the proposed PROVIDER Divestiture (in which case the PROVIDER Divestiture may proceed without CUSTOMER's consent) or, within thirty (30) days of receipt of such notice from PROVIDER, CUSTOMER may at its option (i) exercise the Carve-Out Option (as more fully described in Section 9.2 hereof) only with respect to the Carve-Out Resources relating to such Services which are being or have been divested to the acquiring entity at a purchase price equal to the lesser of book value or the value of the divested operations relating to CUSTOMER implied by the consideration to be paid by the acquiror and/or (ii) terminate the PSAs affected by the PROVIDER Divestiture and require PROVIDER and/or the acquiror to provide Services Transfer Assistance for a period not exceeding fourteen (14) months from the date of receipt of notice by PROVIDER from CUSTOMER. Notwithstanding any other provision of this Agreement, PROVIDER shall be responsible for all transition costs incurred by CUSTOMER relating to its exercise of the Carve-Out Option or its termination of the PSAs and transition of the Services in-house or to a new PROVIDER. Any transfer of the PSAs pursuant to this paragraph shall be subject to the receipt by CUSTOMER of all necessary regulatory approvals. For the avoidance of doubt, any transfer by PROVIDER of the Genworth Stand-Alone Operations shall be subject to the limitations described under Section 10.0 hereof.

1.7 New Services. From time to time, CUSTOMER may request that PROVIDER furnish additional services to CUSTOMER that are not within the scope of the Services ("New Services"). PROVIDER will discuss with CUSTOMER such request and the ramifications of such additional services on the existing Services, but will not be obligated to provide such additional services. Such requests shall be addressed through the Change Control Procedure described in Section 19.0 hereof. CUSTOMER shall bear all costs agreed in advance between the parties and incurred by PROVIDER on account of transition or migration of New Services from CUSTOMER to PROVIDER.

1.8 Services Not to be Withheld; PROVIDER Relief Except as provided in Section 8.2 and 21.1 hereof (it being understood that Force Majeure will not relieve PROVIDER of its responsibility to provide the Services set forth in the BCP/DRP Plans), PROVIDER shall not voluntarily refuse to provide all or any portion of the Services in violation or breach of the terms of the Agreement or any related PSA. PROVIDER shall be relieved from its obligation to perform any Services and its obligations to pay any service credit under a PSA to the extent it is unable to perform any Services or to perform in accordance with any applicable Performance Standard as a result of CUSTOMER's failure to perform its obligations under such PSA. Notwithstanding the dispute resolution provisions set forth in Section 21.12, if PROVIDER breaches this covenant, CUSTOMER shall be entitled to apply to a court of competent jurisdiction for specific performance by PROVIDER of its obligations under this Agreement and the related PSAs without the necessity of posting any bond.

2.0 Charges.

2.1 Generally. Notwithstanding any provision related to fees and charges in a PSA to the contrary, as consideration for the provision of the Services, CUSTOMER will pay to PROVIDER the charges calculated as set forth in this Section 2.0 (the "Charges"). The Charges

in effect immediately prior to the Execution Date shall be referred to as the "Baseline Charges". For existing PSAs, the Baseline Charges and the Charges for the initial Contract Year (or part thereof) shall be as set forth on Exhibit L. For PSAs executed after the Execution Date, the Baseline Charges shall be set forth in each such PSA. The Charges shall be adjusted annually to reflect changes in PROVIDER's Base Costs and to reflect scheduled discounts from the Baseline Charges pursuant to the following formula:

New Charges = Baseline Charges * Discount Factor * Cost Factor

2.2 Discount Factor. For the periods indicated, the "Discount Factor" shall mean and be as follows:

Period	Discount Factor
from the Execution Date through the first anniversary of the Trigger Date (as defined below)	**
from the first anniversary of the Trigger Date through the second anniversary of the Trigger Date	**
from the second anniversary of the Trigger Date through the third anniversary of the Trigger Date	**

"Cost Factor" means and shall be calculated as follows:

Y(n) Base Cost/Y(0) Base Cost

where Y(n) Base Cost is determined pursuant to Section 2.3 for each Contract Year, Y(n-1) Base Cost is the Base Cost for the preceding Contract Year and Y(0) Base Cost is the Base Cost for the initial Contract Year, as set forth in Exhibit L.

2.3 Adjustment of Charges. Prior to the commencement of each Contract Year, the parties will negotiate in good faith to agree upon the elements of Base Cost and the rates to be charged to CUSTOMER for such elements during such year (excluding the cost of hedging foreign currency exchange risks, which shall be charged to CUSTOMER on a pass-through basis as described in Section 2.8). The parties will reflect their agreement on such matters in a written document to be executed by each of them and the Charges for the Services in such year shall not exceed the agreed amounts. Any amendment or addition to such elements or rates must be approved by CUSTOMER in advance in writing. If the parties are unable to agree upon such matters, the Cost Factor for the applicable year shall be calculated using Base Cost as determined by PROVIDER in accordance with the definition of Base Cost, provided, that Base Cost for any Contract Year shall not exceed one hundred five percent (105%) of Base Cost for the immediately preceding Contract Year. If Base Cost relating to any PSA for any Contract Year during the Initial Term exceeds one hundred five percent (105%) of Base Cost for the immediately preceding Contract Year, CUSTOMER may terminate that PSA upon at least six (6) months' written notice to PROVIDER and shall not be liable for any costs incurred by PROVIDER as a result of such termination.

2.4 Renewal Pricing. As described in Section 7.2, at least eighteen (18) months prior to the expiration of the Initial Term, PROVIDER will propose in writing to CUSTOMER revised methods for calculating Base Cost and Charges to CUSTOMER under the Base Cost and Baseline Charges methodology described in this Section 2.0. The applicable charges proposed by PROVIDER for the first and second years of the renewal term shall be determined as provided in this Section 2.4 and Exhibit F, but shall reflect Discount Factors of ** and **, respectively, provided, that such charges shall be at least as favorable to CUSTOMER as PROVIDER's charges for similar services provided to any other CUSTOMER of PROVIDER. If the parties are unable to agree on revised costs, CUSTOMER may elect to exercise the Carve-Out Option upon expiration of this Agreement and the related PSAs, as described in Section 9.2.

2.5 Reduction in Work. CUSTOMER shall provide PROVIDER with no less than nine (9) months' written notice in advance if the amount of Services consumed by the Genworth Group under all of the outstanding MOAs will change in a manner that will result in a reduction in the Dedicated FTEs necessary to provide the Services to seventy-five percent (75%) or less of the Dedicated FTEs agreed upon by the parties for the most recent Contract Year pursuant to Section 2.3, as adjusted pursuant to any notices previously given pursuant to this Section 2.5. In such an event, PROVIDER shall bear all costs relating to such reduction in volume to the extent stated in such nine-(9) month notice. If CUSTOMER does not provide nine (9) months' advance written notice of such a reduction, CUSTOMER shall bear any facilities occupancy, technology and telecommunications costs incurred by PROVIDER resulting from such reduction, provided, that PROVIDER shall use commercially reasonable efforts to mitigate such costs.

2.6 Currency. All currency references in this Agreement are in the currency of the United States of America and all payments shall be made in such currency.

2.7 Taxes. The Charges for the Services shall be inclusive of any sales, use, gross receipts or value added, withholding, ad valorem and other taxes based on or measured by PROVIDER's cost in acquiring equipment, materials, supplies or services used by PROVIDER in providing the Services. Further, each party shall bear sole responsibility for any real or personal property taxes on any property it owns or leases, for franchises or similar taxes on its business, for employment taxes on its employees, for intangible taxes on property it owns or licenses and for taxes on its net income. If a sales, use, privilege, value added, excise, services and/or similar tax ("Tax") is assessed with respect to PROVIDER'S Charges to CUSTOMER for the provision of the Services, CUSTOMER shall be responsible for and pay the amount of any such Tax to PROVIDER or as applicable Law otherwise requires, in addition to the Charges. CUSTOMER may report and (as appropriate) pay any Taxes directly if CUSTOMER provides PROVIDER with a direct pay or exemption certificate. PROVIDER's invoices shall separately state the amounts of any Taxes PROVIDER is proposing to collect from CUSTOMER. PROVIDER shall promptly notify CUSTOMER of any claim for Taxes asserted by any applicable taxing authorities. Notwithstanding the above, CUSTOMER's liability for such Taxes is conditioned upon PROVIDER providing CUSTOMER notification within twenty (20) business days of receiving any proposed assessment of any additional Taxes, interest or penalty due by PROVIDER. PROVIDER shall coordinate with CUSTOMER the response to and settlement of, any such assessment. CUSTOMER shall be entitled to receive and to retain any refund of Taxes paid to PROVIDER pursuant to this Agreement.

2.8 Foreign Currency Hedging. PROVIDER shall bear all costs associated with the purchase, exchange or translation of currencies as necessary in connection with the performance of the Services. If PROVIDER elects to enter into hedging transactions with third parties relating to such risks, CUSTOMER will reimburse PROVIDER for the reasonable costs (without mark-up by PROVIDER) of such hedging transactions, provided, however, that CUSTOMER approves of the hedging strategy and the hedging contracts related to such transactions in writing as part of the annual budget process, as further described in Section 20.4.

2.9 Continuous Improvement; Planning. PROVIDER shall use commercially reasonable efforts to increase productivity and efficiency in performing the Services and shall endeavor to reduce Base Cost annually, depending on the overall reduction in its cost of operations. The parties will participate in an annual budgeting process as part of determining Base Cost that will address improvements in PROVIDER productivity and efficiency in performing the Services and dedicate appropriate resources to execute the budgeted improvements. To support PROVIDER's demand planning, each quarter, CUSTOMER shall provide PROVIDER a good faith estimate of its requirements for the Services for the following twelve (12) months.

3.0 Billing and Payment.

3.1 Invoices. PROVIDER shall submit an invoice each month for the Charges relating to the Services provided during the prior month period. For the partial month period prior to the Execution Date, PROVIDER shall submit an invoice for Charges calculated as provided in the original Master Outsourcing Agreement and PSAs. For periods beginning on and after the Execution Date, Charges shall be calculated as set forth in this Agreement. Each invoice shall detail all information relevant to calculation of the Charges and the total amount due. PROVIDER agrees to include the information and prepare the invoice in the form as reasonably requested by CUSTOMER.

3.2 Payments. All payments, due and payable by CUSTOMER to PROVIDER, will be made within sixty (60) days of CUSTOMER's receipt of invoice ("Payment Date"). CUSTOMER shall use its good faith efforts to provide PROVIDER as promptly as practicable with the details of any objection it may have to any invoice, but any failure to provide such details shall not foreclose CUSTOMER's right to dispute such invoice. CUSTOMER shall pay the part of any invoiced amount that is not in dispute by the Payment Date.

3.3 Reimbursements. Payment of all reimbursable expenses approved by CUSTOMER in writing in advance will be made within sixty (60) days after CUSTOMER's receipt of invoice together with copies of receipts and other verification.

3.4 Method of Payment. The method of payment shall be by electronic fund transfer to PROVIDER's designated bank account or such other manner as agreed upon by the parties.

3.5 Notice of Default. If CUSTOMER does not pay any invoice by the Payment Date, PROVIDER shall serve CUSTOMER a notice pursuant to Section 16.0 (a "Payment

Default Notice") and simultaneously initiate the procedures for consideration of Disputes by senior executives of the parties by giving notice as described under Section 1.2 of Exhibit G.

3.6 PROVIDER Termination for Non-Payment.

(a) PROVIDER shall have the right to terminate any PSA, without prejudice to any other legal rights to which it may be entitled, if CUSTOMER fails to pay to PROVIDER any material amount (i) that is undisputed or determined by the senior executives under Section 1.2 of Exhibit G to be due to PROVIDER, within five (5) business days following CUSTOMER's agreement that such amount is not in dispute or the conclusion of the senior executives' negotiations, whichever is earlier, or (ii) that remains in dispute and is not paid following the conclusion of the senior executives' negotiations contemplated by Section 3.6(b) hereof.

(b) PROVIDER shall have no right to terminate if CUSTOMER pays any disputed amount within five (5) business days following the conclusion of the senior executives' negotiations under Exhibit G, without prejudice, and invokes the remainder of the dispute resolution process set forth in Exhibit G.

(c) If pursuant to the dispute resolution process, PROVIDER is found to have charged improperly, PROVIDER shall promptly refund such excess amount along with interest at an annual rate equal to the lesser of (i) the three (3) month London Interbank Offered Rate (LIBOR) plus 100 basis points or (ii) the maximum rate of interest allowed by applicable law, from the date the payment was made through the date of the refund.

3.7 Past Due Amounts. Past due amounts (including Charges, reimbursable expenses and credits) will bear interest at an annual rate equal to the lesser of (i) the three (3) month London Interbank Offered Rate (LIBOR) plus 100 basis points or (ii) the maximum rate of interest allowed by applicable law, from the date the payment was due through the date of payment.

4.0 Performance Standards.

4.1 Generally. All work relating to the Services shall be completed in a professional, timely manner and shall conform to such additional Performance Standards, if any, as may be set forth in each PSA. Such Performance Standards may be revised from time to time upon the mutual agreement of the parties.

4.2 Measurement and Reporting. Unless otherwise specified, each Performance Standard shall be measured on a monthly basis. PROVIDER shall create, implement, support and maintain reports for monitoring the metrics associated with the Performance Standards and such other metrics as are mutually agreed upon by the parties on a schedule agreed upon in each PSA or within ninety (90) days after the execution of each PSA.

4.3 Compliance. PROVIDER shall perform the Services in compliance with all applicable Laws, stock exchange rules or generally accepted, statutory or regulatory accounting

or actuarial principle specified in any PSA or otherwise by CUSTOMER, in each case as applicable to the business processes of CUSTOMER performed by PROVIDER as part of the Services, just as if CUSTOMER performed the Services itself. PROVIDER shall notify CUSTOMER whenever changes in the Services or Performance Standards are necessary to comply with applicable Indian Laws. It is understood that any reference in the PSAs to standards, policies and procedures established by General Electric Company or its Affiliates, is deemed to include any replacement standards, policies and procedures established by CUSTOMER or any member of the Genworth Group, and communicated to PROVIDER, provided, that GECIS shall be entitled to recover its cost of complying with such standards, policies and procedures as part of the Charges for the Services established pursuant to Section 2 and Schedule F.

4.4 Additional Remedies. In addition to all other remedies available under this Agreement, any PSA or at law, CUSTOMER may take one or more of the following actions in the event of PROVIDER's failure to comply with the Performance Standards, provided, that CUSTOMER may not exercise any of these remedies if the failure in performance is caused by inaccurate or incomplete data or information provided by CUSTOMER:

(a) require training of all PROVIDER employees involved in performing the affected Services, the length and nature of such training to be mutually agreed upon by PROVIDER and CUSTOMER;

(b) cause the PROVIDER to correct any deficient Services at no charge or fee to CUSTOMER; or

(c) direct PROVIDER to assign additional employees to perform the Services, which instruction PROVIDER agrees to follow.

5.0 Record Keeping and Audits.

5.1 Generally. PROVIDER will keep appropriate records of time and costs related to the Services, as required by Law or as reasonably requested by CUSTOMER. PROVIDER shall maintain a complete audit trail for all financial and non-financial transactions resulting from or arising in connection with this Agreement and the PSAs in such manner as is required under the Genworth Records Management Policies and Indian and United States GAAP. PROVIDER will maintain such audit trail for such periods of time as may be specified in the Genworth Records Management Policies or, if no such period is specified, for such period as the parties may agree upon. PROVIDER shall provide to CUSTOMER, its auditors (including internal audit staff and external auditors), inspectors, regulators, customers and other representatives as CUSTOMER may from time to time designate in writing, access at all reasonable times to any facility or part of a facility at which either PROVIDER or any of its permitted subcontractors is providing the Services, to PROVIDER personnel, to PROVIDER's systems, policies and procedures relating to the Services, and to data and records relating to the Services for the purpose of performing audits and inspections of either PROVIDER or any of its subcontractors with respect to (i) any aspect of PROVIDER's or such subcontractor's performance of the Services, (ii) compliance with the security procedures or (iii) any other matter relevant to this Agreement, including, without

limitation, the determination and calculation of all elements of Base Cost and all other elements of the pricing mechanism described in Section 2.0 hereof and in Exhibit F. PROVIDER shall reasonably cooperate with CUSTOMER in the performance of these audits, including installing and operating audit software. If CUSTOMER requires PROVIDER to conduct any special audit other than as provided in this Section 5.1 and if the same results in any increased cost to PROVIDER, PROVIDER shall be entitled to pass on such extra costs to CUSTOMER through a special invoice, but only to the extent approved by CUSTOMER in advance.

5.2 Reports and Certifications. PROVIDER shall provide CUSTOMER such other reports and certifications relating to the Services as CUSTOMER may reasonably request, including all reports and sub-certifications necessary for officers of CUSTOMER to make the certifications required under the Sarbanes-Oxley Act of 2002 and all related rules and regulations and all related applicable stock exchange listing requirements.

6.0 CUSTOMER Commitments.

6.1 System Access. CUSTOMER agrees to provide to PROVIDER, at CUSTOMER'S expense, necessary access to the mainframe computer and related information technology systems (the "System") on which CUSTOMER data is processed during the times (the "Service Hours") specified in the PSAs, subject to reasonable downtime for utility outages, maintenance, performance difficulties and the like. In the event of a change in the Service Hours, CUSTOMER will provide PROVIDER with at least fifteen (15) calendar days written notice of such change.

6.2 Data Integrity. CUSTOMER will ensure that all data and information submitted by it to PROVIDER for performing the Services shall be accurate and complete and furnished in a timely manner.

6.3 Training. CUSTOMER shall provide all PROVIDER employees who are dedicated to CUSTOMER operations with training or training materials relating to business processes and regulatory matters uniquely related to the CUSTOMER business and reasonably required by such employees to meet the Performance Standards.

To the extent any non-performance or failure to meet Performance Standards by PROVIDER is due to CUSTOMER's failure to comply with this Section 6.0, such non-performance or failure shall not be considered a breach in Performance Standards and/or a breach of this Agreement by PROVIDER.

7.0 Term.

7.1 Initial Term. The term of this Agreement shall commence on the Execution Date and terminate on the third (3rd) anniversary of the Trigger Date (the "Common Termination Date"). The period from the Execution Date to the Common Termination Date is referred to as the "Initial Term".

7.2 Limitation on Termination of MOAs; Renewal. CUSTOMER may terminate individual PSAs prior to the Common Termination Date either for cause or for convenience as described therein or in this Agreement. CUSTOMER, however, may not terminate this Agreement, other than for cause as described in Section 8.0, prior to the Common Termination Date, unless all of the members of the Genworth Group then party to an MOA terminate all of the existing MOAs at one time. At least eighteen (18) months prior to the Common Termination Date, PROVIDER shall propose revised terms and conditions on which the Agreement may be renewed for an additional two (2) year period (the "Renewal Period"). CUSTOMER and all of the Genworth Affiliates then party to an MOA may at their sole option renew all, but not less than all, of the MOAs for the Renewal Period, provided, that CUSTOMER, such Genworth Affiliates and PROVIDER agree upon revised charges and other terms and conditions to be applicable to the Services during the Renewal Period prior to the date that is fourteen (14) months prior to the Common Termination Date (the "Notification Date"). If the parties are unable to so agree, CUSTOMER shall inform PROVIDER within fifteen (15) days following the Notification Date as to whether it will exercise the Carve-Out Option (which may only be exercised with respect to all of the then-outstanding MOAs), as described in Section 1.0 of Exhibit H and/or require PROVIDER to provide Services Transfer Assistance. If CUSTOMER, such Genworth Affiliates and PROVIDER fail to agree upon the terms for renewal of the MOAs, or if CUSTOMER fails to provide PROVIDER the notice described above, all of the MOAs will automatically terminate on the Common Termination Date and CUSTOMER shall not be entitled to exercise its Carve-Out Option or require PROVIDER to provide Services Transfer Assistance.

8.0 Termination.

8.1 Termination for Cause by CUSTOMER. CUSTOMER shall have the right at any time to terminate any PSA in whole or in part with respect to the affected Services, effective immediately and without prejudice to any other legal rights to which CUSTOMER may be entitled, upon the occurrence of the following events:

(a) PROVIDER becomes subject to any voluntary or involuntary order of any governmental agency prohibiting or materially impairing the performance of any of the Services;

(b) if such Services are inadequate, unsatisfactory or substantially not in conformance with the Performance Standards or if PROVIDER's representations and warranties are materially inaccurate and, upon receipt of notice thereof from CUSTOMER, PROVIDER (i) does not immediately undertake action in good faith to cure such default, and (ii) does not provide to CUSTOMER a preliminary analysis of the root cause of such default and an initial plan to cure such default within ten (10) days of such notice, and (iii) has not agreed with CUSTOMER on a definitive plan to cure such default acceptable to CUSTOMER within thirty (30) days of such notice, and (iv) has not fully cured such default within ninety (90) days of such notice or such longer period as may have been approved by CUSTOMER as part of PROVIDER's plan to cure such default;

(c) if PROVIDER or CUSTOMER, due to the actions of PROVIDER, is administratively cited by any governmental agency for materially violating, or is judicially found to have materially violated, any Law governing the performance of the Services;

(d) if a trustee or receiver or similar officer of any court is appointed for PROVIDER or for a substantial part of the property of PROVIDER, whether with or without consent;

(e) if bankruptcy, composition, reorganization, insolvency or liquidation proceedings are instituted by or against PROVIDER without such proceedings being dismissed within ninety (90) days from the date of the institution thereof; or

(f) a material breach of this Agreement or a PSA by PROVIDER (which shall include a series of non-material or persistent breaches by PROVIDER, that in the aggregate constitute a material breach or have a material and significant adverse impact (i) on the administrative, management, planning, financial reporting or operations functions of CUSTOMER or (ii) on the management of the Services), and, upon receipt of notice thereof from CUSTOMER, PROVIDER (i) does not immediately undertake action in good faith to cure such breach, and (ii) does not provide to CUSTOMER a preliminary analysis of the root cause of such breach and an initial plan to cure such breach within ten (10) days of such notice, and (iii) has not agreed with CUSTOMER on a definitive plan to cure such breach acceptable to CUSTOMER within thirty (30) days of such notice, and (iv) has not fully cured such default within ninety (90) days of such notice or such longer period as may have been approved by CUSTOMER as part of PROVIDER's plan to cure such breach, provided, that any breach referred to in Section 1.2 shall be fully cured within thirty (30) days of such notice.

Within fifteen (15) days of its notice to PROVIDER of its intent to terminate any PSA, in whole or in part, under this Section 8.1, CUSTOMER shall inform PROVIDER as to whether it will exercise its Carve-Out Option (which may only be exercised with respect to all of the outstanding MOAs, as described in Section 1.0 of Exhibit H) and/or whether it will require PROVIDER to provide Services Transfer Assistance for a period not exceeding twenty-four (24) months from the date of such notice. If CUSTOMER fails to do so, CUSTOMER shall not be entitled to exercise its Carve-Out Option and/or require PROVIDER to provide Services Transfer Assistance.

8.2 Termination by PROVIDER.

(a) PROVIDER may not terminate this Agreement or any PSA for any reason other than (i) non-payment in accordance with Section 3.6, (ii) as described below under Section 8.4 (Termination Relating to Damages Cap) hereof and (iii) as described below under Section 8.5 (Change of Control), it being understood that PROVIDER will be relieved from its obligations to perform in accordance with the terms of this Agreement or a PSA to the extent that it is prevented from doing so as a result of the failure by CUSTOMER to perform any of its obligations under this Agreement or such PSA.

(b) Within fifteen (15) days of PROVIDER's notice to CUSTOMER of PROVIDER's intent to terminate any PSA in accordance with Sections 8.2(a)(i) or 8.2(a)(ii), CUSTOMER shall inform PROVIDER as to whether it will require PROVIDER to provide Services Transfer Assistance for a period not exceeding fourteen (14) months from the date of such notice, provided, in the case of a termination described in clause (i), that CUSTOMER has

made all outstanding payments under any invoice in accordance with Section 3.2 hereof. If CUSTOMER fails to give such notice, CUSTOMER shall not be entitled to require PROVIDER to provide Services Transfer Assistance. At PROVIDER's option, CUSTOMER shall be required to pay for Services Transfer Assistance provided under this paragraph in advance.

(c) With respect to any other breach of this Agreement or a PSA by CUSTOMER, PROVIDER will be entitled to invoke the applicable dispute resolution process under Section 21.12 hereof and pursue all remedies permitted by that process, but shall not be entitled to terminate this Agreement or any related PSA or voluntarily withhold any Services except as authorized pursuant to such process.

8.3 Termination for Convenience.

(a) CUSTOMER may terminate any PSA in whole or in part at any time upon at least one (1) year's prior written notice to PROVIDER. Such notice shall include a commercially reasonable plan for the reduction of Services to be purchased from PROVIDER that will enable PROVIDER to mitigate all costs of such termination. PROVIDER shall be responsible for all costs that PROVIDER incurs as a result of such termination.

(b) Notwithstanding the provisions of the preceding paragraph, CUSTOMER may terminate any PSA in whole or in part at any time upon at least ninety (90) days' prior written notice to PROVIDER. In such event, CUSTOMER shall be responsible for all costs that PROVIDER incurs as a result of such termination; provided, that PROVIDER has taken all commercially reasonable steps to mitigate such costs. Such costs shall not include any element of lost profits or lost opportunity costs.

(c) Within fifteen (15) days of its notice to PROVIDER of its intent to terminate any PSA, in whole or in part, under this Section 8.3, CUSTOMER shall inform PROVIDER as to whether it will require PROVIDER to provide Services Transfer Assistance for a period not exceeding fourteen (14) months from the date of such notice. If CUSTOMER fails to do so, CUSTOMER shall not be entitled to require PROVIDER to provide Services Transfer Assistance.

8.4 Termination Right Related to Damages Cap.

(a) If either the GE Group members or the Genworth Group members incur liability to the others under one or more MOAs in excess of the applicable Simple Breach Cap or Excluded Matters Cap and do not agree to reset to zero the amounts counted toward such cap, the members of the group that has not incurred such excess liability shall have the right to terminate all, but not less than all, of the then-outstanding MOAs for material breach. Notwithstanding the preceding sentence, CUSTOMER may only exercise the Carve-Out Option if all of the Genworth Group members party to an MOA also exercise the Carve-Out Option under their respective MOAs at the same time.

(b) Within fifteen (15) days of the notice to PROVIDER of termination of the MOAs under this Section 8.4, CUSTOMER shall inform PROVIDER as to whether it will

exercise its Carve-Out Option and/or whether it will require PROVIDER to provide Services Transfer Assistance for a period not exceeding twenty-four (24) months from the date of such notice. If CUSTOMER fails to do so, CUSTOMER shall not be entitled to exercise its Carve-Out Option and/or require PROVIDER to provide Services Transfer Assistance.

8.5 Termination Right Relating to Change of Control of CUSTOMER. If a Change of Control of Genworth occurs, PROVIDER shall, unless the parties otherwise agree during a one hundred twenty (120) day negotiation period following the Change of Control, have the right to terminate all, but not less than all, of the then-outstanding MOAs upon the later of (A) the last day of the eighteenth (18^{th}) month following the effective date of the Change of Control or (B) the expiration of the Initial Term, provided that such termination right is exercised within fifteen (15) days following the end of the one hundred twenty (120) day negotiation period.

8.6 Continued Performance. Termination of this Agreement for any reason provided herein shall not relieve either party from its obligation to perform its obligations hereunder up to the effective date of such termination or to perform such obligations as may survive termination.

9.0 Obligations on Expiration and Termination.

9.1 Services Transfer Assistance.

(a) PROVIDER shall cooperate with CUSTOMER to assist in the orderly transfer of the Services to CUSTOMER itself or its designee (including another services provider) in connection with the expiration, non-renewal or earlier termination of the Agreement and/or each PSA for any reason, however described, or exercise of the Carve-Out Option. The Services include "Services Transfer Assistance," which includes providing CUSTOMER and its designees and their agents, contractors and consultants, as necessary, with (i) such cooperation and other services incidental to the transfer of the Services as they may reasonably request, (ii) all or such portions of the Services as CUSTOMER may request, and (iii) such other transition services as may be provided for in any PSA. Neither the term of the Agreement nor the term of any PSA shall be deemed to have expired or terminated until the Services Transfer Assistance thereunder is completed.

(b) Upon CUSTOMER's request, PROVIDER shall provide Services Transfer Assistance commencing up to one (1) year prior to expiration or termination of the Agreement or any PSA and continuing for the periods described in this Agreement. PROVIDER shall provide the Services Transfer Assistance even in the event of CUSTOMER's material breach (other than an uncured payment default) of this Agreement or any PSA.

(c) If any Services Transfer Assistance provided by PROVIDER requires the utilization of additional resources that PROVIDER would not otherwise use in the performance of the Services, but for which there is a charging methodology provided for in the Agreement or such PSAs, CUSTOMER will pay PROVIDER for such usage at the then-current applicable Charges and in the manner set forth in the Agreement and/or applicable PSAs. If the Services Transfer Assistance requires PROVIDER to incur costs that PROVIDER would not otherwise incur in the performance of the Services under the Agreement and applicable PSAs, then

PROVIDER shall notify CUSTOMER of the identity and scope of the activities requiring that PROVIDER incur such costs and the projected amount of the charges that will be payable by CUSTOMER for the performance of such assistance. Upon CUSTOMER's prior authorization, PROVIDER shall perform the assistance and invoice CUSTOMER for such charges. CUSTOMER shall bear all costs agreed in advance between the parties and incurred by PROVIDER on account of transition/migration of services/processes from PROVIDER to CUSTOMER or its designee.

9.2 Carve-Out Option. At any time during the term of this Agreement and prior to the Volume Reduction Date, PROVIDER agrees that CUSTOMER or its designee shall have the right, upon the occurrence of any one of the Carve-Out Conditions and to the extent permissible under (i) applicable law or (ii) any existing contractual obligation of PROVIDER, to require PROVIDER to transfer to CUSTOMER the Carve-Out Resources used by PROVIDER to provide or support the provision of the Services as described in Exhibit H hereof (the "Carve-Out Option").

10.0 Assignment and Subcontracting.

10.1 PROVIDER Assignment. Without the prior written consent of CUSTOMER, PROVIDER shall not voluntarily, involuntarily or by operation of law, assign or otherwise transfer this Agreement, any related PSA or any of PROVIDER's rights hereunder or thereunder, except as permitted under Section 1.6 hereof. Any assignment or transfer without CUSTOMER's written consent, except as permitted under Section 1.6 hereof, shall be null and void and at the option of CUSTOMER shall constitute a material breach of this Agreement. Notwithstanding anything to the contrary above, PROVIDER shall have the right to assign this Agreement or any PSA, in whole or in part, to any Affiliate of PROVIDER upon thirty (30) days prior written notice to CUSTOMER and subject to receipt by CUSTOMER of all regulatory approvals. Following any such assignment to an Affiliate of PROVIDER, PROVIDER shall remain liable for the performance of all of PROVIDER's obligations under this Agreement and each PSA. This Agreement and all of the terms and provisions hereof will be binding upon, and will inure to the benefit of PROVIDER's successors and permitted assigns.

10.2 Subcontracting. PROVIDER shall not enter into subcontracts for the performance of the Services without the prior written consent of CUSTOMER. In the event a subcontract is proposed by PROVIDER, PROVIDER shall furnish such information as reasonably requested by CUSTOMER to enable CUSTOMER to ascertain to its satisfaction that such proposed subcontractor of PROVIDER is able to meet CUSTOMER's quality standards and comply with the terms and conditions of this Agreement. Notwithstanding CUSTOMER's consent to any subcontract, PROVIDER shall remain liable for the performance of all of PROVIDER's obligations under this Agreement and each PSA. CUSTOMER shall not be obligated to pay any person other than PROVIDER for Services rendered by any subcontractor.

10.3 CUSTOMER Assignment. Notwithstanding anything to the contrary in this Section 10.0, CUSTOMER shall have the right to assign this Agreement or any PSA, in whole or in part, to any Affiliate of CUSTOMER upon thirty (30) days prior written notice to PROVIDER and subject to receipt by CUSTOMER of all regulatory approvals. Following any such

assignment to an Affiliate of CUSTOMER, CUSTOMER shall remain liable for the performance of all of CUSTOMER's obligations under this Agreement and each PSA. This Agreement and all of the terms and provisions hereof will be binding upon, and will inure to the benefit of CUSTOMER's successors and permitted assigns.

11.0 Confidentiality.

11.1 Obligations of PROVIDER. From and after the Execution Date, subject to Section 11.3 and the rights of PROVIDER with respect to the CUSTOMER Licensed Technology pursuant to Exhibit I, and except as otherwise contemplated by this Agreement or any PSA, the PROVIDER shall not, and shall cause its Affiliates and their respective officers, directors, employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives of any Person providing financing (collectively, "Representatives"), not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing Services to CUSTOMER or use or otherwise exploit for its own benefit or for the benefit of any third party, any CUSTOMER Confidential Information. If any disclosures are made in connection with providing Services to CUSTOMER, its Affiliates or Representatives under this Agreement, then the CUSTOMER Confidential Information so disclosed shall be used only as required to perform the Services. PROVIDER shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the CUSTOMER Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 11.1, any Information, material or documents relating to the Genworth Business currently or formerly conducted, or proposed to be conducted, by any member of the Genworth Group furnished to or in possession of the PROVIDER and its Affiliates and Representatives, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by PROVIDER, its Affiliates and their respective Representatives, that contain or otherwise reflect such Information, material or documents is hereinafter referred to as "CUSTOMER Confidential Information." "CUSTOMER Confidential Information" does not include, and there shall be no obligation hereunder with respect to, Information that (i) is or becomes generally available to the public, other than as a result of a disclosure by PROVIDER, its Affiliates or Representatives not otherwise permissible hereunder, (ii) PROVIDER or such Affiliate or Representative can demonstrate was or became available to such person from a source other than CUSTOMER or its Affiliates, or (iii) is developed independently by PROVIDER or such Affiliate or Representative without reference to the CUSTOMER Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by such persons to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, CUSTOMER or any of its Affiliates with respect to such information.

11.2 Obligations of CUSTOMER. From and after the Execution Date, subject to Section 11.3 and the rights of CUSTOMER with respect to the PROVIDER Licensed Technology pursuant to Exhibit I, and except as otherwise contemplated by this Agreement, CUSTOMER shall not, and shall cause its Affiliates and their respective Representatives, not to,

directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing Services to CUSTOMER or any Affiliate of CUSTOMER or use or otherwise exploit for its own benefit or for the benefit of any third party, any PROVIDER Confidential Information. If any disclosures are made in connection with providing Services to CUSTOMER or any of its Affiliates under this Agreement, then the PROVIDER Confidential Information so disclosed shall be used only as required to perform the Services. CUSTOMER and its Affiliates shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the PROVIDER Confidential Information by any of their Representatives as they currently use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 11.2, any Information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by GE or any of its Affiliates (other than any member of the Genworth Group) furnished to or in possession of CUSTOMER or any of its Affiliates, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by CUSTOMER or its officers, directors and Affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "PROVIDER Confidential Information." "PROVIDER Confidential Information" does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by CUSTOMER or its Representatives not otherwise permissible hereunder, (ii) CUSTOMER or such Representative can demonstrate was or became available to it from a source other than PROVIDER and its Affiliates, or (iii) is developed independently by CUSTOMER or its Representatives without reference to the PROVIDER Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by CUSTOMER to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, PROVIDER or its Affiliates with respect to such information.

11.3 Required Disclosures. If PROVIDER or its Affiliates, on the one hand, or CUSTOMER or its Affiliates, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law to disclose or provide any CUSTOMER Confidential Information or PROVIDER Confidential Information as applicable, the entity or person receiving such request or demand shall use all reasonable efforts to provide the other party with written notice of such request or demand as promptly as practicable under the circumstances so that such other party shall have an opportunity to seek an appropriate protective order. The party receiving such request or demand agrees to take, and cause its representatives to take, at the requesting party's expense, all other reasonable steps necessary to obtain confidential treatment by the recipient. Subject to the foregoing, the party that received such request or demand may thereafter disclose or provide any CUSTOMER Confidential Information or PROVIDER Confidential Information, as the case may be, to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

11.4 HIPAA Addendum. If PROVIDER in connection with the provision of a Service, constitutes a Business Associate (as defined in HIPAA and/or the HIPAA Privacy Rule) and uses Protected Health Information (as defined in HIPAA and/or the HIPAA Privacy Rule) generated by or entrusted to Customer, then the terms of Exhibit J shall apply with respect to such Service. CUSTOMER shall provide notice to PROVIDER of changes in HIPAA and/or the HIPAA Privacy Rule relevant to the performance of the Services and appropriate training to PROVIDER regarding compliance with HIPAA and the HIPAA Privacy Rule in accordance with Section 6.3

11.5 Data Ownership. All data, records, and reports relating to the Genworth Business and the customers of the Genworth Group (collectively, "Records"), whether in existence at the Execution Date hereof or compiled thereafter in the course of performing the Services, shall be treated by PROVIDER and its subcontractors as the exclusive property of CUSTOMER or other member of the Genworth Group and the furnishing of such Records, or access to such items by, PROVIDER and/or its subcontractors, shall not grant any express or implied interest in or license to PROVIDER and/or its subcontractors relating to such Records other than as is necessary to perform and provide the Services to the Genworth Group. Upon request by CUSTOMER at any time and from time to time and without regard to the default status of the parties under the Agreement, PROVIDER and/or its subcontractors shall promptly deliver to CUSTOMER the Records in electronic format and in such hard copy as exists on the date of the request by Customer.

12.0 Indemnities.

12.1 Indemnity by PROVIDER. PROVIDER agrees to indemnify, hold harmless and defend the members of the Genworth Group and their respective directors, officers, employees and agents, from and against any and all actions, liabilities, losses, damages, injuries, judgments and external expenses, including, without limitation, attorneys' fees, court costs, sanctions imposed by a court, experts' fees, interest or penalties relating to any judgment or settlement, and other legal expenses (including all incidental expenses in connection with such liabilities, obligations, claims or Actions based upon or arising out of damage, illness or injury (including death) to person or property caused by or sustained in connection with the performance of this Agreement) ("Liabilities"), brought, alleged or incurred by or awarded to any person who is not a member of the GE Group or the Genworth Group (a "Third Party Claim") arising out of or based upon:

(a) any alleged or actual violation of any Law by PROVIDER or any of its Affiliates or Representatives (excluding the Genworth Group and excluding any such violation to the extent caused by a breach of this Agreement or any PSA by any Member of the Genworth Group);

(b) the gross negligence or willful misconduct of PROVIDER or any of its Affiliates (excluding the Genworth Group);

(c) PROVIDER's provision of any services to any third party from the same facilities from which the Services are provided to the CUSTOMER;

(d) the improper or illegal use or disclosure of consumer information (including personal, credit or medical information) regarding any customer or potential customer of CUSTOMER in contravention of PROVIDER's obligations under this Agreement or any PSA; and

(e) PROVIDER's tax liabilities arising from PROVIDER's provision of Services, as set forth in Section 2.7 hereof.

12.2 Indemnity by CUSTOMER. CUSTOMER agrees to indemnify, hold harmless and defend PROVIDER, each other member of the GE Group, and their respective directors, officers, employees and agents, from and against any and all Liabilities relating to any Third Party Claim arising out of or based upon the provision of Services by PROVIDER to CUSTOMER, except for Liabilities arising out of or based upon:

(a) negligence of PROVIDER, its Affiliates or Representatives;

(b) any of the Excluded Matters related to an act or omission of PROVIDER, its Affiliates or Representatives;

(c) any matter with respect to which PROVIDER is required to indemnify CUSTOMER under Section 12.1 hereof; or

(d) any Third Party Claim that any resources provided by the CUSTOMER or used by PROVIDER in connection with the Services infringe, violate or misappropriate any Intellectual Property or Trademarks of any third party, excluding any such infringement, violation or misappropriation caused by:

(i) any such resources first provided to PROVIDER after the Execution Date, but excluding any infringement, violation or misappropriation resulting from modifications by or on behalf of the PROVIDER to any such resources, combinations of such resources with other items, or use of such resources, except as specified by CUSTOMER in each case (it being understood that the use of all Software included in any such resources in combination with computers or other hardware with which such Software is intended to be used shall be deemed to be so specified);

(ii) any such resources first specified by CUSTOMER after the Execution Date for use by PROVIDER in connection with the Services, but excluding any infringement, violation or misappropriation resulting from (A) modifications by or on behalf of the PROVIDER to any such resources, combinations of such resources with other items, or use of such resources, except as specified by CUSTOMER in each case (it being understood that the use of all Software included in any such resources in combination with computers or other hardware with which such Software is intended to be used shall be deemed to be so specified) and (B) any failure by PROVIDER to fulfill its express obligation under any PSA or other applicable written agreement between the parties to

obtain any rights or consents necessary for the use by PROVIDER of any Intellectual Property of a third party; and

(iii) modifications by or on behalf of the CUSTOMER after the Execution Date to any such resources provided by PROVIDER and/or its Affiliates and Representatives to the CUSTOMER in the course of performing the Services, combinations of such resources with other items, or use of such resources, except as specified by PROVIDER in each case (it being understood that the use of any and all Software in any such resources in combination with computers or other hardware with which such Software is intended to be used shall be deemed to be so specified).

12.3 Indemnification Obligations Net of Insurance Proceeds and Other Amounts, On an After-Tax Basis.

(a) Any Liability subject to indemnification pursuant to this Section 12.0 will be net of Insurance Proceeds that actually reduce the amount of the Liability and will be determined on an After-Tax Basis. Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification hereunder (an "Indemnified Party") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnified Party in respect of the related Liability. If an Indemnified Party receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnified Party will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto. The Indemnified Party shall use its commercially reasonable efforts to seek to collect or recover any third-party (which shall not include any captive insurance subsidiary) Insurance Proceeds (other than Insurance Proceeds under an arrangement where future premiums are adjusted to reflect prior claims in excess of prior premiums) to which the Indemnified Party is entitled in connection with any Liability for which the Indemnified Party seeks indemnification pursuant to this Section 12.0; provided that the Indemnified Party's inability to collect or recover any such Insurance Proceeds shall not limit the Indemnifying Party's obligations hereunder.

(c) The term "After-Tax Basis" as used in this Section 12.0 means that, in determining the amount of the payment necessary to indemnify any party against, or reimburse any party for, Liabilities, the amount of such Liabilities will be determined net of any reduction

in tax derived by the Indemnified Party as the result of sustaining or paying such Liabilities, and the amount of such indemnification payment will be increased (i.e., "grossed up") by the amount necessary to satisfy any income or franchise tax liabilities incurred by the Indemnified Party as a result of its receipt of, or right to receive, such Indemnity Payment (as so increased), so that the Indemnified Party is put in the same net after-tax economic position as if it had not incurred such Liabilities, in each case without taking into account any impact on the tax basis that an Indemnified Party has in its assets.

12.4 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnified Party shall receive notice or otherwise learn of the assertion of any Third Party Claim or of the commencement by any such Person of any Action with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnified Party pursuant to this Section 12.4, such Indemnified Party shall give such Indemnifying Party written notice thereof within 20 days after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail. Notwithstanding the foregoing, the failure of any Indemnified Party or other Person to give notice as provided in this Section 12.4 shall not relieve the Indemnifying Party of its obligations under this Section 12.4, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) An Indemnifying Party may elect to defend (and to seek to settle or compromise), at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third Party Claim. Within 30 days after the receipt of notice from an Indemnified Party in accordance with Section 12.4(a) (or sooner, if the nature of such Third Party Claim so requires), the Indemnifying Party shall notify the Indemnified Party of its election whether the Indemnifying Party will assume responsibility for defending such Third Party Claim, which election shall specify any reservations or exceptions. After notice from an Indemnifying Party to an Indemnified Party of its election to assume the defense of a Third Party Claim, such Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnified Party except as set forth in the next sentence. If the Indemnifying Party has elected to assume the defense of the Third Party Claim but has specified, and continues to assert, any reservations or exceptions in such notice, then, in any such case, the reasonable fees and expenses of one separate counsel for all Indemnified parties shall be borne by the Indemnifying Party, but the Indemnifying Party shall be entitled to reimbursement by the Indemnified Party for payment of any such fees and expenses to the extent that it establishes that such reservations and exceptions were proper.

(c) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnified Party of its election as provided in Section 12.4(b) such Indemnified Party may defend such Third Party Claim at the cost and expense of the Indemnifying Party.

(d) Unless the Indemnifying Party has failed to assume the defense of the Third Party Claim in accordance with the terms of this Agreement, no Indemnified Party may settle or compromise any Third Party Claim without the consent of the Indemnifying Party. No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of any pending or threatened Third Party Claim in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party without the consent of the Indemnified Party if (i) the effect thereof is to permit any injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly against such Indemnified Party and (ii) such settlement does not include an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Third Party Claim.

12.5 Additional Matters.

Indemnification payments in respect of any Liabilities for which an Indemnified Party is entitled to indemnification under this Section 12.5 shall be paid by the Indemnifying Party to the Indemnified Party as such Liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification payment, including documentation with respect to calculations made on an After-Tax Basis and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnities contained in this Section 12.5 shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnified Party; (ii) the knowledge by the Indemnified Party of Liabilities for which it might be entitled to indemnification hereunder; (iii) any termination of this Agreement or any PSA; and (iv) the sale or other transfer by any party of any assets or businesses or the assignment by it of any liabilities.

If payment is made by or on behalf of any Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

In an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant if they conclude that substitution is desirable and practical. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this section, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

12.6 Remedies Cumulative; Limitations.

(a) The rights provided in this Section 12.6 shall be cumulative and, subject to the provisions of Section 12.0 and Section 21.12, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

(b) PROVIDER's indemnity hereunder shall not extend to any Liabilities incurred or suffered by CUSTOMER as a result of inaccurate or incomplete data or information submitted to PROVIDER by CUSTOMER.

(c) The liability of each party (and their respective Affiliates) to each other with respect to the indemnified matters shall be included in the calculation of, and limited by, the Excluded Matters Cap.

13.0 Limitation of Liability.

13.1 No System Liability. PROVIDER shall have no liability to CUSTOMER for any delay of performance or breach of this Agreement to the extent caused by or related to any errors in the System or the lack of availability to PROVIDER of the System provided by CUSTOMER under Section 6.1.

13.2 Liability for Simple Breach. The parties shall be liable to one another for fifty percent (50%) of all Direct Damages resulting from their respective breaches of this Agreement or PSA or negligence in the performance of the Services during the Initial Term, provided, that (i) neither party shall have any liability to the other with respect to an individual breach or negligent act or omission until the losses resulting from such matter exceed $25,000, and then only to the extent that such losses exceed $25,000, and (ii) the parties and their Affiliates' liability to each other for Direct Damages for such matters arising out of all of the MOAs during the Initial Term shall not exceed $5,000,000 in the aggregate (the "Simple Breach Cap").

13.3 Liability for Excluded Matters. Subject to the Excluded Matters Cap described in the following sentence, the parties shall be liable to one another for one hundred percent (100%) of all Direct Damages resulting from (i) a party's gross negligence or willful misconduct, (ii) PROVIDER's improper or illegal use or disclosure of consumer information (including, but not limited to, personal, credit or medical information) regarding any customer or potential customer of the CUSTOMER Group, (iii) PROVIDER's breach of its agreement not to voluntarily withhold Services, (iv) a breach of Section 15.1(f), or (v) a party's violation of Law (collectively, the "Excluded Matters"). The parties and their Affiliates' liability to each other for Direct Damages arising out of or relating to the Excluded Matters and their respective indemnification obligations under ARTICLE XII arising under all of the MOAs during the Initial Term shall not exceed $25,000,000 in the aggregate (the "Excluded Matters Cap").

13.4 No Liability for Acts in Accordance with Instructions. Notwithstanding anything to the contrary set forth in the Agreement or any related PSA, neither party shall be liable to the other party or any of its Affiliates with respect to any act or omission taken or not taken pursuant to the specific instruction, direction or request, in writing of such other party made through its authorized representative.

14.0 PROVIDER Employees.

14.1 Responsibility for PROVIDER Employees. PROVIDER shall be responsible for all payments to its employees including any insurance coverage and benefit programs required by applicable law and regulation. Nothing in this agreement shall constitute an employer-employee relationship between the employees of PROVIDER and the CUSTOMER.

15.0 Representations, Warranties and Covenants.

15.1 PROVIDER Representations. PROVIDER represents, warrants and covenants that:

(a) PROVIDER has the facilities, equipment, staff, experience and expertise to perform and provide the Services required hereunder;

(b) PROVIDER is solvent and able to meet all financial obligations as they mature, and agrees to notify CUSTOMER promptly of any change in this status;

(c) PROVIDER has the necessary power and authority to execute, deliver and perform its obligations under this Agreement and this Agreement has been or will be duly executed and delivered by PROVIDER and constitutes or will constitute the valid and binding agreement of PROVIDER, enforceable in accordance with its terms;

(d) Subject to Section 6.3, the execution and delivery of this Agreement by PROVIDER and the consummation by PROVIDER of the transactions herein contemplated will not contravene any provision of applicable Law, and will not constitute a breach of or default under any agreement or other instrument or any decree, judgment or order to which PROVIDER is currently a party or by which PROVIDER is bound;

(e) PROVIDER has provided to CUSTOMER a list referring to this paragraph which, to the knowledge of PROVIDER, sets forth all Software used by PROVIDER (other than such Software provided to PROVIDER by CUSTOMER) in the performance of the Services as of the Execution Date;

(f) After the Execution Date, PROVIDER will not use any New Provider Materials in performing the Services without the prior written consent of CUSTOMER; and

(g) After the Execution Date, PROVIDER will not enter into any material agreement for the purchase of Hardware or Third Party Software or enter into any material Third Party Agreements without the prior written consent of CUSTOMER.

15.2 CUSTOMER Representations. CUSTOMER represents, warrants and covenants that:

(a) CUSTOMER has the necessary power and authority to execute, deliver and perform its obligations under this Agreement and this Agreement has been or will be duly

executed and delivered by CUSTOMER and constitutes the valid and binding agreement of CUSTOMER, enforceable in accordance with its terms; and

(b) The execution and delivery of this Agreement by CUSTOMER and the consummation by CUSTOMER of the transactions herein contemplated will not contravene any provision of applicable law, and will not constitute a breach of or default under any agreement or other instrument or any decree, judgment or order to which CUSTOMER is currently a party or by which CUSTOMER is bound.

15.3 Approvals and Consents. Each party shall be responsible for obtaining all approvals, permissions, consents or grants required or which may be required for such party to undertake its duties and responsibilities regarding any Services under this Agreement and any related PSA. Additionally, each party shall provide such cooperation and support as may be necessary for the other party to secure such approvals, permissions, consents or grants.

15.4 Cooperation.

(a) The parties shall timely, diligently and on a commercially reasonable basis cooperate, facilitate the performance of their respective duties and obligations under this Agreement and each related PSA and reach agreement with respect to matters left for future review, consideration and/or negotiation and agreement by the parties, as specifically set forth in this Agreement and PSA. Further, the parties shall deal and negotiate with each other and their respective Affiliates in good faith in the execution and implementation of their duties and obligations under this Agreement.

(b) Not in limitation of Sections 12.2(d)(i) and (ii), the parties shall make good faith efforts to share (i) versions, patches, fixes and other modifications recommended or required by third party providers of Software provided hereunder by either party to the other prior to or after the Execution Date and (ii) information regarding the foregoing (i).

(c) PROVIDER agrees, at CUSTOMER'S request and expense, to provide documentary information and any further assistance required in order to respond for CUSTOMER to state department of insurance or third party or administrative demands in regulatory or legal proceedings or in conjunction with formal department of insurance inquiries related to the Services performed by PROVIDER. The assistance rendered by PROVIDER under this Section 15.4(c) shall include causing PROVIDER's employees to travel to the United States to participate in or testify at regulatory or legal proceedings relating to the Services as required by Law or request of any Governmental Authority or as otherwise reasonably requested by CUSTOMER, provided, that CUSTOMER shall reimburse PROVIDER for the reasonable travel and living expenses incurred by such employees in accordance with CUSTOMER's reimbursement policies generally applicable to CUSTOMER's employees.

16.0 Notices.

All notices, requests, claims, demands and other communications under this Agreement shall be given or made (and shall be deemed to have been duly given or made if the sender has

reasonable means of showing receipt thereof) by delivery in person, by reputable international courier service, by facsimile with receipt confirmed (followed by delivery of an original via reputable international courier service) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 16.0):

TO PROVIDER:	
Attention:	Pramod Bhasin
Designation:	President & CEO
Address:	GE Towers, Sector Road, DLF City Phase V Sector Road, Sector 53, Gurgaon, Haryana
Fax:	91 124 235 6976
E-mail:	Pramod.Bhasin@geind.GE.com
Copy To:	
Attention:	Raghuram Raju
Designation:	General Counsel
Address:	GE Towers, Sector Road, DLF City Phase V Sector Road, Sector 53, Gurgaon, Haryana
Fax:	91 124 235 6978
E-mail:	raghuram.raju@geind.ge.com

TO CUSTOMER:	
Attention:	Scott McKay
Designation:	Senior Vice President, Operations & Quality
Address:	6620 West Broad Street, Richmond, VA 23230
Fax:	804/662-7766
E-mail:	scott.mckay@ge.com
Copy To:	
Attention:	Leon Roday
Designation:	Senior Vice President and General Counsel
Address:	6620 West Broad Street, Richmond, VA 23230
Fax:	(804) 662-2414
E-mail:	Leon.Roday@ge.com
Attention:	Richard Kannan
Designation:	President
Address:	6610 West Broad Street, Richmond, Virginia 23230
Fax:	(804) 281-6950
E-mail:	richard.kannan@ge.com

Attention:	Thomas E. Duffy
Designation:	General Counsel
Address:	6610 West Broad Street, Richmond, VA 23230
Fax:	(804)484-6005
E-mail:	thomas.duffy@ge.com

The parties may agree to additional notice requirements related to specific outsourcing projects from time to time.

17.0 Intellectual Property.

Exhibit I of this Agreement sets forth certain additional rights and obligations of the parties with respect to intellectual property.

18.0 Non-Compete.

18.1 Limitations on Provision of Services. From the Execution Date until the Volume Reduction Date, to the extent that PROVIDER provides such Services to CUSTOMER, PROVIDER shall not market, sell or provide the Services (including granting licenses to use or assigning any interest in any PROVIDER Licensed Technology, but excluding any such assignment in connection with a PROVIDER divestiture permitted pursuant to Section 1.6 of this Agreement) to any third party in the business of underwriting, marketing, issuing or administering any (i) life insurance, long-term care insurance, or annuities, (ii) mortgage insurance, or (iii) credit life, credit health, credit unemployment or credit casualty insurance products either directly or through a re-insurer; provided, however, that PROVIDER shall have a right to provide the Services to GE and its Affiliates or any party that was an Affiliate of GE on the Execution Date.

18.2 Volume Reduction Date. PROVIDER shall notify CUSTOMER of the potential occurrence of the Volume Reduction Date. If, within ten (10) days of its receipt of such notice, CUSTOMER notifies PROVIDER of its intent to increase the volume of Services consumed by CUSTOMER such that the level of Dedicated FTEs or Customer-Controllable Revenues, as applicable, increases above the fifty percent (50%) threshold, and does so increase such volume within sixty (60) days of receipt of such notice, then the Volume Reduction Date shall not be deemed to have occurred.

18.3 Equitable Relief. PROVIDER acknowledges that any violation of the restrictions contained in the foregoing paragraph would result in irreparable injury to CUSTOMER, and PROVIDER further acknowledges that, in the event of its violation of any of these restrictions, CUSTOMER shall be entitled to obtain from any court of competent jurisdiction (in any jurisdiction) preliminary and permanent injunctive relief, regardless of the dispute resolution provisions set forth in Exhibit G, as well as damages to which it may be entitled under such provisions.

19.0 Change Control Procedure.

If either party requests a modification of the Agreement or any PSA, including (i) a change to the scope of the Services, Dedicated FTEs, Performance Standards, or Charges under any PSA, (ii) a change to the Exhibits or Schedules to the Agreement, (iii) the addition of New Services, (iv) a change to the features, functionality, scalability or performance of the Services, or (v) any other change to the terms of the Agreement or any PSA, the requesting party's Account Executive or his or her designee shall submit a written proposal in the form attached as Exhibit K (a "Change Order Request") to the other party's Account Executive describing such desired change. Such party's Account Executive shall review the proposal and reject or accept the proposal in writing within a reasonable period of time, but in no event more than thirty (30) days after receipt of the proposal. If the proposal is rejected, the writing shall include the reasons for rejection. If the proposal is accepted, the parties shall mutually agree on the changes to be made, if necessary, to the Agreement, the applicable PSA, or any applicable Exhibits. All such changes shall be made only in a written Change Order signed by the Account Executive of each of the parties or his designee (authorized in writing by the applicable party), and thereafter embodied in the applicable documents by appropriate written addenda thereto executed by PROVIDER and CUSTOMER.

20.0 Governance.

20.1 PROVIDER Account Executive.

(a) Designation and Authority. Immediately after execution of this Agreement, PROVIDER shall designate a PROVIDER Account Executive for the PROVIDER engagement under this Agreement. The PROVIDER Account Executive, and his/her designee(s), shall have the authority to act for and bind PROVIDER and its subcontractors in connection with all aspects of this Agreement. All of CUSTOMER's communications shall be sent to the PROVIDER Account Executive or his/her designee(s).

(b) Selection. Before assigning an individual to the position of Account Executive, whether the person is initially assigned or subsequently assigned, PROVIDER shall:

(i) notify CUSTOMER of the proposed assignment for CUSTOMER's approval;

(ii) introduce the individual to appropriate CUSTOMER representatives; and

(iii) consistent with law and PROVIDER's reasonable personnel practices, provide CUSTOMER with any other information about the individual that is reasonably requested.

(c) PROVIDER shall cause the person assigned to the position of Account Executive to maintain his or her principal office at a location designated by CUSTOMER and to devote all time and effort that is reasonably necessary to the provision of the Services under this

Agreement. PROVIDER shall use commercially reasonable efforts to maintain the initial PROVIDER Account Executive at CUSTOMER for the minimum term of eighteen (18) months following the Execution Date, provided that any term that such Account Executive has already spent in his or her current position prior to the Execution Date shall be considered as a part of the 18-month period referred to herein, and each of the subsequent PROVIDER Account Executives for a minimum term of eighteen (18) months, unless such Account Executive (i) voluntarily resigns from PROVIDER, (ii) is dismissed by PROVIDER for (A) misconduct or (B) unsatisfactory performance in respect of his or her duties and responsibilities to CUSTOMER or PROVIDER, (iii) is unable to work due to his or her death, injury or disability, or (iv) is removed from the CUSTOMER assignment at the request of CUSTOMER. Whenever possible, PROVIDER shall give CUSTOMER at least ninety (90) days advance notice of a change of the Account Executive or if such ninety (90) days notice is not possible, the longest notice otherwise possible.

(d) Removal. If CUSTOMER determines that it is not in the best interests of CUSTOMER for the PROVIDER Account Executive to continue in his or her capacity, then CUSTOMER shall give PROVIDER written notice requesting that the Account Executive be replaced. PROVIDER shall replace the Account Executive as promptly as practicable, but, in any case, within thirty (30) days, in accordance with this Section 20.1.

20.2 CUSTOMER Account Executive.

(a) Designation and Authority. Immediately after execution of this Agreement, CUSTOMER shall designate a CUSTOMER Account Executive for the PROVIDER engagement under this Agreement. The CUSTOMER Account Executive and his/her designee(s) shall have the authority to act for and bind CUSTOMER and its contractors in connection with all aspects of this Agreement. All of PROVIDER's communications shall be sent to the CUSTOMER Account Executive or his/her designee(s).

(b) Term. CUSTOMER shall cause the person assigned to the position of Account Executive to devote substantial time and effort to the management of CUSTOMER's responsibilities under this Agreement. Whenever possible, CUSTOMER shall give PROVIDER at least ninety (90) days advance notice of a change of the Account Executive or if such ninety (90) days notice is not possible, the longest notice otherwise possible.

20.3 Key Employees of PROVIDER. For this Agreement and each PSA executed pursuant hereto, PROVIDER shall notify CUSTOMER in writing of the names of all of the PROVIDER employees providing Services under each such agreement who are at the senior professional band and above (each a "Key Employee"). Such notice shall be provided within thirty (30) days of the execution of this Agreement and each PSA. PROVIDER shall use commercially reasonable efforts to maintain the initial Key Employees at CUSTOMER for the minimum term of eighteen (18) months following the Execution Date, provided that any term that such Key Employee has already spent in his or her current position prior to the Execution Date shall be considered as a part of the 18-month period referred to herein, and each of the subsequent Key Employees for a minimum term of eighteen (18) months, unless any such Key Employee (i) voluntarily resigns from PROVIDER, (ii) is dismissed by PROVIDER for

(A) misconduct or (B) unsatisfactory performance in respect of his or her duties and responsibilities to CUSTOMER or PROVIDER, (iii) is unable to work due to his or her death, injury or disability, or (iv) is removed from the CUSTOMER assignment at the request of CUSTOMER. Whenever possible, PROVIDER shall give CUSTOMER at least ninety (90) days advance notice of a change of a Key Employee or if such ninety (90) days notice is not possible, the longest notice otherwise possible. If CUSTOMER determines that it is not in the best interests of CUSTOMER for any Key Employee to continue in his or her capacity, then CUSTOMER shall give PROVIDER written notice requesting that such Key Employee be replaced. PROVIDER shall replace the Key Employee as promptly as practicable, but, in any case, within thirty (30) days, in accordance with this Section 20.3.

20.4 Meetings.

(a) The parties will participate in an (i) annual budgeting and pricing process and a quarterly demand planning process as described in Section 2.9 and (ii) an annual business strategy and productivity enhancement process as directed by CUSTOMER.

(b) CUSTOMER may call meetings from time to time with reasonable notice to be held by telephone or video conference to generally review matters relating to the terms and conditions of this Agreement and any PSA, the compliance of each of the parties herewith, and to consider policies, planning and performance relating to quality controls, production, efficiency and productivity, costs and any other special matter or matters of concern. In addition, either party shall have the right to call meetings by telephone or video conference, as necessary, with reasonable notice to the other party, to discuss and resolve specific matters of concern as they occur. All meetings shall be attended by the representatives of the parties who are responsible for performances as to those matters to be discussed. Either party may also request an in-person meeting with reasonable notice to the other party. The expenses for such meeting, including travel and lodging shall be borne by the party calling the meeting; however, such expenses will be agreed upon by the parties prior to such meeting.

20.5 Operational Dispute Resolution. As contemplated by Section 1.2 of Exhibit G, the parties may attempt to resolve Disputes in the normal course of business at the operational level as described in this Section 20.5. The line managers of the parties shall attempt in good faith to resolve such Dispute through negotiation. If the line managers cannot resolve the Dispute within a reasonable period of time, the Dispute shall be escalated by CUSTOMER to the applicable operations leader and by PROVIDER to the applicable service leader. If such persons can not resolve the Dispute within a reasonable period of time, the Dispute shall be escalated to the Account Executives of both parties. If the Dispute is not resolved by the Account Executives within a reasonable period of time or, in any case, if such Dispute is not resolved within ten (10) days after commencement of negotiations pursuant to this Section 20.5, the Dispute shall be handled in accordance with Exhibit G.

21.0 Miscellaneous.

21.1 Force Majeure. No party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment

obligation) under this Agreement or any related PSA, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (i) notify the other parties of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible. The preceding sentence shall not relieve PROVIDER of its obligation to provide the Services described in the BCP/DRP Plans described in Section 1.2 hereof. If PROVIDER's performance is affected by Force Majeure for a period of more than ten (10) calendar days, then CUSTOMER may terminate this Agreement by giving written notice to PROVIDER before performance has resumed without payment of any amount other than accrued Charges.

21.2 Independent Contractors. The parties shall be and act as independent contractors, and under no circumstances shall this Agreement be construed as one of agency, partnership, joint venture or employment between the parties. Each party agrees and acknowledges that it neither has nor will give the appearance or impression of having any legal authority to bind or commit the other party in any way.

21.3 Failure to Object Not a Waiver. The failure of either party to object to or to take affirmative action with respect to any conduct of the other party which is in violation of the terms hereof shall not be construed as a waiver thereof, nor of any future breach or subsequent wrongful conduct.

21.4 Governing Law. This Agreement is to be governed by and construed and interpreted in accordance with the laws of Virginiaof the United States of America, which is applicable to contracts wholly made and performed therein. PROVIDER hereby submits to the jurisdiction of all courts where CUSTOMER is authorized to do business and all courts of the United States. Any action in regard to the contract or arising out of its terms and conditions shall be instituted and litigated in the United States.

21.5 No Third-Party Beneficiaries. Except as provided in Section 12.0 with respect to Indemnified parties, this Agreement is for the sole benefit of the parties to this Agreement and members of their respective Group and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

21.6 Public Announcements. The parties shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement and the PSAs, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

21.7 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the PSAs and the attachments hereto and thereto) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties hereto with respect to such subject matter, provided, that, unless otherwise expressly agreed by the parties, matters arising prior to the Execution Date shall be governed by the provisions of the Master Outsourcing Agreement (including the PSAs and attachments thereto) as in effect prior to such date.

21.8 Amendment. No provision of this Agreement or any PSA may be amended or modified except by a written instrument signed by all the parties to such agreement. No waiver by any party of any provision hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by any party hereto of a breach of any provision of this Agreement or any PSA shall not operate or be construed as a waiver of any other subsequent breach.

21.9 Rules of Construction. Interpretation of this Agreement and the PSAs shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (b) references to the terms Article, Section, paragraph, Schedule and Exhibit are references to the Articles, Sections, paragraphs, Schedules and Exhibits to this Agreement and the PSAs unless otherwise specified, (c) the word "including" and words of similar import shall mean "including, without limitation," (d) provisions shall apply, when appropriate, to successive events and transactions, (e) the table of contents and headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement and the PSAs, and (f) this Agreement and the PSAs shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted. In the event of any apparent conflict between the provisions of this Agreement, any Exhibit to this Agreement or any PSA, such provisions shall be construed so as to make them consistent to the extent possible, and if such is not possible, then the parties will negotiate in good faith to resolve such conflicts in a commercially reasonable manner. If the parties are unable to resolve such conflicts, then the provisions of this Agreement shall control, provided, that the provisions of Exhibit B shall control over the provisions of the Agreement and any other Exhibits. In the event of any conflict between the provisions of this Agreement and any PSA, the provisions of this Agreement shall control.

21.10 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

21.11 Remedies Not Exclusive. No remedy herein conferred upon or reserved to a party is intended to be exclusive of any other remedy available at law or in equity, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity, by statute or otherwise.

21.12 Dispute Resolution. Any dispute, controversy or claim arising out of or relating to this Agreement or any related PSA, or the validity, interpretation, breach or termination of any provision of this or PSA shall be resolved in accordance with the dispute resolution process set forth in Exhibit G hereof.

21.13 Language. All PSAs, documents, exhibits, schedules, deliverable items, notices and communications of any kind relating to this Agreement and the PSAs shall be made in the English language.

21.14 Survival. The following sections of this Agreement shall survive termination of this Agreement and any PSA:

9.0 Obligations on Expiration and Termination

11.0 Confidentiality

12.0 Indemnities

13.0 Limitation of Liability

16.0 Notices

17.0 Intellectual Property

18.0 Miscellaneous

22.0 Attachments.

The following Exhibits are attached hereto and are incorporated into this Agreement:

Exhibit A	Definitions
Exhibit B	Local Modifications to Master Agreement
Exhibit C	Form of PSA
Exhibit D	BCP/DRP Plans
Exhibit E	Security Procedures
Exhibit F	Pricing Template
Exhibit G	Dispute Resolution
Exhibit H	Carve-Out Option
Exhibit I	Intellectual Property
Exhibit J	Business Associate Addendum
Exhibit K	Change Control Procedure
Exhibit L	MOAs and PSAs

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the date first written above.

GE Life and Annuity Assurance Company

By: ______________________________

Its: ______________________________

GE Capital International Services

By: ______________________________

Its: ______________________________

EXHIBIT A

Definitions

"Action" means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any federal, state, local, foreign or international Government Authority or any arbitration or mediation tribunal.

"Addendum" means the terms which are supplemental to and/or deviate from this Agreement as set forth inExhibit B.

"Agreement" means this Agreement, as amended and/or supplemented as set forth inExhibit A, together with the other Exhibits and Schedules hereto.

"Affiliate" means (and, with a correlative meaning, "affiliated") means, with respect to any Person, any direct or indirect subsidiary of such Person, and any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such first Person; provided, however, that from and after the Execution Date, no member of the Genworth Group shall be deemed an Affiliate of any member of the GE Group for purposes of this Agreement and no member of the GE Group shall be deemed an Affiliate of any member of the Genworth Group for purposes of this Agreement. As used in this definition, " control" (including with correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies or the power to appoint and remove a majority of directors (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"After Tax Basis" shall have the meaning given in Section (c) hereof.

"Appraiser" shall have the meaning given in Exhibit A

Bankruptcy Code" has the meaning set forth in Section 2.04 ofExhibit I.

"Base Cost" shall be PROVIDER's actual direct cost of providing the Services reasonably and equitably determined to be attributable to CUSTOMER by PROVIDER for each year. The elements of PROVIDER's direct cost are described in the attached Exhibit L, and shall take into account productivity gains or losses.

"Baseline Charges" has the meaning set forth inSection 2.1.

"Baseline FTEs" means the number of Dedicated FTEs employed by PROVIDER and its Affiliates to perform the Services under all of the MOAs as of the Execution Date, as agreed upon by the parties. Upon the occurrence of any event that reduces the number of Dedicated FTEs employed by PROVIDER to perform Services under the MOAs (including any transfer by PROVIDER of operations, but excluding the effects of productivity improvements), other than at the direction of any member of the Genworth Group, the Baseline FTEs shall be reduced to

reflect the reduction in the numbers and classes of Dedicated Employees affected by such change.

"Baseline Customer-Controllable Revenues" means the budgeted aggregate Compensation and Benefits expense (as defined inExhibit F) of the Baseline FTEs for the first twelve months of the Initial Term, as agreed upon by the parties. Upon the occurrence of any event that reduces the number of Dedicated FTEs employed by PROVIDER to perform Services under the MOAs (including any transfer by PROVIDER of operations, but excluding the effects of productivity improvements), other than at the direction of any member of the Genworth Group, the Baseline Customer-Controllable Revenues shall be reduced to reflect the reduction in the numbers and classes of Dedicated Employees affected by such change.

"BCP/DRP Plans" shall have the meaning given such term in Section 1.2 hereof.

"Carve-Out" means the process set forth in Exhibit H commencing upon the election by CUSTOMER of the Carve-Out Option.

"Carve-Out Conditions" shall have the meaning given such term in Exhibit H hereof.

"Carve-Out Option" shall have the meaning given in Section 9.2 hereof.

"Carve-Out Resources" shall have the meaning given such term in Exhibit H hereof.

"Change Control Procedure" means the procedure set forth in Section 19.0 and Exhibit H for amending the Agreement including (i) a change to the scope of the Services, Dedicated FTEs, Performance Standards, or Charges under any Transaction Document, (ii) a change to the Exhibits or Schedules to this Agreement, (iii) the addition of New Services, (iv) a change to the features, functionality, scalability or performance of the Services, and (v) any other change to the terms of this Agreement or PSA.

"Change of Control" (of CUSTOMER) means any (i) consolidation or merger of GENWORTH with or into another entity or entities (whether or not GENWORTH is the surviving entity), excluding any such consolidation or merger with or into an Affiliate of GENWORTH or GE or an Affiliate of GE, (ii) any sale or transfer by GENWORTH of fifty percent (50%) or more of its assets, excluding any such sale to an Affiliate of GENWORTH or to GE or an Affiliate of GE, (iii) any sale, transfer or issuance or series of sales, transfers or issuances of shares or other voting securities of GENWORTH by GENWORTH or the holders thereof, as a result of which one holder, or a group of holders acting in concert (other than GE or an Affiliate of GE), acquires the voting power (under ordinary circumstances) to elect a majority of the directors of GENWORTH. Notwithstanding the foregoing, no transaction of the type described in clauses (i), (ii) or (iii) of this Section shall constitute a Change of Control if, as of immediately following such transaction, persons that possess the voting power (under ordinary circumstances) to elect a majority of the directors of GENWORTH as of immediately prior to such transaction continue to hold (directly or indirectly) such voting power.

"Change of Control" (of PROVIDER) shall have the meaning given such term in Exhibit H hereof.

"Change Order" means a document that amends the Agreement, including the changes described in (i) through (v) of the definition of "Change Control Procedure," executed pursuant to the Change Control Procedure, in substantially the form set forth in Exhibit H.

"Change Order Request" has the meaning given in Section 19.0 hereof.

"Charges" shall have the meaning given such term in Section 2.1

"Common Termination Date" shall have the meaning given such term in Section 7.1 hereof.

"Contract Year" means the calendar year or any portion thereof (e.g. the initial Contract Year shall be the period from the Execution Date through December 31, 2004).

"Cost Factor" shall have the meaning given such term in Section 2.2 hereof.

"CPR" shall have the meaning given such term in Exhibit G hereof.

"CPR Arbitration Rules" shall have the meaning given such term in Exhibit G hereof.

"CUSTOMER Confidential Information" shall have the meaning given such term in Section 11.1 hereof.

"Customer-Controllable Revenue" means the aggregate salaries of the Dedicated FTEs.

"CUSTOMER Licensed Technology" means all Technology and Intellectual Property owned by CUSTOMER or its Affiliates and provided to PROVIDER (or its authorized subcontractors in accordance with Section 10) by CUSTOMER or its Affiliates for use or necessary for use in the provision of the Services (which, for the avoidance of doubt, does not include any Technology or Intellectual Property owned by a third party). CUSTOMER Licensed Technology shall include Technology or Intellectual Property developed by PROVIDER (or its authorized subcontractors in accordance with Section 10) and owned by CUSTOMER, except as otherwise provided in the Agreement or any PSA relating to such developed Technology or Intellectual Property.

"Dedicated FTEs" shall mean the full-time equivalent employees, including supervisors, direct support personnel (e.g. trainers) and other members of the PROVIDER management identified and agreed to by CUSTOMER, dedicated to the performance of the Services from time to time.

"Delayed Transfer Legal Entities" means Financial Assurance Company Limited, Financial Insurance Company Limited, Consolidated Insurance Group Limited, GE Financial Assurance Compania de Seguros y Reaseguros de Vida SA and GE Financial Insurance Compania de Seguros y Reaseguros SA.

"Direct Damages" means actual, direct damages incurred by the claiming party which include, by way of example (a) erroneous payments made by PROVIDER or CUSTOMER as a result of a

failure by PROVIDER to perform its obligations under an MOA or PSA, (b) the costs to correct any deficiencies in the Services, (c) the costs incurred by CUSTOMER to transition to another provider of Services and/or to take some or all of such functions and responsibilities in-house, (d) the difference in the amounts to be paid to PROVIDER hereunder and the charges to be paid to such other provider and/or the costs of providing such functions, responsibilities and tasks in-house, and (e) similar damages. "Direct Damages" shall not include, and neither party or its Affiliates shall be liable for, any indirect, special, incidental, exemplary, punitive or consequential damages (including, without limitation, any loss of data or records, lost profits or other economic loss) arising out of its breach, negligence or any of the Excluded Matters, even if the other party or its Affiliates have been advised of the possibility of or could have foreseen such damages, provided that any such damages relating to a Third Party Claim shall be considered Direct Damages. For the avoidance of doubt, PROVIDER shall remain liable for all Direct Damages regardless of whether such damages are the subject of any reinsurance arrangement entered into by CUSTOMER. Direct Damages shall be calculated and paid on an After-Tax Basis, net of Insurance Proceeds, in the manner described in Section 12.3.

"Discount Factor" shall have the meaning given such term in Sections 2.2 and 2.4 hereof.

"Dispute" shall have the meaning given such term in Exhibit G hereof.

“Excluded Matters” shall have the meaning given such term in Section 13.3 hereof.

“Excluded Matters Cap” shall have the meaning given such term in Section 13.3 hereof.

“Execution Date” means the date of this Agreement as set forth on the first page hereof.

“Facility” shall have the meaning given such term in Exhibit H hereof.

“Fair Market Value” shall have the meaning given such term in Exhibit H hereof.

“Force Majeure” means, with respect to a party, an event beyond the control of such party (or any Person acting on its behalf), which by its nature could not have been foreseen by such party (or such Person), or, if it could have been foreseen, was unavoidable, and includes, without limitation, acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one or more acts of terrorism or failure of energy sources.

“GAAP” means generally accepted accounting principles prevailing from time to time in the applicable jurisdiction.

“GE” means General Electric Company.

“GE Group” means GE and each Person (other than any member of the Genworth Group) that is an Affiliate of GE immediately after the Execution Date.

“Genworth” shall have the meaning given such term in the recitals of this Agreement.

“Genworth Business” means the businesses of (a) the members of the Genworth Group; (b) GEFAHI; (c) the Delayed Transfer Legal Entities and (d) those terminated, divested or discontinued businesses of the members of Genworth Group, other than those listed on Schedule A-1.

“Genworth Common Stock” means the Class A Common Stock, $0.0001 par value per share and the Class B Common Stock, $0.0001 par value per share, of Genworth.

“Genworth Group” means Genworth, each Subsidiary of Genworth immediately after the Execution Date and each other Person that is either controlled directly or indirectly by Genworth immediately after the Execution Date; provided, that certain assets referred to by the parties as “Delayed Transfer Asset,” that are transferred to Genworth at any time following the Closing shall, to the extent applicable, be considered part of the Genworth Group for all purposes of this Agreement.

“Genworth Records Management Policies” means the Genworth Records Management Policy adopted by Genworth and provided to GECIS,as amended from time to time.

“Governmental Authority” means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental authority, agency, department, board, commission or instrumentality whether federal, state, local or foreign (or any political subdivision thereof), and any tribunal, court or arbitrator(s) of competent jurisdiction.

“Hardware” shall have the meaning given such term in Exhibit H hereof.

“HIPPA” shall have the meaning given such term in Exhibit J hereof.

“Improvement” means any modification, derivative work or improvement of any Technology.

“Indemnity Payment” shall have the meaning given such term in Section 12.3 hereof.

“Indemnified Party” shall have the meaning given such term in Section 12.3 hereof.

“Indemnifying Party” shall have the meaning given such term in Section 12.3 hereof.

“Information” means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data, including customer and/or consumer non-public personal financial information, non-public health information and protected health information as defined by applicable Law.

“Initial Notice” shall have the meaning given such term in Exhibit G hereof.

“Initial Term” shall have the meaning given such term in Section 5.1 hereof.

“Insurance Proceeds” means those monies: (a) received by an insured from an insurance carrier; (b) paid by an insurance carrier on behalf of the insured; or (c) received (including by way of set off) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

“Intellectual Property” means all of the following, whether protected, created or arising under the laws of the United States or any other foreign jurisdiction: (i) patents, patent applications (along with all patents issuing thereon), statutory invention registrations, divisions, continuations, continuations-in-part, substitute applications of the foregoing and any extensions, reissues, restorations and reexaminations thereof, and all rights therein provided by international treaties or conventions, (ii) copyrights, mask work rights, database rights and design rights, whether or not registered, published or unpublished, and registrations and applications for registration thereof, and all rights therein whether provided by international treaties or conventions or otherwise, (iii) trade secrets, (iv) intellectual property rights arising from or in respect of Technology and (v) all other applications and registrations related to any of the intellectual property rights set forth in the foregoing clauses (i) — (v) above. As used in this Agreement, the term “Intellectual Property” expressly excludes (x) trademarks, service marks, trade dress, logos and other identifiers of source, including all goodwill associated therewith and all common law rights, registrations and applications for registration thereof, and all rights therein provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing and (y) intellectual property rights arising from or in respect of domain names, domain name registrations and reservations (all of the foregoing collectively, the “Trademarks”).

"Key Employee" shall have the meaning given in Section 20.3 hereof.

"Law" means any federal, state, local or foreign law (including common law), statute, code, ordinance, rule, regulation, order or other requirement enacted, promulgated, issued or entered by a Governmental Authority, including without limitation, the Gramm-Leach-Bliley Act, its implementing regulations, applicable state privacy laws, and HIPPA.

"Liabilities" shall have the meaning given such term in Section 12.1.

"Licensed Products and Services" means those products and services that use, practice or incorporate the Licensor's Intellectual Property or Technology.

"Licensee" means a Person receiving a license or sublicense under Exhibit I.

"Licensor" means a Person granting a license or sublicense under Exhibit I.

"Mission Critical" operations shall mean those operations identified by CUSTOMER from time to time as mission critical in one (1) or more written notices to PROVIDER.

"MOAs" means (i) all of the Amended and Restated Master Outsourcing Agreements entered into between Affiliates of Genworth and PROVIDER in connection with that certain Outsourcing Services Separation Agreement dated , 2004 between Genworth, PROVIDER, General Electric Company and General Electric Capital Corporation, and (ii) all PSAs executed pursuant to such Amended and Restated Master Outsourcing Agreements, all as identified by the parties as of the Execution Date.

"New Provider Materials" means all Software first used by PROVIDER or its Affiliates or their Representatives in performing the Services after [the Execution Date].

"New Services" shall have the meaning given such term in Section 1.7 hereof.

"Non-exclusive Employees" shall have the meaning given such term in Exhibit H hereof.

"Notification Date" shall have the meaning given such term in Section 7.2 hereof.

"Payment Date" shall have the meaning given such term in Section 3.5 hereof.

"Payment Default Notice" shall have the meaning given such term in Section 3.5 hereof.

"Performance Standards" means the performance requirements for PROVIDER set forth in any PSA.

"Person" means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, governmental authority or other entity.

"PROVIDER Licensed Technology" means all Technology and Intellectual Property owned by PROVIDER or its Affiliates and used in the provision of the Services under the Agreement and PSAs (which, for the avoidance of doubt, does not include any Technology or Intellectual Property owned by a third party).

"PROVIDER Confidential Information" has the meaning given such term in Section 11.2 hereof.

"PROVIDER Divestiture" shall have the meaning given such term in Section 1.6 hereof.

"PROVIDER Employees" shall have the meaning given such term in Exhibit H hereof.

"PSA(s)" means the Project Specific Agreements entered into between the parties under the original Master Outsourcing Agreement and hereafter and certain other services agreements entered into between the parties, all of which are and shall be listed on Exhibit G hereof.

"Renewal Period" shall have the meaning given such term in Section 5.2 hereof.

"Response" shall have the meaning given such term in Exhibit G hereof.

"SAP" means statutory accounting practices mandated by state law or regulation.

"Service Hours" shall have the meaning given such term in Section 6.1 hereof.

"Services" means (a) any services described in a PSA, (b) the services described in the BCP/DRP Plans, and (c) any other functions, responsibilities, tasks not specifically described in the Agreement or PSA which are required for the proper performance of and provision of the above services, or are an inherent part of, or necessary subpart included within, such services.

"Services Transfer Assistance" shall have the meaning given such term in Section 9.1 hereof.

"Simple Breach Cap" shall have the meaning given such term in Section 13.2 hereof.

"Software" means the object and source code versions of computer programs and associated documentation, training materials and configurations to use and modify such programs, including programmer, administrator, end user and other documentation.

"Subsidiary" or "subsidiary" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such entity, (ii) the total combined equity interests, or (iii) the capital or profit interests, in the case of a partnership; or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"System" shall have the meaning given such term in Section 6.1 hereof.

"Taxes" shall have the meaning given such term in Section 2.6 hereof.

"Technology" means, collectively, all designs, formulas, algorithms, procedures, techniques, ideas, know-how, Software, programs, models, routines, databases, tools, inventions, creations, improvements, works of authorship, and all recordings, graphs, drawings, reports, analyses, other writings, and any other embodiment of the above, in any form, whether or not specifically listed herein.

"Third Party Agreements" shall have the meaning given such term in Exhibit H hereof.

"Third Party Claim" shall have the meaning given such term in Section 12.1 hereof.

"Third Party Software" shall have the meaning given such term in Exhibit H hereof.

"Trigger Date" means the first date on which members of the GE Group cease to beneficially own (excluding for such purposes shares of Genworth Common Stock beneficially owned by GE but not for its own account, including (in such exclusion) beneficial ownership which arises by virtue of some entity that is an Affiliate of GE being a sponsor of or advisor to a mutual or

similar fund that beneficially owns shares of Genworth Common Stock) more than fifty percent (50%) of the outstanding Genworth Common Stock.

"Volume Reduction Date" means the date on which either (i) the number of Dedicated FTEs used by PROVIDER to perform the Services for CUSTOMER and its Affiliates under all of the MOAs, or (ii) the annualized Customer-Controllable Revenues relating to Dedicated FTEs performing Services for CUSTOMER and its Affiliates under all of the MOAs are less than fifty percent (50%) of the Baseline FTEs or Baseline Customer-Controllable Revenues, respectively.

Schedule A-1

Discontinued Businesses

GE Property & Casualty Insurance Company
GE Casualty Insurance Company
GE Indemnity Insurance Company
GE Auto & Home Assurance Company
Bayside Casualty Insurance Company

EXHIBIT B

Local Modifications to Master Agreement

None

EXHIBIT C

Form of PSA

PROJECT SPECIFIC AGREEMENT

This Project Specific Agreement ("PSA") is entered into on , 200 by **[NAME]** (hereafter "CUSTOMER") and **[GE Capital International Services]** (hereafter "PROVIDER").

WHEREAS, CUSTOMER and PROVIDER are parties to that certain Amended and Restated Master Outsourcing Agreement between CUSTOMER and PROVIDER dated , 200 ("ARMOA");

WHEREAS, CUSTOMER now desires that PROVIDER provide certain services to CUSTOMER and PROVIDER desires to provide such services pursuant to the terms of the ARMOA;

WHEREAS, this PSA defines certain rights and liabilities of the parties with respect to **[Insert general Project Name or Type of Service]**; and

WHEREAS, capitalized terms used herein and not defined shall have the meaning given such terms in the ARMOA.

NOW THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

(1) Incorporation of ARMOA by Reference**. The provisions of the ARMOA are hereby incorporated in their entirety into this PSA by reference.**

The ARMOA provides substantive terms that the parties agree will govern and define their rights and liabilities in this PSA. The ARMOA defines many fundamental provisions including, but not limited to, a description of the conditions under which the parties may terminate this PSA, confidentiality requirements, contractual remedies, limitations on assignment and subcontracting, indemnification rights, intellectual property rules, limitation of liability, particular representations and warranties made by the parties, and jurisdictional issues. The PSA shall be governed by the terms and conditions stated in the ARMOA.

The provisions of this PSA set forth below describe the term of this PSA, the Services to be performed, performance standards, if any, fees that may be charged, regulatory rules applicable to the Services, and other particulars not otherwise described in the ARMOA.

In the event of any conflict between the provisions of the ARMOA and this PSA, the ARMOA shall control. The parties to this PSA may deviate from any terms

and conditions of the ARMOA, only to the extent that the ARMOA permits such deviation. Otherwise, such deviations are not permissible.

(2) Term. **This PSA shall commence on the execution date of this PSA and shall continue for so long as the ARMOA is effective.** [The PSA should run concurrently with the ARMOA unless the parties agree otherwise.]

(3) Description of Services.

(a) The services to be performed by PROVIDER are described below and in Exhibit A to this PSA (the "Services"). The Services will be performed with the oversight of and in conjunction with the offices of CUSTOMER located in the United States of America.

(b) Services generally shall be performed by PROVIDER at certain times of the day to provide for reasonable overlap of common working hours between PROVIDER and CUSTOMER.

(c) [To the extent CUSTOMER requires specific back-up requirements for records constituting CUSTOMER's books of account, such requirements should be inserted in this Section 3, or if such requirements are regulatory in nature, in Section 6 below. The inclusion of specific back-up requirements may increase the Baseline Charges for the Services.]

(4) Performance Standards.

(a) PROVIDER shall perform the Services in conformance with CUSTOMER's guidelines and procedures for the Services as agreed to by the parties and attached as Schedule .

(b) [Section 4.1 of the ARMOA contemplates the insertion of Performance Standards, if any, for the Services. Insert any additional Performance Standards applicable to this PSA as new subsections of this Section 4 or as a new Schedule to this PSA.]

(c) [Section 4.2 of the ARMOA contemplates measuring the Performance Standards monthly, but allows for deviations. If different measurement periods are desired, such should be inserted in this Section 4.]

(5) Fees.

(a) CUSTOMER agrees to pay the following Baseline Charges to PROVIDER for performance of the Services: **[Insert FTE rate]. [Please note that Exhibit A to the ARMOA requires Baseline Charges for new PSAs to be defined in each PSA. The Baseline Charges must be an FTE rate to avoid problems with the pricing adjustment, volume reduction and non-compete provisions of the ARMOA.]**

At the time of execution of the PSA, the parties expect that no. of FTEs will be required to complete the Services. The volume of services required under this PSA may increase during the term of the PSA. In case the volume increases during the term, the parties may agree to increase the number of FTEs providing the Services under the PSA, provided that such number will not exceed . **[Insert the maximum cap of FTE here. The number of FTEs may be changed outside this range in accordance with the Change Control Procedure in Section 19.0 of the ARMOA.]**

(b) [To the extent the fee structure is subject to regulation and the applicable requirements are not addressed in the ARMOA, include such requirements here. For instance, certain existing PSAs require PROVIDER to satisfy certain expense and cost allocation requirements, such as New York Insurance Department Regulation No. 33].

(6) Regulatory Matters.

(a) PROVIDER shall (i) assist and cooperate with CUSTOMER with respect to any regulatory examination or investigation of CUSTOMER or legal proceeding involving CUSTOMER, (ii) make available personnel with detailed knowledge of the Services to meet with CUSTOMER or any regulatory agency with jurisdiction over CUSTOMER at such place as may be requested by CUSTOMER or such regulatory agency, and (iii) employ a compliance officer to monitor the performance of the Services.

(b) [Section 4.3 of the ARMOA requires PROVIDER to perform the Services in compliance with all applicable Laws, stock exchange rules or generally accepted, statutory or regulatory accounting or actuarial principles specified in a PSA. Therefore, any specific rules that CUSTOMER must require PROVIDER to

comply with in performing the Services should be set forth in this Section 6. For instance, an existing PSA requires that: "CUSTOMER records must be maintained by PROVIDER and CUSTOMER in accordance with applicable laws and regulations including, but not limited to, New York Insurance Department Regulation No. 152 (11 NYCRR Part 243)." However, please review Exhibit B to the ARMOA to ensure the specific rules have not already been included there.] Customer shall have the responsibility to inform the Provider about specific compliance and/ or regulatory requirements that the Provider needs to comply with and provide regular updates and training regarding the same.

(7) Remedies. [Insert additional remedies, if any, agreed to by the parties. See Section 4.4 of the ARMOA.]

(8) Intellectual Property

(a) [Under Section 1.02 of Exhibit I to the ARMOA, all Technology and Intellectual Property developed jointly by the parties will be owned by PROVIDER. However, the parties may agree otherwise in a PSA. Therefore, any deviations from this rule should be specified in this Section 8.]

(b) **[Schedule I-1 of Exhibit I to the ARMOA contains a list of Technology and Intellectual Property which may not be sublicensed, assigned or otherwise provided to a third party by CUSTOMER without the written consent of General Electric Company. Section 2.01(e) of Exhibit I to the ARMOA allows the parties to add additional intellectual property to this list for a particular PSA.]**

(c) **[Section 2.02(e) of Exhibit I to the ARMOA states that PROVIDER will have no license to any CUSTOMER Licensed Technology following the termination of the ARMOA or any related PSA, unless the ARMOA or PSA provides otherwise. Therefore, to the extent the parties desire that PROVIDER continue to license certain CUSTOMER Licensed Technology after termination, this should be inserted in this Section 8.]**

(d) **[Section 5.03(a) of Exhibit I to the ARMOA states that CUSTOMER, on behalf of itself and its Affiliates, assumes all risk and liability with their use of the PROVIDER Licensed Technology, subject to any exclusions set forth in the ARMOA or PSA. Therefore, any exclusions to this rule should be inserted in this Section 8.]**

(e) **[Section 5.03(b) of Exhibit I to the ARMOA states that PROVIDER, on behalf of itself and its Affiliates, assumes all risk and liability with their use of the CUSTOMER Licensed Technology, subject to any exclusions set forth in the ARMOA or PSA. Therefore, any exclusions to this rule should be inserted in this Section 8.]**

(f) **[Section 5.04 of Exhibit I to the ARMOA states that the parties may agree in any PSA to amend the terms and conditions of licenses granted under Exhibit I to the ARMOA. Therefore, any additional or different licensing terms should be included in this Section 8.]**

(9) Other Matters.

(a) Provider will have access to the System during the following time periods: [Insert time periods] ("Service Hours"). **[Please refer to Section 6.1 of the ARMOA which contemplates that each PSA will define the "Service Hours" applicable to such PSA. CUSTOMER may also desire to define the parameters or scope of "access" in this Section 9 of the PSA.]**

(b) **[Section 16.0 of the ARMOA contains notice information for the parties. If representatives at the PSA level are different than the ARMOA level representatives, the parties should consider inserting additional notice information under this Section 9.]**

(c) If known, the process owners for each party should be inserted into this Section 9.

(d) PROVIDER represents and warrants to CUSTOMER that

(i) PROVIDER has the necessary power and authority to execute, deliver and perform its

obligations under this PSA and this PSA has been or will be duly executed and delivered by PROVIDER and constitutes or will constitute the valid and binding agreement of PROVIDER, enforceable in accordance with its terms; and

(ii) The execution and delivery of this PSA by PROVIDER and the consummation by PROVIDER of the transactions herein contemplated will not contravene any provision of applicable Law, and will not constitute a breach of or default under any agreement or other instrument or any decree, judgment or order to which PROVIDER is currently a party or by which PROVIDER is bound.

(e) CUSTOMER represents and warrants to PROVIDER that

(i) CUSTOMER has the necessary power and authority to execute, deliver and perform its obligations under this PSA and this PSA has been or will be duly executed and delivered by CUSTOMER and constitutes or will constitute the valid and binding agreement of CUSTOMER, enforceable in accordance with its terms; and

(ii) The execution and delivery of this PSA by CUSTOMER and the consummation by CUSTOMER of the transactions herein contemplated will not contravene any provision of applicable Law, and will not constitute a breach of or default under any agreement or other instrument or any decree, judgment or order to which CUSTOMER is currently a party or by which CUSTOMER is bound.

(10) FURTHER, THE PARTIES AGREE THAT THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES RELATING TO THIS SUBJECT SHALL CONSIST OF 1) THIS PSA AND 2) THE ARMOA, INCLUDING AMENDMENTS TO THOSE DOCUMENTS FROM TIME TO TIME EXECUTED BY THE PARTIES. THIS STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES SUPERSEDES ALL PROPOSALS OR OTHER PRIOR AGREEMENTS, ORAL OR WRITTEN, AND ALL OTHER COMMUNICATIONS BETWEEN THE

PARTIES RELATING TO THE SUBJECT DESCRIBED HEREIN.

[signatures appear on the following page]

IN WITNESS WHEREOF, authorized representatives of the parties have duly executed this PSA, as of the day and year first written above.

[CUSTOMER ENTITY]

By: ______________________________

Name: ______________________________

Title: ______________________________

[GE CAPITAL INTERNATIONAL SERVICES]

By: ______________________________

Name: ______________________________

Title: ______________________________

Exhibit A

Services

EXHIBIT D

BCP/DRP Plans

As of the Execution Date, CUSTOMER has identified the operational processes set forth in the table below as "Mission Critical" with respect to the Services provided under all of the MOAs. PROVIDER shall provide under this Agreement the Services described in the referenced BCP/DR Plans to the extent the related processes are included within the Services performed under this Agreement. The references to the BCP/DR Plans set forth in the table below include such BCP/DR Plans as they may be amended or supplemented from time to time by agreement of the parties.

Business	Process ID	BCP/DR Plan Reference
GEMICO	2052	*
GEMICO	2051	*
GEMICO	2050	*
GEMICO	2049	*
GEMICO	2048	*
GEMICO	2047	*
GEFA	2627	*
GEFA	1761	*
GEFA	1284	*
GEFA	1969	*
GEFA	1754	*
GEFA	1747	*
GEFA	1746	*
GEFA	1745	*
GEFA	1744	*
GEFA	1272	*
GEFA	1991	*
GEFA	2658	*
GEFA	3145	*
GEFA	1266	*
GEFA	1741	*
GEFA	2311	*
GEFA	1739	*
GEFA	1962	*
GEFA	2491	*
GEFA	1243	*
GEFA	1257	*
GEFA	2246	*
GEFA	1960	*
GEFA	1759	*
GEFA	3381	*
GEFA	3384	*

*As provided by PROVIDER to CUSTOMER by email from to on , 2004.

EXHIBIT E

Security Procedures

After the Execution Date, Provider shall comply with (i) the security procedures and policies generally applicable within the General Electric Company and its subsidiaries and as observed by PROVIDER immediately prior to the Execution Date, and (ii) such other security procedures and policies as CUSTOMER may direct, provided, that GECIS shall be entitled to recover its cost of complying with such procedures and policies as part of the Charges for the Services established pursuant to Section 2 and Schedule F.

EXHIBIT F

Pricing Template

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EXHIBIT G

Dispute Resolution

The following provisions shall govern any Dispute arising under the Agreement or the PSAs:

1.1 General Provisions.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement or any PSA, or the validity, interpretation, breach or termination thereof (a "Dispute"), shall be resolved in accordance with the procedures set forth in this Exhibit G, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified below.

(b) Commencing with a request contemplated by Section 1.2 set forth below, all communications between the parties or their representatives in connection with the attempted resolution of any Dispute, including any mediator's evaluation referred to in Section 1.3 set forth below, shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from discovery and production, and shall not be admissible in evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the resolution of the Dispute.

(c) The parties expressly waive and forego any right to (i) punitive, exemplary, statutorily-enhanced or similar damages in excess of compensatory damages, and (ii) trial by jury.

(d) The specific procedures set forth below, including but not limited to the time limits referenced therein, may be modified by agreement of the parties in writing.

(e) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Exhibit G are pending. The parties will take such action, if any, required to effectuate such tolling.

1.2 Consideration by Senior Executives.

If a Dispute is not resolved in the normal course of business at the operational level, the parties shall attempt in good faith to resolve such Dispute by negotiation between executives who hold, at a minimum, the office of President and CEO of the respective business entities involved in such Dispute. Either party may initiate the executive negotiation process by providing a written notice to the other (the "Initial Notice"). Fifteen (15) days after delivery of the Initial Notice, the receiving party shall submit to the other a written response (the "Response"). The Initial Notice and the Response shall include (i) a statement of the Dispute and of each party's position, and (ii) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Such executives will meet in

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person or by telephone within thirty (30) days of the date of the Initial Notice to seek a resolution of the Dispute.

1.3 Mediation.

If a Dispute is not resolved by negotiation as provided in Section 1.2 within forty-five (45) days from the delivery of the Initial Notice, then either party may submit the Dispute for resolution by mediation pursuant to the CPR Institute for Dispute Resolution (the "CPR") Model Mediation Procedure as then in effect. The parties will select a mediator from the CPR Panels of Distinguished Neutrals. Either party at commencement of the mediation may ask the mediator to provide an evaluation of the Dispute and the parties' relative positions.

1.4 Arbitration.

(a) If a Dispute is not resolved by mediation as provided in Section 1.3 within thirty (30) days of the selection of a mediator (unless the mediator chooses to withdraw sooner), either party may submit the Dispute to be finally resolved by arbitration pursuant to the CPR Rules for Non-Administered Arbitration as then in effect (the "CPR Arbitration Rules"). The parties consent to a single, consolidated arbitration for all known Disputes existing at the time of the arbitration and for which arbitration is permitted.

(b) The neutral organization for purposes of the CPR Arbitration Rules will be the CPR. The arbitral tribunal shall be composed of three arbitrators, of whom each party shall appoint one in accordance with the "screened" appointment procedure provided in Rule 5.4 of the CPR Arbitration Rules. The arbitration shall be conducted in New York City. Each party shall be permitted to present its case, witnesses and evidence, if any, in the presence of the other party. A written transcript of the proceedings shall be made and furnished to the parties. The arbitrators shall determine the Dispute in accordance with the law of the State of New York, without giving effect to any conflict of law rules or other rules that might render such law inapplicable or unavailable, and shall apply this Agreement, or the applicable MOA or PSA, according to its terms, provided that the provisions relating to arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq.

(c) The parties agree to be bound by any award or order resulting from any arbitration conducted in accordance with this Section 1.4 and further agree that judgment on any award or order resulting from an arbitration conducted under this Section 1.4 may be entered and enforced in any court having jurisdiction thereof.

(d) Except as expressly permitted by this Agreement, no party will commence or voluntarily participate in any court action or proceeding concerning a Dispute, except (i) for enforcement as contemplated by Section 1.4(c) above, (ii) to restrict or vacate an arbitral decision based on the grounds specified under applicable law, or (iii) for interim relief as provided in paragraph (e) below. For purposes of the foregoing, the parties hereto submit to the non-exclusive jurisdiction of the courts of the State of New York.

(e) In addition to the authority otherwise conferred on the arbitral tribunal, the tribunal shall have the authority to make such orders for interim relief, including injunctive relief, as it may deem just and equitable. If the tribunal shall not have been appointed, either party may seek interim relief from a court having jurisdiction if the award to which the applicant may be entitled may be rendered ineffectual without such interim relief. Upon appointment of the tribunal following any grant of interim relief by a court, the tribunal may affirm or disaffirm such relief, and the parties will seek modification or rescission of the court action as necessary to accord with the tribunal's decision.

Each party will bear its own attorneys' fees and costs incurred in connection with the resolution of any Dispute in accordance with this Exhibit G.

1.5 Continued Performance.

The parties agree to continue to perform their respective obligations under this Agreement and any related PSA during a Dispute.

EXHIBIT H

Carve-Out Option

1.0 Affected Carve-Out Resources (a) If the Carve-Out Option is exercised in connection with any Carve-Out Condition other than a PROVIDER Divestiture, the Carve-Out Option shall be exercisable for all, but not less than all, of the Carve-Out Resources used by PROVIDER in connection with all of the then-outstanding MOAs and related PSAs.

(b) If the Carve-Out Option is exercised in connection with a PROVIDER Divestiture, the Carve-Out Option shall be exercisable for all, but not less than all, of the Carve-Out Resources used by PROVIDER in connection with Services transferred to the acquiror as part of the PROVIDER Divestiture.

2.0 Warranty. As of the date hereof, PROVIDER represents and warrants that to its knowledge there is no law or existing contractual obligation of PROVIDER that would materially impair the exercise of the Carve-Out Option by CUSTOMER with relation to any material Hardware, Third-Party Software or PROVIDER Licensed Technology, or to any PROVIDER Employees, except to the extent expressly disclosed to and approved in writing by CUSTOMER.

3.0 Notice. CUSTOMER shall notify PROVIDER of its exercise of the Carve-Out Option (i) at the expiration of the Initial Term, within fifteen (15) days following the Notification Date; (ii) within fifteen (15) days of notice to PROVIDER of its intent to terminate the affected PSAs in the case of a Material Breach, (iii) within one hundred twenty (120) days following a Change of Control of PROVIDER, and (iv) within thirty (30) days of PROVIDER's notice to CUSTOMER of a PROVIDER Divestiture.

4.0 Consents. CUSTOMER and PROVIDER shall cooperate with each other and shall use commercially reasonable efforts to obtain any approvals, permissions, consents or grants required for CUSTOMER to exercise the Carve-Out Option with relation to all Carve-Out Resources, including Third Party Software and Third Party Agreements.

5.0 No Carve-Out Option for Acquiror. No acquiror of a business operation divested by CUSTOMER shall be entitled to exercise the Carve-Out Option.

6.0 Definitions. As used in this Exhibit H, the following capitalized terms shall have the following meaning:

(a) "PROVIDER" refers to PROVIDER and each Affiliate of PROVIDER providing Services under any MOA or PSA, as applicable.

(b) "Carve-Out Resources" refers to the Hardware, Third Party Software, PROVIDER Licensed Technology, PROVIDER Employees, Third Party Agreements, and the Facility, to the extent that they are severable and identifiable, as described below.

(c) "Carve-Out Conditions" means (a) any Change in Control of PROVIDER, (b) a Material Breach, (c) CUSTOMER's becoming entitled to terminate the Agreement under Section 8.4 of the Agreement, (d) the expiration of the Initial Term, or (e) the occurrence of a PROVIDER Divestiture.

For the purposes of this provision only, a "Material Breach" shall refer to any breach or a series of breaches resulting in the termination of one or more PSAs where: (i) such breach or breaches are material and relate to Excluded Matters (other than matters involving the gross negligence of PROVIDER), (ii) CUSTOMER is entitled to recover damages from PROVIDER in excess of $2,000,000 relating to such breach or breaches, or (iii) such PSAs accounted for ten percent (10%) or more of the aggregate billings by PROVIDER to CUSTOMER and its Affiliates under all of the MOAs during the immediately preceding twelve (12) months, provided, that any dispute as to whether a matter constitutes a Material Breach shall be resolved pursuant to the dispute resolution provisions set forth in Exhibit G and any exercise of the Carve-Out Option by CUSTOMER based on any such matter shall be deferred until such dispute is resolved.

(d) A "Change of Control" of PROVIDER means any (i) consolidation or merger of PROVIDER with or into another entity or entities (whether or not PROVIDER is the surviving entity), excluding any such consolidation or merger with or into GE or an Affiliate of GE, (ii) any sale or transfer by PROVIDER of fifty percent (50%) or more of its assets, excluding any such sale to GE or an Affiliate of GE, (iii) any sale, transfer or issuance or series of sales, transfers or issuances of shares or other voting securities of PROVIDER by PROVIDER or the holders thereof, as a result of which one holder, or a group of holders acting in concert (other than GE or an Affiliate of GE), acquires the voting power (under ordinary circumstances) to elect a majority of the board of directors (or similar managing group) of PROVIDER. Notwithstanding the foregoing, no transaction of the type described in clauses (i), (ii) or (iii) shall constitute a Change of Control of PROVIDER if, as of immediately following such transaction, persons that possess the voting power (under ordinary circumstances) to elect a majority of the board of directors (or similar managing group) of PROVIDER as of immediately prior to such transaction continue to hold (directly or indirectly) such voting power.

(e) "Fair Market Value" shall mean the fair market value of the Carve-Out Resources as proposed by CUSTOMER in its Carve-Out Option notice, served prior to the Notification Date, and agreed by PROVIDER. In the event of disagreement between the parties as to the fair market value of the Carve-Out Resources as specified in the Carve-Out Option notice, the parties shall appoint one (1) appraiser each and such two (2) appraisers will jointly appoint a third (3^{rd}) appraiser within thirty (30) days of such disagreement. Within sixty (60) days of their appointment, the three (3) appraisers will each determine and certify in writing the Fair Market Value of the

Carve-Out Resources consistent with the methodology described below. The Fair Market Value shall be the average of the three (3) appraised values, which value shall be final and binding on the parties. For the purposes of this provision, an appraiser shall be an investment banker of international repute. Fair Market Value shall be determined by the appraisers pursuant to the methodology set forth in Schedule H-1 to this Exhibit H .

7.0 Terms and Conditions of Option. If the Carve-Out Option is exercised, the parties agree to consider in good faith and agree upon commercially reasonable terms and conditions for

the exercise of such option proposed by either party, including, without limitation, the terms and conditions (A) to optimize the consequences for both parties on their respective tax and regulatory positions (B) to optimize the fulfillment of the obligations of PROVIDER to its employees, or (C) to optimize the execution of the transition of the Carve-Out Resources from PROVIDER to CUSTOMER or its designee, or (D) to optimize the transaction structure, or combination of transaction structures, to minimize any adverse financial impact to either party, including, but not limited to, the consideration of joint ventures or equity ownership or asset sales or some combination thereof provided, that such optimization does not materially expand or reduce the rights of CUSTOMER relating to the Carve-Out Option.

8.0 Services Transfer Assistance. PROVIDER shall be obligated to provide Services Transfer Assistance to CUSTOMER until the Carve-Out is completed, but shall not be required to provide any portion of the Services provided to CUSTOMER under the MOAs after CUSTOMER has acquired from PROVIDER the Carve-Out Resources used by PROVIDER to provide such Services or to provide Services Transfer Assistance for (i) in the case of an exercise of the Carve-Out Option relating to the expiration of the Initial Term or a PROVIDER Divestiture, more than fourteen (14) months, and (ii) eighteen (18) months, in the case of an exercise of the Carve-Out Option relating to a Change of Control of PROVIDER; AND (iii) in any other case, twenty-four (24) months**.**

9.0 Payment Obligations. Upon completion of the Carve-Out, all outstanding MOAs and PSAs shall automatically terminate. The monetary consideration to be paid by CUSTOMER for the Carve-Out Resources upon the exercise of the Carve-Out Option shall be equal to (i) the Fair Market Value of the Carve-Out Resources if CUSTOMER exercises the Carve-out Option upon the expiration of the Initial Term, (ii) the book value and all related transition costs of the Carve-Out Resources at the time of transfer if CUSTOMER exercises the Carve-out Option following (a) a Material Breach of any MOA or PSA by PROVIDER, and (b) a Change of Control of PROVIDER or (iii) if CUSTOMER exercises the Carve-Out Option in connection with a PROVIDER Divestiture, the lesser of (y) the book value of the assets to be purchased by CUSTOMER or (z) the value of the divested operations relating to CUSTOMER implied by the consideration to be paid by the acquiror in the PROVIDER Divestiture. The methodology for calculating book value for purposes of this paragraph is set forth in Schedule H-2 to this Exhibit H**.**

10. Transfer of Carve-Out Resources. The Carve-Out Resources shall be transferred to CUSTOMER as set forth below (subject to any limitations on such transfer referred to in Section 2.0, above):

(a) Hardware. "Hardware" means the hardware and other furniture, fixtures and equipment owned or leased and then currently being used by PROVIDER exclusively to perform the Services under any MOA or PSA or to support such performance. To the extent any such items are not used by PROVIDER exclusively to perform the Services, PROVIDER shall assist CUSTOMER or its designee in purchasing, leasing or otherwise obtaining the use of comparable items.

(b) Third-Party Software. If PROVIDER has licensed or purchased and is using any Software licensed from a third-party exclusively to provide or support the provision of the Services under any MOA or PSA ("Third-Party Software"), CUSTOMER may elect to take, or elect to direct to its designee, a transfer or an assignment of any and all of the licenses for such software and any attendant maintenance agreements, provided that such licenses are by their terms transferable or assignable. To the extent any such licenses and the attendant current maintenance agreements are not used exclusively to provide Services to CUSTOMER or are not transferable or assignable by PROVIDER to CUSTOMER or its designee, PROVIDER shall assist CUSTOMER or its designee, in obtaining in the name of CUSTOMER or its designee and at the expense of CUSTOMER, a license for such software and a maintenance agreement for such software.

(c) PROVIDER Employees. CUSTOMER or its designee shall have the right to make offers of employment to any or all PROVIDER employees exclusively performing or supporting the performance of the Services ("PROVIDER Employees"). To the extent any PROVIDER Employees perform or support the performance of the Services on other than an exclusive basis (including all employees indirectly supporting the performance of the Services by providing administrative services, including legal, human resources, compliance and other services, ("Non-exclusive Employees"), PROVIDER and CUSTOMER shall use commercially reasonable efforts to allocate such Non-exclusive Employees in an equitable manner between the parties.

(d) Third-Party Agreements. "Third Party Agreements" means any third party agreements not otherwise treated in this Exhibit H, and used by PROVIDER exclusively in connection with Services being provided under any MOA or PSA, including, third party agreements for maintenance, business continuity and disaster recovery services and other necessary third party services then being used by PROVIDER to perform the Services. To the extent any such agreements are not used by PROVIDER exclusively to provide such Services or are not transferable by PROVIDER to CUSTOMER, PROVIDER shall assist CUSTOMER in obtaining in CUSTOMER's name, an agreement for comparable services.

(e) Facilities. PROVIDER will use commercially reasonable efforts to assist CUSTOMER in obtaining a facility comparable to the facility used by PROVIDER to provide the Services (the "Facility").

Schedule H-1

Fair Market Value Calculation

General methods for calculation shall be: (1) a Discounted Cash Flow (DCF) analysis based on the contractual cash flows represented by the aggregate Genworth MOAs and adjusted for carve-out costs; (2) multiples of Revenue, Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) and EBIT for comparable transactions at the time of carve out. Projected net cash flow will be discounted on the basis outlined below. The final valuation will consider market factors, making appropriate adjustments to the variables below.

1. DCF Methodology

Cash Flows In.

Cash flows in (revenue) will be calculated using Genworth Group payments as of the valuation date and projected forward over the Initial Term and Renewal Period, taking into account any future contractual margin reductions, historical volume trends, and any known events as documented in the most recent quarterly capacity management processes.

Cash Flows Out.

Expenses will be calculated as of the valuation date using actual expenses and projected forward taking into account the following categories and trends:

(a)	C&B up 12%
(b)	FX up 6%
(c)	Facility down 4%
(d)	Technology & Telecom down 8% and 15% respectively
(e)	Direct support down 13%
(f)	Other variable down 6%
(g)	Overhead down 3%

NOTE: Expense trends will change over time and will be re-calculated based on the prevailing trends supported by the most recent annual pricing process.

Carve Out Costs Subtracted From DCF Valuation

Carve-out costs will include one-time costs including, without limitation, legal entity set-up, transaction costs, capital investments, and the costs to replace assets and personnel required for the Genworth Group to continue the operations of its Insurance business on a stand-alone basis

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in substantially the same manner as immediately prior to the exercise of the Carve-Out Option, but which are not to be transferred from GECIS to Genworth at the time of the carve-out.

Term

The term shall be the initial term of the contract and the renewal term.

Discount Rates

The discount rate applied to the cash flows shall be determined to take into account the following factors:

(1) private company with a single customer.
(1) Cost of Capital of Comparable companies
(2) sufficient to generate an after tax equity return
(3) growth rate.

Final DCF Valuation.

The final DCF valuation shall take into consideration NPV of future cash flows over the Initial Term and Renewal Period and may be adjusted for any market conditions that apply to companies of similar characteristics with respect to market space, company maturity, cash flow profile and general market conditions.

2. Multiples Valuation Methodology

The multiples valuations will be based upon the stated revenue and pre-tax earnings for the PROVIDER insurance segment servicing the Genworth Group under the MOAs in the most recent year. Multiples will be applied from comparable transactions to the calculated EBITDA and EBIT amounts, and to the stated revenue.

Final Valuation

In case of disagreement, the final valuation shall be developed by the appraisers appointed in accordance with Section 6.0(e) of Exhibit H, taking into account the factors outlined above.

Schedule H-2

Book Value Calculation

General method for calculating book value shall be aggregation of transferable assets and transferable liabilities. An illustrative asset category list is included below for the purposes of describing the form analysis to be completed as of the valuation date.

Un-audited Initial Asset Value	**Total**
$K	
Account Head	
Assets	
Cash & Bank Balance	
Receivables	236
Accrued Revenues	2,529
Loans to Employees	241
Travel Advances	265
Security Deposit / Adv. Rent	504
Project Advances	—
Fixed Assets (Net)	6,973
Inter Company Deposits/Loans	—
Investment in Countrywide by Mauritius	—
Inter Co Balances(cost sharing)	—
Other Assets	706
Total Assets	11,455

Assets

At the time the Carve-Out Option is exercised under circumstances requiring payment of the book value of the Carve-Out Resources (a "book value carve out"), the parties will analyze each asset and evaluate its transferability to the Genworth Group in accordance with Exhibit H (i.e. those that are indentifiable and severable). Only such Carve-Out Resources as are actually transferred shall be included in the calculation of Book Value.

Liabilities

The above calculation assumes that no liabilities (other than Carve-Out Resources) are transferred to Genworth in a book value carve out situation. At the time of a book value carve out, Genworth and PROVIDER will evaluate the transferability of liabilities pertaining directly to the Genworth Group and may agree that such liabilities will be transferred to the Genworth Group All such transferred liabilities will be deducted from the asset values to arrive at book value to be paid to PROVIDER.

EXHIBIT I

Intellectual Property

ARTICLE I
Ownership

Section 1.01. Ownership of Pre-Closing IP and Solely Developed IP.

As between CUSTOMER and PROVIDER (i) all Technology and Intellectual Property owned or licensed by CUSTOMER or its Affiliates or PROVIDER or its Affiliates prior to the Execution Date shall continue to be so owned or licensed after the Execution Date, (ii) all Technology and Intellectual Property acquired, developed or licensed solely by or on behalf of CUSTOMER or its Affiliates or solely by or on behalf of PROVIDER or its Affiliates after the Execution Date and used in connection with the Services provided under the Agreement and PSAs shall continue to be owned or licensed by the applicable acquiror, developer or licensee.

Section 1.02. Ownership of Post-Closing IP Jointly-Developed - Default Rule and Modification of Default Rule

After the Execution Date, as between CUSTOMER and PROVIDER, all Technology and Intellectual Property developed jointly by or on behalf of PROVIDER and CUSTOMER pursuant to, or in connection with, the Agreement and PSAs shall be owned by PROVIDER. PROVIDER and CUSTOMER may agree in any PSA executed after the Execution Date that certain Technology or Intellectual Property that would otherwise be owned by PROVIDER shall be owned, as between the parties, by CUSTOMER. This Agreement and the PSAs shall not assign any rights to Technology or Intellectual Property between the parties other than as specifically set forth herein or in a PSA.

Section 1.03. Residual Knowledge.

Notwithstanding anything to the contrary contained in this Agreement or any PSA, PROVIDER and CUSTOMER may further develop their generalized knowledge, skills and experience, and the mere subsequent use by the parties of such knowledge, skills and experience shall not constitute a breach of this Agreement, subject to their obligations respecting CUSTOMER's Confidential Information or PROVIDER Confidential Information, as the case may be, pursuant to the Agreement.

ARTICLE II
License Grant

Section 2.01. Grant from PROVIDER to CUSTOMER and its Affiliates.

(a) PROVIDER hereby grants, and will cause its Affiliates to grant, to CUSTOMER and its Affiliates a non-exclusive, irrevocable, royalty-free, fully paid up,

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worldwide, perpetual right and license, with no right to sublicense except as provided herein, under the PROVIDER Licensed Technology: (i) to allow employees, directors and officers of CUSTOMER and its Affiliates to use and practice the PROVIDER Licensed Technology for internal purposes, (ii) to make, have made, use, sell, have sold, import, and otherwise commercialize Licensed Products and Services and (iii) to create Improvements in accordance with Section 2.03 of this Exhibit I.

(b) Subject to paragraph (e), below, CUSTOMER and its Affiliates may grant sublicenses of the right and license granted under this Section 2.01 of this Exhibit I to an acquiror of any of the businesses, operations or assets of CUSTOMER or its Affiliates to which this Agreement relates, which acquiror executes an agreement to be bound by all obligations of CUSTOMER and its Affiliates under this Exhibit I relating to such right and license (a copy of which agreement is provided to PROVIDER). CUSTOMER and its Affiliates may assign the right and license granted under this Section 2.01 of this Exhibit I in accordance with Section 5.01 of this Exhibit I.

(c) Subject to Section 11.0 (Confidentiality) of the Agreement, CUSTOMER and its Affiliates may permit their suppliers, contractors and consultants to exercise the right and license granted to CUSTOMER and its Affiliates under this Section 2.01 of this Exhibit I on behalf of and at the direction of CUSTOMER and its Affiliates (and not solely for the benefit of such suppliers, contractors and consultants).

(d) Subject to Section 11.0 (Confidentiality), CUSTOMER and its Affiliates may permit employees, directors and officers of their customers and suppliers in the ordinary course of CUSTOMER's business (and not Persons who are customers or suppliers merely to access and use the PROVIDER Licensed Technology) to use training and productivity-enhancing Software and documentation that is subject to the right and license granted under this Section 2.01 of this Exhibit I and is for general use by customers and suppliers, provided that CUSTOMER's or its Affiliates' purpose in permitting such use is to benefit the business of CUSTOMER or its Affiliates, provided further that such customers and suppliers may not use any such Software and documentation in advertising, publicity or marketing activities without PROVIDER'S prior written approval, which approval will not be unreasonably withheld.

(e) Notwithstanding anything in this Agreement or any PSA to the contrary, CUSTOMER and its Affiliates shall not sublicense, assign or otherwise provide to any third party (including any acquiring entity, contractor, consultant, customer or supplier of CUSTOMER or its Affiliates) any of the Technology or Intellectual Property set forth on Schedule I-1, without the prior written consent of General Electric Company, which will not be unreasonably withheld. For the avoidance of doubt, it shall not be unreasonable to withhold such consent if any such acquiring entity, contractor, consultant, customer or supplier is a competitor of PROVIDER or its Affiliates. The parties may mutually agree in a PSA executed after the Execution Date to amend Schedule I-1 to include additional Technology or Intellectual Property.

Section 2.02. Grant from CUSTOMER to PROVIDER and its Affiliates.

(a) (i) CUSTOMER hereby grants, and will cause its Affiliates to grant, to PROVIDER and its Affiliates a non-exclusive, royalty-free, irrevocable subject to paragraph (e) below, fully paid up, worldwide right and license, with no right to sublicense except as provided herein, under the CUSTOMER Licensed Technology: (A) to allow employees, directors and officers of PROVIDER and its Affiliates to use and practice the CUSTOMER Licensed Technology for internal purposes, (B) to make, have made, use, sell, have sold, import, and otherwise commercialize Licensed Products and Services and (C) to create Improvements in accordance with Section 2.03 of this Exhibit I.

(ii) In addition to the foregoing right and license, CUSTOMER hereby grants, and shall cause its Affiliates to grant, to PROVIDER a non-exclusive, royalty-free, fully paid up, worldwide right and license, irrevocable during the term of this Agreement and with no right to sublicense, to use all CUSTOMER Licensed Technology, trademarks, service marks, trade dress, logos and other identifiers of source owned by CUSTOMER or its Affiliates and provided to PROVIDER for the sole purpose of providing Services to CUSTOMER and its Affiliates under the Agreement and PSAs. PROVIDER shall comply with all reasonable quality control standards and guidelines provided by CUSTOMER to PROVIDER in writing that are intended to protect the goodwill associated with such trademarks, service marks, trade dress, logos and other identifiers of source. PROVIDER may permit its suppliers, contractors and consultants to exercise such right and license on behalf of and at the direction of PROVIDER (and not for the benefit of such suppliers, contractors and consultants), subject to the prior written consent of CUSTOMER (which shall not be required in the case of temporary employees of PROVIDER and which, otherwise, shall not be unreasonably withheld) and the receipt of any necessary regulatory approval.

(b) Subject to the provisions of Section 10.0 (Assignment and Subcontracting) of the Agreement, PROVIDER and its Affiliates may grant sublicenses of the right and license granted under this Section 2.02 of this Exhibit I to an acquiror of any of the businesses, operations or assets of PROVIDER or its Affiliates to which this Agreement relates, which acquiror executes an agreement to be bound by all obligations of PROVIDER and its Affiliates under this Exhibit I relating to such right and license (a copy of which agreement is provided to CUSTOMER). PROVIDER and its Affiliates may assign the right and license granted under this Section 2.02 of this Exhibit I in accordance with Section 5.01 of this Exhibit I.

(c) Subject to the provisions of Section 11.0 ("Confidentiality") and Section 10 ("Assignment and Subcontracting") of the Agreement, PROVIDER and its Affiliates may permit their suppliers, contractors and consultants to exercise the right and license granted to PROVIDER and its Affiliates under this Section 2.02 of this Exhibit I on behalf of and at the direction of PROVIDER and its Affiliates (and not solely for the benefit of such suppliers, contractors and consultants).

(d) Subject to the provisions of Section 11.0 ("Confidentiality") of the Agreement, PROVIDER and its Affiliates may permit employees, directors and officers of their customers and suppliers in the ordinary course of PROVIDER' business (and not Persons who

are customers or suppliers merely to access and use the CUSTOMER Licensed Technology) to use training and productivity-enhancing Software and documentation that is subject to the right and license granted under this Section 2.02 of this Exhibit I and is for general use by customers and suppliers, provided that PROVIDER' or its Affiliates' purpose in permitting such use is to benefit the business of PROVIDER or its Affiliates, provided further that such customers and suppliers may not use any such Software and documentation in advertising, publicity or marketing activities without CUSTOMER's prior written approval, which approval will not be unreasonably withheld.

(e) PROVIDER, its Affiliates and their respective sub-licensees shall have no license to any CUSTOMER Licensed Technology following the expiration or termination of the Agreement or all PSAs to which such CUSTOMER Licensed Technology relates (including any termination in connection with the exercise by CUSTOMER of the Carve-Out Option), unless otherwise specifically agreed in the Agreement or any PSA. For the avoidance of doubt, the licenses under this Section 2.02 of this Exhibit I shall continue during the provision of any Services Transfer Assistance.

Section 2.03. Improvements. Improvements and all Intellectual Property rights therein made solely by or on behalf of the Licensee shall be owned by the Licensee. Improvements jointly developed by Licensee and Licensor shall be owned by PROVIDER. For the avoidance of doubt, (i) Licensee shall not own any Intellectual Property rights or Technology licensed to Licensee hereunder and (ii) each party may freely assign or license Improvements owned by it but shall not have the right to assign any Intellectual Property or Technology of the other party and shall only have the right to sublicense Intellectual Property or Technology of the other party as expressly set forth herein. No rights are granted to the other party to any Improvements owned by each party, unless such Improvements are otherwise subject to the provisions of Sections 2.01 or 2.02 of this Exhibit I.

Section 2.04. Section 365(n) of the Bankruptcy Code. All rights and licenses granted under this Exhibit I are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "**Bankruptcy Code**"), licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The parties shall retain and may fully exercise all of their respective rights and elections under the Bankruptcy Code.

Section 2.05. Customers. Each party agrees that it will use reasonable efforts to not knowingly bring any legal action or proceeding against, or otherwise communicate with, any customer of the other party with respect to any alleged infringement, misappropriation or violation of any Intellectual Property of such party licensed hereunder based on such customer's use of the other party's products or services without first providing the other party written notice of such alleged infringement, misappropriation or violation.

Section 2.06. Reservation of Rights. All rights not expressly granted by a party hereunder are reserved by such party. Without limiting the generality of the foregoing, the parties expressly acknowledge that nothing contained herein shall be construed or interpreted as a grant, by implication or otherwise, of any licenses other than the licenses expressly set forth in

this Article II. The licenses granted in Sections 2.01 and 2.02 of this Exhibit I are subject to, and limited by, any and all licenses, rights, limitations and restrictions with respect to, as applicable, the PROVIDER Licensed Technology and the CUSTOMER Licensed Technology previously granted to or otherwise obtained by any third party that are in effect as of the Execution Date.

Section 2.07. Delivery of Software.

(a) Either party may request one (1) copy of Software or other electronic or written documentation ("Electronic Materials") that (i) is subject to the license granted to such requesting party under this Article II and (ii) has not already been provided to the requesting party since the Execution Date. The delivering party shall make available or deliver to the requesting party a copy of any such Software or Electronic Materials that are in existence at the time of such request.

(b) All Software and Electronic Materials required to be made available to or delivered to a Licensee pursuant to Section 2.07(a) of this Exhibit I will be delivered by the Licensor to the Licensee electronically, or with the assistance of the Licensor, downloaded by the Licensee from the Internet, provided that the Licensee complies with all reasonable security measures implemented by the Licensor.

Section 2.08. Liability for Acts of Permitted Users and Sublicensees.

Each Licensee shall be liable to the Licensor for the acts and omissions of the Licensee's sublicensees and other persons permitted to use any Intellectual Property or Technology of the Licensor in accordance with this Article II as though such persons were licensees thereunder.

ARTICLE III
Covenants

Section 3.01. **Ownership**. No party shall represent that it has any ownership interest in any Intellectual Property or Technology of the other party licensed hereunder.

Section 3.02. **Prosecution and Maintenance**. Each party retains the sole right to protect at its sole discretion the Intellectual Property and Technology owned by such party, including, without limitation, deciding whether to file and prosecute applications to register patents, copyrights and mask work rights included in such Intellectual Property, whether to abandon prosecution of such applications, and whether to discontinue payment of any maintenance or renewal fees with respect to any patents included in such Intellectual Property.

Section 3.03. **Third Party Infringements, Misappropriations, Violations**.

(a) Subject to any confidentiality restrictions that would prevent such disclosure, each party shall promptly notify the other party in writing of any actual or possible infringements, misappropriations or other violations of the Technology or Intellectual Property of the other party being licensed hereunder by a third party that come to such party's attention, as

well as the identity of such third party or alleged third party and any evidence of such infringement, misappropriation or other violation within such party's custody or control. The other party shall have the sole right to determine at its sole discretion whether any action shall be taken in response to such infringements, misappropriations or other violations.

(b) Subject to any confidentiality restrictions that would prevent such disclosure, each party shall promptly notify the other party in writing upon learning of the existence or possible existence of rights held by any third party that may be infringed, misappropriated or otherwise violated by the use or practice of the Technology or Intellectual Property of the other party (or any element or portion thereof) licensed hereunder, as well as the identity of such third party and any evidence relating to such purported infringement, misappropriation or other violation within such party's custody or control. Such party shall cooperate fully with the other party to avoid infringing, misappropriating or violating any third party intellectual property rights, and shall discontinue all use and practice of such Technology or Intellectual Property that is the subject of such purported infringement, misappropriation or other violation upon the reasonable request of the other party.

(c) Subject to any confidentiality restrictions that would prevent such disclosure, each party shall promptly notify the other party in writing upon learning of the existence or possible existence of rights held by any third party that may be infringed, misappropriated or otherwise violated by the use or practice of the Technology or Intellectual Property (or any element or portion thereof) licensed to the other party hereunder, as well as the identity of such third party. The other party shall cooperate fully with such party to avoid infringing, misappropriating or violating any third party intellectual property rights, and shall discontinue all use and practice of such Technology or Intellectual Property that is the subject of such purported infringement, misappropriation or other violation upon the reasonable request of such party, and shall provide such party any evidence relating to such purported infringement, misappropriation or other violation within the other party's custody or control.

Section 3.04. **Patent Marking**. Each party acknowledges and agrees that it will comply with all reasonable requests of the other party relative to patent markings required to comply with or obtain the benefit of statutory notice or other provisions.

ARTICLE IV
No Termination

Notwithstanding anything to the contrary contained herein or in the Agreement, but subject to Section 2.02(e) of this Exhibit I, the terms and conditions of this Exhibit I may only be terminated upon the mutual written agreement of the parties. In the event of a breach of the terms or conditions of this Exhibit I, the sole and exclusive remedy of the non-breaching party shall be to recover monetary damages and/or to obtain injunctive or equitable relief as otherwise provided in the Agreement.

ARTICLE V
General Provisions

Section 5.01. **Assignment.**

(a) The rights and duties under this Exhibit I shall not be assignable or delegable, in whole or in part, by any party hereto to any third party, including, without limitation, Affiliates of any party, without the prior written consent of the other party hereto and any necessary regulatory approval, and any attempted assignment or delegation without such consent shall be null and void. Notwithstanding the foregoing, the rights and duties under this Exhibit I may be assigned by any party as follows without obtaining the prior written consent of the other party hereto:

(i) PROVIDER, in its sole discretion, may assign any or all of its rights under this Exhibit I, and may delegate any or all of its duties under this Exhibit I to any Affiliate of PROVIDER at any time, which expressly accepts such assignment in writing and assumes, as applicable, any such obligations, provided that PROVIDER shall continue to remain liable for the performance by such assignee;

(ii) CUSTOMER, in its sole discretion, may assign any or all of its rights under this Exhibit I, and may delegate any or all of its duties under this Exhibit I to any Affiliate of CUSTOMER at any time, which expressly accepts such assignment in writing and assumes, as applicable, any such obligations, provided that CUSTOMER shall continue to remain liable for the performance by such assignee; and

(iii) Subject to Section 2.01(e) of this Exhibit I, each party may assign any or all of its rights, or delegate any or all of its duties, under this Exhibit I to (i) an acquiror of all or substantially all of the equity or assets of the business of such party to which this Agreement relates or (ii) the surviving entity in any merger, consolidation, equity exchange or reorganization involving such party, provided that such acquiror or surviving entity, as the case may be, executes an agreement to be bound by all the obligations of such party under this Exhibit I (a copy of which agreement is provided to the other party).

(b) If a party requests the written consent of the other party to any assignment of this Agreement, the other party agrees to negotiate in good faith with such party regarding such consent. The terms and conditions of this Exhibit I shall also be binding upon and inure to the benefit of and be enforceable by the successors, legal representatives and permitted assigns of each party hereto. All license rights and covenants contained herein shall run with all Intellectual Property of any party licensed hereunder and shall be binding on any successors in interest or assigns thereof.

Section 5.02. **Warranty and Disclaimer.** NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN OR IN ANY PSA, BUT SUBJECT TO THE INDEMNITIES CONTAINED IN SECTION 12 OF THE AGREEMENT, THE INTELLECTUAL PROPERTY AND TECHNOLOGY LICENSED BY EACH PARTY TO THE OTHER PARTY PURSUANT TO THIS AGREEMENT IS FURNISHED "AS IS", WITH

ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, QUALITY, USEFULNESS, COMMERCIAL UTILITY, ADEQUACY, COMPLIANCE WITH ANY LAW, DOMESTIC OR FOREIGN AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.

Section 5.03. Assumption of Risk.

(a) Except as provided in Section 15.1(f) of the Agreement or any PSA entered into after the Execution Date, CUSTOMER, on behalf of itself and its Affiliates, hereby assumes all risk and liability in connection with their use of the PROVIDER Licensed Technology.

(b) Except as provided in Section 12.2 of the Agreement or any PSA executed after the Execution Date, PROVIDER, on behalf of itself and its Affiliates, hereby assumes all risk and liability in connection with their use of the CUSTOMER Licensed Technology.

Section 5.04. Amendment by PSA. The parties may agree in any PSA to amend the terms and conditions of the licenses granted under this Exhibit I.

Schedule I-1

Restricted Intellectual Property

	Name of Restricted Intellectual Property Innovation	US Business alignment and COE	Brief Notes
1	Migration Toolkit	GECIS	
2	Multi Collinearity Macro	GEFA -ACOE	Macro uses advanced features of SAS. This basically performs the data diagnostics before the modeling process begins.
3	Reconciliation Reporting tool	GEFA -FCOE	Used across GECIS Finance processes -has the capability to capture information at item level (open items for purpose of reconciliation).

EXHIBIT J

Business Associate Addendum

I. Purpose.

In order to disclose certain information to PROVIDER under this Addendum, some of which may constitute Protected Health Information ("PHI") (defined below), CUSTOMER and PROVIDER mutually agree to comply with the terms of this Addendum for the purpose of satisfying the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing privacy regulations at 45 C.F.R. Parts 160-164 ("HIPAA Privacy Rule"). These provisions shall apply to PROVIDER to the extent that PROVIDER is considered a "Business Associate" under the HIPAA Privacy Rule and all references in this section to Business Associates shall refer to PROVIDER. Capitalized terms not otherwise defined herein shall have the meaning assigned in the Agreement. Notwithstanding anything else to the contrary in the Agreement, in the event of a conflict between this Addendum and the Agreement, the terms of this Addendum shall prevail.

II. Permitted Uses and Disclosures.

A. Business Associate agrees to use or disclose Protected Health Information ("PHI") that it creates for or receives from CUSTOMER or any other member of the Genworth Group only as follows. The capitalized term "Protected Health Information or PHI" has the meaning set forth in 45 C.F.R. Section 164.501, as amended from time to time. Generally, this term means individually identifiable health information including, without limitation, all information, data and materials, including without limitation, demographic, medical and financial information, that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past present, or future payment for the provision of health care to an individual; and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual. This definition shall include any demographic information concerning members and participants in, and applicants for, health benefit plans of the Genworth Group. All other terms used in this Addendum shall have the meanings set forth in the applicable definitions under the HIPAA Privacy Rule.

B. Functions and Activities on Company's Behalf. Business Associate is permitted to use and disclose PHI it creates for or receives from the Genworth Group only for the purposes described in this Addendum or the Agreement that are not inconsistent with the provisions of this Addendum, or as required by law, or following receipt of prior written approval from members of the Genworth Group for which the relevant PHI was created or from which the relevant PHI was received. In addition to these specific requirements below, Business Associate may use or disclose PHI only in a manner that would not violate the HIPAA Privacy Rule if done by the applicable members of the Genworth Group.

C. Business Associate's Operations. Business Associate is permitted by this Agreement to use PHI it creates for or receives from the Genworth Group: (i) if such use is

reasonably necessary for Business Associate's proper management and administration; and (ii) as reasonably necessary to carry out Business Associate's legal responsibilities. Business Associate is permitted to disclose PHI it creates for or receives from the Genworth Group for the purposes identified in this Section only if the following conditions are met:

(1) The disclosure is required by law; or

(2) The disclosure is reasonably necessary to Business Associate's proper management and administration, and Business Associate obtains reasonable assurances in writing from any person or organization to which Business Associate will disclose such PHI that the person or organization will:

a. Hold such PHI as confidential and use or further disclose it only for the purpose for which Business Associate disclosed it to the person or organization or as required by law; and

b. Notify Business Associate (who will in turn promptly notify the members of the Genworth Group for which the relevant PHI was created or from which the relevant PHI was received) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.

D. Minimum Necessary Standard. In performing the functions and activities on behalf of the Genworth Group pursuant to the Agreement, Business Associate agrees to use, disclose or request only the minimum necessary PHI to accomplish the purpose of the use, disclosure or request. Business Associate must have in place policies and procedures that limit the PHI disclosed to meet this minimum necessary standard.

E. Prohibition on Unauthorized Use or Disclosure. Business Associate will neither use nor disclose PHI it creates or receives for or from the Genworth Group, or from another business associate of the Genworth Group, except as permitted or required by this Addendum or the Agreement that are not inconsistent with the provisions of this Addendum, or as required by law, or following receipt of prior written approval from members of the Genworth Group for which the relevant PHI was created or from which the relevant PHI was received.

F. De-identification of Information. Business Associate agrees neither to de-identify PHI it creates for or receives from the Genworth Group or from another business associate of the Genworth Group, nor use or disclose such de-identified PHI, unless such de-identification is expressly permitted under the terms and conditions of this Addendum or the Agreement and related to the Genworth Group's activities for purposes of "treatment", "payment" or "health care operations", as those terms are defined under the HIPAA Privacy Rule. De-identification of PHI, other than as expressly permitted under the terms and conditions of the Addendum for Business Associate to perform services for the Genworth Group, is not a permitted use of PHI under this Addendum. Business Associate further agrees that it will not create a "Limited Data Set" as defined by the HIPAA Privacy Rule using PHI it creates or receives, or receives from another business associate of the Genworth Group, nor use or disclose such Limited Data Set unless: (i) such creation, use or disclosure is expressly permitted under the terms and conditions

of this Addendum or the Agreement that are not inconsistent with the provisions of this Addendum; and such creation, use or disclosure is for services provided by Business Associate that relate to the Genworth Group's activities for purposes of "treatment", "payment" or "health care operations", as those terms are defined under the HIPAA Privacy Rule.

G. Information Safeguards. Business Associate will develop, document, implement, maintain and use appropriate administrative, technical and physical safeguards to preserve the integrity and confidentiality of and to prevent non-permitted use or disclosure of PHI created for or received from the Genworth Group. These safeguards must be appropriate to the size and complexity of Business Associate's operations and the nature and scope of its activities. Business Associate agrees that these safeguards will meet any applicable requirements set forth by the U.S. Department of Health and Human Services, including (as of the effective date or as of the compliance date, whichever is applicable) any requirements set forth in the final HIPAA security regulations. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate resulting from a use or disclosure of PHI by Business Associate in violation of the requirements of this Addendum.

III. Conducting Standard Transactions. In the course of performing services for the Genworth Group, to the extent that Business Associate will conduct Standard Transactions for or on behalf of the Genworth Group, Business Associate will comply, and will require any subcontractor or agent involved with the conduct of such Standard Transactions to comply, with each applicable requirement of 45 C.F.R. Part 162. "Standard Transaction(s)" shall mean a transaction that complies with the standards set forth at 45 C.F.R. parts 160 and 162. Further, Business Associate will not enter into, or permit its subcontractors or agents to enter into, any trading partner agreement in connection with the conduct of Standard Transactions for or on behalf of the Genworth Group that:

a. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;

b. Adds any data element or segment to the maximum defined data set;

c. Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or

d. Changes the meaning or intent of the Standard Transaction's implementation specification.

IV. Sub-Contractors, Agents or Other Representatives. Business Associate will require any of its subcontractors, agents or other representatives to which Business Associate is permitted by this Addendum or the Agreement (or is otherwise given by the applicable member of the Genworth Group's prior written approval) to disclose any of the PHI Business Associate creates or receives for or from the Genworth Group, to provide reasonable assurances in writing that subcontractor or agent will comply with the same restrictions and conditions that apply to the Business Associate under the terms and conditions of this Addendum with respect to such PHI.

IV Protected Health Information Access, Amendment and Disclosure Accounting.

A. Access. Business Associate will promptly upon the request of a member of the Genworth Group make available to such member, or, such members, or, at the direction of the applicable member of the Genworth Group, to the individual (or the individual's personal representative) for inspection and obtaining copies any PHI about the individual which Business Associate created for or received from the Genworth Group and that is in Business Associate's custody or control, so that the Genworth Group may meet its access obligations under 45 Code of Federal Regulations § 164.524.

B. Amendment. Upon the request of a member of the Genworth Group, Business Associate will promptly amend or permit such member access to amend any portion of the PHI which Business Associate created for or received from such member of the Genworth Group, and incorporate any amendments to such PHI, so that the members of the Genworth Group may meet their amendment obligations under 45 Code of Federal Regulations § 164.526.

C. Disclosure Accounting. So that the members of the Genworth Group may meet their disclosure accounting obligations under 45 Code of Federal Regulations § 164.528:

1. Disclosure Tracking. Business Associate will record for each disclosure, not excepted from disclosure accounting under Section V.C.2 below, that Business Associate makes to the Genworth Group of PHI that Business Associate creates for or receives from the Genworth Group, (i) the disclosure date, (ii) the name and member or other policy identification number of the person about whom the disclosure is made, (iii) the name and (if known) address of the person or entity to whom Business Associate made the disclosure, (iv) a brief description of the PHI disclosed, and (v) a brief statement of the purpose of the disclosure (items i-v, collectively, the "disclosure information"). For repetitive disclosures Business Associate makes to the same person or entity (including the Genworth Group) for a single purpose, Business Associate may provide a) the disclosure information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures and (c) the date of the last of these repetitive disclosures. Business Associate will make this disclosure information available to the Genworth Group promptly upon the Genworth Group's request.

2. Exceptions from Disclosure Tracking. Business Associate need not record disclosure information or otherwise account for disclosures of PHI that this Addendum or the applicable member of the Genworth Group in writing permits or requires (i) for the purpose of treatment activities of the Genworth Group's payment activities, or health care operations, (ii) to the individual who is the subject of the PHI disclosed or to that individual's personal representative; (iii) to persons involved in that individual's health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to law enforcement officials or correctional institutions regarding inmates; or (vii) pursuant to an authorization; (viii) for disclosures of certain PHI made as part of a Limited Data Set; (ix) for certain incidental disclosures that may occur where reasonable safeguards have been implemented; and (x) for disclosures prior to April 14, 2003.

3. Disclosure Tracking Time Periods. Business Associate must have available for the Genworth Group the disclosure information required by this section for the 6 years preceding their request for the disclosure information (except Business Associate need have no disclosure information for disclosures occurring before April 14, 2003).

VI. Additional Business Associate Provisions.

A. Reporting of Breach of Privacy Obligations. Business Associate will provide written notice to the members of the Genworth Group for which the relevant PHI was created or from which the relevant PHI was received of any use or disclosure of PHI that is neither permitted by this Addendum nor given prior written approval by the applicable member of the Genworth Group promptly after Business Associate learns of such non-permitted use or disclosure. Business Associate's report will at least:

(i) Identify the nature of the non-permitted use or disclosure;

(ii) Identify the PHI used or disclosed;

(iii) Identify who made the non-permitted use or received the non-permitted disclosure;

(iv) Identify what corrective action Business Associate took or will take to prevent further non-permitted uses or disclosures;

(v) Identify what Business Associate did or will do to mitigate any deleterious effect of the non-permitted use or disclosure; and

(vi) Provide such other information, including a written report, as the applicable member of the Genworth Group may reasonably request.

B. Amendment. Upon the effective date of any final regulation or amendment to final regulations promulgated by the U.S. Department of Health and Human Services with respect to PHI, including, but not limited to the HIPAA privacy and security regulations, this Addendum and the Agreement will automatically be amended so that the obligations they impose on Business Associate remain in compliance with these regulations.

In addition, to the extent that new state or federal law requires changes to Business Associate's obligations under this Addendum, this Addendum shall automatically be amended to include such additional obligations, upon notice by any member of the Genworth Group to Business Associate of such obligations. Business Associate's continued performance of services under the Agreement shall be deemed acceptance of these additional obligations.

C. Audit and Review of Policies and Procedures. Business Associate agrees to provide, upon request by any member of the Genworth Group, access to and copies of any policies and procedures developed or utilized by Business Associate regarding the protection of PHI. Business Associate agrees to provide, upon such request, access to Business Associate's internal practices, books, and records, as they relate to Business Associate's services, duties and

obligations set forth in this Addendum and the Agreement(s) under which Business Associate provides services and / or products to or on behalf of the Genworth Group, for purposes of their review of such internal practices, books, and records.

EXHIBIT K

Change Control Procedure

PURPOSE: Establish an efficient and effective means to control updates, modifications and other changes to the Agreement, including, without limitation, the scope of the Services, Dedicated FTEs, Performance Standards, Charges, Exhibits, Schedules and PSAs.

PROCESS: Consistent with the Agreement, the following process shall be followed to originate, process and maintain control over Change Order Requests and Change Orders under the Agreement.

A. Either PROVIDER or CUSTOMER may identify and submit for consideration a proposed change to the Agreement.

B. All requests for changes shall be submitted in writing to the Account Executives designated by PROVIDER and CUSTOMER. The following areas should be clearly addressed in each Change Order Request:

1. Origination;

2. Clear statement of requested change;

3. Rationale for change;

4. Impact of requested change in terms of operations, cost, schedule and compliance with the matters referred to in Section 19.0 of this Agreement;

5. Effect of change if accepted;

6. Effect of rejection of change;

7. Recommended level of priority;

8. Date final action is required; and

9. Areas for signature by the approval authorities of each party.

C. The Account Executives shall review all Change Order Requests, determine whether to recommend the Change Order Request be accepted or rejected by the parties and forward the Change Order Request, their individual recommendations and the basis for their recommendations to PROVIDER and CUSTOMER for a final decision.

D. The Account Executives will be responsible for the final approval of all Change Order Requests.

E. The Account Executives will be responsible for the implementation of all Change Orders approved pursuant to Change Order Requests, including the coordination of the preparation and execution by the parties of addendums to the Agreement and/or its associated Exhibits to incorporate each requested and agreed change into the Agreement, as applicable.

F. No Change Order or change shall be effective or binding upon the parties to the Agreement until an addendum to the Agreement and/or its associated Exhibits , as applicable, incorporating such change into the Agreement and/or its associated Exhibits has been executed by PROVIDER and CUSTOMER.

G. Requests for changes shall use the format provided below:

CHANGE ORDER REQUEST FORM

CHANGE ORDER REQUEST NUMBER:

ORIGINATOR:

REQUESTED CHANGE:

RATIONALE FOR CHANGE:

EFFECT OF CHANGE ACCEPTANCE:

IMPACT OF CHANGE REJECTION:

PRIORITY:

DATE FINAL ACTION ON CHANGE ORDER IS REQUIRED:

DISPOSITION OF REQUEST:

CHANGE ORDER NUMBER:

[Note: Attach any documents, comments or notes that explain, describe or otherwise support the Change Order Request.]

________	**APPROVED**	________	**APPROVED**
________	**REJECTED**	________	**REJECTED**
________	**REJECTED WITH COMMENT**	________	**REJECTED WITH COMMENT**

Approved as of: ______________

CUSTOMER Account Executive **PROVIDER Account Executive**

EXHIBIT L

PSAs and Base Costs

Original MOA: Master Outsourcing Agreement between GE Life and Annuity Assurance Company and GE Capital International Services dated March 31, 2000.

The following PSAs are governed by this Agreement:

		FTE Rates		
PSA PPC ID No.	**PSA & Amendments Index No.**	**Y(0) Base Cost per FTE (2003)**	**Y(0) Baseline Charges per FTE (2003)**	**New Charges per FTE for Initial Contract Year (2004)**
GELAAC-1284-01	M18	**	**	**
GELAAC-1734-01	M31, M43	**	**	**
GELAAC-1735-01	M31, M43	**	**	**
GELAAC- 1737-01	M31, M43	**	**	**
GELAAC – 1738-01	M31, M43	**	**	**
GELAAC – 1744-01	M21	**	**	**
GELAAC – 1753-01	M22	**	**	**

GELAAC – 1759-01	M31, M43	**	**	**
GELAAC – 1759-02	M31, M43	**	**	**
GELAAC – 1761-01	M9	**	**	**
GELAAC – 1761-02	M9	**	**	**
GELAAC – 1959-01	M31, M43	**	**	**
GELAAC – 1959-90	M31, M43	**	**	**
GELAAC – 1960-01	M31, M43	**	**	**
GELAAC – 1962-01	M31, M43	**	**	**
GELAAC – 1964-01	M31, M43	**	**	**
GELAAC – 1967-01	M31, M43	**	**	**
GELAAC – 1967-90	M31, M43	**	**	**
GELAAC – 1969-01	M7	**	**	**
GELAAC – 1982-01	M18	**	**	**
GELAAC – 1990-01	M23	**	**	**
GELAAC – 1991-01	M8	**	**	**
GELAAC – 2182-01	M31, M43	**	**	**

GELAAC – 2246-01	M31, M43	**	**	**
GELAAC – 2306-01	M31, M43	**	**	**
GELAAC – 2491-01	M31, M43	**	**	**
GELAAC – 2541-01	M31, M43	**	**	**
GELAAC – 2924-01	M31, M43	**	**	**
GELAAC – 2941-01	M31, M43	**	**	**
GELAAC – 2941-02	M31, M43	**	**	**
GELAAC - 3110801	M29	**	**	**
GELAAC - 3112801	M29	**	**	**
GELAAC - 1151-99	M37, M42	**	**	**

Exhibit 10.37

Life Reinsurance Agreement

made between

Financial Assurance Company Limited

(hereinafter called the "Ceding Office"
of the one part)

and

GE Pensions Limited

(hereinafter called the "Reinsurer"
of the other part)

CONTENTS

THIS AGREEMENT is made the 2002

BETWEEN:-

FINANCIAL ASSURANCE COMPANY LIMITED whose registered office is at Vantage West, Great West Road, Brentford, Middlesex TW8 9AG (the "**Ceding Office**"); and

GE PENSIONS LIMITED whose registered office is at Vantage West, Great West Road, Brentford, Middlesex TW8 9AG (the "**Reinsurer**").

Together referred to jointly as "**the Parties**" or singular as "**the Party**".

Treaty Reference: Quota Share Life Reassurance

It is hereby expressly declared and agreed that the following Articles, together with the Annexes attached hereto, constitute the Agreement.

Definitions

In this Agreement, except where the context otherwise requires:

"Agency Agreements" shall mean the Lloyds TSB Asset Finance Division Limited Agency Agreement commencing 1st July 2001 and the GE Capital Bank Agency Agreement dated 1st December 2001;

"Additional Reinsurance Commission" means 2.5% of the Gross Written Premium;

"Business Covered" shall mean the business as further described in Article 1;

"Gross Written Premium/s" means the premiums paid under the Policies less any refunds, cancellations or returned premiums as shown in Annex 2;

"Initial Commission" means the commission payable by the Ceding Office under the Agency Agreement in relation to Policies sold by such agents;

"Policy/Policies" means the creditor life benefit under the policies underwritten by the Ceding Office and issued under the schemes shown in Annex 1 hereto with example policy wording attached as Annex 2;

"Reinsurance Commissions" means 95% of the Gross Written Premiums paid by the Ceding Office in respect of Business Covered;

"Reinsurance Premiums" means 95% of the Initial Commission received in respect of the Business Covered;

"Reserve" means the mathematical reserves held on the books of the Reinsurer for the purposes of complying with the Financial Services and Markets Act 2000, together with a reserve for the Reinsurer's share of outstanding claims calculated as the total of all outstanding claims notified to the Ceding Office but not settled, both as at the close of the period covered by the Account (as defined in Article 7).

Article 1 - Business Covered by the Agreement

This Agreement applies to the Gross Written Premiums received under the Policies issued by the Ceding Office with an inception date on or after 1st January 2002 ("the Inception Date").

The Ceding Office will provide prior notice to the Reinsurer of its intention to alter the Policy wordings or to increase or reduce the premium rates used to calculate the Gross Written Premiums for the Policy.

This Agreement will only apply to that portion of Business Covered which the Ceding Office retains net for its own account, which for the avoidance of doubt, excludes Policies where the Ceding Office is acting as a reinsurer. The Reinsurer's liability hereunder will not be increased due to any error or omission that results from a failure of the Ceding Office otherwise to reinsure in accordance with its established practices or any inability of the Ceding Office to collect any amounts due from other reinsurers, whether by reason of insolvency or otherwise.

Only the portion of those Policies that are subject to the provisions of taxation under the BLAGAB regime, as defined by Section 431D of the Taxes Act 1988, at the time of issue will be reinsured hereunder.

The Reinsurer will follow the settlements and agreements of the Ceding Office in every respect save that the Ceding Office shall obtain the prior consent of the Reinsurer (such consent not to be unreasonably withheld or delayed) for any payments of damages, compensation, ex-gratia payments or legal action and associated expenses. The Reinsurer will not accept liability for any fines or penalties incurred by the Ceding Office as a result of the mis-selling of a Policy.

Article 2 - Duration and Termination

This Agreement is unlimited as to its duration but may be cancelled by either Party giving three months' written notice to that effect. During the period of three months, the Reinsurer will continue to accept cessions in accordance with the terms of the Agreement.

Each Party is entitled to terminate the Agreement without giving prior notice if:

1. The fulfilment of the Agreement becomes legally or practically impossible for reasons which are beyond the responsibilities of the Parties (such as the country where either Party is domiciled becomes involved in a war).

2. The other Party becomes insolvent or goes into liquidation or has a receiver/administrator appointed or has its licence to conduct insurance business revoked under rules made under the Financial Services and Markets Act 2000.

3. The other Party loses more than 50% of its paid up capital.

4. The other Party transfers its business to a third party.

5. The other Party is acquired by or merged with or comes under the control of another company except in circumstances where the other company is part of the same group of companies as the other Party.

6. The other Party does not meet its obligations under the Agreement despite having received formal reminders to do so.

In the event of termination Article 13 shall apply

Article 3 - Ceding Office's Retention and Automatic Cover

The Ceding Office is bound to cede and the Reinsurer is bound to accept 95% of the Gross Written Premium received from Business Covered with the Ceding Office retaining the remaining 5%.

No overpayment of a Reinsurance Premium or acceptance thereof by the Reinsurer shall constitute or create a liability or result in any additional reinsurance. The Reinsurer will be liable only for the refund to the Ceding Office of the overpayment.

Article 4 - Reinsurer's Liability

The Reinsurer's liability will be 95% of Claims (as defined in Article 8) paid by the Ceding Office in respect of Business Covered.

Article 5 - Cancellations, Alterations and Reinstatements

If a policy is cancelled, reduced, increased, made paid-up or altered the reinsurance will be altered proportionately. In the event of a lapsed policy being reinstated the reinsurance thereunder shall automatically be reinstated. If a Policy is converted into a policy outside the scope of the Agreement, the policy will cease to be reinsured under the Agreement.

Article 6 - Reinsurance Commissions

The Reinsurer will pay the Ceding Office the Reinsurance Commission and Additional Reinsurance Commission (for the avoidance of doubt, Reinsurance Commission will not include any part of any profit share commission paid by the Ceding Office under the Agency Agreement). No other commissions, taxes, stamp duties or proportion of any procuration or renewal expenses will be paid by the Reinsurer.

Article 7 - Treaty Profit Commission

As at the end of each calendar quarter after the commencement date of the Agreement, the Ceding Office will prepare a Treaty Profit Commission Account (referred to throughout the remainder of this Article as "the Account") setting out details of the experience under the Agreement. The Account will cover the period since the date of the previous calculation or the commencement date of the Agreement if no previous calculation has been carried out.

The Account will be prepared in the following form:

(A) INCOME

(1) The Reserve brought forward from the previous period, equal to item (B) (4) for the previous period.

(2) Reinsurance Premiums due during the period covered by the Account.

(3) 50% of the interest earned by the Reinsurer on the Reserve (reduced by the reserve for any outstanding claims and by any loss brought forward under the Account) during the period covered by the Account, calculated at the rate of three months LIBOR.

(B) EXPENSES

(1) Claims and other amounts, as provided for in Article 8, paid during the period covered by the Account.

(2) Reinsurance Commission and Additional Reinsurance Commission due during the period covered by the Account.

(3) 25% of the Additional Reinsurance Commission as the Reinsurer's expense margin.

(4) The Reserve at the close of the period covered by the Account.

(5) Any loss brought forward from the previous Account.

If the total Income (as set out in (A) above) exceeds the total Expenses (as set out in (B) above) the Reinsurer will pay 100% of such excess to the Ceding Office as a commission ("Treaty Profit Commission").

If the total Expenses exceeds the total Income, the Reinsurer will have the right to recover this amount from Treaty Profit Commissions paid to the Ceding Office in previous Accounts. If, after reducing the Expenses by the amount so recovered, the total Expenses still exceeds the total Income such excess will be carried forward to the next Account as item (B) (5).

If, after the calculation and settlement of the Treaty Profit Commission for any period a claim is admitted, denied or settled for an amount different to that shown in the Account then the Account will be recalculated and any necessary adjustment to the Treaty Profit Commission already paid will be settled as soon as possible by the debtor party.

Article 8 - Claims

The Reinsurer will pay 95% of the liability for death claims under the business covered ("Claims"). If a Claim is settled for less than the full sum insured the Reinsurer's liability will be reduced pro rata. The Claim shall be deemed to be incurred on the date that the Ceding Office releases the reserve liability for the Policy and sets up a claim liability on its books.

The Reinsurer will be bound by the decision of the Ceding Office in respect of the admission of a Claim under a Policy reinsured hereunder.

In the event of a Claim occurring during the period allowed by the Ceding Office as days of grace for payment of premiums, the Reinsurer will follow the practice of the Ceding Office in paying the claim amount due. Where the Ceding Office pays interest on a Claim hereunder the Reinsurer will be liable for a proportionate share of such interest payments.

The Reinsurer will not participate in any way in any policy loan the Ceding Office may make under the Business Covered.

If a Policy is discontinued in circumstances (other than on death)where the Ceding Office is required to make a payment to the insured policyholder, the Reinsurer will pay to the Ceding Office the mathematical reserves held in respect of the Policy on the books of the Reinsurer for the purposes of complying with the Financial Services and Markets Act 2000 as and when the payment falls due.

Article 9 - Documentation

The Ceding Office agrees to provide, at the request of the Reinsurer, copies of proposals and any supporting papers in respect of any risk reinsured.

Article 10 - Currency

All amounts referred to and all Statements of Account under this Agreement shall be in British Pounds.

The introduction of the euro shall not have the effect of altering any term of the Agreement or of discharging or excusing performance under the Agreement, nor will it give a party the right unilaterally to alter or terminate the Agreement.

Article 11 - Statements of Account

The Ceding Office will prepare and submit to the Reinsurer statements of account setting out details of all items due under the Agreement within 30 days of the close of each calendar quarter in the form shown in Annex 3. The balance due under such statement of account will be settled by the debtor party within 30 days of receipt of such statement.

Should any discrepancies be revealed in the account they will be investigated and any necessary adjustments will be reflected in the next account.

In the event that such account balance has not been paid by the debtor party in accordance with the provisions of this Article 11 then interest will be due on the said balance. The interest will be payable in respect of the period from the due date of the account balance to the date of settlement and will be at an annual rate equal to the Barclays Bank Base Lending Rate plus 3%. Interest will also be due at the same rate on any other amounts which remain unpaid for the period from one month after the date on which the said amount became due up to the date of settlement.

In the event that the debtor party does not agree with such account, the debtor party shall notify the other party immediately. The undisputed sum will be payable and shall accrue interest in accordance with the above. The party shall in good faith seek to agree the disputed sum. In the event that the Parties fail to reach agreement the matter shall be dealt with in accordance with Article 18.

Article 12 - Run-off

In the event that the Agreement is terminated under Article 2, the Business Covered shall go into Run-off from the effective date of termination. The Reinsurer will remain liable for all cessions existing at the date of termination ending when the Ceding Office certifies to the Reinsurer in writing that all risks under the Policies have expired and all valid Claims under the Policies have been finalised and that no further Reserves are required.

Termination will not affect the business previously ceded under this Agreement and the obligations of the Parties shall continue hereunder in respect of such business.

The Parties will continue to comply with their duties and obligations under this Agreement during the Run-off period. Articles 4 , 6, 7, 8, 11, 12, 18 and 19 shall survive termination.

Article 13 - Right of Set-Off

Any and all obligations, whether contingent or uncontingent, matured or unmatured, owed by either the Reinsurer or Ceding Office to the other party, with respect to the Agreement may be set off against any such obligations (which shall be deemed to be mutual obligations) owed to the Reinsurer or Ceding Office, as the case may be, by the other party, and only the net balance may be allowed or paid. However, in the event of the insolvency of any party hereto, offset shall only be allowed in accordance with applicable law.

Article 14 - Expenses

All postal and other similar expenses will be paid by the sender.

Article 15 - Errors and Omissions

Errors and inadvertent omissions shall not affect the rights and obligations of either party under the Agreement, however, they shall be rectified as soon as reasonably practicable upon discovery. No failure to exercise and no delay on the part of any party in exercising any right, remedy, or power under the Agreement and no course of dealing between the parties shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any other right, remedy or power.

Any waiver of a breach of any of the terms of the Agreement or of any default hereunder shall not be deemed to be a waiver of any subsequent breach or default and shall in no way affect the other terms of the Agreement.

Article 16 - Inspection of Records

The Reinsurer will have the right to inspect the records of the Ceding Office in respect of the Business Covered. For as long as either party remains under any liability hereunder, the Ceding Office shall, upon request by the Reinsurer, make available for inspection at any reasonable time by such representatives as may be authorised by the Reinsurer for that purpose, all information relating to the business covered hereunder which is in the Ceding Office's possession or under its control. The said representatives may arrange for copies to be made of any of the records containing such information as they may require.

The Reinsurer (and its representatives) will keep confidential any information or copy documentation it acquires as a result of any inspection. Unless agreed to by the Ceding Office (such agreement not to be unreasonably withheld), the Reinsurer will not disclose the information to any person other than its regulators, professional advisors, its

employees and agents, employees of affiliates and then only as required by law or on a "need to know" basis.

Article 17 - Conditions Precedent

The Reinsurer offers the reinsurance on the basis of information supplied to it by the Ceding Office. The Ceding Office warrants that the information supplied is, to the best of its knowledge and belief, correct and is an accurate summary of its records and that these accurately reflect the liabilities undertaken by the Ceding Office. In the event that any material differences emerge from the information supplied by the Ceding Office, any dispute will be referred to an arbitration in accordance with Article 18.

Both Parties hereby represent and warrant as follows:

That they are duly incorporated under the laws of England and are duly authorised to conduct insurance business in the United Kingdom.

That both Parties have all requisite power, authority, and legal capacity to enter into the Agreement and to consummate the transactions contemplated hereby. All acts required to be taken by the respective Parties to authorise the execution and delivery of the Agreement and the consummation of the transactions contemplated hereby have been duly and properly taken.

The execution and delivery of the Agreement, performance of the transactions contemplated by the Agreement, and fulfilment of the terms hereof, do not conflict with or violate in any material respects any law, rule, regulation, order, writ, judgement, injunction, decree or award binding on either party or their organisational documents or the provisions of any indenture, instrument or agreement to which either Party is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any lien in, of or on the property of either Party pursuant to the terms of any such indenture, instrument or agreement.

No order, consent, approval, license, authorisation, or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorise, or is required in connection with the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of the Agreement.

The accounting treatment for the Agreement is consistent with applicable regulatory standards.

Each Parties obligations under the Agreement constitute its legal, valid and binding obligations, enforceable against the other Party in accordance with the terms hereof, subject to applicable bankruptcy, insolvency, reorganisation, moratorium and similar

laws and judicial decisions of general applicability relating to or affecting creditors' rights and to general principles of equity (regardless of whether enforcement is sought in equity or at law).

In addition, the Reinsurer shall maintain the solvency margin required by laws and shall advise the Ceding Office if at any time its solvency margin falls below that required.

Article 18 - Arbitration

The Ceding Office and the Reinsurer intend to follow the customs and practices of the insurance and reinsurance industry in the operation of and interpretation of the Agreement. The parties agree to act in all things with the highest good faith.

In the event of any dispute or differences arising under or in connection with the Agreement including those pertaining to its validity, the dispute will be referred to three Arbitrators, one to be appointed by each party and the third to be appointed by the two appointed Arbitrators.

If either party refuses or neglects to appoint an Arbitrator within 28 days after the other party has appointed an Arbitrator and has served notice upon the first mentioned party requiring that party to make such an appointment, then the Arbitrator appointed as aforesaid will, at the request of the party appointing him, proceed to hear and determine the dispute as a sole Arbitrator.

The two Arbitrators (if both parties have duly appointed Arbitrators) will in writing appoint the third Arbitrator and, unless they appoint the third Arbitrator within one calendar month after the date of the appointment as Arbitrator of whichever of them has last been appointed, the Third Arbitrator will be appointed by the Chairman for the time being of the Bar Council. The Tribunal shall be constituted upon the appointment of the third Arbitrator.

The arbitration will be held in London and will be conducted in accordance with the ARIAS (UK) Arbitration Rules.

The cost of the reference and award will be in the discretion of the Arbitrators or sole Arbitrator who may direct to and by whom and in what manner the same or any part thereof will be paid with power to tax or settle the amount of the costs to be so paid or any part thereof.

The Arbitrators appointed by the parties or any sole Arbitrator will be persons who hold (or have held) leading positions in Companies transacting Life Insurance and/or Life Reinsurance and will be persons with not less than ten years' experience in that field. The third Arbitrator will be a Queen's Counsel who has not less than ten years' experience in the insurance or reinsurance field. The Arbitrators or any sole Arbitrator will regard the Agreement from the standpoint of practical business and will interpret its provisions according to an equitable rather than a strict legal interpretation and their award will have regard to these principles.

This agreement to submit disputes to arbitration will be construed as a separate and independent contract between the parties hereto.

Article 19 - Governing Law

This Agreement shall be governed by and construed in accordance with English Law and shall be subject to the exclusive jurisdiction of the English Courts.

Article 20 - Alterations to the Agreement

Any alterations which may from time to time become necessary to the Agreement (including the Annexes thereto) will be made by Addendum embodying such alterations as may be agreed upon and will be regarded as part of the Agreement and equally binding. In the event of any dispute, this will be subject to arbitration on the basis set down in Article 18 of the Agreement.

Article 21 - Rights of Third Parties

For the purpose of the Contracts (Rights of Third Parties) Act 1999 nothing in the Agreement is intended to confer any benefit on any third party and no term in the Agreement is intended to be enforceable by any person who is not a party to the Agreement.

Article 22 - Miscellaneous

All notices to be provided pursuant to the Agreement shall be given in writing by recorded delivery post and with appropriate postage paid, or by personal delivery, or by overnight courier service to the addresses set out below for each respective party; provided that, if any party gives notice of a change of name or address or number, notices to that party shall thereafter be given as demanded in the notice. All notices so given shall be effective upon the date of receipt by the parties to whom notice is given, except notice by post which shall be deemed delivered three days after deposit in the mail:

The Company Secretary
Financial Assurance Company Limited
Vantage West
Great West Road, Brentwood
Middx, TW8 9AG

The Company Secretary
GE Pensions Limited
Vantage West
Great West Road, Brentwood
Middx, TW8 9AG

This Agreement may be executed in separate counterparts with the same force and effect as if signed in an original document by each of the parties hereto. Signatures on each counterpart may be sent via facsimile transmission of such signature and any facsimile transmission of such signature shall be deemed to have the same force and effect as an original signature. Each separate counterpart when executed and delivered shall be deemed to be an original but all the counterparts shall together constitute one and the same instrument which shall only be deemed executed when counterparts executed by all the parties are delivered.

The parties hereto agree that the terms of the Agreement are set out in full in the Agreement and that it is a complete and exclusive statement of the agreement between the parties, superseding all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter hereof.

Executed In Duplicate

/s/ William Goings

William Goings
For and on behalf of
Financial Assurance Company Limited

Dated

/s/ Scott Dolfi

D Scott Dolfi
For and on behalf of
GE Pensions Limited

Dated

Annex 1

Details of the Policies covered by the Agreement

This Agreement covers the Gross Written Premiums received for the element of life insurance benefit under the Policies with inception dates on or after 1st January 2002 underwritten by the Ceding Office in respect of the following schemes:

- Lloyds TSB Asset Finance Division Limited (Blackhorse): Process Groups 185 and 187; and

- GE Capital Bank (GCF): Process Group 135.

Other than with the prior approval of the Reinsurer, the Business Covered will be written using the policy documents and premium rates (for the life insurance benefit) in force at 1st January 2002, examples of which are attached as Annex 2 to this Agreement.

Annex 2

Example Policy wordings and Gross Written Premium rates

Purchase Protection, Price Protection, Life, Accidental Death, Accident, Sickness, Unemployment, Accidental Bodily Injury and Hospitalisation Policy

INTRODUCTION

This Policy Document ("**policy**") sets out the details of **your** insurance cover. This has been arranged by GE Capital Bank Limited ("**Bank**"). Please read this **policy** carefully and keep it in a safe place.

This **policy** is underwritten by Financial Insurance Company Limited and Financial Assurance Company Limited ("**we**", "**us**", "**our**").

This **policy** protects **you** in the event of **your** death, **disability, unemployment, accidental bodily injury** or if **you** have to go into **hospital**, and for the **loss and/or damage** of the **insured property** and price protection, providing **you** meet the eligibility requirements in Section 1 and have agreed to pay the **monthly premium** for this insurance. Cover is for one month at a time and is automatically renewed every month until the **end date**.

The **policy** is set out as follows:

Section 1	Eligibility (the conditions **you** must satisfy to take out cover)
Section 2	Benefits (what **we** will pay)
Section 3	Exclusions (when **we** will not pay)
Section 4	How to claim
Section 5	Change of claim (when **you** need to change from one benefit to another)
Section 6	How does cover end? (termination and cancellation)
Section 7	Premiums (How **you** pay **your** premiums)
Section 8	Customer Care (complaints procedure and other legal requirements **you** should know about)
Section 9	Definitions (certain words in the **policy** which have special meanings)

SECTION 1 - Eligibility

1. **You** are covered under this **policy** if on the **start date**:

- for purchase protection and price protection, **you** are 18 and over but under 85; and
- for life cover, **you** are 18 and over but under 70; and

- for **accidental death** cover, **you** are aged 70 or over but under 85; and
- for **disability** and **unemployment** cover, **you** are 18 or over but under 65 and **you** are **working** when **you** apply; and
- for **accidental bodily injury** cover, **you** are aged 65 or over or are **permanently retired** but under 85; and
- for **hospitalisation** cover, **you** are aged 65 or over, or are **permanently retired** but under 70; and

- for all cover, **you** have agreed to pay the **monthly premium** for cover and **we** have accepted **your** application.

2. **You** must not be aware of:

- any sickness, disease, condition or injury in the 12 months before the **start date** that may cause **you** to claim for **disability** benefits; or
- any sickness, disease, condition or injury that may cause **you** to claim for **accidental bodily injury, hospitalisation**, life or **accidental death** benefits; or
- any impending **unemployment**.

If **you** are aware of any of the events in 2 above **we** may still insure **you**. However **we** will not pay benefits directly relating to that **unemployment** or sickness, disease, condition or injury which **you** were aware of in the 12 months before the **start date** for **disability** or at any time before the **start date** for **accidental bodily injury, hospitalisation,** life or **accidental death**

3. If two people apply for this cover only the first named on the **credit agreement** will be covered.

4. If **you** do not meet the eligibility requirements outlined above at the **start date**, and have a **partner** who fulfils the eligibility requirements at the **start date** then the **partner** may claim for life, **accidental death disability, unemployment, accidental bodily injury** and **hospitalisation** benefits. **You** will then be ineligible to claim.

5. If **you** are eligible for purchase protection, price protection, life, **disability** and **unemployment** cover at the **start date** and **you** reach 65 years of age or **permanently retire you** will no longer be eligible for **disability** or **unemployment** cover. **You** will then be eligible for purchase protection, life, **accidental bodily injury** and **hospitalisation** cover.

6. When you reach 70 years of age **you** will no longer be eligible for life or **hospitalisation** cover. **You** will then be eligible for purchase protection, price protection, **accidental death** and **accidental bodily injury** cover.

7. For purchase protection and price protection cover, if **you** give the **insured property** as a gift **you** may make a claim on behalf of the person who received the gift. If this happens reference to **you** will refer to the person who received the gift.

SECTION 2 - Benefits

A. Purchase Protection Benefits

(This cover is available if you are 18 or over but under 85)

1. If **you** suffer a **loss and/or damage** after the **start date** and before the **end date** we will either:

- pay one of the benefits as set out in clause 2 below; or
- repair or replace the **insured property** as set out in clause 4 below.

2. The benefits payable are:

- the purchase price on the **card** statement; or
- a proportion of the purchase price shown on the **card** statement if part of a set has suffered **loss and/or damage** and
    - the other part can be used separately; or
    - the other part cannot be used separately but can be replaced;

up to £500 for each **insured property**, less an excess of £20 for each claim.

3. If only part of the purchase price of the **insured property** has been paid on the **card, we** will consider the amount shown on the **card** statement to be in the purchase price referred to in clause 2 above.

4. **We** may choose to repair (or pay the cost of repair) or replace the **insured property** instead of paying the benefits described in clause 2 above.

B. Price Protection Benefits

(This cover is available if **you** are 18 or over but under 85)

1. If **you** purchase any **insured property** at a House of Fraser store and the price of the **insured property** purchased is reduced for sale at the same store, or a branch or concession of the same store, within 60 days of the **date of purchase we** will pay to the account the difference between the **original purchase price** and the **sale price**, less an excess of £5 per claim.

2. If **you** purchase any **insured property** from a House of Fraser mail order catalogue and the price of the **insured property** purchased is reduced for sale in a House of Fraser catalogue or in a sale leaflet within 60 days of the **date of purchase we** will pay to the account the difference between the **original purchase price** and the **sale price**, less an excess of £5 per claim.

3. If **you** purchase any **insured property** from an House of Fraser Internet site, and the price of the **insured property** purchased is reduced for sale on the **Arcadia** internet site within 60 days of the **date of purchase, we** will pay to the account the difference between the **original purchase price** and the **sale price**, less an excess of £5 per claim.

4. If **you** purchase any **insured property** from an interactive electronic House of Fraser site (for example digital television) and the price of the **insured property** purchased is reduced for sale on the interactive electronic House of Fraser site within 60 days of the **date of purchase**, we will pay to the account the difference between the **original purchase price** and the **sale price**, less an excess of £5 per claim.

5. The description of the **insured property** (including its size, colour, make, model number and same attachments or accessories) at the **sale price** must be exactly the same as the **insured property** purchased at the **original purchase price**.

6. A single excess of £5 is payable per claim even if **your** claim is for more than one item of **insured property**.

C. Life Benefit

(This cover is available if **you** are 18 or over but under 70)

If **you** die between the **start date** and the **end date**, we will pay to the **Bank** the **outstanding balance** or an amount equal to your credit limit whichever is lower, up to a maximum of £15,000.

D. Accidental Death Benefit

(This cover is only available if **you** are over 70 but under 85)

If **you** die as a result of an **accidental death** between the **start date** and the **end date**, **we** will pay to the **Bank**, the **outstanding balance** or an amount equal to **your** credit limit whichever is lower, up to a maximum of £15,000.

E. Disability Benefits

(This cover is not available if **you** are aged 65 or over or if **you** are **permanently retired**).

If **you** are **working** or, where applicable on statutory maternity leave, and become **disabled** after the **start date** and before the **end date** for at least 30 continuous days, we will pay a **monthly benefit**.

We will continue to pay a **monthly benefit** for every 30 continuous days of **disability** until:

- the **end date**, or
- **you** stop being **disabled**, or
- the **outstanding balance** has been paid for any one **disability** claim.

Disability benefits will not start until **you** consult a **doctor**. However, if you fill in a self-certification form (from **your** employer) for the first 7 days of **disability, you** will be classified as **disabled** for those 7 days. **We** will only pay **you disability** benefit if a **doctor** is regularly treating **you** for the condition causing **your disability**.

If **you** have made a **disability** claim which ends for whatever reason, **you** will not be able to make another **disability** claim until **you** have been in continuous **work** or where **you** are on statutory maternity leave **your doctor** certifies that **you** would be continuously fit to **work** if **you** were not on statutory maternity leave, for:

- 30 days if the **disability** is different; or
- 6 months if the **disability** is the same.

F. Unemployment Benefits

(This benefit is not available if **you** are aged 65 or over or if **you** are **permanently retired**).

If **you** are **working** and become **unemployed** after the **start date** and before the **end date** for at least 30 continuous days, **we** will pay a **monthly benefit**.

We will continue to pay a **monthly benefit** for every 30 continuous days of **unemployment** until:

- the **end date**, or
- **you** stop being **unemployed**, or
- the outstanding balance has been paid for any one **unemployment** claim.

If **you** are **self employed** and wish to make an **unemployment** claim, **your** business must:

- have stopped trading and/or be in the process of being wound up; or
- be put into the hands of an insolvency practitioner; or
- be a partnership which has been or is in the process of being dissolved.

If two periods of **unemployment** are separated by 3 months or less **we** will treat this as one continuous claim but **we** will not pay for any time **you** were not **unemployed** between these periods. If the two periods of **unemployment** are separated by more than 3 months, **you** must return to **work** for a total of 6 continuous months before **you** make another **unemployment** claim.

If **you** are receiving **unemployment** benefit and want to start temporary **work** which will continue for less than 6 months, please let **us** have details in writing before **you** start this **work**. **We** will not pay for the period **you** are not **unemployed**. However, when the temporary **work** finishes, your **unemployment** claim may continue and **we** will treat this as one continuous claim. The most **we** will pay for this continuous claim is the **outstanding balance** in total.

G. Accidental Bodily Injury Benefits

(This benefit is only available if **you** are aged 65 or over or if **you** are **permanently retired** but under 85.)

If **you** suffer an **accidental bodily injury** which results in **permanent total disability**, or **loss of hearing** or **speech**, or **loss of limb**, or **loss of sight**, after the **start date** and before the **end date**, we will pay to the **Bank** the **outstanding balance** or an amount equal to **your** authorised credit limit, whichever is lower, up to a maximum of £15,000.

H. Hospitalisation Benefits

(This benefit is only available if **you** are aged 65 or over or if **you** are **permanently retired** but under 70).

If **you** have to stay in **hospital** after the **start date** and before the **end date** for at least 7 continuous days, **we** will pay a **monthly benefit**.

We will continue to pay a **monthly benefit** for every 30 continuous days that **you** remain in **hospital** until:

- the **end date**, or
- **you** leave **hospital**, or
- the **outstanding balance** has been paid for any one **hospitalisation** claim.

I. Payment of benefits

We will pay benefits into the account that **you** have with the **Bank**. Purchase protection, price protection, life, **accidental death** and **accidental bodily injury** benefits are paid as a single payment. **Disability, unemployment** and **hospitalisation** benefits are paid monthly.

We only pay you one type of monthly benefit (disability or unemployment) at a time.

Your monthly benefit and **outstanding balance** will not include any missed payments or interest on these payments.

For purchase protection claims, if **we** decide to repair or replace the **insured property we** may pay the supplier, manufacturer or repairer instead of **you**.

The benefits agency may consider benefits paid under this **policy** as income and therefore take this into consideration when calculating benefits. However; if there is a debt at the start of the claim benefits maybe disregarded for the entire claim provided that benefits are used towards the repayment of that debt.

J. Maximum combined benefits

The maximum combined benefit payable for **your** death (including **accidental death**) or **accidental bodily injury** under this **policy** and any other of **our** policies sold by the **Bank** will not be more than £15,000.

The maximum combined benefit payable for **disability, unemployment** or **hospitalisation** under this **policy** and any other of **our** policies sold by the **Bank** will not be more than £250 a month.

The maximum benefit that **we** will pay under this **policy** for more than one purchase protection claim is £2,000 in each 12 month period.

The total amount **we** will pay under this **policy** for a price protection claim is £150 and for more than one claim is £500 in each 12 month period.

SECTION 3 - Exclusions

A. Purchase Protection Exclusions

1. **We** will not pay benefit for **loss and/or damage** resulting from:

    - the taking apart, maintaining, cleaning, restoring, dyeing or repairing of the **insured property**;

    - **loss and/or damage** which happens more than 60 days after the date of purchase (either the date on the store receipt or the date on the **card** statement, whichever is earliest);
    - loss and/or damage outside the UK;
    - **you** or any person living in **your** household not taking **reasonable care** of the **insured property**;
    - normal wear and tear;
    - inherent product defects in the **insured property**;
    - atmospheric or weather conditions (including the action of light);
    - an illegal act by **you** or a person living in **your** household;
    - loss of the **insured property** which **you** cannot reasonably explain;
    - the action of insect, vermin, fungus or rust;
    - the action of pets belonging to **you** or a person living in **your** household;
    - the electrical or mechanical breakdown of the **insured property**;
    - theft, malicious damage or anything similar causing the **loss and/or damage** unless it is reported to the police within 24 hours of **you** discovering the **loss and/or damage**;
    - the **insured property** being used for business purposes;

- **you** or any person living in **your** household physically abusing the **insured property**;
- radiation and radioactive contamination, or any related event.

B. Price Protection Exclusions

1. No benefit is payable under clause B2 for Insured Property**:**

- purchased for business or commercial use;
- which is at a lower price at a discount retail outlet;
- which is not totally paid for using the **Card** other than a proportion of the original purchase price paid for using discount voucher(s);
- if **you** are unable to produce the original receipt.

C. Life and Accidental Death Exclusions

We will not pay life benefit:

- if **your** death results from suicide or self-inflicted injuries within 12 months of the **start date**;
- if at the **start date you** knew of any sickness, disease, condition or injury that may cause **you** to claim for life benefit

D. Disability, Accidental Bodily Injury and Hospitalisation Exclusions

We will not pay you disability, accidental bodily injury or hospitalisation benefits resulting from:

- any sickness, disease, condition or injury which **you** knew about or should have known about or for which **you** received advice, treatment or counselling from any **doctor** during the 12 months before the **start date**;
- backache and related conditions unless there is radiological evidence (for example, an MR1 scan) of abnormality;

- psychiatric illness or mental disorders including stress or stress related conditions unless diagnosed by a consultant who is a member of the Royal College of Psychiatrists and is recognised by that Royal College as being a consultant;
- **normal pregnancy** unless
    - the symptoms of a **normal pregnancy** develop into a pathological condition, sickness or disease which are diagnosed by a consultant who is a member of the Royal College of Obstetricians and is recognised by that Royal College as being a consultant or a **doctor** who specialises in obstetrics, and
    - the pathological condition lasts for 30 days or more and is not excluded under any other exclusions set out in this Section;
- alcohol or drugs not taken under the advice or supervision of a **doctor**;
- medical operations or treatments which are not medically necessary, including cosmetic or beauty treatment;
- self-inflicted injuries caused while sane or insane;

We will not pay benefit if the **claim date** happens within 30 days of the **start date**.

E. Accidental Bodily Injury and Hospitalisation Exclusions

We will not pay **accidental bodily injury** or **hospitalisation** benefits resulting from:

- any sickness, disease, condition or injury which **you** knew about or should have known about or for which **you** received advice, treatment or counselling from any **doctor** before the **start date**.
- psychiatric illness or mental disorder including stress or stress related conditions which **you** knew about or should have known about or for which **you** received advice, treatment or counselling from any **doctor** before the **start date.**
- any criminal act or road traffic offence committed by **you**.

F. Unemployment Exclusions

We will not pay **unemployment** benefits:

- if **you** were not in continuous **work** for 6 months immediately before **your** employment ended (if **you** were not in **work** for 2 weeks or less, **we** will not count this as a break in **your** employment);
- if at the **start date you** knew **you** were going to be made **unemployed** or had reason to believe that it was likely to happen;
- if **your** employment ends or **you** are notified, verbally or in writing, of **your** employment ending, within 30 days of the **start date**;
- if **your work** is seasonal or if **unemployment** is a regular feature of y**our work**;
- if **you** are **working** on a specific project and this project finishes;
- if **you** become voluntarily **unemployed** (which includes ending **your work** voluntarily during a period of notice given by **your** employer) or voluntary

redundancy;

- if **you work** on a fixed term contract which ends. However, if **you** have been in continuous **work** with the same employer for at least 24 months and **your** contract has been renewed at least twice and **you** had no reason to believe that it would not be renewed again, this exclusion will not apply;

- if **you** are **self employed** and **your** business temporarily stops trading;

- if **you** are **working** outside the **UK**, unless **you** are:

    - **working** for the British Armed Forces or as a civil servant in a British embassy or consulate, or

    - **working** for an employer that is a **UK** registered company who assigns **you** to **work** in the European Union on the same terms and conditions.

- if the **unemployment** happens as a result of:

    - **your** misconduct - this may include fraud, dishonesty or anything that led to or might have led to a disciplinary procedure being taken by **your** employer.

    - **your** involvement in a strike or lock-out.

G. General Exclusions

- No benefit will be paid for any claim resulting from civil unrest, war, radiation and radioactive contamination, or any related event.

SECTION 4 - How to claim

You (or **your** personal representatives for a life or accidental death claim), should contact **us** at Vantage West, Great West Road, Brentford, Middlesex, TW8 9AG or telephone **us** on 0870 400 4713 to request a claim form.

Please complete the claim form fully and accurately and return it to **us** at Vantage West, Great West Road, Brentford, Middlesex TW8 9AG. This claim form should be received by **us** within 120 days of the date **you** died or the date your disability, unemployment or accidental bodily injury began or the day that you go into hospital, or as soon as possible after this.

Please complete the purchase protection claim form fully and accurately and return it to us at the address above. This claim form should be received by **us** within 90 days of the date of the **loss and/or damage**, or as soon as possible after this.

Please complete the price protection claim form (including attaching the original receipt and if applicable, the price verification form) fully and accurately and return it to **us** at the address above. This claim form should be received by **us** within 90 days of the date that **you** discover the **sale price** or as soon as possible after this.

For **disability, unemployment** and **hospitalisation claims** we may ask **you** to fill in a continuing claim form at **your** own expense for each month **you** are claiming. **You** must send this to **us** within 120 days of the date **we** last paid **your monthly benefit** or as soon as possible after this.

We will not pay **your** claim if **we** cannot validate it because **you** are late sending **us your** claim form.

To make a claim **you** (or **your** personal representatives) must give **us** any proof **we** ask for otherwise **we** cannot pay any benefit. This is at **your** own expense (if any). **We** may also ask **you** (or **your** personal representatives) for additional information during **your** claim, for example:

- life and **accidental death** claims - an original or certified death certificate (in English) or an office copy Grant of Probate;

- **disability** and **hospitalisation** claims - being examined by a **doctor** (at **our** expense) or a certificate from **your** employer saying that **you** are not presently **working**;

- **unemployment claims** - a copy of the Jobseekers Agreement that **you** signed with the Benefits Agency or a certificate from **your** last employers saying that **you** no longer **work** for them;

- price protection claims - the original store receipt showing the date, place and amount of the purchase and if applicable, a price verification form that has been fully completed by the store.

- purchase protection claims – a copy of the police report.

SECTION 5 - Change of claim

1. If you are receiving **monthly benefits** because **you** are **disabled** and **you** become **unemployed you** must write to **us** straight away.

    - When deciding if **your** claim is valid, **we** will ignore the fact that **you** have not been **working** because of **your disability**.

    - **We** will pay **your disability** benefit while it remains valid.

    - If **you** are still **unemployed** once a **doctor** says **you** are fit to return to **work**, **you** must tell **us** and **we** will ask **you** to fill in an **unemployment** claim form.

    - If **you** change **your** claim, the most **we** will pay for both **your disability** and **unemployment** claims combined is the **outstanding balance**.

2. If **you** are receiving **monthly benefits** because **you** are **unemployed** and **you** become **disabled you** must write to **us** straight away.

    - When deciding if **your** claim is valid, **we** will ignore the fact that **you** have not been **working**.

- **You** will no longer be eligible to claim **unemployment** benefit and **you** will have to fill in a claim form to claim **disability** benefit.
- If **you** change **your** claim, the most **we** will pay for both **your unemployment** and **disability** claims combined is the **outstanding balance**.
- If **you** cannot meet **our** conditions to claim for **disability** benefit **you** can claim **unemployment** benefit once **you** are fit to **work**. **You** must let **us** know **you** are no longer **disabled** and **you** must meet our conditions to claim **unemployment** benefit. If **your** claim is valid the most **we** will pay **you** is the **outstanding balance** which includes any **monthly benefit we** paid before **your disability** started.

SECTION 6 - How does cover end?

1. All cover under this **policy** will end and all **monthly benefits** will stop automatically:

- if **you** die; or
- for **disability** and **unemployment** cover when **you** reach 65 or **permanently retire** before then (and **you** must tell the **Bank** as soon as possible if **you permanently retire** before **you** reach 65); or
- for life and **hospitalisation** cover when **you** reach 70;
- for purchase protection, price protection, **accidental death** and **accidental bodily injury** cover when you reach 85;
- when your credit agreement ends; or
- when you miss paying three continuous **monthly premiums** or **monthly payments**; or
- when **your** cover is cancelled under clause 2 below; or
- when **accidental bodily injury** benefit is paid; or
- when your **card** is cancelled, withdrawn or expires and is not renewed by the **Bank**.

2. If **you** are not satisfied with **your** cover, please write to **us** within 30 days of the **start date**. **We** will then cancel **your** cover from the **start date** without charge.

After the first 30 days, **your** cover may be cancelled by **you** or **us** by giving 30 days' notice in writing. **We** will not refund any of your **monthly premium**.

SECTION 7 - Premiums

Each **monthly premium** covers **you** for one month. **You** must continue to pay **your monthly premium** while **you** are claiming benefit.

If **your** last **monthly premium** has not been paid when due and **you** want to make a claim, **we** will not consider this claim until **your monthly premium** has been paid.

We may change the rate of **your monthly premium** by giving **you** notice in writing. However if there is any change to the insurance premium tax percentage rate the amount of **your monthly premium** will be changed automatically without notice. Any change to **your monthly premium** will come into effect when **you** have to pay **your** next **monthly premium**.

SECTION 8 - Customer Care

The following points are information **we** are required to tell **you**:

1. **Choice of law**

   If you buy insurance in the **UK**, **you** can choose which law will apply to the **policy**. English law will apply to **your policy** unless we make a written agreement saying otherwise before **we** issue this **policy** to **you**.

2. **Compensation rights**

   You can ask **us** for detailed information about **our** compensation arrangements. These compensation arrangements apply if **we** go into liquidation and cannot pay **our** debts.

3. **Subrogation and contribution**

   Before a benefit is paid or the **insured property** is repaired or replaced **you** must (if **we** request in writing) transfer the **insured property** and its ownership to **us**.

   If **we pay** a benefit or repair or replace the **insured property** you must (if **we** request in writing) allow **us** to enforce **our** rights or remedies or obtain any relief or indemnities from other parties which **we** are or may become entitled or subrogated.

4. **Assignment and surrender value**

   You cannot transfer **your** rights or interest in this **policy** to any other person. This **policy** will not have any value at the **end date** or if it is cancelled.

5. **Changes in these terms**

   We have a right to change the terms in this **policy** by giving **you** 30 day's notice in writing. If **you** are not happy with the change **you** may cancel **your** cover with effect from the date of the change.

6. **Third Party Rights Clause**

   The parties do not intend any term of this agreement to be enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999.

7. **Complaints Procedure**

We set ourselves high standards, but if **you** are not satisfied with **our** service please tell **us**. If **you** follow the procedure set out below, **we** will deal with **your** complaint in the most efficient way possible.

Step 1 Please contact GE Capital Bank Limited at Trent House, Torre Road, Leeds, LS99 2BD. Please give details of **your policy** number so that **we** can deal with the enquiry quickly.

Step 2 If **you** are still not happy please contact the Company Secretary at Vantage West, Great West Road, Brentford, Middlesex, TW8 9AG, telephone 020 8380 3000.

Step 3 If the problem has not been resolved to **your** satisfaction, **you** may refer it to the relevant office:

- **General complaints**
  The Association of British Insurers, 51 Gresharn Street,
  London, EC2V 7HQ.

- For complaints about purchase protection, price protection, disability, unemployment, hospitalisation or accidental bodily injury cover
  The Insurance Ombudsman Bureau, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

- For complaints about life cover

The Personal Investment Authority Bureau, Hertsmere House, Hertsmere Road, London, El 4 4AB.

If **you** complain it will not affect **your** legal rights.

SECTION 9 - Definitions

Wherever the following words appear in bold in the **policy** they will have the following meanings:

Accident (Accidental)
A sudden, unexpected, unintentional violent, external event which results in **bodily injury**.

Accidental Death
Death as a result of an **accident**.

Bodily Injury
Bodily injury resulting from external violent and visible means but excludes sickness or disease or any naturally occurring condition or degenerative process.

Calculation Day
The day each month that the **Bank** works out the amount of interest (and any credit charges) and the **monthly premium** which **you** must pay by the date shown on **your** statement.

Card
The card issued to you by the **Bank** under the **credit agreement** and used by **you**.

Claim date

- for life and **accidental death** claims, the date of **your** death.
- for disability and unemployment claims, your last day in work.
- for **accidental bodily injury** claims, the date that the **accident** occurs;
- for **hospitalisation** claims, the day that **you** are admitted to **hospital**.

Consultant
A medical specialist who is a member of a Royal College (for example, the Royal College of Surgeons) and is recognised by that Royal College to be a consultant.

Credit agreement
The running account credit agreement between **you** and the **Bank** which is covered by this **policy**.

Date of purchase
The date shown on **your** store receipt when **you** bought the **insured property**.

Disability (disabled)
A sickness, disease, condition or injury which stops **you** from doing **your** job or any similar job. It must also stop **you** from doing any paid work which **your** experience, education or training reasonably qualifies **you** to do. If **you** are **self employed**, a disability must stop **you** from helping, managing or carrying out any part of the day-to-day running of a business.

Doctor
A registered medical practitioner, practising in the **UK**. This does not include **you** or your **relatives** except when diagnosing a pre-existing condition as set out in Section 3D and E.

End date
The date **your** cover ends as set out in Section 6.

Hospital
A legally-run establishment which has accommodation for patients staying there and organised facilities for diagnosis and major surgery. It does not include a convalescent, nursing or rest home or a convalescent, nursing, self-care or rest section of a hospital.

Hospitalisation
A stay in **hospital**.

Insured Property
All personal property bought by **You** after the **Start Date** in the **UK** using the **Card** either for **Your** own use or as a gift for another person excluding:

- jewellery and watches
- furs
- cameras, video equipment, camcorders and accessories
- all precious metals and precious stones
- cash or its equivalent (including travellers cheques, tickets, cheques, postal orders and any other negotiable instruments)
- perishable goods
- second hand goods
- mail order items or items delivered by courier whilst they are in transit
- animals or living plants
- motor vehicles, motor cycles, boats, private leisure craft, tents, caravans (including any accessories fitted to these or any articles left unattended in these)
- contact lenses
- one-of-a-kind items, items offered during a “limited quantity”, “special purchase” “going out of business” or “close down” sale;
- special order items or custom and tailor-made items;
- items sold as imperfect (or not of first quality), seconds, or damaged items;

Loss and/or Damage
The direct physical loss and/or damage to the **Insured Property** in the **UK**.

Loss of hearing or speech
Total and permanent loss of hearing or speech.

Loss of limb
Total and permanent loss of use or loss by physical separation at or above the wrist or ankle.

Loss of sight
Total and permanent loss of sight.

Monthly benefit
The amount equal to the **monthly payment**, up to a total of £[250] for one or more **credit agreements**.

Monthly payment

- for budget accounts the fixed amount set out in **your credit agreement** which **you** have agreed to repay every month;
- for option accounts, 15% of the **outstanding balance** or £10, whichever is the greater or the **outstanding balance** if it is less than £10.

Monthly premium
The premium, including insurance premium tax, **you** must pay every month as set out in Section 7.

Normal Pregnancy
Includes:

- symptoms which normally accompany pregnancy (including multiple pregnancy) and which are generally of a minor and/or temporary nature (e.g. morning sickness, fatigue etc.) which do not represent a medical hazard to mother or baby or a combination of minor symptoms, and
- childbirth, including delivery by caesarean section or any other medically or surgically assisted delivery which does not cause medical complications.

Original Purchase Price
The original amount that **you** paid using the **card** for the **insured property**. If a proportion of the **original purchase price** is paid for using discount voucher(s), we will

consider the **original purchase price** to be the proportion of the price paid for using the **Card**.

Outstanding Balance
The amount outstanding on the **calculation day** before the **claim date**, up to £15,000 for one or more **credit agreements**.

Partner
A person of the opposite sex who is either a spouse or a person who has lived permanently with **you** for 24 months or more before the **start date**.

Permanently retire (permanently retired)
You have stopped **working** and **you** have no intention to return to **work**.

Permanent total disability
A permanent injury resulting from an **accident**. Two **doctors** or **consultants** appointed by **us** must think:

- it is total, permanent and irreversible;
- it is likely to continue for the rest of **your** life;
- it must stop **you** from **working** or doing any paid **work** for the rest of **your** life.

Reasonable Care
You are

- taking all reasonable precautions to protect the **Insured Property** from any foreseeable risks which may cause **Loss and/or Damage**, and
- attending the **Insured Property** at all times (unless it is properly secured against theft and any other **Loss and/or Damage**).

Sale Price
The reduced price of the **insured property**.

Self employed
You are

- helping with, managing or carrying on a business in the **UK** and are liable to pay tax under Schedule D Case I, II, IV and V of the Income and Corporation Taxes Act 1988;
- a partner in a partnership;
- a person who exercises direct or indirect control over a company (not necessarily the majority shareholder or holder of the majority voting rights);
- **working** for a company and in any way connected with a person who has control (as referred to above) over that company (for example **you** are one of his or her family).

Start date
The date of **your credit agreement** or the date **we** or the **Bank** on **our** behalf, accept **your** application for cover, if later.

UK
The United Kingdom, Channel Islands and Isle of Man.

Unemployment (unemployed)
Being out of **work** and receiving the correct class of National insurance credits by reason of unemployment, unless **you** have been entitled to make reduced National Insurance contributions in the past or **you** are a woman who has reached the state retirement age of 60. **You** must be actively looking for **work**. We will not consider **you** as **unemployed** for any day **you** receive pay in lieu of notice.

Work (working)
Working in paid employment for at least 16 hours or more a week in the **UK**. This includes **you** if **you** are **self employed**. **You** must also be paying the correct class of National Insurance contributions.

You (your)
The person who has the **credit agreement** with the **Bank** and satisfies the eligibility requirements set out in Section 1.

This **policy** certifies that **you** are insured for purchase protection, life, **disability**, **unemployment, accidental bodily injury** and **hospitalisation** and **loss and/or damage** under **Bank** scheme number XXXXXX and XXXXX dated XXX XXX 2000.

Director

This cover is arranged by GE Capital Bank Limited as agent of the underwriters Financial Insurance Company Limited and Financial Assurance Company Limited, whose registered offices are Vantage West, Great West Road, Brentford, Middlesex, TW8 9AG, Telephone Number 020 8380 3000. Companies incorporated in England and limited by shares. The registered offices of GE Capital Bank Limited is 6 Agar Street, London, WC2N 4HR, Registered in England number 1456283.

GE Capital Bank Limited is affiliated with General Electric Company (USA) and is not connected with the English company of a similar name.

Annex 2

GCF Policy Details

Scheme DATABASE

GEFI EUROPE

Policy No / Suffix (FIG)	Scheme name	% Crit Ill & Red - 12	% A & S - 45	Life % - 78	Merch %	Check	Renewal / Renegotiation Month / Yr	Commission %	Retention % (of Gross Earned Premiums)	Premium
03202/04	GECRFS-House of Fraser-Harrods	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03203/04	GECRFS-House of Fraser-Fraser	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03205/04	GERCFS-House of Frazer-Harrods	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03206/04	GERCFS-House of Fraser-Fraser	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03207/04	GECRFS - Bentalls	45%	44%	11%		100%	12 months notice	52.71%	5.00%	78p/£100
03208/04	GECRFS - Bentalls	45%	44%	11%		100%	12 months notice	52.71%	5.00%	78p/£100
03213/04	GECRFS - Welbeck	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03214/04	GECRFS - Welbeck	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03215/04	GECRFS - Payment Prot. Ins.	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03216/04	GECRFS - Welbeck	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03217/04	GECRFS - Debenhams	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03218/04	GECRFS - Debenhams	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03219/04	GECRFS-Debenhams Carholder Ser	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03220/05	GECRFS-Debenhams Crdholder Ser	45%	44%	11%		100%	12 months notice	52.49%	5.00%	78p/£100
03221/05	GECRFS-Dixons/Currys	45%	44%	11%		100%	12 months notice	46.40%	5.53%	78p/£100
03222/04	GECRFS-Dixons/Currys	45%	44%	11%		100%	12 months notice	46.40%	5.53%	78p/£100
03223/04	GECRFS-Dixons/Currys	45%	44%	11%		100%	12 months notice	46.40%	5.53%	78p/£100
03224/04	GECRFS-Dixons/Currys	45%	44%	11%		100%	12 months notice	46.40%	5.53%	78p/£100
03225/04	GECRFS- Kodak	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03229/05	GECRFS-Laura Ashley	45%	44%	11%		100%	12 months notice	52.49%	5.00%	78p/£100
03231/04	GECRFS-FraserCard-PPI	45%	44%	11%		100%	12 months notice	52.49%	5.00%	78p/£100
03232/04	GECRFS-FraserCard-PPI	45%	44%	11%		100%	12 months notice	50.76%	5.00%	78p/£100
03233/04	GECRFS-FraserCard-PPI	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03234/04	GECRFS-FraserCard-PPI	45%	44%	11%		100%	12 months notice	37.43%	5.60%	78p/£100
03235/05	GECRFS-FraserCard-PPI	45%	44%	11%		100%	12 months notice	52.50%	5.60%	78p/£100

Policy No / Suffix (FIG)	Scheme name	% Crit Ill & Red - 12	% A & S - 45	Life % - 78	Merch %	Check	Renewal / Renegotiation Month / Yr	Commission %	Retention % (of Gross Earned Premiums)	Premium
03236/04	GECRFS-Frasercard-PPI	45%	44%	11%		100%	12 months notice	37.43%	5.60%	78p/£100
03237/04	GECRFS-House of Fraser-Harrods	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03239/04	GECRFS D.Perkins Option	45%	44%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03240/04	GECRFS-Dorothy Perkins	45%	44%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03241/03	GECRFS-Dorothy Perkins	45%	44%	11%		100%	12 months notice	70.90%	5.30%	78p/£100
03242/04	GECRFS-Dorothy Perkins	45%	44%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03245/04	GECRFS-Burton Group	45%	44%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03246/04	GECRFS-Burton Group	45%	44%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03247/00	GECRFS-Burton Group	45%	44%	11%		100%	12 months notice	71.13%	5.60%	78p/£100
03248/04	GECRFS-Burton Group	45%	44%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03249/04	GECRFS-Burton Group	45%	44%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03271/03	GECRFS-Power Option	0%	68%	32%		100%	12 months notice	70.90%	5.30%	78p/£100
03272/04	GECRFS-Power Option	45%	44%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03275/01	GECRFS-Unsecured Personal Loan	45%	44%	11%		100%	12 months notice	50.00%	5.60%	78p/£100
03277/04	GECRFS-Owen Owen	45%	44%	11%		100%	12 months notice	52.50%	5.00%	78p/£100
03278/03	GECRFS - Dixons	45%	44%	11%	0%	100%	12 months notice	53.04%	5.00%	78p/£100
03280/03	GECRFS - Dixons	45%	44%	11%	0%	100%	12 months notice	51.39%	5.00%	78p/£100
03284/02	GECRFS - Card Care	45%	44%	11%		100%	12 months notice	48.24%	4.00%	78p/£100
03291/04	GECRFS-The First Personal Bank	45%	44%	11%		100%	12 months notice	47.93%	4.00%	78p/£100
03297/01	GECRFS - Bentalls	45%	44%	11%		100%	12 months notice	50.76%	1.28%	78p/£100
03301/00	GCF Value Direct	45%	44%	11%	0%	100%	12 months notice	53.02%	5.60%	78p/£100
03302/00	GCF - Project Noble	50%	34%	15%	0%	100%	12 months notice	53.02%	5.60%	16% M/R
03356/00	GECRFS- Debenhams - FRC	53%	36%	11%	0%	100%	12 months notice	47.93%	4.00%	10% M/R
03357/00	GECRFS DFS - FRC	53%	36%	11%	0%	100%	12 months notice	52.62%	6.00%	12.5% MR
03610/03	GECRFS - Account cover	53%	34%	11%	2%	100%	12 months notice	52.50%	5.00%	78p/£100
03612/03	GECRFS - Account Cover	53%	34%	11%	2%	100%	12 months notice	70.09%	5.00%	78p/£100
03613/03	GECRFS - Account Cover	53%	34%	11%	2%	100%	12 months notice	70.09%	5.00%	78p/£100
03620/03	GECRFS- GOLDSMITHS	53%	34%	11%	2%	100%	12 months notice	52.45%	5.38%	78p/£100
03623/03	GECRFS-GOLDSMITHS	53%	34%	11%	2%	100%	12 months notice	47.93%	4.00%	10% M/R
03641/02	GECRF New Look	53%	34%	11%	2%	100%	12 months notice	54.60%	5.38%	78p/£100

Policy No / Suffix (FIG)	Scheme name	% Crit Ill & Red - 12	% A & S - 45	Life % - 78	Merch %	Check	Renewal / Renegotiation Month / Yr	Commission %	Retention % (of Gross Earned Premiums)	Premium
03711/02	GE GCF - QVC Shopping - Option	45%	44%	11%		100%	12 months notice	54.60%	5.38%	78p/£100
03713/00	GE GCF Staff	53%	36%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03714/00	GE GCF Zoom	53%	36%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03715/00	GCF - Boundry Mills	53%	36%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03716/00	GE GCF Retails Staff / Shareholder	53%	36%	11%		100%	12 months notice	70.09%	5.30%	78p/£100
03728/01	ETAM-Accnt Cvr 2 Point of Sale	64%	29%	8%	0%	100%	12 months notice	53.33%	5.86%	78p/£100
03729/01	ETAM -Account Cover 2(Upgrade)	64%	29%	8%	0%	100%	12 months notice	53.33%	5.86%	78p/£100
03730/01	GCF Bentalls Account Cover +	64%	29%	8%	0%	100%	12 months notice	53.33%	5.86%	78p/£100
03731/01	GCF Debenhams Account Cover +	30%	59%	11%	0%	100%	12 months notice	53.33%	5.86%	78p/£100
03920/02	GECRF Dixons Multicharge	45%	44%	11%	0%	100%	12 months notice	52.98%	5.60%	11.5% M/R
03921/02	GECRF Currys Multicharge	45%	44%	11%	0%	100%	12 months notice	52.98%	5.60%	11.5% M/R
03922/01	GECRFS - Toys R Us	45%	44%	11%	0%	100%	12 months notice	49.19%	5.60%	11.5% M/R
04901/02	GECGCF Arc.Burt.MW Budget.Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04902/02	GECGCF Arc.Burt.MW AC2 Op.Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04904/02	GECGCF Arc.D.Per.AC2 Budg.Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04905/02	GECGCF Arc.D.Per.AC2 Opt. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04906/02	GECGCF Arc.Evans AC2 Budg.Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04907/02	GECGCF Arc.Evans AC2 Opt. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04908/02	GECGCF Arc.Gen. AC2 Budg. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04909/02	GECGCF Arc.Gen.AC2 Option Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04910/02	GECGCF Evans Dial Option. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04913/02	GECGCF Arc.Prin.AC2 Budg. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04914/02	GECGCF Arc.Prin.AC2 Opt. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04915/02	GECGCF Arcad.PFM AC2 Budg Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04916/02	GECGCF Arcad.PFM AC2 Opt. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04917/00	GECGCF Wade Smith	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04918/00	GECGCF Hawkshead	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04919/00	GECGCF Racing Green -a/c cover	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04921/02	GECGCF Arc.Topm.AC2 Budg. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100

Policy No / Suffix (FIG)	Scheme name	% Crit Ill & Red - 12	% A & S - 45	Life % - 78	Merch %	Check	Renewal / Renegotiation Month / Yr	Commission %	Retention % (of Gross Earned Premiums)	Premium
04922/02	GECGCF Arc.Topm.AC2 Opt. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04923/02	GECGCF Arc.Topsh.AC2 Budg.Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04924/02	GECGCF Arc.Tops.AC2 Opt. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04952/02	GECGCF Debenhams AC2 Budg Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04953/02	GECGCF Debenhams AC2 Opt Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04971/02	GECGCF Bentalls AC2 Opt Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04972/02	GECGCF C.Casuals AC2 Budg.Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04973/02	GECGCF C.Casuals AC2 Opt. Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04974/02	GECGCF Dickens AC2 Option Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04975/02	GECGCF HIGH&M AC2 Option Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04976/02	GECGCF Laura A.AC2 Option Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04977/02	GECGCF Monsoon AC2 Option Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04978/02	GECGCF OwenOwenAC2 Busget Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04979/02	GECGCF OwenOwenAC2 Option Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04980/02	GECGCF Russ&Br AC2 Option Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100

04981/02	GECGCF Uptons AC2 Option Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04982/02	GECGCF Etam AC2 Budg. Core Opt	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04983/02	GECGCF River Isl AC2 Core	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04986/01	GECGCF BHS Rev Credit Storecd	45%	40%	11%	4%	100%	12 months notice	54.60%	5.38%	78p/£100
04987/01	GECGCF BHS Upgrade Business	45%	44%	11%	4%	104%	12 months notice	53.32%	5.38%	78p/£100
04988/01	GECGCF M/Care Rev Credit S/Cd	45%	40%	11%	4%	100%	12 months notice	54.60%	5.38%	78p/£100
04989/01	GECGCF Mothercare Upgrade Bus.	45%	44%	11%	4%	104%	12 months notice	53.32%	5.38%	78p/£100
04990/00	GECGCF BHS AC2 Core Opt. New B	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04991/00	GECGCF BHS AC2 Core Opt. TF	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04992/00	GECGCF BHS AC2 Core Option Stf	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04993/00	GECGCF BHS AC2 Core Option	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
04994/00	GECGCF BHS AC2 Core Budget	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
05000/01	GECGCF Dix/Curr. Rev Budg. PPI	45%	44%	11%	0%	100%	12 months notice	53.02%	5.60%	78p/£100
05001/02	GECGCF Dix/Curr.Fix. Budg. PPI	45%	44%	11%	0%	100%	12 months notice	53.02%	5.60%	16% M/R
05002/00	GECGCF New Look Ac 2 cover	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100

Policy No / Suffix (FIG)	Scheme name	% Crit Ill & Red - 12	% A & S - 45	Life % - 78	Merch %	Check	Renewal / Renegotiation Month / Yr	Commission %	Retention % (of Gross Earned Premiums)	Premium
05003/00	GECGCF New Look AC2 Ex. Bus.	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
05004/00	GECGCF HoF Ac Cover 2 - TF	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
05005/00	GECGCF HoF Ac Cover 2 - New	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
05006/00	GECGCF Mothercare AcctCover Ne	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
05007/00	GECGCF Mothercare AcctCover Upgrade	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
05009/00	GECGCF New Look - Zendor.com	45%	40%	11%	4%	100%	12 months notice	53.33%	5.38%	78p/£100
05901/00	GECGCF AC2 Burton Core > 70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05904/00	GECGCF AC2 D Perkins Core > 70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05906/00	GECGCF AC2 Evans Core > 70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05910/00	GECGCF AC2 Dial Core > 70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05913/00	GECGCF AC2 Principles Core >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05917/00	GECGCF AC2 Wade Smith Core >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05918/00	GECGCF AC2 Hawkshead Core > 70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05919/00	GECGCF AC2 Racing Green > 70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05921/00	GECGCF AC2 Top Man Core > 70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05923/00	GECGCF AC2 Top Shop Core > 70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05951/00	GECGCF AC2 Debenhams >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05971/00	GECGCF AC2 Bentalls Core >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05973/00	GECGCF AC2 Country Casuals >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05976/00	GECGCF AC2 Laura Ashley >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05977/00	GECGCF AC2 Monsoon >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05979/00	GECGCF AC2 Owen Owen >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05980/00	GECGCF AC2Russell &Bromley >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05982/00	GECGCF AC2 Etam >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05983/00	GECGCF AC2 River Island >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
05990/00	GECGCF AC2 BHs >70	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
06102/00	New Look - Over 70’s	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
06104/00	House of Fraser - Over 70’s	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100
06106/00	Mothercare - Over 70’s	0%	90%	0%	10%	100%	12 months notice	52.82%	5.38%	78p/£100

Policy No / Suffix (FIG)	Scheme name	% Crit Ill & Red - 12	% A & S - 45	Life % - 78	Merch %	Check	Renewal / Renegotiation Month / Yr	Commission %	Retention % (of Gross Earned Premiums)	Premium
13247/02	GECRFS - Burton Group	45%	44%	11%	0%	100%	12 months notice	57.32%	5.38%	78p/£100
14901/03	GECGCF Arc.Burt.MW AC2 Budg PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14902/03	GECGCF Arc.Burt.MW AC2 Opt PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14904/03	GECGCF Arc.D.Pe.AC2 Budget PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14905/02	GECGCF Arc.D.Pe.AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14906/03	GECGCF Arc.Evans AC2 Budg PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14907/02	GECGCF Arc.Evans AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14908/02	GECGCF Arc.Evans AC2 Budget PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14910/03	GECGCF Evans Dial Option. PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14913/03	GECGCF Arc.Prin. AC2 Budget PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14914/02	GECGCF Arc.Prin.AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14915/02	GECGCF Arcadia Prin. Budg. PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14916/02	GECGCF Arcadia Prin.AC2 Opt.PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14917/01	GECGCF Wade Smith	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14918/01	GECGCF Hawkshead	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14919/01	GECGCF - Racing Green	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14921/03	GECGCF Arc.Topman AC2 Budg.PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14922/02	GECGCF Arc.Topman AC2 Opt. PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14923/03	GECGCF Arc.Tops.AC2 Budget PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14924/02	GECGCF Arc.Tops.AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14951/03	GECGCF Debenhams AC2 PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14952/02	GECGCF Debenhams AC2 Budg PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14953/02	GECGCF Debenhams AC2 Opt PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14971/03	GECGCF Bentalls AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14972/02	GECGCF C.Casuals AC2 Budget PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14973/03	GECGCF C.Casuals AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14974/03	GECGCF Dickens AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14975/03	GECGCF High&M AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14976/03	GECGCF Laura A.AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14977/03	GECGCF Monsoon AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100

Policy No / Suffix (FIG)	Scheme name	% Crit Ill & Red - 12	% A & S - 45	Life % - 78	Merch %	Check	Renewal / Renegotiation Month / Yr	Commission %	Retention % (of Gross Earned Premiums)	Premium
14978/02	GECGCF Owen Owen AC2 Budg. PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14979/03	GECGCF Owen Owen AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14980/03	GECGCF Russ&Br AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14981/03	GECGCF Uptons AC2 Option PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14982/03	GECGCF Etam AC2 Budget PP Opt	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14983/03	GECGCF River Island AC2 PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14990/01	GECGCF BHS AC2 PP Opt. New Ac.	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14991/00	GECGCF BHS AC2 PP Opt. TF Bus	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14992/00	GECGCF BHS AC2 PP Option Staff	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14993/00	GECGCF BHS AC2 PP Option	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
14994/00	GECGCF BHS AC2 PP Budget	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
15002/00	GECGCF New Look Price Prot.	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
15003/00	GECGCF New Look Exist Price Pr	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100

15004/01	GECGCF HoF Ac Cover 2 - TF	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
15005/00	GECGCF HoF Ac Cover 2 - New	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
15006/01	GECGCF Mothercare A/C Cover PP	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
15007/00	Mothercare Account cover Upgra	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
15009/00	New Look - Zendor	0%	0%	0%	100%	100%	12 months notice	53.23%	1.20%	22p/£100
03644/00	GECGCF Kwik Fit	47%	32%	21%	0%	100%	12 months notice	61.50%	5.38%	£1/£100
5011/00	Monsoon pilot - core	45%	40%	11%	4%	100%		53.33%	5.38%	78p/£100
15011/00	Monsoon pilot - price protection	0%	0%	0%	100%	100%		48.99%	1.20%	22p/£100
6111/02	Monsoon pilot - Over 70's	0%	90%	0%	10%	100%		52.82%	5.38%	72p/£100
New	TRF 89p B&Q/Comet					0%				89p/£100

BRONZE PLAN

Life and Critical Illness Policy

INTRODUCTION

This Policy Document ("policy") sets out the details of your insurance cover. This has been arranged by the Agent. Please read the policy carefully and keep it in a safe place.

This policy is underwritten by Financial Insurance Company Limited and Financial Assurance Company Limited, ("we", "us", "our

If you are a private customer please ignore any references to the nominated person.

If you are a business customer, the nominated person means the person(s) nominated for cover and you means the person, firm, company, partnership or other legal entity who has nominated the nominated person for cover.

This policy protects you in the event of your/the nominated person's death or if you/the nominated person become critically ill providing you meet the eligibility requirements in Section 1 and have agreed to pay the appropriate premium.

[Detailed terms omitted]

Account Cover – Purchase Protection, Price Protection, Life, Accidental Death, Accident, Sickness, Unemployment, Accidental Bodily Injury and Hospitalisation Policy

INTRODUCTION

This Policy Document ("policy") sets out the details of your insurance cover. This has been arranged by GE Capital Bank Limited ("Bank"). Please read this policy carefully and keep it in a safe place.

This policy is underwritten by Financial Insurance Company Limited and Financial Assurance Company Limited ("we", "us", "our").

This policy protects you in the event of your death (including accidental death), disability, unemployment, accidental bodily injury or if you have to go into hospital, and for the loss and/or damage of the insured property and price protection, providing you meet the eligibility requirements in Section 1 and have agreed to pay the monthly premium for this insurance. Cover is for one month at a time and is automatically renewed every month until the end date.

SILVER PLAN

Life, Accident & Sickness Policy

INTRODUCTION

This Policy Document ('policy') sets out the details of your insurance cover. This has been arranged by the Agent. Please read this policy carefully and keep it in a safe place.

This policy is underwritten by Financial Insurance Company Limited and Financial Assurance Company Limited ('we', 'US', 'our'). If you are a private customer please ignore any references to the nominated person.

If you are a business customer, the nominated person means the person(s) nominated for cover and you means the person, firm, company, partnership or other legal entity who has nominated the nominated person for cover.

This policy protects you/the nominated person in the event of your death, accident & sickness providing you meet the eligibility requirements in Section 1 and have agreed to pay the appropriate premium.

[Detailed Terms Omitted.]

GOLD PLAN

Life, Accident & Sickness, Unemployment and Critical Illness Policy

INTRODUCTION

This Policy Document ('policy') sets out the details of your insurance cover. This has been arranged by the Agent. Please read this policy carefully and keep it in a safe place.

This policy is underwritten by Financial Insurance Company Limited and Financial Assurance Company Limited, ('we', 'us', 'our'). This policy protects you in the event of your death, accident & sickness, unemployment or if you become critically ill providing you meet the eligibility requirements in Section 1 and have agreed to pay the appropriate premium.

[Detailed Terms Omitted.]

Black Horse Finance Unsecured –[Schedule Omitted]

Annex 3

Reinsurance account

Reinsurance Account for calendar quarter ending ………….

Reinsurance Premiums due	Regular	X	
	Single	X	
			X
Reinsurance Commissions due	Paid	X	
	Additional Reinsurance Comm	X	
			X
Claims paid and other amounts as provided for in Article 8		X	
Treaty Profit Commission due		X	
Net amount due to/(from) Reinsurer		X	
Loss carried forward on Treaty Profit Commission		X	

Reinsurance data for the quarter ending …………..

In-force

Number of policies in force at the quarter end
Number of lives covered at the quarter end

Total sums reinsured under the Agreement at the quarter end
Total regular premium (annualised) under the Agreement at the quarter end

Movements (if possible include calendar year to date figures as well)

New policies in the quarter
New lives covered in the quarter
New regular premiums (annualised) in the quarter
New single premiums in the quarter
New sums reinsured in the quarter

Number of policies off due to death in the quarter
Regular premiums (annualised) off due to death in the quarter
Sums reinsured off due to death in the quarter

Number of policies off due to lapse in the quarter
Regular premiums (annualised) off due to lapse in the quarter
Sums reinsured off due to lapse in the quarter

Exhibit 10.38

EXECUTION COPY

180-DAY BRIDGE CREDIT AGREEMENT

dated as of

April 29, 2004

Among

GENWORTH FINANCIAL, INC.,

as Borrower,

And

The Lenders Party Hereto

$2,400,000,000 BRIDGE FACILITY

Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Lehman Brothers Inc.,

as Joint Lead Arrangers and Book Managers

TABLE OF CONTENTS

SCHEDULES:

Schedule 2.01 — Commitments

EXHIBITS:

Exhibit A — Form of Assignment and Acceptance

Exhibit B — Form of Opinion of Borrower's In-House Counsel

CREDIT AGREEMENT (this "Agreement"), dated as of April 29, 2004, among GENWORTH FINANCIAL, INC. (the "Borrower"), the Lenders party hereto and Citicorp North America, Inc., as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Administrative Agent" means Citicorp North America, Inc., in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Applicable Margin" means, for any day, with respect to any Eurodollar Loan, the applicable rate per annum set forth in the table below under the caption "Eurodollar Loan Spread":

Eurodollar Loan Spread
0.30 of 1% (30 basis points)

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 7.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America (or any successor).

"Borrower" has the meaning specified in the recital of parties to this Agreement.

"Borrowing" means Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, the term "Business Day" shall also exclude when used in connection with a Eurodollar Loan, any day on which banks are not open for dealings in Dollar deposits in the London and New York interbank markets.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) (other than General Electric Company and its subsidiaries) of shares representing more than 50% of the issued and outstanding shares of common stock of the Borrower; or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower or by General Electric Company and its subsidiaries nor (ii) appointed by directors so nominated.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Loans hereunder, as set forth on Schedule 2.01.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Exposure" means, with respect to any Lender at any time, the outstanding principal amount of such Lender's Loans at such time.

"Default" means any event or condition which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Dollars" or "$" refers to lawful money of the United States of America.

"Effective Date" means the date on which the conditions specified in Article IV are satisfied (or waived in accordance with Section 7.02).

"Eurodollar" means, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Eurodollar Rate.

"Eurodollar Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on page 3750 of the Telerate Service (or on any successor or substitute page of the Telerate Service, or any successor to or substitute for the Telerate Service, providing rate quotations comparable to those currently provided on such page of the Telerate Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for Dollar deposits with a maturity comparable to such Interest Period.

"Event of Default" has the meaning assigned to such term in Article V.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its

principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any jurisdiction described in clause (a) above and (c) in the case of any Lender, any withholding tax that is imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement or is attributable to such Lender's failure or inability to comply with Section 2.13(e), except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.13(a).

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Firm Public Offering Shares" means the class A common stock to be sold in the Borrower's initial public offering, other than class A common stock sold as a result of exercise of any over-allotment option by the underwriters of such initial public offering, and the series A preferred stock sold in a concurrent offering.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments and (c) all guarantees by such Person of Indebtedness of others (it being understood and agreed, for the avoidance of doubt, that (i) annuities, guaranteed investment contracts, funding agreements and similar instruments and agreements and (ii) insurance products created or entered into in the normal course of business shall not constitute "Indebtedness")

"Indemnified Taxes" means Taxes (other than Excluded Taxes) that are required by applicable law to be withheld or deducted from a payment by, or on account of an obligation of, the Borrower hereunder.

"Indemnitee" has the meaning given to it in Section 7.03(b).

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

"Interest Payment Date" means (a) with respect to any Prime Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending one or two weeks or on the numerically

corresponding day in the calendar month that is one month thereafter, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a one month Interest Period, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period of one month that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Lead Arrangers" means Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Lehman Brothers Inc.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance.

"Loan" has the meaning given to it in Section 2.01(a).

"Local Time" means New York City time.

"Master Agreement Closing Date" means the date on which the underwriting agreements relating to the Borrower's initial public offering are executed and delivered by each of the parties thereto (or such other date as General Electric Company and the Borrower may mutually agree upon in writing).

"Material Adverse Effect" means a material adverse effect on (a) the business, property, operations or financial condition of the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Maturity Date" means the date that is six months after the Effective Date.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Prime", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Prime Rate.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by Citibank, N.A. as its base rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Register" has the meaning set forth in Section 7.04.

"Registration Statement" means the Borrower's Registration Statement on Form S-1 (Registration Number 333-112009) filed with the Securities and Exchange Commission on January 20, 2004, as amended through the date hereof.

"Regulation U" means Regulation U of the Board as in effect from time to time.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Credit Exposures representing more than 50% of the sum of the total Credit Exposures at such time.

"subsidiary" means, with respect to any Person at any date, any corporation, limited liability company, partnership, association or other entity of which the securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other body performing similar functions are at such date directly or indirectly owned by such Person.

"Subsidiary" means any subsidiary of the Borrower.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Transactions" means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans and the use of the proceeds thereof.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Eurodollar Rate or the Prime Rate.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., "Eurodollar Loans"). Borrowings also may be classified and referred to by Type (e.g., "a Eurodollar Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (b) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (c) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement.

ARTICLE II

THE CREDITS

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make a loan (each, a "Loan") in Dollars to the Borrower on any Business Day on or

after the Effective Date and before June 11, 2004 in a principal amount not exceeding such Lender's Commitment. Amounts borrowed under this Section 2.01 and repaid or prepaid may not be reborrowed. The Loans shall in each case be Prime Loans or Eurodollar Loans, as the Borrower shall request.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. Subject to Section 2.11, each Borrowing shall be comprised entirely of Prime Loans or Eurodollar Loans as the Borrower may request in accordance herewith.

(b) The failure of any Lender to make the Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make a Loan as required.

(c) Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(d) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $5,000,000 and not less than (x) $25,000,000 for Eurodollar Borrowings. At the time that each Prime Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $10,000,000; provided that a Prime Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of five Eurodollar Borrowings.

(e) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., Local Time, three Business Days before the date of the proposed Borrowing or (b) in the case of a Prime Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be a Prime Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

If no election as to the Type of Borrowing is specified, the Borrower shall be deemed to have selected a Eurodollar Borrowing with an Interest Period of one week's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, Local Time, to the account of the Administrative Agent designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent and designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then (x) the Administrative Agent shall notify the Borrower of such inaction promptly following the Administrative Agent's discovery of such inaction and (y) the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the Federal Funds Effective Rate or (ii) in the case of the Borrower, the interest rate applicable to such Borrowing. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.05. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be

allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a Prime Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one [week's] duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued with an Interest Period of one [week's] duration.

SECTION 2.06. Intentionally omitted.

SECTION 2.07. Repayment of Loans; Evidence of Debt (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans to it in accordance with the terms of this Agreement.

(e) Any Lender may reasonably request that Loans made by it to the Borrower be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent and the Borrower.

Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 7.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.08. Prepayment of Loans. (a) Subject to prior notice in accordance with paragraph (b) of this Section, the Borrower may at its option, at any time, without premium or penalty of any kind (other than any payments required under Section 2.16), prepay, in whole or in part, any Borrowings.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., Local Time, on the date three Business Days prior to the date of prepayment or (ii) in the case of prepayment of a Prime Borrowing, not later than 10:00 a.m., Local Time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.10.

(c) The Borrower shall, promptly after receipt of net cash proceeds by the Borrower from the issuance or incurrence of any Indebtedness by the Borrower or any Subsidiary (other than Indebtedness (i) owed to a wholly owned Subsidiary or to the Borrower, (ii) Indebtedness arising under senior credit facilities of the Borrower in the aggregate amount of $2,000,000,000 and (iii) Indebtedness issued or incurred in the ordinary course of business, maturing within one year from the date incurred, evidenced by commercial paper and aggregating at any time not more than $50,000,000 at any time outstanding) prepay an aggregate principal amount of the Loans comprising part of the same Borrowing in an amount equal to the amount of such net cash proceeds.

SECTION 2.09. Intentionally omitted

SECTION 2.10. Interest. (a) The Loans comprising each Prime Borrowing shall bear interest at a rate per annum equal to the Prime Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to the Eurodollar Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, (ii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion and (iii) all accrued interest on a Loan shall be payable upon the Maturity Date and, if later, on the date such Loan is paid in full.

(d) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Prime Rate or Eurodollar Rate, shall

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be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Eurodollar Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lender or Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as a Prime Borrowing; provided that if the circumstances giving rise to such notice affect fewer than all Types of Borrowings, then the other Type of Borrowings shall be permitted.

SECTION 2.12. Increased Costs. In the event that by reason of any change after the date of this Agreement in applicable law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration, application or interpretation thereof, or by reason of the adoption or enactment after the date of this Agreement of any requirement or directive (whether or not having the force of law) of any Governmental Authority:

(a) any Lender shall, with respect to this Agreement, be subject to any tax, levy, impost, charge, fee, duty, deduction or withholding of any kind whatsoever (other than Excluded Taxes); or

(b) any change shall occur in the taxation of any Lender with respect to the principal or interest payable under this Agreement (other than the imposition of any Excluded Taxes or any change which affects solely the taxation of the total income of such Lender); or

(c) any reserve or similar requirements should be imposed on either the commitments to lend or the foreign claims of deposits of any Lender;

and if any of the above-mentioned measures shall result in a material increase in the cost to such Lender of making or maintaining its Loans or a material reduction in the amount of principal or interest received or receivable by such Lender in respect thereof, then upon prompt written notification (which shall include the date of effectiveness of such change, adoption or enactment) and demand being made by such Lender for such additional cost or reduction, the Borrower shall pay to such Lender, within 30 days of such demand being made by such Lender, such additional cost or reduction; provided, however, that the Borrower shall not be responsible for any such cost or reduction that may accrue to such Lender with respect to the period between the occurrence of the event which gave rise to such cost or reduction and the date on which notification is given by such Lender to the Borrower; and provided, further, that the Borrower shall not be obligated to pay such Lender any such additional cost or reduction unless such Lender certifies to the Borrower that at such time such Lender shall be generally assessing such amounts on a non-discriminatory basis against borrowers under agreements having provisions similar to this

Section; and provided, further, that any such additional cost or reduction allocated to any Loan shall not exceed the Borrower's pro rata share of all costs attributable to all loans or advances or commitments to all borrowers by such Lender that collectively result in the consequences for which such Lender is to be compensated by the Borrower. Within 30 days of receipt of such notification, the Borrower will pay such additional costs as may be applicable to the period subsequent to notification or prepay in full all Loans to it outstanding under this Agreement so affected by such additional costs, together with interest and fees accrued thereon to the date of prepayment in full. Such Lender shall use reasonable efforts (consistent with its internal policy applied on a non-discriminatory basis and legal and regulatory restrictions) to designate a different applicable lending office for the Loans made by it or to take other appropriate actions if such designation or actions, as the case may be, will avoid the need for, or reduce the amount of, any increased costs to the Borrower incurred under this Section, and will not, in the opinion of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.13. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, however, that no such additional amount shall be required to be paid to the Administrative Agent or any Lender under this clause (c) except to the extent that any change after the date on which such Lender became a Lender in any requirement for a deduction, withholding or payment shall result in an increase in the rate of such deduction, withholding or payment from that in effect on the date on which such Lender became a Lender. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) The Administrative Agent or any Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower, such properly completed and executed documentation

prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

(f) Each Lender and the Administrative Agent shall use reasonable efforts (consistent) with its internal policy applied on a non-discriminatory basis and legal and regulatory restrictions) to designate a different applicable lending office for the Loans made by it or to take other appropriate actions if such designation or actions, as the case may be, will avoid the need for, or reduce the amount of, any payments the Borrower is required to make under this Section 2.13, and will not, in the opinion of such Lender or the Administrative Agent, be otherwise disadvantageous to such Lender or the Administrative Agent.

SECTION 2.14. Payments Generally. (a) Unless otherwise specified herein, the Borrower shall make each payment required to be made by it hereunder (including under Section 2.12, 2.13, 2.16, or otherwise) prior to 12:00 noon, Local Time, on the date when due and in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 388 Greenwich Street, New York, New York or at such other office in the United States of America as directed by the Administrative Agent, except that payments pursuant to Sections 2.12, 2.13, 2.16 and 7.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments made shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment from the Borrower is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Federal Funds Effective Rate.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b) or 2.14(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.15. Mitigation Obligations; Replacement of Lenders. If any Lender requests compensation, or is entitled to payments, under Section 2.12 or 2.13 or is affected in the manner described in Section 2.17, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort (in the case of a claim for compensation under, or payments pursuant to, Section 2.12 or 2.13 or in the case of illegality under Section 2.17) or at the expense and effort of any such defaulting Lender, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 7.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld or delayed, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under, or payments pursuant to, Section 2.12 or 2.13 or from illegality under Section 2.17, such assignment will result in a reduction in such compensation or payments or eliminate the illegality, as the case may be. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable under Section 2.08(b) and is revoked in accordance herewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.15, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount reasonably determined by such Lender to be equal to the excess, if any, of (i) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of

the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Eurodollar Rate for such Interest Period, over (ii) the amount of interest (as reasonably determined by such Lender) that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for deposits in Dollars from other banks in the eurodollar market at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

SECTION 2.17. Illegality. Notwithstanding any other provision herein, if the adoption of or any change in applicable law or regulation or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Prime Loans into Eurodollar Loans shall forthwith be canceled and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Prime Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion or repayment of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.16. If circumstances subsequently change so that any affected Lender shall determine that it is no longer so affected, such Lender will promptly notify the Borrower and the Administrative Agent, and upon receipt of such notice, the obligations of such Lender to make or continue Eurodollar Loans or to convert Prime Loans into Eurodollar Loans shall be reinstated.

ARTICLE III

REPRESENTATIONS OF BORROWER

The Borrower represents as follows:

(a) The Borrower has been duly organized and is validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization, and the Borrower has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement.

(b) The execution, delivery and performance by the Borrower of this Agreement have been, or prior to the Effective Date will be, duly authorized by all necessary corporate action and do not and will not, as of the Effective Date, violate any provision of any law or regulation, or contractual or corporate restrictions binding on the Borrower and material to the Borrower and its Subsidiaries, taken as a whole.

(c) As of the Effective Date, this Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject however to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(d) The proceeds of the Loans made to the Borrower shall not be used for a purpose which violates Regulation U.

(e) As of the date hereof, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or any Subsidiary or against any of their respective properties or revenues (i) with respect to this Agreement or any of the transactions contemplated hereby or (ii) that could reasonably be expected to have a Material Adverse Effect (other than those litigations, investigations or proceedings set forth in the Registration Statement).

(f) (i) The combined statement of financial position of the Borrower and its combined statements of earnings, stockholder's interest and cash flows as of and for the fiscal year ended December 31, 2003 reported on by KPMG LLP, independent public accountants, and set forth beginning on page F-3 of the Registration Statement, present fairly (assuming completion of the transactions described in note 1 to such financial statements), in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated subsidiaries as of such date and for such period in accordance with GAAP and (ii) since December 31, 2003 to the date hereof, other than those developments and events described in the Registration Statement, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect with respect to the Borrower and its Subsidiaries taken as a whole.

(g) The Borrower and each of its Material Subsidiaries is in compliance with all applicable laws, rules, regulations and orders of, and all applicable restrictions imposed by, any Governmental Authority applicable to it or its property, including, without limitation, statutory insurance requirements, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect with respect to the Borrower and its Subsidiaries taken as a whole.

ARTICLE IV

CONDITIONS

The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 7.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of in-house counsel for the Borrower, substantially in the form of Exhibit B. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and, if applicable, good standing of the Borrower, the authorization of the Transactions and any other legal matters relating to the Borrower, this Agreement or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) The representations of the Borrower set forth in Article III of this Agreement shall be true and correct on and as of the date of such Borrowing.

(e) At the time of and immediately after giving effect to such Borrowing no Default or Event of Default shall have occurred and be continuing.

(f) The Borrower shall have delivered the Firm Public Offering Shares to the underwriters of the Borrower's initial public offering within four (4) Business Days after the Master Agreement Closing Date.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notices shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 7.02) at or prior to 3:00 p.m., New York City time, on June 11, 2004 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

ARTICLE V

EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay when due any principal of any Loan made to it;

(b) the Borrower shall fail to pay when due any interest on any Loan, and such failure shall not be cured within five days after receipt by the Borrower of notice of such failure from the Administrative Agent;

(c) if a default shall occur in respect of any other Indebtedness of the Borrower in an aggregate principal amount of $25,000,000 or more and such default causes acceleration thereof;

(d) bankruptcy, reorganization, insolvency, receivership, or similar proceedings are instituted by or against the Borrower, and, if instituted against the Borrower, are not vacated within 60 days;

(e) the Borrower makes a general assignment for the benefit of creditors;

(f) any representation or warranty made in writing or deemed made by the Borrower in this Agreement, or in any report, certificate, financial statement or other document delivered pursuant to this Agreement, shall prove to have been incorrect in any material respect when made or deemed made;

(g) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a) or (b) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent or the Required Lenders to the Borrower; or

(h) there shall have occurred a Change in Control;

then, and in every such event (other than an event described in clause (d) or (e) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event described in clause (d) or (e) of this Article, the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VI

THE ADMINISTRATIVE AGENT

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing by the Required Lenders, and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders or all the Lenders, as the case may be, or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and reasonably believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower),

independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the written consent of the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders with the written consent of the Borrower and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 7.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing (including, subject to the last sentence at the end of this Section 7.01, by electronic transmission) and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at 6620 West Broad Street, Richmond, Virginia 23230, Attention of Treasurer (Telecopy No. 804-662-7522), with a copy to Attention of General Counsel (Telecopy No. 804-622-2414);

(b) if to the Administrative Agent, to Citicorp North America, Inc., Two Penns Way, New Castle, Delaware 19720, Attention Bank Loan Syndications (Telecopy No. 212 994-0961), with copies to Attention of (Telecopy No. 212 -);

(c) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt. Only notices, requests or demands to or upon the Lenders may be effected by electronic transmission.

SECTION 7.02. Waivers; Amendments. Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby or (iv) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

SECTION 7.03. Expenses; Indemnity. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Lead Arrangers, the Administrative Agent and their respective Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Lead Arrangers and the Administrative Agent, in connection with the syndication of the credit facility provided for herein, the preparation and administration of this Agreement and any amendments, modifications or waivers of the provisions hereof and (ii) all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement of its rights in connection with this Agreement.

(b) The Borrower shall indemnify the Lead Arrangers, the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or the performance by the parties hereto of their respective obligations hereunder, (ii) any Loan or the use of the proceeds therefrom or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses have resulted from the gross negligence or willful misconduct of such Indemnitee. It is understood and agreed that, to the extent not precluded by a conflict of interest, each Indemnitee shall endeavor to work cooperatively

with the Borrower with a view toward minimizing the legal and other expenses associated with any defense and any potential settlement or judgment. To the extent reasonably practicable and not disadvantageous to any Indemnitee, it is anticipated that a single counsel selected by the Borrower may be used. Settlement of any claim or litigation involving any material indemnified amount will require the approvals of the Borrower (not to be unreasonably withheld) and the relevant Indemnitee (not to be unreasonably withheld or delayed).

SECTION 7.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, the Lead Arrangers and, to the extent expressly contemplated hereby, the Related Parties of each of the Lead Arrangers, the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more of its Affiliates and, on and after the date that is eight weeks after the Effective Date, to any Person, as assignees, all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loans at the time owing to it); provided that (i) each of the Borrower and the Administrative Agent must give its prior written consent to such assignment (which consent shall not be unreasonably withheld) unless such assignment is to an Affiliate of such Lender, (ii) each partial assignment of a Lender's rights and obligations shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations, (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500 payable by the assignor or the assignee, (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and (v) the assignee, if applicable, shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Administrative Agent the documentation described in Section 2.13(e); provided, further that any consent of the Borrower otherwise required under this paragraph shall not be required if an Event of Default has occurred and is continuing. Upon acceptance and recording pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.16, and 7.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire, the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (each, a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of the Loans owing to it);provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 7.02 that affects such Participant. Subject to paragraph (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.12 or 2.13 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant shall not be entitled to the benefits of Section 2.13 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.13 as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

SECTION 7.05. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Lead Arrangers and the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 7.06. Governing Law; Jurisdiction. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement against any other party or its properties in the courts of any jurisdiction.

SECTION 7.07. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 7.08. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 7.09. USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each borrower, guarantor or grantor (the "Loan Parties"), which information includes the name and address of each Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Act.

SECTION 7.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GENWORTH FINANCIAL, INC.

By

____

Name:
Title:

CITICORP NORTH AMERICA, INC.,
individually and as Administrative Agent,

By

____

Name:
Title:

Signature page for the 180-Day Bridge Credit Agreement, dated as of April 29, 2004, among Genworth Financial, Inc. and the lenders party thereto.

[Name of Lender]

By

Name:
Title:

SCHEDULE 2.01

COMMITMENTS

Lender	**Commitment**
Citicorp North America, Inc.	$ 480,000,000
Deutsche Bank AG New York Branch	$ 480,000,000
Lehman Commercial Paper Inc.	$ 480,000,000
Morgan Stanley Senior Funding, Inc.	$ 480,000,000
Goldman Sachs Credit Partners, L.P.	$ 480,000,000

Exhibit 10.39

364-DAY CREDIT AGREEMENT

dated as of

[ ], 2004

Among

GENWORTH FINANCIAL, INC.

as Borrower,

the Lenders Party Hereto

and

JPMorgan Chase Bank and Bank of America, N.A.,

as Co-Administrative Agents

$1,000,000,000 REVOLVING CREDIT FACILITY

Banc of America Securities LLC and J.P. Morgan Securities Inc.,

as Joint Bookrunners and Joint Lead Arrangers

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CREDIT AGREEMENT (this "Agreement"), dated as of [ ], 2004, among GENWORTH FINANCIAL, INC. ("Genworth"), a Delaware corporation, as borrower (the "Borrower"), the several banks and other financial institutions from time to time parties hereto (the "Lenders"), JPMORGAN CHASE BANK ("JPMorgan Chase Bank") and BANK OF AMERICA, N.A. ("Bank of America"), as co-administrative agents (in such capacity, the "Co-Administrative Agents") and JPMORGAN CHASE BANK, as paying agent (in such capacity, the "Paying Agent").

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Paying Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means the Co-Administrative Agents and the Paying Agent.

"Applicable Facility Fee Percentage" means, for any day with respect to any Commitment and subject to the provisions of the definition of "Applicable Margin" following the table therein, the rate per annum set forth below under the caption "Facility Fee Rate Spread" corresponding to the Level in effect from time to time, as set forth in the following table:

Level	**Index Debt Ratings (Moody's or S&P)**	**Facility Fee Rate Spread**
I	≥A+ or A1	0.06 %
II	A or A2	0.07 %
III	A-or A3	0.08 %
IV	BBB+ or Baa1	0.10 %
V	≤BBB or Baa2	0.125 %

"Applicable Margin" means, for any day, with respect to any Eurodollar Loan, the applicable rate per annum set forth in the table below, under the caption "Applicable Margin", corresponding to the Level in effect from time to time, as set forth in the following table:

Level	**Index Debt Ratings (Moody's or S&P)**	**Applicable Margin**
I	≥A+ or A1	0.19 %
II	A or A2	0.23 %
III	A-or A3	0.295 %
IV	BBB+ or Baa1	0.40 %
V	≤BBB or Baa2	0.625 %

For purposes of the foregoing and the definitions of "Applicable Facility Fee Percentage" and "Applicable Utilization Fee Percentage", (i) if the ratings established or deemed to have been established by Moody's Investors Services, Inc. ("Moody's") or Standard & Poor's Rating Group ("S&P") for such debt shall fall within different Levels, the

Applicable Margin, Applicable Fee Percentage or Applicable Utilization Fee Percentage, as the case may be, shall be based on the higher of the two ratings (i.e., the higher Level) unless one of the two ratings is two or more Levels lower than the other, in which case the Applicable Margin, Applicable Fee Percentage or Applicable Utilization Fee Percentage, as the case may be, shall be determined by reference to the Level next below the higher of the two Levels (it being understood that Level I is the highest Level and Level V is the lowest Level); and (ii) if the ratings established or deemed to have been established by Moody's and S&P for such debt shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Margin, Applicable Fee Percentage or Applicable Utilization Fee Percentage, as the case may be, shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Paying Agent shall negotiate in good faith to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Margin, Applicable Fee Percentage or Applicable Utilization Fee Percentage, as the case may be, shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable Utilization Fee Percentage" means, for any day with respect to any Loan and subject to the provisions of the definition of "Applicable Margin" following the table therein, the rate per annum set forth below under the caption "Utilization Fee Rate Spread" corresponding to the Level in effect from time to time, as set forth in the following table:

Level	**Index Debt Ratings (Moody's or S&P)**	**Utilization Fee Rate Spread**
I	≥A+ or A1	0.05 %
II	A or A2	0.10 %
III	A-or A3	0.125 %
IV	BBB+ or Baa1	0.125 %
V	≤BBB or Baa2	0.125 %

"Asset Securitization" means a public or private transfer of installment receivables, credit card receivables, lease receivables, mortgage loan receivables, policyholder loan receivables, premiums, debt obligations or any other type of secured or unsecured financial assets or rights to future payments of any kind, or interests therein, which transfer is recorded as a sale according to GAAP as of the date of such transfer.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Paying Agent, in the form of Exhibit A or any other form approved by the Paying Agent.

"Availability Period" means, with respect to the making of Loans, the period from and including the Effective Date to but excluding the earlier of the Availability Termination Date and the date of termination of the relevant Commitments.

"Availability Termination Date" means the day that is 364 days after the Effective Date.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America (or any successor).

"Borrower" has the meaning given to it in the preamble hereto.

"Borrowing" means Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"Borrowing Date" means any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that the term "Business Day" shall also exclude (when used in connection with a Eurodollar Loan), any day on which banks are not open for dealings in Dollar deposits in the London and New York interbank markets.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) (other than General Electric Company and its subsidiaries) of shares representing more than 50% of the issued and outstanding shares of common stock of the Borrower; or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower or by General Electric Company and its subsidiaries nor (ii) appointed by directors so nominated.

"Co-Administrative Agents" has the meaning given to it in the preamble hereto.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Loans hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Commitment, as applicable.

"Conduit Lender" means any special purpose corporation organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument; provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and

waivers required or requested under this Agreement with respect to its Conduit Lender, andprovided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.12, 2.13, 2.16 or 9.03 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment.

"Consolidated Net Income" means, for any period, the consolidated net income (or loss) (such loss being the "Consolidated Net Loss") of the Borrower and its consolidated Subsidiaries for such period, determined in accordance with GAAP.

"Consolidated Net Worth" means, at any date, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of the Borrower and its Subsidiaries under stockholder's interest at such date, excluding accumulated non-owner changes in stockholder's interest.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Exposure" means, with respect to any Lender at any time, the outstanding principal amount of such Lender's Loans at such time.

"Default" means any event or condition which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Dollars" or "$" refers to lawful money of the United States of America.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Eurodollar" means, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Eurodollar Rate.

"Eurodollar Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate (rounded upwards, if necessary, to the next 1/1000 of 1%) appearing on page 3750 of the Telerate Service (or on any successor or substitute page of the Telerate Service, or any successor to or substitute for the Telerate Service, providing rate quotations comparable to those currently provided on such page of the Telerate Service, as determined by the Paying Agent from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for Dollar deposits with a maturity comparable to such Interest Period.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excluded Taxes" means, with respect to the Agents, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above, and (c) in the case of any Lender, any withholding tax that is imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement or is attributable to

such Lender's failure or inability to comply with Section 2.13(e), except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.13(a).

"Facility Fee" has the meaning given to it in Section 2.09(a) hereof.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Paying Agent from three Federal funds brokers of recognized standing selected by it.

"GAAP" means generally accepted accounting principles in the United States of America.

"Genworth" has the meaning given to it in the preamble hereto.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments and (c) all guarantees by such Person of Indebtedness of others (it being understood and agreed, for the avoidance of doubt, that (i) annuities, guaranteed investment contracts, funding agreements and similar instruments and agreements and (ii) insurance products created or entered into in the normal course of business shall not constitute "Indebtedness").

"Indemnified Taxes" means Taxes (other than Excluded Taxes) that are required by applicable law to be withheld or deducted from a payment by, or on account of an obligation of, the Borrower hereunder.

"Indemnitee" has the meaning given to it in Section 9.03(b).

"Index Debt" means senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

"Interest Payment Date" means (a) with respect to any Prime Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, to the extent available, nine or twelve months) thereafter, as the Borrower may elect;

provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Lead Arrangers" means Banc of America Securities LLC and J.P. Morgan Securities Inc.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.

"Loan" has the meaning assigned to it in Section 2.01.

"Material Adverse Effect" means a material adverse effect on (a) the business, property, operations or financial condition of the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or the rights or remedies of the Agents or the Lenders hereunder.

"Material Indebtedness" means any Indebtedness of the Borrower or any Material Subsidiary in a principal amount of $100,000,000 or more outstanding under any single agreement or instrument (other than Indebtedness under this Agreement).

"Material Operating Segment" means the following three operating segments of the Borrower and its Subsidiaries: (i) Protection, (ii) Retirement Income and Investments and (iii) Mortgage Insurance; provided, however, that if the pro forma segment net income of any of the preceding operating segments shall, for any fiscal year of the Borrower, represent less than 10% of the Consolidated Net Income of the Borrower and its Subsidiaries for such fiscal year, such operating segment shall no longer constitute a "Material Operating Segment" hereunder.

"Material Subsidiary" means, at any time, any Subsidiary of the Borrower that (i) has assets at such time comprising 10% or more of the consolidated assets of the Borrower and its Subsidiaries, (ii) had net income in the then most recently ended fiscal year of the Borrower comprising 10% or more of the consolidated revenue of the Borrower and its Subsidiaries for such fiscal year or (iii) for purposes of clauses (f), (g), (h) and (i) of Article VII only, has Indebtedness in a principal amount of $100,000,000 or more outstanding under any single agreement or instrument.

"Maturity Date" means the Availability Termination Date or, if the Borrower shall so elect by notice to the Paying Agent pursuant to Section 2.07(f), the first anniversary of the Availability Termination Date.

"Moody's" means Moody's Investors Service, Inc. or any successor.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Paying Agent" has the meaning given to it in the preamble hereto.

"PDF", when used in reference to notices via email attachment, means portable document format or a similar electronic file format.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Prime", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Prime Rate.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Register" has the meaning set forth in Section 9.04.

"Registration Statement" means the Borrower's Registration Statement on Form S-1 (Registration Number 333-112009) filed with the Securities and Exchange Commission on January 20, 2004, as amended through the date hereof.

"Regulation U" means Regulation U of the Board as in effect from time to time.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Credit Exposures and unused Commitments representing more than 50% of the sum of the total Credit Exposures and unused Commitments at such time.

"S&P" means Standard & Poor's Ratings Services or any successor.

"Sale and Leaseback Transaction" means any arrangement whereby the Borrower or a Material Subsidiary shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereinafter acquired, and thereafter rent or lease from the buyer or transferee property that it intends to use for substantially the same purpose or purposes as the property sold or transferred.

"SAP" means the accounting procedures and practices prescribed or permitted by the applicable insurance regulatory authority or the National Association of Insurance Commissioners and any successor thereto.

"Statutory Statement" means a statement of the condition and affairs of a Material Subsidiary that is an insurance company, prepared in accordance with

SAP, and filed with the applicable insurance regulatory authority.

"subsidiary" means, with respect to any Person, any corporation or other entity of which the securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other person performing similar functions are at the time directly or indirectly owned by such Person.

"Subsidiary" means any subsidiary of the Borrower.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Transactions" means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans and the use of the proceeds thereof.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Eurodollar Rate or the Prime Rate.

"Utilization Fee" has the meaning given to it in Section 2.09(c) hereof.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., "Eurodollar Loans"). Borrowings also may be classified and referred to by Type (e.g., a "Eurodollar Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (b) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (c) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Co-Administrative Agents that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Co-Administrative Agents notify the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

THE CREDITS

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make loans (each, a "Loan") in Dollars to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in such Lender's Credit Exposure exceeding such Lender's Commitment. Within the foregoing limit and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans, except that no borrowing or reborrowing may occur after the Availability Period. The Loans shall in each case be Prime Loans or Eurodollar Loans, as the Borrower shall request.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. Subject to Section 2.11, each Borrowing shall be comprised entirely of Prime Loans or Eurodollar Loans as the Borrower may request in accordance herewith.

(b) The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that, other than any Commitment made by a Lender through a Conduit Lender as described in the definition thereof, which Commitment shall be the joint obligation of such Conduit Lender and its designating Lender, the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(c) Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(d) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $5,000,000 and not less than $25,000,000. At the time that each Prime Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $10,000,000; provided that a Prime Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of twelve Eurodollar Borrowings outstanding.

(e) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Paying Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of a Prime Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery, telecopy or email with PDF attachment to the Paying Agent of a written Borrowing Request in a form approved by the Paying Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be a Prime Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and

(v) the location and number of the Borrower’s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Prime Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Paying Agent shall advise each relevant Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

SECTION 2.04. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Paying Agent most recently designated by it for such purpose by notice to the Lenders. The Paying Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Paying Agent and designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Paying Agent shall have received notice from a Lender prior to the proposed time of any Borrowing that such Lender will not make available to the Paying Agent such Lender’s share of such Borrowing, the Paying Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Paying Agent, then the applicable Lender and the Borrower severally agree to pay to the Paying Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Paying Agent, at (i) in the case of such Lender, the Federal Funds Effective Rate or (ii) in the case of the Borrower, a rate of interest of up to or equal to the rate applicable to Prime Loans, as the Paying Agent shall determine in consultation with the Borrower. If such Lender pays such amount to the Paying Agent, then such amount shall constitute such Lender’s Loan included in such Borrowing.

SECTION 2.05. Interest Elections.

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter during or after the Availability Period, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Paying Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery, telecopy or email with PDF attachment to the Paying Agent of a written Interest Election Request in a form approved by the Paying Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a Prime Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.

(d) Promptly following receipt of an Interest Election Request, the Paying Agent shall advise each relevant Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Prime Borrowing.

SECTION 2.06. Termination and Reduction of Commitments.

(a) Unless previously terminated, the Commitments shall terminate on the Availability Termination Date.

(b) The Borrower may at any time terminate, or from time to time reduce, any of the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $10,000,000 and not less than $10,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.08, the total Credit Exposures would exceed the total Commitments.

(c) The Borrower shall notify the Paying Agent of any election to terminate or reduce any of the Commitments under paragraph (b) of this Section at least three Business Days prior to

the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Paying Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the closing of a capital markets transaction, in which case such notice may be revoked by the Borrower (by notice to the Paying Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.07. Repayment of Loans; Evidence of Debt; Term-Out Option

(a) The Borrower hereby unconditionally promises to pay to the Paying Agent for the account of each relevant Lender the then unpaid principal amount of each Loan to the Borrower on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender to the Borrower, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Paying Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Paying Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Paying Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans to it in accordance with the terms of this Agreement.

(e) Any Lender may reasonably request that Loans made by it to the Borrower be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and substantially in the form of Exhibit C. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

(f) The Borrower may elect to extend the Maturity Date to the first anniversary of the Availability Termination Date by giving notice thereof to the Paying Agent by 1:00 p.m., New York City time, two Business Days prior to the Availability Termination Date. The Paying Agent shall promptly give notice to the Lenders of any such extension.

SECTION 2.08. Prepayment of Loans.

(a) Subject to prior notice in accordance with paragraph (b) of this Section, the Borrower may at its option, at any time, without premium or penalty of any kind (other than any payments required under Section 2.16), prepay, in whole or in part, any Borrowings.

(b) The Borrower shall notify the Paying Agent by telephone (confirmed by telecopy or email with PDF attachment) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, on the date three Business Days prior to the date of prepayment or (ii) in the case of prepayment of a Prime Borrowing, not later than 10:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of Commitments as contemplated by Section 2.06, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.06. Promptly following receipt of any such notice relating to a Borrowing, the Paying Agent shall advise the relevant Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.10.

SECTION 2.09. Fees.

(a) The Borrower agrees to pay to the Paying Agent for the ratable account of each Lender a facility fee (the "Facility Fee"), which shall accrue from (and including) the Effective Date to (but excluding) the Maturity Date on the daily amount of each Commitment of such Lender (whether used or unused) at the rate per annum equal to the Applicable Facility Fee Percentage; provided that, if such Lender continues to have any Credit Exposure after its Commitment terminates, then such Facility Fee shall continue to accrue on the daily amount of such Lender's Credit Exposure from and including the date on which its Commitment terminates but excluding the date on which such Lender ceases to have any Credit Exposure. Accrued Facility Fees shall be payable in arrears on the third Business Day following the last day of March, June, September and December of each year and on the Maturity Date, commencing on October 5, 2004; provided that any facility fees accruing after the Maturity Date shall be payable on demand. All Facility Fees shall be computed on the basis of a year of 365 or 366 days (as the case may be) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Paying Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Paying Agent.

(c) If the average daily aggregate principal amount of the Loans, outstanding for (i) the period beginning with the Effective Date and ending on September 30, 2004, (ii) any calendar quarter commencing with the fourth calendar quarter of 2004 and ending on the last day of the calendar quarter immediately preceding the Maturity Date or (iii) the period beginning on and including the day after the end of the calendar quarter immediately preceding the Maturity Date and ending on the Maturity Date is in excess of 50% of the average daily Commitments of the Lenders for such calendar quarter or period (disregarding for this purpose any termination of any Commitments that occurred during or prior to such calendar quarter or period), the Company agrees to pay to the Paying Agent, for the ratable accounts of the Lenders, a utilization fee (the "Utilization Fee") at a rate per annum equal to the Applicable Utilization Fee Percentage on such average daily aggregate principal amount outstanding of Loans during

such calendar quarter (or period), payable in arrears on the third Business Day after the last day of such calendar quarter (or period). All Utilization Fees shall be computed on the basis of a year of 365 days or 366 days (as the case may be) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Paying Agent. Fees paid shall not be refundable under any circumstances.

SECTION 2.10. Interest.

(a) The Loans comprising each Prime Borrowing shall bear interest at a rate per annum equal to the Prime Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to the Eurodollar Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin; provided that 0.125% per annum shall be added to Applicable Margin after the Availability Termination Date for any Loans outstanding after the Availability Termination Date.

(c) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) in the event of any repayment or prepayment of any Loan (other than a prepayment of a Prime Loan prior to the Maturity Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, (ii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion and (iii) all accrued interest on a Loan shall be payable upon the Maturity Date and, if later, on the date such Loan is paid in full.

(d) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Prime Rate shall be computed on the basis of a year of 365 days or 366 days (as the case may be) and in each case, shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Prime Rate or Eurodollar Rate shall be determined by the Paying Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing, the Paying Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, then the Paying Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Paying Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request by the Borrower requests a Eurodollar Borrowing, such Borrowing shall be made as a Prime Borrowing.

SECTION 2.12. Increased Costs. In the event that by reason of any change after the date of this Agreement in applicable law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration, application or interpretation thereof, or by reason of the adoption or enactment after the date of this Agreement of any requirement or directive (whether or not having the force of law) of any Governmental Authority:

(a) any Lender shall, with respect to this Agreement, be subject to any tax, levy, impost, charge, fee, duty, deduction or withholding of any kind whatsoever (other than Excluded Taxes); or

(b) any change shall occur in the taxation of any Lender with respect to the principal or interest payable under this Agreement (other than the imposition of any Excluded Taxes or any change which affects solely the taxation of the total income of such Lender); or

(c) any reserve or similar requirements should be imposed on either the commitments to lend or the foreign claims of deposits of any Lender;

and if any of the above-mentioned measures shall result in a material increase in the cost to such Lender of making or maintaining its Loans or Commitments or a material reduction in the amount of principal or interest received or receivable by such Lender in respect thereof, then upon prompt written notification (which shall include the date of effectiveness of such change, adoption or enactment) and demand being made by such Lender for such additional cost or reduction, the Borrower shall pay to such Lender, within 30 days of such demand being made by such Lender, such additional cost or reduction; provided, however, that the Borrower shall not be responsible for any such cost or reduction that may accrue to such Lender with respect to the period between the occurrence of the event which gave rise to such cost or reduction and the date on which notification is given by such Lender to the Borrower; and provided, further, that the Borrower shall not be obligated to pay such Lender any such additional cost or reduction unless such Lender certifies to the Borrower that at such time such Lender shall be generally assessing such amounts on a non-discriminatory basis against borrowers under agreements having provisions similar to this Section; and provided, further, that any such additional cost or reduction allocated to any Loan or Commitment shall not exceed the Borrower's pro rata share of all costs attributable to all loans or advances or commitments to all borrowers by such Lender that collectively result in the consequences for which such Lender is to be compensated by the Borrower. Within 30 days of receipt of such notification, the Borrower will pay such additional costs as may be applicable to the period subsequent to notification or prepay in full all Loans to it outstanding under this Agreement so affected by such additional costs, together with interest and fees accrued thereon to the date of prepayment in full. Such Lender shall use reasonable efforts (consistent with its internal policy applied on a non-discriminatory basis and legal and regulatory restrictions) to designate a different applicable lending office for the Loans made by it and its Commitments or to take other appropriate actions if such designation or actions, as the case may be, will avoid the need for, or reduce the amount of, any increased costs to the Borrower incurred under this Section, and will not, in the opinion of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.13. Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Paying Agent, the Co-Administrative Agents or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Paying Agent, Co-Administrative Agents and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Paying Agent, Co-Administrative Agents or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Paying Agent or Co-Administrative Agents on their own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Paying Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Paying Agent.

(e) Any Lender or Agent that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Paying Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

(f) Each Lender and Agent shall use reasonable efforts (consistent with its internal policy applied on a non-discriminatory basis and legal and regulatory restrictions) to designate a different applicable lending office for the Loans made by it and its Commitments or to take other appropriate actions if such designation or actions, as the case may be, will avoid the need for, or reduce the amount of, any payments the Borrower is required to make under this Section 2.13, and will not, in the opinion of such Lender or Agent, be otherwise disadvantageous to such Lender or Agent.

SECTION 2.14. Payments Generally.

(a) Unless otherwise specified herein, the Borrower shall make each payment required to be made by it hereunder (including under Section 2.12, 2.13, 2.16, or otherwise) prior to 12:00 noon, New York City time, on the date when due and in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Paying Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Paying Agent at its offices at 111 Fannin Street, 10th Floor, Houston, Texas 77002, Attention: Claudine Garcia, Loan and Agency Services Group, or at such other office in the United States of America as directed by Paying Agent, except that payments pursuant to Sections 2.09(b), 2.12, 2.13, 2.16 and 9.03 shall be made directly to the Persons entitled thereto. The Paying Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

(b) If at any time insufficient funds are received by and available to the Paying Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal

then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Paying Agent shall have received notice from the Borrower prior to the time by which any payment from the Borrower is due to the Paying Agent for the account of the relevant Lenders hereunder that the Borrower will not make such payment, the Paying Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the relevant Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the relevant Lenders severally agrees to repay to the Paying Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Paying Agent, at the Federal Funds Effective Rate.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b) or 2.14(d), then the Paying Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Paying Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.15. Mitigation Obligations; Replacement of Lenders. If any Lender requests compensation, or is entitled to payments, under Section 2.12 or Section 2.13 or is affected in the manner described in Section 2.17, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort (in the case of a claim for compensation under, or payments pursuant to, Section 2.12 or Section 2.13 or in the case of illegality under Section 2.17) or at the expense and effort of any such defaulting Lender, upon notice to such Lender and the Paying Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall notify Bank of America (in its capacity as Co-Administrative Agent), (ii) the Borrower shall have received the prior written consent of the Paying Agent, which consent shall not unreasonably be withheld or delayed, (iii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued

fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iv) in the case of any such assignment resulting from a claim for compensation under, or payments pursuant to, Section 2.12 or Section 2.13 or from illegality under Section 2.17, such assignment will result in a reduction in such compensation or payments or eliminate the illegality, as the case may be. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable under Section 2.08(b) and is revoked in accordance herewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.15, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount reasonably determined by such Lender to be equal to the excess, if any, of (i) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Eurodollar Rate for such Interest Period, over (ii) the amount of interest (as reasonably determined by such Lender) that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for deposits from other banks in the relevant currency in the eurocurrency market at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

SECTION 2.17. Illegality. Notwithstanding any other provision herein, if the adoption of or any change in applicable law or regulation or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Prime Loans into Eurodollar Loans shall forthwith be canceled and (b) such

Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Prime Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion or repayment of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.16. If circumstances subsequently change so that any affected Lender shall determine that it is no longer so affected, such Lender will promptly notify the Borrower and the Paying Agent, and upon receipt of such notice, the obligations of such Lender to make or continue Eurodollar Loans or to convert Prime Loans into Eurodollar Loans shall be reinstated.

ARTICLE III

REPRESENTATIONS OF THE BORROWER

The Borrower represents for and as to itself as follows:

(a) The Borrower has been duly organized and is validly existing and in good standing under the laws of the jurisdiction of its organization, and the Borrower has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement.

(b) The execution, delivery and performance by the Borrower of this Agreement have been, or prior to the Effective Date will be, duly authorized by all necessary corporate action and do not and will not as of the Effective Date or any Borrowing Date, violate any provision of any law or regulation, or contractual or corporate restrictions, binding on the Borrower and material to the Borrower and its Subsidiaries, taken as a whole.

(c) As of the Effective Date, this Agreement will constitute a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject however to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(d) The proceeds of the Loans made to the Borrower shall not be used for a purpose which violates Regulation U.

(e) As of the date hereof, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or any Subsidiary or against any of their respective properties or revenues (i) with respect to this Agreement or any of the transactions contemplated hereby or (ii) that could reasonably be expected to have a Material Adverse Effect (other than those litigations, investigations or proceedings set forth in the Registration Statement).

(f) (i) The combined statement of financial position of the Borrower and its combined statements of earnings, stockholder's interest and cash flows as of and for the fiscal year ended December 31, 2003 reported on by KPMG LLP, independent public accountants, and set forth beginning on page F-3 of the Registration Statement, present fairly (assuming completion of the transactions described in note 1 to such financial statements), in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated subsidiaries as of such date and for such period in accordance with GAAP and (ii) since December 31, 2003 to the date hereof, other than those developments and events described in the Registration Statement, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect with respect to the Borrower and its Subsidiaries taken as a whole.

(g) The Borrower and each of its Material Subsidiaries is in compliance with all applicable laws, rules, regulations and orders of, and all applicable restrictions imposed by, any Governmental Authority applicable to it or its property, including, without limitation, statutory insurance requirements, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect with respect to the Borrower and its Subsidiaries taken as a whole.

(h) The Borrower is not (a) an "investment company" as defined in the Investment Company Act of 1940 or (b) a "holding company" as defined in the Public Utility Holding Company Act of 1935.

ARTICLE IV

CONDITIONS

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Co-Administrative Agents (or their counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Co-Administrative Agents (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Co-Administrative Agents shall have received a favorable written opinion (addressed to the Co-Administrative Agents and the Lenders and dated the Effective Date) of in-house counsel for the Borrower, substantially in the form of Exhibit B. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Co-Administrative Agents shall have received such documents and certificates as the Co-Administrative Agents or their counsel may reasonably request relating to the organization, existence and, if applicable, good standing of the Borrower, the authorization of the Transactions and any other legal matters relating to the Borrower, this Agreement or the Transactions, all in form and substance reasonably satisfactory to the Co-Administrative Agents and their counsel.

The Co-Administrative Agents shall notify the Borrower and the relevant Lenders of the Effective Date, and such notices shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 3:00 p.m., New York City time, on May 28, 2004 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions (or waiver thereof in accordance with Section 9.02):

(a) The representations of the Borrower set forth in this Agreement (except for the representations set forth in clauses (e) and (f)(ii) of Article III) shall be true and correct in all material respects on and as of the date of such Borrowing.

(b) At the time of and immediately after giving effect to such Borrowing no Default or Event of Default shall have occurred and be continuing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this

Section.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Commitments have expired or have been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information.The Borrower will furnish to the Co-Administrative Agents and each Lender:

(a) Annual Financial Statements. As soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the audited statement of financial position of the Borrower and its consolidated subsidiaries, as at the end of such year and the related audited statements of earnings, stockholder's interest and cash flows for such year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by KPMG LLP or other independent certified public accountants of nationally recognized standing;

(b) Quarterly Financial Statements. As soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated subsidiaries, as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter;

(c) Officer's Certificate. At the time of delivery of the financial statements provided for in Sections 5.01(a) and 5.01(b) above, a certificate of the chief financial officer or treasurer of the Borrower, (i) demonstrating compliance with the financial covenant contained in Section 6.01 by calculation thereof as of the end of each such fiscal period and (ii) stating that no Default or Event of Default by the Borrower exists, or if any such Default or Event of Default does exist, specifying the nature and extent thereof and what action the Borrower proposes to take with respect thereto;

(d) Reports. Promptly upon transmission thereof, copies of any filings and registrations with, and reports to, the Securities and Exchange Commission, or any successor agency (other than registration statements on Form S-8 or its equivalent), and copies of all financial statements, proxy statements, notices and reports as the Borrower shall send to its shareholders generally (excluding, in each case, exhibits, schedules or attachments to any of the foregoing); and

(e) Other Information. With reasonable promptness upon any such request, such other information regarding the business, operations, properties or financial condition of the Borrower or any Subsidiary (including, without limitation, the annual Statutory Statements of any Material Subsidiary that is an insurance company), as the Co-Administrative Agents may reasonably request.

All financial statements delivered pursuant to this Section shall be complete and correct in all material respects and shall be prepared in accordance with GAAP. Timely filing of all documents referred to in Section 5.01(a), (b) and (d) above with the Securities and Exchange Commission shall constitute compliance with this Section 5.01, without any requirement (except as provided in the next succeeding sentence) for the Borrower to furnish such documents to any Agent or any Lender. The Borrower agrees to provide hard copies of any statements required to be delivered pursuant to this Section to any Lender upon the reasonable request of such Lender made to the Borrower in writing pursuant to Section 9.01.

SECTION 5.02. Use of Proceeds. The proceeds of the Loans made to the Borrower hereunder will be used for general corporate purposes.

SECTION 5.03. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries, to (a) keep proper books of records and account in which full, true and correct entries, in all material respects, are made of all dealings and transactions in relation to its business and activities and (b) permit any representatives designated by the Co-Administrative Agents or any Lender, upon any reasonable request with reasonable advance notice, to visit and inspect during normal business hours its properties, operations and books of account.

SECTION 5.04. Notices of Defaults. Within five Business Days after the Chief Executive Officer, Chief Financial Officer, General Counsel, Treasurer or Secretary of the Borrower obtains knowledge of any Default, if such Default is then continuing, the Borrower shall deliver to each Lender a certificate of any senior officer of the Borrower setting forth the details thereof and the action that the Borrower is taking or proposes to take with respect to such Default.

SECTION 5.05. Existence; Conduct of Business. The Borrower will, and will cause each of its Material Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business and the Borrower will continue, and will cause each Material Subsidiary to continue, to engage in business of the same general type as now conducted (or proposed to be conducted) by the Borrower and its Subsidiaries; provided that the foregoing shall not prohibit (i) any merger, consolidation, liquidation or dissolution permitted under Section 6.03 or (ii) the termination of the legal existence of any Subsidiary if the Borrower in good faith determines that such termination is in the best interest of the Borrower and is not materially disadvantageous to the Lenders.

SECTION 5.06. Compliance with Laws. The Borrower will, and will cause each of its Material Subsidiaries to, comply with all applicable laws, rules, regulations, and orders of, and all applicable restrictions imposed by, any Governmental Authority applicable to it or its property, including, without limitation, statutory insurance requirements, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect with respect to the Borrower and its Subsidiaries taken as a whole.

ARTICLE VI

NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Financial Condition Covenant. The Borrower will not permit Consolidated Net Worth at the end of any fiscal quarter of the Borrower to be less than the sum of (i) $6,900,000,000 and (ii) 40% of Consolidated Net Income for each completed fiscal year of the Borrower ending after the Effective Date and on or prior to the end of such fiscal quarter (without any deduction for any fiscal year as to which there is a Consolidated Net Loss).

SECTION 6.02. Liens.The Borrower will not, and will not permit any Material Subsidiary to, create, incur, assume or permit to exist any Lien to secure any Indebtedness of the Borrower or any Material Subsidiary owed to any Person (other than the Borrower and its Subsidiaries) on any property or asset now owned or hereafter acquired by it, except:

(a) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof;

(b) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Material Subsidiary or existing on any property or asset of any Person that becomes a Material Subsidiary after the date hereof prior to the time such Person becomes a Material Subsidiary; provided that such Lien is not created in contemplation of or in connection with the acquisition or such Person becoming a Material Subsidiary, as the case may be;

(c) any Lien on margin stock within the meaning of Regulation U;

(d) Liens on property or assets acquired, constructed or improved by the Borrower or any Material Subsidiary;provided that the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such property or assets;

(e) Liens securing repayment of funds advanced to the Borrower and its Subsidiaries under custody agreements, securities lending arrangements, securities clearing agreements and similar arrangements entered into in the ordinary course of business;

(f) Liens in connection with Asset Securitizations and Sale and Leaseback Transactions;

(g) Liens in connection with any repurchase agreement, buy/sell agreement or similar agreement or instrument on assets or property transferred by the Borrower or any of its Subsidiaries thereunder, securing the obligation of the Borrower or such Subsidiary to repurchase or buy such assets or property as well as its other obligations under such repurchase agreement, buy/sell agreement or similar agreement or instrument;

(h) Liens in favor of the Federal Home Loan Bank Board (the "FHLBB") to secure loans made by the FHLBB to the Borrower or any Material Subsidiary in the ordinary course of business;

(i) Liens on any real property securing Indebtedness of the Borrower or any Material Subsidiary in respect of which (i) the recourse of the holder of such Indebtedness (whether direct or indirect and whether contingent or otherwise) under the instrument creating the Lien or providing for the Indebtedness secured by the Lien is limited to such real property directly securing such Indebtedness and (ii) such holder may not under the instrument creating the Lien or providing for the Indebtedness secured by the Lien collect by levy of execution or otherwise against assets or property of the Borrower or such Material Subsidiary (other than such real property directly securing such Indebtedness) if the Borrower or such Material Subsidiary fails to pay such Indebtedness when due and such holder obtains a judgment with respect thereto, except for recourse obligations that are customary in "non-recourse" real estate transactions;

(j) Liens arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Liens permitted by any of the foregoing clauses of this Section; provided that such Indebtedness is not increased and is not secured by any additional property or assets; and

(k) Liens not otherwise permitted by this Section so long as the aggregate outstanding principal amount of Indebtedness secured thereby does not exceed at the time of the incurrence of any such Indebtedness, the greater of (x) $2,000,000,000 or (y) 15% of Consolidated Net Worth of the Borrower and its Subsidiaries, as reflected in the most recent financial statements of the Borrower and its consolidated subsidiaries delivered pursuant to this Agreement.

SECTION 6.03. Fundamental Changes. The Borrower will not (i) consolidate or merge with or into any Person or (ii) sell, lease or otherwise transfer, directly or indirectly, all or substantially all of the assets, of the Borrower and its Subsidiaries, taken as a whole, or any Material Operating Segment in its entirety, to any other Person; provided that the Borrower may consolidate or merge with another Person if (A) the Borrower is the corporation surviving such consolidation or merger and (B) immediately after giving effect to such consolidation or merger, no Default shall have occurred and be continuing.

SECTION 6.04. Transactions with Affiliates. The Borrower will not, and will not permit any Material Subsidiary to, enter into any material transaction, including the purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Borrower or any of its Subsidiaries) unless such transaction either (a) is upon fair and reasonable terms no less favorable to the Borrower, or such Material Subsidiary, as the case may be, than would be applicable to a comparable arm's-length transaction with a Person that is not such an Affiliate or (b) in the Borrower's good-faith judgment, could not reasonably be expected to have a Material Adverse Effect.

ARTICLE VII

EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable;

(b) the Borrower shall fail to pay (i) any interest on any Loan or (ii) any fee payable under Section 2.09, and such failure shall not be cured within five Business Days after receipt by the Borrower of notice of such failure from the Co-Administrative Agents;

(c) any representation or warranty made in writing or deemed made by the Borrower in this Agreement or any amendment hereof or waiver hereto, or in any report, certificate, financial statement or other document delivered pursuant to this Agreement or any amendment hereof or waiver hereto, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant or agreement contained in Section 5.04 or 5.05 (with respect to the Borrower's existence) or in Section 6.01, 6.02 or 6.03;

(e) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Co-Administrative Agents or the Required Lenders to the Borrower;

(f) the Borrower or any Material Subsidiary shall fail to make any payment of principal or interest when due (or within any applicable grace period) with respect to any Material Indebtedness, or a default shall have occurred in respect of any Material Indebtedness and such default causes acceleration thereof;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for (i) 60 days with respect to any such proceeding or petition under any Federal or state law or (ii) 90 days with respect to any such proceeding or petition under any foreign law, or an order or decree approving or ordering any of the foregoing shall be entered;

(h) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of any proceeding or petition described in clause (g) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any corporate action for the purpose of effecting any of the foregoing;

(i) one or more judgments for the payment of money in an aggregate amount in excess of $100,000,000 (to the extent not paid or covered by insurance) shall be entered by a court of competent jurisdiction against the Borrower, any Material Subsidiary or any combination thereof and the same shall remain undischarged, unvacated, unbonded or unstayed for a period of (i) 60 consecutive days with respect to any such judgment entered by any such court located in the United States of America or (ii) 90 consecutive days with respect to any such judgment entered by any such court located outside the United States of America; or

(j) there shall have occurred a Change in Control;

then, and in every such event (other than an event with respect to the Borrower described in clause (g) or (h) of this Article), and at any time thereafter during the continuance of such event, the Co-Administrative Agents may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (g) or (h) of this Article, the Commitments shall

automatically terminate and the principal of the Loans of the Borrower then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

THE AGENTS

Each of the Lenders hereby irrevocably appoints each of the Co-Administrative Agents and the Paying Agent as its agents (each, an "Agent", and together, the "Agents") and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to the Agents by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

Each of the banks serving as an Agent hereunder shall have the same rights and powers in its respective capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

The Agents shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Agents shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Agents shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Agents are required to exercise in writing by the Required Lenders, and (c) except as expressly set forth herein, the Agents shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its subsidiaries that is communicated to or obtained by the banks serving as Agents or any of their Affiliates in any capacity. The Agents shall not be liable for any action taken or not taken by them with the consent or at the request of the Required Lenders or all the Lenders, as the case may be, or in the absence of its own gross negligence or willful misconduct. The Agents shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Agents by the Borrower or a Lender, and the Agents shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the relevant Agent or Agents.

The Agents shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by them to be genuine and to have been signed or sent by the proper Person. The Agents may rely upon any statement made to them orally or by telephone and reasonably believed by them to be made by the proper Person, and shall not incur any liability for relying thereon. The Agents may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by them, and shall not be liable for any action taken or not taken by them in accordance with the advice of any such counsel, accountants or experts.

The Agents may perform any and all their duties and exercise their rights and powers by or through any one or more sub-agents appointed by the Agents. The Agents or any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Agents and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Agents.

Subject to the appointment and acceptance of a successor Agent or Agents as provided in this paragraph, each of the Agents may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the written consent of the Borrower so long as no Event of Default exists, to appoint a successor or successors. If no successor or successors shall have been so appointed by the Required Lenders with the written consent of the Borrower and shall have accepted such appointment within 30 days after the retiring Agent or Agents gives notice of its resignation, then the retiring Agent or Agents may, on behalf of the Lenders, appoint a successor Agent or Agents, each of which shall be a bank with an office in New York, New York and having a combined capital and surplus of at least $500,000,000, or an Affiliate of any such bank. Upon the acceptance of its appointment as an Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its respective duties and obligations hereunder. The fees payable by the Borrower to any successor Agent be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Agent's or Agents' resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for their respective benefit in respect of any actions taken or omitted to be taken by it while it was acting as an Agent.

Each Lender acknowledges that it has, independently and without reliance upon an Agent or Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon an Agent or Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing (including by electronic transmission) and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy or email with PDF attachment, as follows:

(a) if to the Borrower, to it at 6620 West Broad Street, Richmond, Virginia 23230, Attention: Treasurer (Telecopy No. (804) 662-7522), e-mail: gary.prizzia@ge.com, with a copy to: Genworth Financial, Inc, 6620 West Broad Street, Richmond, Virginia 23230, Attention: General Counsel (Telecopy No. (804) 662-2414), e-mail: leon.roday@ge.com;

(b) if to the Co-Administrative Agents, to (i) JPMorgan Chase Bank, 111 Fannin Street, 10th Floor, Houston, Texas 77002, Attention: Claudine Garcia, Loan and Agency Services Group (Telecopy No. (713) 750-2223), email: claudine.y.garcia@jpmorgan.com, with a copy to : JPMorgan

Chase Bank, 270 Park Avenue, 4th Floor, New York, New York, 10017, Attention: Heather Lindstrom (Telecopy No. (212) 270-1511), email: heather.lindstrom@jpmorgan.com and/or (ii) Bank of America, N.A., 231 S. LaSalle Street, Chicago, Illinois 60697, Attention: Debra Basler (Telecopy No. (312) 828-3600), email: debra.basler@bankofamerica.com;

(c) if to the Paying Agent, to it at JPMorgan Chase Bank, 111 Fannin Street, 10th Floor, Houston, Texas 77002, Attention: Claudine Garcia, Loan and Agency Services Group (Telecopy No. (713) 750-2223), email: claudine.y.garcia@jpmorgan.com; or

(d) if to any other Lender, to it at its address (or telecopy number or email) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any Lender, to the Borrower and the Paying Agent). All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Co-Administrative Agents with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby or (iv) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent hereunder without the prior written consent of such Agent.

SECTION 9.03. Expenses; Indemnity.

(a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Lead Arrangers, the Agents and their respective Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Lead Arrangers and the Agents in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement and any amendments, modifications or waivers of the provisions hereof and (ii) all reasonable out-of-pocket expenses incurred by the Agents or any Lender, including the reasonable fees, charges and disbursements of any counsel for the Agents or any Lender, in connection with the enforcement of its rights in connection with this Agreement.

(b) The Borrower shall indemnify the Lead Arrangers, the Agents and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or the performance by the parties hereto of their respective obligations hereunder, (ii) any Loan or the use of the proceeds therefrom or (iii) any actual or prospective

claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses have resulted from the gross negligence or willful misconduct of such Indemnitee. It is understood and agreed that, to the extent not precluded by a conflict of interest, each Indemnitee shall endeavor to work cooperatively with the Borrower with a view toward minimizing the legal and other expenses associated with any defense and any potential settlement or judgment. To the extent reasonably practicable and not disadvantageous to any Indemnitee, it is anticipated that a single counsel selected by the Borrower may be used. Settlement of any claim or litigation involving any material indemnified amount will require the approvals of the Borrower (not to be unreasonably withheld) and the relevant Indemnitee (not to be unreasonably withheld or delayed).

SECTION 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, the Lead Arrangers and, to the extent expressly contemplated hereby, the Related Parties of each of the Lead Arrangers, the Co-Administrative Agents, the Paying Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender other than any Conduit Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (i) except in the case of an assignment to a Lender or an Affiliate of a Lender, each of the Borrower and the Paying Agent must give its prior written consent to such assignment (which consent shall not be unreasonably withheld) (it being understood that it shall be reasonable for the Borrower to withhold consent if the assignee has long-term debt ratings below BBB- from S&P or Baa3 from Moody's or has ratings at such levels but is on credit watch with negative implications at either S&P or Moody's), (ii) Bank of America (in its capacity as Co-Administrative Agent) is notified of such Assignment; (iii) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of an entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Paying Agent) shall not be less than $5,000,000 unless each of the Borrower and the Paying Agent otherwise consents, (iv) each partial assignment of a Lender's rights and obligations shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations, (v) the parties to each assignment shall execute and deliver to the Paying Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500 payable by the assignor or the assignee, (vi) the assignee, if it shall not be a Lender, shall deliver to the Paying Agent an Administrative Questionnaire and (vii) the assignee, if applicable, shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Paying Agent the documentation described in Section 2.13(e); provided, further that any consent of the Borrower otherwise required under this paragraph shall not be required if an Event of Default has occurred and is continuing. Upon acceptance and recording pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement

(and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.16, and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section. Notwithstanding the foregoing, any Conduit Lender may assign at any time to its designating Lender hereunder without the consent of the Borrower or the Paying Agent any or all of the Loans it may have funded hereunder and pursuant to its designation agreement and without regard to the limitations set forth in the first sentence of this Section 9.04(b).

(c) The Paying Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Co-Administrative Agents and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Paying Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender other than any Conduit Lender may, without the consent of the Borrower or the Co-Administrative Agents, sell participations to one or more banks or other entities (each, a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02 that affects such Participant. Subject to paragraph (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.12 or 2.13 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant shall not be entitled to the benefits of Section 2.13 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.13 as though it were a Lender.

(g) Any Lender other than any Conduit Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(h) Each of the Borrower, each Lender and the Co-Administrative Agents hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

SECTION 9.05. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Lead Arrangers and the Agents (as the case may be) constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Co-Administrative Agents and when the Co-Administrative Agents shall have received and delivered to the Borrower, counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or email with PDF attachment shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.06. Governing Law; Jurisdiction.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement against any other party or its properties in the courts of any jurisdiction.

SECTION 9.07. Right of Setoff. If any Loan shall have become due and payable, whether due to maturity, acceleration or otherwise, each Lender (including for purposes of this Section

each of its Affiliates which is a regulated commercial bank) is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.08. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.09. Confidentiality. Each of the Co-Administrative Agents and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Co-Administrative Agents or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Co-Administrative Agents or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.10. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 9.11. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

SECTION 9.12. USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October

26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GENWORTH FINANCIAL, INC.

By: ____________________
Name:
Title:

JPMORGAN CHASE BANK,
individually and as Co-Administrative Agent
and Paying Agent

By: ____________________
Name:
Title:

BANK OF AMERICA, N.A.,
individually and as Co-Administrative Agent

By: ____________________
Name:
Title:

Signature Page to Genworth 364-day Credit Agreement

[Name of Lender]

By: ____________________
Name:
Title:

Signature Page to Genworth 364-day Credit Agreement

[Name of Lender]

By: ____________________
Name:
Title:

[Name of Lender]

By: ____________________
Name:
Title:

Signature Page to Genworth 364-day Credit Agreement

Exhibit 10.40

FIVE-YEAR CREDIT AGREEMENT

dated as of

[ ], 2004

Among

GENWORTH FINANCIAL, INC.

as Borrower,

the Lenders Party Hereto

and

JPMorgan Chase Bank and Bank of America, N.A.,

as Co-Administrative Agents

$1,000,000,000 REVOLVING CREDIT FACILITY

J.P. Morgan Securities Inc. and Banc of America Securities LLC,

as Joint Bookrunners and Joint Lead Arrangers

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CREDIT AGREEMENT (this "Agreement"), dated as of [ ], 2004, among GENWORTH FINANCIAL, INC. ("Genworth"), a Delaware corporation, as borrower (the "Borrower"), the several banks and other financial institutions from time to time parties hereto (the "Lenders"), JPMORGAN CHASE BANK ("JPMorgan Chase Bank") and BANK OF AMERICA, N.A. ("Bank of America"), as co-administrative agents (in such capacity, the "Co-Administrative Agents") and JPMORGAN CHASE BANK, as paying agent (in such capacity, the "Paying Agent").

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Paying Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means the Co-Administrative Agents and the Paying Agent.

"Applicable Facility Fee Percentage" means, for any day with respect to any Commitment and subject to the provisions of the definition of "Applicable Margin" following the table therein, the rate per annum set forth below under the caption "Facility Fee Rate Spread" corresponding to the Level in effect from time to time, as set forth in the following table:

Level	Index Debt Ratings (Moody's or S&P)	Facility Fee Rate Spread
I	≥A+ or A1	0.08%
II	A or A2	0.09%
III	A-or A3	0.10%
IV	BBB+ or Baa1	0.125%
V	≤BBB or Baa2	0.15%

"Applicable Margin" means, for any day, with respect to any Eurodollar Loan, the applicable rate per annum set forth in the table below, under the caption "Applicable Margin", corresponding to the Level in effect from time to time, as set forth in the following table:

Level	Index Debt Ratings (Moody's or S&P)	Applicable Margin
I	≥A+ or A1	0.17%
II	A or A2	0.21%
III	A-or A3	0.275%
IV	BBB+ or Baa1	0.375%
V	≤BBB or Baa2	0.60%

For purposes of the foregoing and the definitions of "Applicable Facility Fee Percentage" and "Applicable Utilization Fee Percentage", (i) if the ratings established or deemed to have been established by Moody's Investors Services, Inc. ("Moody's") or Standard & Poor's Rating Group ('S&P") for such debt shall fall within different Levels, the Applicable Margin, Applicable Fee Percentage or Applicable Utilization Fee Percentage, as the case may be, shall be based on the higher of the two ratings (i.e., the higher Level) unless one of the two ratings is two or more Levels lower than the other, in which case the Applicable Margin, Applicable Fee Percentage or Applicable Utilization Fee Percentage, as the case may be, shall be determined by reference to the Level next below the higher of the two Levels (it being understood that Level I is the highest Level and Level V is the lowest Level); and (ii) if the ratings established or deemed to have been established by Moody's and S&P for such debt shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Margin, Applicable Fee Percentage or Applicable Utilization Fee Percentage, as the case may be, shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Paying Agent shall negotiate in good faith to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Margin, Applicable Fee Percentage or Applicable Utilization Fee Percentage, as the case may be shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable Utilization Fee Percentage" means, for any day with respect to any Loan and subject to the provisions of the definition of "Applicable Margin" following the table therein, the rate per annum set forth below under the caption "Utilization Fee Rate Spread" corresponding to the Level in effect from time to time, as set forth in the following table:

Level	Index Debt Ratings (Moody's or S&P)	Utilization Fee Rate Spread
I	≥A+ or A1	0.05%
II	A or A2	0.10%
III	A-or A3	0.125%
IV	BBB+ or Baa1	0.125%
V	≤BBB or Baa2	0.125%

"Asset Securitization" means a public or private transfer of installment receivables, credit card receivables, lease receivables, mortgage loan receivables, policyholder loan receivables, premiums, debt obligations or any other type of secured or unsecured financial assets or rights to future payments of any kind, or interests therein, which transfer is recorded as a sale according to GAAP as of the date of such transfer.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Paying Agent, in the form of Exhibit A or any other form approved by the Paying Agent.

"Availability Period" means, with respect to the making of Loans, the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the relevant Commitments.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America (or any successor).

"Borrower" has the meaning given to it in the preamble hereto.

"Borrowing" means Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"Borrowing Date" means any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that the term "Business Day" shall also exclude (when used in connection with a Eurodollar Loan), any day on which banks are not open for dealings in Dollar deposits in the London and New York interbank markets.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) (other than General Electric Company and its subsidiaries) of shares representing more than 50% of the issued and outstanding shares of common stock of the Borrower; or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower or by General Electric Company and its subsidiaries nor (ii) appointed by directors so nominated.

"Co-Administrative Agents" has the meaning given to it in the preamble hereto.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Loans hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Commitment, as applicable.

"Conduit Lender" means any special purpose corporation organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument; provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section

2.13, 2.14, 2.17 or 9.03 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment.

"Consolidated Net Income" means, for any period, the consolidated net income (or loss) (such loss being the "Consolidated Net Loss") of the Borrower and its consolidated Subsidiaries for such period, determined in accordance with GAAP.

"Consolidated Net Worth" means, at any date, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of the Borrower and its Subsidiaries under stockholder's interest at such date, excluding accumulated non-owner changes in stockholder's interest.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Exposure" means, with respect to any Lender at any time, the outstanding principal amount of such Lender's Loans and its LC Exposure at such time.

"Default" means any event or condition which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Dollars" or "$" refers to lawful money of the United States of America.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Eurodollar" means, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Eurodollar Rate.

"Eurodollar Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate (rounded upwards, if necessary, to the next 1/1000 of 1%) appearing on page 3750 of the Telerate Service (or on any successor or substitute page of the Telerate Service, or any successor to or substitute for the Telerate Service, providing rate quotations comparable to those currently provided on such page of the Telerate Service, as determined by the Paying Agent from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for Dollar deposits with a maturity comparable to such Interest Period.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excluded Taxes" means, with respect to the Agents, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above, and (c) in the case of any Lender, any withholding tax that is imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement or is attributable to such Lender's failure or inability to comply with Section 2.14(e), except to the extent that such Lender's

assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.14(a).

"Facility Fee" has the meaning given to it in Section 2.10(a) hereof.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Paying Agent from three Federal funds brokers of recognized standing selected by it.

"GAAP" means generally accepted accounting principles in the United States of America.

"Genworth" has the meaning given to it in the preamble hereto.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments and (c) all guarantees by such Person of Indebtedness of others (it being understood and agreed, for the avoidance of doubt, that (i) annuities, guaranteed investment contracts, funding agreements and similar instruments and agreements and (ii) insurance products created or entered into in the normal course of business shall not constitute "Indebtedness").

"Indemnified Taxes" means Taxes (other than Excluded Taxes) that are required by applicable law to be withheld or deducted from a payment by, or on account of an obligation of, the Borrower hereunder.

"Indemnitee" has the meaning given to it in Section 9.03(b).

"Index Debt" means senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.06.

"Interest Payment Date" means (a) with respect to any Prime Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, to the extent available, nine or twelve months) thereafter, as the Borrower may electprovided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Issuing Lender" means JPMorgan Chase Bank or any Affiliate thereof, in its capacity as issuer of any Letter of Credit, which is wholly owned, directly or indirectly, by JPMorgan Chase & Co. At the request of the Borrower, the Issuing Lender shall be JPMorgan Chase Bank or an Affiliate with then current credit ratings at least equivalent to those of JPMorgan Chase Bank.

"LC Disbursement" means a payment made by the Issuing Lender pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"Lead Arrangers" means J.P. Morgan Securities Inc. and Banc of America Securities LLC.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.

"Loan" has the meaning assigned to it in Section 2.01.

"Material Adverse Effect" means a material adverse effect on (a) the business, property, operations or financial condition of the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or the rights or remedies of the Agents or the Lenders hereunder.

"Material Indebtedness" means any Indebtedness of the Borrower or any Material Subsidiary in a principal amount of $100,000,000 or more outstanding under any single agreement or instrument (other than Indebtedness under this Agreement).

"Material Operating Segment" means the following three operating segments of the Borrower and its Subsidiaries: (i) Protection, (ii) Retirement Income and Investments and (iii) Mortgage Insurance; provided, however, that if the pro forma segment net income of any of the preceding operating segments shall, for any fiscal year of the Borrower, represent less than 10% of the Consolidated Net

Income of the Borrower and its Subsidiaries for such fiscal year, such operating segment shall no longer constitute a "Material Operating Segment" hereunder.

"Material Subsidiary" means, at any time, any Subsidiary of the Borrower that (i) has assets at such time comprising 10% or more of the consolidated assets of the Borrower and its Subsidiaries, (ii) had net income in the then most recently ended fiscal year of the Borrower comprising 10% or more of the consolidated revenue of the Borrower and its Subsidiaries for such fiscal year or (iii) for purposes of clauses (f), (g), (h) and (i) of Article VII only, has Indebtedness in a principal amount of $100,000,000 or more outstanding under any single agreement or instrument.

"Maturity Date" means the fifth anniversary of the Effective Date.

"Moody's" means Moody's Investors Service, Inc. or any successor.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Paying Agent" has the meaning given to it in the preamble hereto.

"PDF", when used in reference to notices via email attachment, means portable document format or a similar electronic file format.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Prime", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Prime Rate.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Register" has the meaning set forth in Section 9.04.

"Registration Statement" means the Borrower's Registration Statement on Form S-1 (Registration Number 333-112009) filed with the Securities and Exchange Commission on January 20, 2004, as amended through the date hereof.

"Regulation U" means Regulation U of the Board as in effect from time to time.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Credit Exposures and unused Commitments representing more than 50% of the sum of the total Credit Exposures and unused Commitments at such time.

"S&P" means Standard & Poor's Ratings Services or any successor.

"Sale and Leaseback Transaction" means any arrangement whereby the Borrower or a Material Subsidiary shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereinafter acquired, and thereafter rent or lease from the buyer or transferee property that it intends to use for substantially the same purpose or purposes as the property sold or transferred.

"SAP" means the accounting procedures and practices prescribed or permitted by the applicable insurance regulatory authority or the National Association of Insurance Commissioners and any successor thereto.

"Statutory Statement" means a statement of the condition and affairs of a Material Subsidiary that is an insurance company, prepared in accordance with SAP, and filed with the applicable insurance regulatory authority.

"subsidiary" means, with respect to any Person, any corporation or other entity of which the securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other person performing similar functions are at the time directly or indirectly owned by such Person.

"Subsidiary" means any subsidiary of the Borrower.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Transactions" means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans and the use of the proceeds thereof.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Eurodollar Rate or the Prime Rate.

"Utilization Fee" has the meaning given to it in Section 2.10(d) hereof.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., "Eurodollar Loans"). Borrowings also may be classified and referred to by Type (e.g., a "Eurodollar Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (b) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (c) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Co-Administrative Agents that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Co-Administrative Agents notify the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

THE CREDITS

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make loans (each, a "Loan") in Dollars to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in such Lender's Credit Exposure exceeding such Lender's Commitment. Within the foregoing limit and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans, except that no borrowing or reborrowing may occur after the Availability Period. The Loans shall in each case be Prime Loans or Eurodollar Loans, as the Borrower shall request.

SECTION 2.02. Loans and Borrowings. Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. Subject to Section 2.12, each Borrowing shall be comprised entirely of Prime Loans or Eurodollar Loans as the Borrower may request in accordance herewith.

(b) The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that, other than any Commitment made by a Lender through a Conduit Lender as described in the definition thereof, which Commitment shall be the joint obligation of such Conduit Lender and its designating Lender, the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(c) Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(d) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $5,000,000 and not less than $25,000,000. At the time that each Prime Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $10,000,000; provided that a Prime Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of twelve Eurodollar Borrowings outstanding.

(e) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Paying Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of a Prime Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery, telecopy or email with PDF attachment to the Paying Agent of a written Borrowing Request in a form approved by the Paying Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be a Prime Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Prime Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Paying Agent shall advise each relevant Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Letters of Credit

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit for its own account, in a form reasonably acceptable to the Paying Agent and the Issuing Lender, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Lender) to the Issuing Lender (no less than five Business Days in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, the date of issuance, amendment, renewal or extension, the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Lender, the Borrower also shall submit a letter of credit application on the Issuing Lender's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the

Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed $300,000,000 and (ii) the sum of the total Credit Exposures shall not exceed the total Commitments.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Lender or the Lenders, the Issuing Lender hereby grants to each Lender, and each Lender hereby acquires from the Issuing Lender, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Paying Agent, for the account of the Issuing Lender, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Lender and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Lender shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Paying Agent an amount equal to such LC Disbursement not later than 4:00 p.m., New York City time, on the Business Day immediately following the day that the Issuing Lender gives notice to the Borrower of such LC Disbursement; provided that the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.06 that such payment be financed with a Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be due on the date of, and be discharged and replaced by, the Borrowing. If the Borrower fails to make such payment when due, the Paying Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Paying Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.05 with respect to Loans made by such Lender (and Section 2.05 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Paying Agent shall promptly pay to the Issuing Lender the amounts so received by it from the Lenders. Promptly following receipt by the Paying Agent of any payment from the Borrower pursuant to this paragraph, the Paying Agent shall distribute such payment to the Issuing Lender or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the Issuing Lender, then to such Lenders and the Issuing Lender as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Lender for any LC Disbursement (other than the funding of Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of:

(i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein;

(ii) any amendment or waiver of or any consent to departure from all or any of the provisions of any Letter of Credit or this Agreement;

(iii) the existence of any claim, setoff, defense or other right that the Borrower, any other party guaranteeing, or otherwise obligated with, the Borrower, any Subsidiary or other Affiliate thereof or any other Person may at any time have against the beneficiary under any Letter of Credit, the Issuing Lender, the Paying Agent or any Lender or any other Person, whether in connection with this Agreement or any other related or unrelated agreement or transaction;

(iv) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment by the Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit; and

(vi) any other act or omission to act or delay of any kind of the Issuing Lender, the Lenders, the Paying Agent or any other Person or any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of the Borrower's obligations hereunder.

Neither the Paying Agent, the Lenders nor the Issuing Lender, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder, including any of the circumstances specified in clauses (i) through (vi) above, as well as any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Lender; provided that the foregoing shall not be construed to excuse the Issuing Lender from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Lender's failure to exercise the agreed standard of care (as set forth below) in determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that the Issuing Lender shall have exercised the agreed standard of care in the absence of gross negligence or willful misconduct on the part of the Issuing Lender. Without limiting the generality of the foregoing, it is understood that the Issuing Lender may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit, without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit; provided that the Issuing Lender shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Lender shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Lender shall promptly notify the Paying Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether the Issuing Lender has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice

shall not relieve the Borrower of its obligation to reimburse the Issuing Lender and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Lender shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Prime Loans. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Lender, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Lender shall be for the account of such Lender to the extent of such payment.

(i) Replacement of the Issuing Lender. The Issuing Lender may be replaced at any time by written agreement among the Borrower, the replaced Issuing Lender and the successor Issuing Lender, with the consent of the Paying Agent (such consent not to be unreasonably withheld or delayed). The Paying Agent shall notify the Lenders of any such replacement of the Issuing Lender. From and after the effective date of any such replacement, (i) the successor Issuing Lender shall have all the rights and obligations of the Issuing Lender under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Paying Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Paying Agent, in the name of the Paying Agent and for the benefit of the Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (g) or (h) of Article VII. Such deposit shall be held by the Paying Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement and shall be invested by or on behalf of the Paying Agent in a "money market fund" (or the private equivalent thereof), or in investments permitted to be held by a "money market fund", as such term is used in Rule 2a-7 of the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. The Paying Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Paying Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Paying Agent to reimburse the Issuing Lender for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the

extent not applied as aforesaid) shall be returned to the Borrower within one Business Day after all Events of Default have been cured or waived.

SECTION 2.05. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Paying Agent most recently designated by it for such purpose by notice to the Lenders. The Paying Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Paying Agent and designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Paying Agent shall have received notice from a Lender prior to the proposed time of any Borrowing that such Lender will not make available to the Paying Agent such Lender's share of such Borrowing, the Paying Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Paying Agent, then the applicable Lender and the Borrower severally agree to pay to the Paying

Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Paying Agent, at (i) in the case of such Lender, the Federal Funds Effective Rate or (ii) in the case of the Borrower, a rate of interest of up to or equal to the rate applicable to Prime Loans, as the Paying Agent shall determine in consultation with the Borrower. If such Lender pays such amount to the Paying Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.06. Interest Elections.

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter during or after the Availability Period, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Paying Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery, telecopy or email with PDF attachment to the Paying Agent of a written Interest Election Request in a form approved by the Paying Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be

allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a Prime Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Paying Agent shall advise each relevant Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Prime Borrowing.

SECTION 2.07. Termination and Reduction of Commitments.

(a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, any of the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $10,000,000 and not less than $10,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.09, the total Credit Exposures would exceed the total Commitments.

(c) The Borrower shall notify the Paying Agent of any election to terminate or reduce any of the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Paying Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the closing of a capital markets transaction, in which case such notice may be revoked by the Borrower (by notice to the Paying Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.08. Repayment of Loans; Evidence of Debt

(a) The Borrower hereby unconditionally promises to pay to the Paying Agent for the account of each relevant Lender the then unpaid principal amount of each Loan to the Borrower on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender to the Borrower, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Paying Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Paying Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Paying Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans to it in accordance with the terms of this Agreement.

(e) Any Lender may reasonably request that Loans made by it to the Borrower be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns), substantially in the form of Exhibit C. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.09. Prepayment of Loans.

(a) Subject to prior notice in accordance with paragraph (b) of this Section, the Borrower may at its option, at any time, without premium or penalty of any kind (other than any payments required under Section 2.17), prepay, in whole or in part, any Borrowings.

(b) The Borrower shall notify the Paying Agent by telephone (confirmed by telecopy or email with PDF attachment) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, on the date three Business Days prior to the date of prepayment or (ii) in the case of prepayment of a Prime Borrowing, not later than 10:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07. Promptly following receipt of any such notice relating to a Borrowing, the Paying Agent shall advise the relevant Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing

shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11.

SECTION 2.10. Fees.

(a) The Borrower agrees to pay to the Paying Agent for the ratable account of each Lender a facility fee (the "Facility Fee"), which shall accrue from (and including) the Effective Date to (but excluding) the Maturity Date on the daily amount of each Commitment of such Lender (whether used or unused) at the rate per annum equal to the Applicable Facility Fee Percentage; provided that, if such Lender continues to have any Credit Exposure after its Commitment terminates, then such Facility Fee shall continue to accrue on the daily amount of such Lender's Credit Exposure from and including the date on which its Commitment terminates but excluding the date on which such Lender ceases to have any Credit Exposure. Accrued Facility Fees shall be payable in arrears on the third Business Day following the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on October 5, 2004; provided that any facility fees accruing after the date on which the relevant Commitments terminate shall be payable on demand. All Facility Fees shall be computed on the basis of a year of 365 or 366 days (as the case may be) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay (i) to the Paying Agent for the ratable account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at a rate per annum equal to the Applicable Margin applicable to interest on Eurodollar Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Lender a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements), as well as the Issuing Lender's standard fees with respect to the issuance, amendment, negotiation, payment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees shall be payable on the third Business Day following the last day of March, June, September and December of each year and on the date that the Commitments terminate, commencing October 5, 2004; provided that any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Lender pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 365 or 366 days (as the case may be) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Paying Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Paying Agent.

(d) If the average daily aggregate principal amount of the Loans and LC Exposure, outstanding for (i) the period beginning with the Effective Date and ending on September 30, 2004, (ii) any calendar quarter commencing with the fourth calendar quarter of 2004 and ending on the last day of the calendar quarter immediately preceding the Maturity Date or (iii) the period beginning on and including the day after the end of the calendar quarter immediately preceding the Maturity Date and ending on the Maturity Date is in excess of 50% of the average daily Commitments of the Lenders for such calendar quarter or period (disregarding for this purpose any termination of any Commitments that

occurred during or prior to such calendar quarter or period), the Company agrees to pay to the Paying Agent, for the ratable accounts of the Lenders, a utilization fee (the "Utilization Fee") at a rate per annum equal to the Applicable Utilization Fee Percentage on such average daily aggregate principal amount outstanding of Loans and LC Exposure during such calendar quarter (or period), payable in arrears on the third Business Day after the last day of such calendar quarter (or period). All Utilization Fees shall be computed on the basis of a year of 365 days or 366 days (as the case may be) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(e) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Paying Agent. Fees paid shall not be refundable under any circumstances.

SECTION 2.11. Interest.

(a) The Loans comprising each Prime Borrowing shall bear interest at a rate per annum equal to the Prime Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to the Eurodollar Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) in the event of any repayment or prepayment of any Loan (other than a prepayment of a Prime Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, (ii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion and (iii) all accrued interest on a Loan shall be payable upon termination of the Commitments applicable to such Loan and upon the Maturity Date.

(d) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Prime Rate shall be computed on the basis of a year of 365 days or 366 days (as the case may be) and in each case, shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Prime Rate or Eurodollar Rate shall be determined by the Paying Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.12. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing, the Paying Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, then the Paying Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Paying Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request by the Borrower requests a Eurodollar Borrowing, such Borrowing shall be made as a Prime Borrowing.

SECTION 2.13. Increased Costs. In the event that by reason of any change after the date of this Agreement in applicable law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration, application or interpretation thereof, or by reason of the adoption or enactment after the date of this Agreement of any requirement or directive (whether or not having the force of law) of any Governmental Authority:

(a) any Lender shall, with respect to this Agreement, be subject to any tax, levy, impost, charge, fee, duty, deduction or withholding of any kind whatsoever (other than Excluded Taxes); or

(b) any change shall occur in the taxation of any Lender with respect to the principal or interest payable under this Agreement (other than the imposition of any Excluded Taxes or any change which affects solely the taxation of the total income of such Lender); or

(c) any reserve or similar requirements should be imposed on either the commitments to lend or the foreign claims of deposits of any Lender;

and if any of the above-mentioned measures shall result in a material increase in the cost to such Lender of making or maintaining its Loans or Commitments or participations in Letters of Credit or a material reduction in the amount of principal or interest received or receivable by such Lender in respect thereof, then upon prompt written notification (which shall include the date of effectiveness of such change, adoption or enactment) and demand being made by such Lender for such additional cost or reduction, the Borrower shall pay to such Lender, within 30 days of such demand being made by such Lender, such additional cost or reduction; provided, however, that the Borrower shall not be responsible for any such cost or reduction that may accrue to such Lender with respect to the period between the occurrence of the event which gave rise to such cost or reduction and the date on which notification is given by such Lender to the Borrower; and provided, further, that the Borrower shall not be obligated to pay such Lender any such additional cost or reduction unless such Lender certifies to the Borrower that at such time such Lender shall be generally assessing such amounts on a non-discriminatory basis against borrowers under agreements having provisions similar to this Section; and provided, further, that any such additional cost or reduction allocated to any Loan or Commitment shall not exceed the Borrower's pro rata share of all costs attributable to all loans or advances or commitments to all borrowers by such Lender that collectively result in the consequences for which such Lender is to be compensated by the Borrower. Within 30 days of receipt of such notification, the Borrower will pay such additional costs as may be applicable to the period subsequent to notification or prepay in full all Loans to it outstanding under this Agreement so affected by such additional costs, together with interest and fees accrued thereon to the date of prepayment in full. Such Lender shall use reasonable efforts (consistent with its internal policy applied on a non-discriminatory basis and legal and regulatory restrictions) to designate a different applicable lending office for the Loans made by it and its Commitments or to take other appropriate actions if such designation or actions, as the case may be, will avoid the need for, or reduce the amount of, any increased costs to the Borrower incurred under this Section, and will not, in the opinion of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.14. Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Paying Agent, the Co-Administrative Agents or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Paying Agent, Co-Administrative Agents and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Paying Agent, Co-Administrative Agents or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Paying Agent or Co-Administrative Agents on their own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Paying Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Paying Agent.

(e) Any Lender or Agent that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Paying Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

(f) Each Lender and Agent shall use reasonable efforts (consistent with its internal policy applied on a non-discriminatory basis and legal and regulatory restrictions) to designate a different applicable lending office for the Loans made by it and its Commitments or to take other appropriate actions if such designation or actions, as the case may be, will avoid the need for, or reduce the amount of, any payments the Borrower is required to make under this Section 2.14, and will not, in the opinion of such Lender or Agent, be otherwise disadvantageous to such Lender or Agent.

SECTION 2.15. Payments Generally.

(a) Unless otherwise specified herein, the Borrower shall make each payment required to be made by it hereunder (including under Section 2.13, 2.14, 2.17, or otherwise) prior to 12:00 noon, New York City time, on the date when due and in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Paying Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Paying Agent at its offices at 111 Fannin Street, 10th Floor, Houston, Texas 77002, Attention: Claudine Garcia, Loan and Agency Services Group, or at such other office in the United States of America as directed by Paying Agent, except that payments pursuant to Sections 2.10(c), 2.13, 2.14, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Paying Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

(b) If at any time insufficient funds are received by and available to the Paying Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties,

and (ii) second, to pay principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Paying Agent shall have received notice from the Borrower prior to the time on which any payment from the Borrower is due to the Paying Agent for the account of the relevant Lenders hereunder that the Borrower will not make such payment, the Paying Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the relevant Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the relevant Lenders severally agrees to repay to the Paying Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Paying Agent, at the Federal Funds Effective Rate.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(b) or 2.15(d), then the Paying Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Paying Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.16. Mitigation Obligations; Replacement of Lenders. If any Lender requests compensation, or is entitled to payments, under Section 2.13 or Section 2.14 or is affected in the manner described in Section 2.18, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort (in the case of a claim for compensation under, or payments pursuant to, Section 2.13 or Section 2.14 or in the case of illegality under Section 2.18) or at the expense and effort of any such defaulting Lender, upon notice to such Lender and the Paying Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall notify Bank of America (in its capacity as Co-Administrative

Agent), (ii) the Borrower shall have received the prior written consent of the Paying Agent, which consent shall not unreasonably be withheld or delayed, (iii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iv) in the case of any such assignment resulting from a claim for compensation under, or payments pursuant to, Section 2.13 or Section 2.14 or from illegality under Section 2.18, such assignment will result in a reduction in such compensation or payments or eliminate the illegality, as the case may be. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.17. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable under Section 2.09(b) and is revoked in accordance herewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount reasonably determined by such Lender to be equal to the excess, if any, of (i) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Eurodollar Rate, for such Interest Period, over (ii) the amount of interest (as reasonably determined by such Lender) that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for deposits from other banks in the relevant currency in the eurocurrency market at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

SECTION 2.18. Illegality. Notwithstanding any other provision herein, if the adoption of or any change in applicable law or regulation or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Prime Loans into Eurodollar Loans shall forthwith be canceled and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Prime Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion or repayment of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.17. If circumstances subsequently change so that any affected Lender shall determine that it is no longer so affected, such Lender will promptly notify the Borrower and the Paying Agent, and upon receipt of such notice, the obligations of such Lender to make or continue Eurodollar Loans or to convert Prime Loans into Eurodollar Loans shall be reinstated.

ARTICLE III

REPRESENTATIONS OF THE BORROWER

The Borrower represents for and as to itself as follows:

(a) The Borrower has been duly organized and is validly existing and in good standing under the laws of the jurisdiction of its organization, and the Borrower has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement.

(b) The execution, delivery and performance by the Borrower of this Agreement have been, or prior to the Effective Date will be, duly authorized by all necessary corporate action and do not and will not as of the Effective Date or as of any Borrowing Date or the date of issuance, amendment, renewal or extension of any Letter of Credit, violate any provision of any law or regulation, or contractual or corporate restrictions, binding on the Borrower and material to the Borrower and its Subsidiaries, taken as a whole.

(c) As of the Effective Date, this Agreement will constitute a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject however to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(d) The proceeds of the Loans made to the Borrower shall not be used for a purpose which violates Regulation U.

(e) As of the date hereof, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or any Subsidiary or against any of their respective properties or revenues (i) with respect to this Agreement or any of the transactions contemplated hereby or (ii) that could reasonably be expected to have a Material Adverse Effect (other than those litigations, investigations or proceedings set forth in the Registration Statement).

(f) (i) The combined statement of financial position of the Borrower and its combined statements of earnings, stockholder's interest and cash flows as of and for the fiscal year ended December 31, 2003 reported on by KPMG LLP, independent public accountants, and set forth beginning on page F-3 of the Registration Statement, present fairly (assuming completion of the transactions described in note 1 to such financial statements), in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated subsidiaries as of such date and for such period in accordance with GAAP and (ii) since December 31, 2003 to the date hereof, other than those developments and events described in the Registration Statement, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect with respect to the Borrower and its Subsidiaries taken as a whole.

(g) The Borrower and each of its Material Subsidiaries is in compliance with all applicable laws, rules, regulations and orders of, and all applicable restrictions imposed by, any Governmental Authority applicable to it or its property, including, without limitation, statutory insurance requirements, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect with respect to the Borrower and its Subsidiaries taken as a whole.

(h) The Borrower is not (a) an "investment company" as defined in the Investment Company Act of 1940 or (b) a "holding company" as defined in the Public Utility Holding Company Act of 1935.

ARTICLE IV

CONDITIONS

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Co-Administrative Agents (or their counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Co-Administrative Agents (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Co-Administrative Agents shall have received a favorable written opinion (addressed to the Co-Administrative Agents and the Lenders and dated the Effective Date) of in-house counsel for the Borrower, substantially in the form of Exhibit B. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Co-Administrative Agents shall have received such documents and certificates as the Co-Administrative Agents or their counsel may reasonably request relating to the organization, existence and, if applicable, good standing of the Borrower, the authorization of the Transactions and any other legal matters relating to the Borrower, this Agreement or the Transactions, all in form and substance reasonably satisfactory to the Co-Administrative Agents and their counsel.

The Co-Administrative Agents shall notify the Borrower and the relevant Lenders of the Effective Date, and such notices shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 3:00 p.m., New York City time, on May 28, 2004 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan or the obligation of the Issuing Lender to issue a Letter of Credit on the occasion of any Borrowing or any such issuance of a Letter of Credit (as the case may be) is subject to the satisfaction of the following conditions (or waiver thereof in accordance with Section 9.02):

(a) The representations of the Borrower set forth in this Agreement (except for the representations set forth in clauses (e) and (f)(ii) of Article III) shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable.

(b) At the time of and immediately after giving effect to such Borrowing no Default or Event of Default shall have occurred and be continuing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Commitments have expired or have been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, all LC Disbursements shall have been reimbursed and all Letters of Credit shall have expired or terminated, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish to the Co-Administrative Agents and each Lender:

(a) Annual Financial Statements. As soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the audited statement of financial position of the Borrower and its consolidated subsidiaries, as at the end of such year and the related audited statements of earnings, stockholder's interest and cash flows for such year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by KPMG LLP or other independent certified public accountants of nationally recognized standing;

(b) Quarterly Financial Statements. As soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated subsidiaries, as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter;

(c) Officer's Certificate. At the time of delivery of the financial statements provided for in Sections 5.01(a) and 5.01(b) above, a certificate of the chief financial officer or treasurer of the Borrower, (i) demonstrating compliance with the financial covenant contained in Section 6.01 by calculation thereof as of the end of each such fiscal period and (ii) stating that no Default or Event of Default by the Borrower exists, or if any such Default or Event of Default does exist, specifying the nature and extent thereof and what action the Borrower proposes to take with respect thereto;

(d) Reports. Promptly upon transmission thereof, copies of any filings and registrations with, and reports to, the Securities and Exchange Commission, or any successor agency (other than registration statements on Form S-8 or its equivalent), and copies of all financial statements, proxy statements, notices and reports as the Borrower shall send to its shareholders generally (excluding, in each case, exhibits, schedules or attachments to any of the foregoing); and

(e) Other Information. With reasonable promptness upon any such request, such other information regarding the business, operations, properties or financial condition of the Borrower or any Subsidiary (including, without limitation, the annual Statutory Statements of any Material Subsidiary that is an insurance company), as the Co-Administrative Agents may reasonably request.

All financial statements delivered pursuant to this Section shall be complete and correct in all material respects and shall be prepared in accordance with GAAP. Timely filing of all documents referred to in Section 5.01(a), (b) and (d) above with the Securities and Exchange Commission shall constitute compliance with this Section 5.01, without any requirement (except as provided in the next succeeding sentence) for the Borrower to furnish such documents to any Agent or any Lender. The Borrower agrees to provide hard copies of any statements required to be delivered pursuant to this Section to any Lender upon the reasonable request of such Lender made to the Borrower in writing pursuant to Section 9.01.

SECTION 5.02. Use of Proceeds. The proceeds of the Loans made to the Borrower hereunder will be used for general corporate purposes.

SECTION 5.03. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries, to (a) keep proper books of records and account in which full, true and correct entries, in all material respects, are made of all dealings and transactions in relation to its business and activities and (b) permit any representatives designated by the Co-Administrative Agents or any Lender, upon any reasonable request with reasonable advance notice, to visit and inspect during normal business hours its properties, operations and books of account.

SECTION 5.04. Notices of Defaults. Within five Business Days after the Chief Executive Officer, Chief Financial Officer, General Counsel, Treasurer or Secretary of the Borrower obtains knowledge of any Default, if such Default is then continuing, the Borrower shall deliver to each Lender a certificate of any senior officer of the Borrower setting forth the details thereof and the action that the Borrower is taking or proposes to take with respect to such Default.

SECTION 5.05. Existence; Conduct of Business. The Borrower will, and will cause each of its Material Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business and the Borrower will continue, and will cause each Material Subsidiary to continue, to engage in business of the same general type as now conducted (or proposed to be conducted) by the Borrower and its Subsidiaries; provided that the foregoing shall not prohibit (i) any merger, consolidation, liquidation or dissolution permitted under Section 6.03 or (ii) the termination of the legal existence of any Subsidiary if the Borrower in good faith determines that such termination is in the best interest of the Borrower and is not materially disadvantageous to the Lenders.

SECTION 5.06. Compliance with Laws. The Borrower will, and will cause each of its Material Subsidiaries to, comply with all applicable laws, rules, regulations, and orders of, and all applicable restrictions imposed by, any Governmental Authority applicable to it or its property, including, without limitation, statutory insurance requirements, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect with respect to the Borrower and its Subsidiaries taken as a whole.

ARTICLE VI

NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Financial Condition Covenant. The Borrower will not permit Consolidated Net Worth at the end of any fiscal quarter of the Borrower to be less than the sum of (i) $6,900,000,000 and (ii) 40% of Consolidated Net Income for each completed fiscal year of the Borrower ending after the Effective Date and on or prior to the end of such fiscal quarter (without any deduction for any fiscal year as to which there is a Consolidated Net Loss).

SECTION 6.02. Liens.

The Borrower will not, and will not permit any Material Subsidiary to, create, incur, assume or permit to exist any Lien to secure any Indebtedness of the

Borrower or any Material Subsidiary owed to any Person (other than the Borrower and its Subsidiaries) on any property or asset now owned or hereafter acquired by it, except:

(a) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof;

(b) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Material Subsidiary or existing on any property or asset of any Person that becomes a Material Subsidiary after the date hereof prior to the time such Person becomes a Material Subsidiary; provided that such Lien is not created in contemplation of or in connection with the acquisition or such Person becoming a Material Subsidiary, as the case may be;

(c) any Lien on margin stock within the meaning of Regulation U;

(d) Liens on property or assets acquired, constructed or improved by the Borrower or any Material Subsidiary;provided that the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such property or assets;

(e) Liens securing repayment of funds advanced to the Borrower and its Subsidiaries under custody agreements, securities lending arrangements, securities clearing agreements and similar arrangements entered into in the ordinary course of business;

(f) Liens in connection with Asset Securitizations and Sale and Leaseback Transactions;

(g) Liens in connection with any repurchase agreement, buy/sell agreement or similar agreement or instrument on assets or property transferred by the Borrower or any of its Subsidiaries thereunder, securing the obligation of the Borrower or such Subsidiary to repurchase or buy such assets or property as well as its other obligations under such repurchase agreement, buy/sell agreement or similar agreement or instrument;

(h) Liens in favor of the Federal Home Loan Bank Board (the "FHLBB") to secure loans made by the FHLBB to the Borrower or any Material Subsidiary in the ordinary course of business;

(i) Liens on any real property securing Indebtedness of the Borrower or any Material Subsidiary in respect of which (i) the recourse of the holder of such Indebtedness (whether direct or indirect and whether contingent or otherwise) under the instrument creating the Lien or providing for the Indebtedness secured by the Lien is limited to such real property directly securing such Indebtedness and (ii) such holder may not under the instrument creating the Lien or providing for the Indebtedness secured by the Lien collect by levy of execution or otherwise against assets or property of the Borrower or such Material Subsidiary (other than such real property directly securing such Indebtedness) if the Borrower or such Material Subsidiary fails to pay such Indebtedness when due and such holder obtains a judgment with respect thereto, except for recourse obligations that are customary in "non-recourse" real estate transactions;

(j) Liens arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Liens permitted by any of the foregoing clauses of this Section; provided that such Indebtedness is not increased and is not secured by any additional property or assets; and

(k) Liens not otherwise permitted by this Section so long as the aggregate outstanding principal amount of Indebtedness secured thereby does not exceed at the time of the incurrence of any such Indebtedness, the greater of (x) $2,000,000,000 or (y) 15% of Consolidated Net Worth of the Borrower and its Subsidiaries, as reflected in the most recent financial statements of the Borrower and its consolidated subsidiaries delivered pursuant to this Agreement.

SECTION 6.03. Fundamental Changes. The Borrower will not (i) consolidate or merge with or into any Person or (ii) sell, lease or otherwise transfer, directly or indirectly, all or substantially all of the assets, of the Borrower and its Subsidiaries, taken as a whole, or any Material Operating Segment in its entirety, to any other Person; provided that the Borrower may consolidate or merge with another Person if (A) the Borrower is the corporation surviving such consolidation or merger and (B) immediately after giving effect to such consolidation or merger, no Default shall have occurred and be continuing.

SECTION 6.04. Transactions with Affiliates. The Borrower will not, and will not permit any Material Subsidiary to, enter into any material transaction, including the purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Borrower or any of its Subsidiaries) unless such transaction either (a) is upon fair and reasonable terms no less favorable to the Borrower, or such Material Subsidiary, as the case may be, than would be applicable to a comparable arm's-length transaction with a Person that is not such an Affiliate or (b) in the Borrower's good-faith judgment, could not reasonably be expected to have a Material Adverse Effect.

ARTICLE VII

EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable;

(b) the Borrower shall fail to pay (i) any interest on any Loan or (ii) any fee payable under Section 2.10, and such failure shall not be cured within five Business Days after receipt by the Borrower of notice of such failure from the Co-Administrative Agents;

(c) any representation or warranty made in writing or deemed made by the Borrower in this Agreement or any amendment hereof or waiver hereto, or in any report, certificate, financial statement or other document delivered pursuant to this Agreement or any amendment hereof or waiver hereto, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant or agreement contained in Section 5.04 or 5.05 (with respect to the Borrower's existence) or in Section 6.01, 6.02 or 6.03;

(e) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Co-Administrative Agents or the Required Lenders to the Borrower;

(f) the Borrower or any Material Subsidiary shall fail to make any payment of principal or interest when due (or within any applicable grace period) with respect to any Material Indebtedness, or a default shall have occurred in respect of any Material Indebtedness and such default causes acceleration thereof;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for (i) 60 days with respect to any such proceeding or petition under any Federal or state law or (ii) 90 days with respect to any such proceeding or petition under any foreign law, or an order or decree approving or ordering any of the foregoing shall be entered;

(h) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of any proceeding or petition described in clause (g) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any corporate action for the purpose of effecting any of the foregoing;

(i) one or more judgments for the payment of money in an aggregate amount in excess of $100,000,000 (to the extent not paid or covered by insurance) shall be entered by a court of competent jurisdiction against the Borrower, any Material Subsidiary or any combination thereof and the same shall remain undischarged, unvacated, unbonded or unstayed for a period of (i) 60 consecutive days with respect to any such judgment entered by any such court located in the United States of America or (ii) 90 consecutive days with respect to any such judgment entered by any such court located outside the United States of America; or

(j) there shall have occurred a Change in Control;

then, and in every such event (other than an event with respect to the Borrower described in clause (g) or (h) of this Article), and at any time thereafter during the continuance of such event, the Co-Administrative Agents may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (g) or (h) of this Article, the Commitments shall

automatically terminate and the principal of the Loans of the Borrower then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

THE AGENTS

Each of the Lenders hereby irrevocably appoints each of the Co-Administrative Agents and the Paying Agent as its agents (each, an "Agent", and together, the "Agents") and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to the Agents by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

Each of the banks serving as an Agent hereunder shall have the same rights and powers in its respective capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

The Agents shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Agents shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Agents shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Agents are required to exercise in writing by the Required Lenders, and (c) except as expressly set forth herein, the Agents shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its subsidiaries that is communicated to or obtained by the banks serving as Agents or any of their Affiliates in any capacity. The Agents shall not be liable for any action taken or not taken by them with the consent or at the request of the Required Lenders or all the Lenders, as the case may be, or in the absence of its own gross negligence or willful misconduct. The Agents shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Agents by the Borrower or a Lender, and the Agents shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the relevant Agent or Agents.

The Agents shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by them to be genuine and to have been signed or sent by the proper Person. The Agents may rely upon any statement made to them orally or by telephone and reasonably believed by them to be made by the proper Person, and shall not incur any liability for relying thereon. The Agents may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by them, and shall not be liable for any action taken or not taken by them in accordance with the advice of any such counsel, accountants or experts.

The Agents may perform any and all their duties and exercise their rights and powers by or through any one or more sub-agents appointed by the Agents. The Agents or any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Agents and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Agents.

Subject to the appointment and acceptance of a successor Agent or Agents as provided in this paragraph, each of the Agents may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the written consent of the Borrower so long as no Event of Default exists, to appoint a successor or successors. If no successor or successors shall have been so appointed by the Required Lenders with the written consent of the Borrower and shall have accepted such appointment within 30 days after the retiring Agent or Agents gives notice of its resignation, then the retiring Agent or Agents may, on behalf of the Lenders, appoint a successor Agent or Agents, each of which shall be a bank with an office in New York, New York and having a combined capital and surplus of at least $500,000,000, or an Affiliate of any such bank. Upon the acceptance of its appointment as an Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its respective duties and obligations hereunder. The fees payable by the Borrower to any successor Agent be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Agent's or Agents' resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for their respective benefit in respect of any actions taken or omitted to be taken by it while it was acting as an Agent.

Each Lender acknowledges that it has, independently and without reliance upon an Agent or Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon an Agent or Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing (including by electronic transmission) and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy or email with PDF attachment, as follows:

(a) if to the Borrower, to it at 6620 West Broad Street, Richmond, Virginia 23230, Attention: Treasurer (Telecopy No. (804) 662-7522), e-mail: gary.prizzia@ge.com, with a copy to: Genworth Financial, Inc, 6620 West Broad Street, Richmond, Virginia 23230, Attention: General Counsel (Telecopy No. (804) 662-2414), e-mail: leon.roday@ge.com;

(b) if to the Co-Administrative Agents, to (i) JPMorgan Chase Bank, 111 Fannin Street, 10th Floor, Houston, Texas 77002, Attention: Claudine Garcia, Loan and Agency Services Group (Telecopy No. (713) 750-2223), email: claudine.y.garcia@jpmorgan.com, with a copy to : JPMorgan

Chase Bank, 270 Park Avenue, 4th Floor, New York, New York, 10017, Attention: Heather Lindstrom (Telecopy No. (212) 270-1511), email: heather.lindstrom@jpmorgan.com and/or (ii) Bank of America, N.A., 231 S. LaSalle Street, Chicago, Illinois 60697, Attention: Debra Basler (Telecopy No. (312) 828-3600), email: debra.basler@bankofamerica.com;

(c) if to the Paying Agent, to it at JPMorgan Chase Bank, 111 Fannin Street, 10th Floor, Houston, Texas 77002, Attention: Claudine Garcia, Loan and Agency Services Group (Telecopy No. (713) 750-2223), email: claudine.y.garcia@jpmorgan.com;

(d) if to the Issuing Lender, to it at JPMorgan Chase Bank, 111 Fannin Street, 10th Floor, Houston, Texas 77002, Attention: Claudine Garcia, Loan and Agency Services Group (Telecopy No. (713) 750-2223), email: claudine.y.garcia@jpmorgan.com; or

(e) if to any other Lender, to it at its address (or telecopy number or email) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any Lender, to the Borrower and the Paying Agent). All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Co-Administrative Agents with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby or (iv) change any of the provisions of this Section or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent hereunder without the prior written consent of such Agent.

SECTION 9.03. Expenses; Indemnity.

(a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Lead Arrangers, the Agents and their respective Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Lead Arrangers and the Agents in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement and any amendments, modifications or waivers of the provisions hereof and (ii) all reasonable out-of-pocket expenses incurred by the Agents or any Lender, including the reasonable fees, charges and disbursements of any counsel for the Agents or any Lender, in connection with the enforcement of its rights in connection with this Agreement.

(b) The Borrower shall indemnify the Lead Arrangers, the Agents and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”)

against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or the performance by the parties hereto of their respective obligations hereunder, (ii) any Loan or the use of the proceeds therefrom or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses have resulted from the gross negligence or willful misconduct of such Indemnitee. It is understood and agreed that, to the extent not precluded by a conflict of interest, each Indemnitee shall endeavor to work cooperatively with the Borrower with a view toward minimizing the legal and other expenses associated with any defense and any potential settlement or judgment. To the extent reasonably practicable and not disadvantageous to any Indemnitee, it is anticipated that a single counsel selected by the Borrower may be used. Settlement of any claim or litigation involving any material indemnified amount will require the approvals of the Borrower (not to be unreasonably withheld) and the relevant Indemnitee (not to be unreasonably withheld or delayed).

SECTION 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, the Lead Arrangers and, to the extent expressly contemplated hereby, the Related Parties of each of the Lead Arrangers, the Co-Administrative Agents, the Paying Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender other than any Conduit Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (i) except in the case of an assignment to a Lender or an Affiliate of a Lender, each of the Borrower and the Paying Agent must give its prior written consent to such assignment (which consent shall not be unreasonably withheld) (it being understood that it shall be reasonable for the Borrower to withhold consent if the assignee has long-term debt ratings below BBB- from S&P or Baa3 from Moody's or has ratings at such levels but is on credit watch with negative implications at either S&P or Moody's), (ii) the Issuing Lender must give its prior consent (which consent shall not be unreasonably withheld or delayed), (iii) Bank of America (in its capacity as Co-Administrative Agent) is notified of such Assignment; (iv) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of an entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Paying Agent) shall not be less than $5,000,000 unless each of the Borrower and the Paying Agent otherwise consents, (v) each partial assignment of a Lender's rights and obligations shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations, (vi) the parties to each assignment shall execute and deliver to the Paying Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500 payable by the assignor or the assignee, (vii) the assignee, if it shall not be a Lender, shall deliver to the Paying Agent an Administrative Questionnaire and (viii) the assignee, if applicable, shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Paying Agent the documentation described in Section 2.14(e); provided, further that any consent of the Borrower otherwise

required under this paragraph shall not be required if an Event of Default has occurred and is continuing. Upon acceptance and recording pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.17, and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section. Notwithstanding the foregoing, any Conduit Lender may assign at any time to its designating Lender hereunder without the consent of the Borrower or the Paying Agent any or all of the Loans it may have funded hereunder and pursuant to its designation agreement and without regard to the limitations set forth in the first sentence of this Section 9.04(b).

(c) The Paying Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Co-Administrative Agents and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Paying Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender other than any Conduit Lender may, without the consent of the Borrower or the Co-Administrative Agents, sell participations to one or more banks or other entities (each, a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02 that affects such Participant. Subject to paragraph (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.13 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant shall not be entitled to the benefits of Section 2.14 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.14 as though it were a Lender.

(g) Any Lender other than any Conduit Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(h) Each of the Borrower, each Lender and the Co-Administrative Agents hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

SECTION 9.05. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Lead Arrangers and the Agents (as the case may be) constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Co-Administrative Agents and when the Co-Administrative Agents shall have received and delivered to the Borrower, counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or email with PDF attachment shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.06. Governing Law; Jurisdiction.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement against any other party or its properties in the courts of any jurisdiction.

SECTION 9.07. Right of Setoff. If any Loan or Letter of Credit shall have become due and payable, whether due to maturity, acceleration or otherwise, each Lender (including for purposes of this Section each of its Affiliates which is a regulated commercial bank) is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.08. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.09. Confidentiality. Each of the Co-Administrative Agents and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Co-Administrative Agents or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Co-Administrative Agents or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.10. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 9.11. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY

ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

SECTION 9.12. USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GENWORTH FINANCIAL, INC.

By: ______________________________
Name:
Title:

JPMORGAN CHASE BANK,
individually and as Co-Administrative Agent
and Paying Agent

By: ______________________________
Name:
Title:

BANK OF AMERICA, N.A.,
individually and as Co-Administrative Agent

By: ________________________________
Name:
Title:

____
[Name of Lender]

By: ________________________________
Name:
Title:

____
[Name of Lender]

By: ________________________________
Name:
Title:

____
[Name of Lender]

By: ________________________________
Name:
Title:

Exhibit 10.56

2004 Genworth Financial, Inc.
Omnibus Incentive Plan

Effective **[Date]**

Contents

2004 Genworth Financial, Inc.
Omnibus Incentive Plan

Article 1. Establishment, Purpose, Awards, Eligibility and Participation

1.1 Establishment. Genworth Financial, Inc., a Delaware corporation (together with its successors, the "Company"), establishes the 2004 Genworth Financial, Inc. Omnibus Incentive Plan (the "Plan"), as set forth in this document.

The Plan shall become effective on the date on which the Underwriting Agreements (as defined in that certain Master Agreement, dated May , 2004, among General Electric Company, General Electric Capital Corporation, GEI, Inc., GE Financial Assurance Holdings, Inc., and the Company (the "Master Agreement")) are executed and delivered by each of the parties thereto (the "Effective Date").

1.2 Purpose of the Plan. The purpose of the Plan is to promote the interests of the Company and its shareholders by strengthening the ability of the Company and its affiliates to attract, motivate, reward, and retain qualified individuals upon whose judgment, initiative, and efforts the financial success and growth of the business of the Company largely depend, and to provide an opportunity for such individuals to acquire stock ownership and other rights that promote and recognize the financial success and growth of the Company.

1.3 Awards. The Plan permits the grant of Stock Options, Stock Appreciation Rights, Restricted Stock (including Performance Shares), Restricted Stock Units (including Performance Units), Other-Stock Based Awards, Nonemployee Director Awards (including Deferred Stock Units), Dividend Equivalents, and Cash-Based Awards. The Plan sets forth the performance goals and procedural requirements to permit the Company to design Awards that qualify as Performance-Based Compensation. The Plan provides for a Covered Employee Annual Incentive Award based on Consolidated Operating Earnings and Net Earnings, which is also intended to qualify as Performance-Based Compensation.

1.4 Eligibility and Participation. Any Employee, Nonemployee Director, or Third Party Service Provider is eligible to be designated a Participant. An individual shall become a Participant upon the grant of an Award. Each Award shall be evidenced by an Award Agreement. No individual shall have the right to be selected to receive an Award under the Plan, or, having been so selected, to be selected to receive a future Award.

Article 2. Definitions

In addition to the terms specifically defined elsewhere in the Plan, the following capitalized terms whenever used in the Plan shall have the meanings set forth below.

2.1 Awards.

(a) **"Award"** shall mean, individually or collectively, any Stock Option, Stock Appreciation Right, Restricted Stock (including any Performance Share), Restricted Stock Unit (including any Performance Unit), Covered Employee

Annual Incentive Award, Cash-Based Award, Other Stock-Based Award or Nonemployee Director Award (including any Deferred Stock Unit) that is granted under the Plan.

(b) **"Cash-Based Award"** shall mean any right granted under Article 11.

(c) **"Covered Employee Annual Incentive Award"** shall mean any right granted under Section 12.1.

(d) **"Deferred Stock Unit"** shall mean a Nonemployee Director Award, as described in Section 10.2.

(e) **"Dividend Equivalent"** shall mean any right granted under Article 9.

(f) **"Nonemployee Director Award"** shall mean any Award granted to a Nonemployee Director under Section 10.1.

(g) **"Other Stock-Based Award"** shall mean any right granted under Article 8

(h) **"Performance-Based Compensation"** shall mean compensation under an Award that is intended to constitute "qualified performance-based compensation" within the meaning of the regulations promulgated under Section 162(m) of the Code.

(i) **"Performance Share"** shall mean a Share of Restricted Stock as described in Section 7.1(c).

(j) **"Performance Unit"** shall mean a Restricted Stock Unit as described in Section 7.1(c).

(k) **"Restricted Stock"** shall mean any Share granted under Article 7.

(l) **"Restricted Stock Unit"** shall mean any right granted under Article 7.

(m) **"Stock Appreciation Right"** shall mean any right granted under Article 6.

(n) **"Stock Option"** shall mean any right granted under Article 5.

2.2 Other Defined Terms.

(a) **"Affiliate"** shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations of the Exchange Act, including any Subsidiary.

(b) **"Annual Award Limit"** shall have the meaning set forth in Section 4.3.

(c) **"Award Agreement"** shall mean any written agreement, contract, or other document setting forth the terms and conditions applicable to any Award.

(d) **"Board of Directors"** shall mean the board of directors of the Company.

(e) **"Code"** shall mean the U.S. Internal Revenue Code of 1986, as amended from time to time.

(f) **"Committee"** shall mean a committee of the Board of Directors, which is intended to satisfy the requirements of the stock exchange on which the Shares are listed, Section 162(m) of the Code and the regulations thereunder, and, except as otherwise determined by the Board of Directors, the requirements of Section 16 of the Exchange Act and the rules and regulations thereunder, or any successor requirement to any of the foregoing. For purposes of any Award made to a Nonemployee Director, the Board of Directors shall act as the Committee and any reference to the Committee in the Plan with respect to a Nonemployee Director Award shall mean the Board of Directors.

(g) **"Company"** shall have the meaning set forth in Section 1.1.

(h) **"Covered Employee"** shall mean, for any Plan Year, an executive officer of the Company whom the Committee identifies as a potential "covered employee," as such term is defined in Section 162(m) of the Code and the regulations thereunder, or any successor statute.

(i) **"Effective Date"** shall have the meaning set forth in Section 1.1.

(j) **"Employee"** shall mean any employee of the Company or any of its Affiliates.

(k) **"Exchange Act"** shall mean the U.S. Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

(l) **"Fair Market Value"** shall mean, with respect to any property (including, without limitation, any Shares or other securities), the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee; *provided*, *however*, that for purposes of Stock Appreciation Rights and Stock Options to be granted on the Effective Date, the Fair Market Value of a Share on the Effective Date shall mean the initial public offering price of each Share in the Company's initial public offering.

(m) **"Master Agreement"** shall have the meaning set forth in Section 1.1.

(n) **"Nonemployee Director"** shall have the meaning ascribed to such term in Rule 16b-3 promulgated under the Exchange Act, or any successor definition adopted by the U.S. Securities and Exchange Commission.

(o) **"Participant"** shall mean any eligible individual as set forth in Section 1.4 to whom an Award is granted under the Plan.

(p) **"Person"** shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.

(q) **"Plan"** shall have the meaning set forth in Section 1.1.

(r) **"Plan Year"** shall mean the calendar year.

(s) **"Share"** shall mean a share of Class A common stock, par value $.001, of the Company, and such other securities or property as may become the subject of Awards, or become subject to Awards, pursuant to an adjustment made under Section 4.4.

(t) **"Subsidiary"** shall mean, with respect to a Person, any corporation or other entity, whether domestic or foreign, in which such Person has or obtains, directly or indirectly, a proprietary interest of more than fifty percent (50%) by reason of stock ownership or otherwise.

(u) **"Third Party Service Provider"** shall mean any consultant, agent, advisor, or independent contractor who renders services to the Company or any of its Affiliates, which services (a) are not performed in connection with the offer and sale of the Company's securities in a capital raising transaction, and (b) do not directly or indirectly promote or maintain a market for the Company's securities.

Article 3. Administration

3.1 General. The Committee shall be responsible for administering the Plan in accordance with this Article 3.

3.2 Authority of the Committee. The Committee shall have full and exclusive discretionary power to (a) interpret the terms and the intent of the Plan and any Award Agreement or other agreement or document ancillary to or in connection with the Plan; (b) determine eligibility for Awards; and (c) adopt such rules, forms instruments, and guidelines for administering the Plan as the Committee deems necessary or proper; *provided*, *however*, that the Board of Directors is hereby authorized (in addition to any necessary action by the Committee) to grant or approve Awards as necessary to satisfy the requirements of Section 16 of the Exchange Act and the rules and regulations thereunder. The Committee's authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including the terms and conditions set forth in Award Agreements, and, subject to Section 14.4, adopting modifications and amendments to any Award Agreement. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Participants, the Company, and all other interested individuals.

3.3 Advisors. The Committee may employ attorneys, consultants, accountants, agents, and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and directors shall be entitled to rely upon the advice, opinions, or valuations of any such individuals.

3.4 Delegation. The Committee may delegate to one or more of its members, one or more officers of the Company or any of its Affiliates, and one or more agents or advisors such administrative duties or powers as it may deem advisable. The Committee may, by resolution,

authorize one or more officers of the Company to do one or both of the following on the same basis as can the Committee: (a) designate Employees and Third Party Service Providers to be recipients of Awards, and (b) determine the terms of conditions of any such Awards; *provided*, *however*, that (i) the Committee shall not delegate such responsibilities to any such officer for Awards granted to an Employee that is considered an "insider" for purposes of Section 16 of the Exchange Act; (ii) the resolution providing for such authorization shall set forth the total number of Awards such officer(s) may grant; and (iii) the officer(s) shall report periodically to the Committee regarding the nature and scope of the Awards granted pursuant to the authority delegated.

Article 4. Shares Subject to the Plan and Maximum Awards

4.1 Number of Shares Available for Awards.

(a) **General.** Subject to adjustment as provided in Section 4.4, the maximum number of Shares available for issuance to Participants pursuant to Awards under the Plan shall be thirty-eight million (38,000,000) Shares. The Shares available for issuance under the Plan may be authorized and unissued Shares or treasury Shares.

(b) **Full Value Awards.** Of the Shares reserved for issuance under Section 4.1(a), no more than ten million (10,000,000) of the reserved Shares may be issued pursuant to Restricted Stock, Restricted Stock Units and other Awards designed to provide equity compensation based on the value of a Share on the date of grant rather than only upon the appreciation in the value of a Share over an exercise price or base price following the date of grant.

(c) **Nonemployee Directors.** Subject to the limit set forth in Section 4.1(a), the maximum number of Shares that may be issued as Nonemployee Director Awards shall be one million (1,000,000) Shares.

4.2 Share Usage.

(a) **General.** Shares shall be charged against the total number of Shares available for Awards and the Annual Award Limits on the date of grant to the extent such Awards are denominated in Shares and on the date of settlement for any other Award which is settled in Shares; *provided, however,* that that in the case of a Stock Appreciation Right granted in tandem with a Stock Option, only the number of shares subject to the Stock Option shall be counted.

(b) **Awards Not Settled in Shares.** If all or a portion of an Award denominated in Shares is not settled in Shares, such Shares that are not actually issued and delivered to a Participant (or, if permitted by the Committee, to a Participant's designated transferee) shall not be counted against the total number of Shares available for Awards but shall continue to be counted for purposes of the Annual Award Limits.

(c) **Cancelled/Forfeited Awards.** Any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such

Shares, are settled in cash in lieu of Shares, or are exchanged, prior to the issuance of Shares, for Awards not involving Shares shall be available again for grant under the Plan.

(d) **Stock Options.** If the exercise price of any Stock Option granted under the Plan or the tax withholding requirements with respect to any Award granted under the Plan are satisfied by tendering Shares to the Company (by either actual delivery or by attestation), or if a Stock Option is exercised, only the number of Shares issued, net of the Shares tendered, if any, will be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan.

(e) **Dividends or Dividend Equivalents.** The maximum number of Shares available for issuance under the Plan shall not be reduced to reflect any dividends or Dividend Equivalents paid in respect of Awards made under the Plan that are settled or reinvested in Shares or additional Awards.

4.3 Annual Award Limits. Unless and until the Committee determines that an Award to a Covered Employee is not intended to qualify as Performance-Based

Compensation, the following limits (each an "Annual Award Limit" and collectively, "Annual Award Limits") shall apply to grants of Awards under the Plan:

(a) **Stock Options or Stock Appreciation Rights**: The maximum number of Shares with respect to which Stock Options or Stock Appreciation Rights may be granted or measured to any Participant in any Plan Year shall be five million (5,000,000) Shares.

(b) **Restricted Stock or Restricted Stock Units:** The maximum number of Shares with respect to which Restricted Stock or Restricted Stock Units may be granted or measured to any Participant in any Plan Year shall be two million (2,000,000) Shares.

(c) **Covered Employee Annual Incentive Award**: The maximum amount of any Covered Employee Annual Incentive Awards that may be paid or credited to any Covered Employee in any Plan Year, whether in cash, Shares or other property, shall be five million dollars ($5,000,000).

(d) **Cash-Based Awards**: The maximum amount of any Cash-Based Awards that may be paid, credited or vested to any Participant in any Plan Year shall be ten million dollars ($10,000,000).

(e) **Other Stock-Based Awards**: The maximum number of Shares with respect to which Other Stock-Based Awards may be granted or measured to any Participant in any Plan Year shall be one million (1,000,000) Shares.

(f) **Nonemployee Director Awards**: The maximum number of Shares with respect to which Nonemployee Directors Awards may be granted or measured to any

Nonemployee Director in any Plan Year shall be twenty-five thousand (25,000) Shares.

4.4 Adjustments in Authorized Shares. In the event of any corporate event or transaction (including, but not limited to, a change in the shares of the Company or the capitalization of the Company) such as a merger, consolidation, reorganization, recapitalization, separation, stock dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of the Company, combination of Shares, exchange of Shares, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee, in its sole discretion, to prevent dilution or enlargement of Participants' rights under the Plan as well as dilution or enlargement of the benefits or potential benefits intended to be made available, shall substitute or adjust, as applicable, the number and kind of Shares that may be issued under the Plan or under particular forms of Awards, the number and kind of Shares subject to outstanding Awards, the exercise price or base price applicable to outstanding Awards, the Annual Award Limits, and other value determinations applicable to outstanding Awards.

The Committee, in its sole discretion, may also make appropriate adjustments in the terms of any Awards under the Plan to reflect, or related to, such changes or distributions and to modify any other terms of outstanding Awards, including modifications of performance goals and changes in the length of performance periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

Without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance or assumption of benefits under the Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate.

Article 5. Stock Options

5.1 Grant of Stock Options. The Committee is hereby authorized to grant Stock Options to Participants. Each Stock Option shall permit a Participant to purchase from the Company a stated number of Shares from the Company at an exercise price established by the Committee, subject to the terms and conditions described in this Article 5 and to such additional terms and conditions, in established by the Committee, in its sole discretion, that are consistent with the provisions of the Plan. All Stock Options shall be nonqualified stock options. The Plan does not provide for the grant of "incentive stock options" within the meaning of Section 422 of the Code.

5.2 Exercise Price. The exercise price per Share under a Stock Option shall be determined by the Committee at the time of grant; *provided*, *however*, that such exercise price shall not be less than the Fair Market Value of a Share on the date of grant of such Stock Option (or, if the Committee so determines, in the case of any Stock Option retroactively granted in tandem with or in substitution for another Award or any other outstanding award, on the date of grant of such other Award or award).

5.3 Stock Option Term. The term of each Stock Option shall be determined by the Committee at the time of grant; *provided*, *however*, that no Stock Option shall be exercisable later than the tenth (10th) anniversary of the date of its grant unless otherwise determined by the

Committee. Notwithstanding the foregoing, for Stock Options granted to Participants outside the United States, the Committee has the authority to grant Stock Options that have a term greater than ten (10) years to the extent required by the applicable local laws of the jurisdictions in which such Stock Options are granted.

5.4 Time of Exercise. Stock Options shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall determine at the time of grant.

5.5 Method of Exercise. Stock Options shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Stock Option is to be exercised, accompanied by full payment for the Shares.

A condition of the issuance of the Shares as to which a Stock Option shall be exercised shall be the payment of the exercise price. The exercise price of any Stock Option shall be payable to the Company in full either: (a) in cash or its equivalent; (b) by tendering (either by actual delivery or attestation) previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the exercise price (provided that the Shares that are tendered must have been held by the Participant for at least six (6) months prior to their tender to satisfy the exercise price or have been purchased on the open market); (c) by a combination of (a) and (b); or (d) any other method approved or accepted by the Committee in its sole discretion, including, without limitation, if the Committee so determines, a cashless (broker-assisted) exercise.

Subject to any governing rules or regulations, as soon as practicable after receipt of written notification of exercise and full payment (including satisfaction of any applicable tax withholding), the Company shall deliver to the Participant evidence of book entry Shares, or upon the Participant's request, Share certificates in an appropriate amount based upon the number of Shares purchased under the Stock Option(s).

Unless otherwise determined by the Committee, all payments under all of the methods indicated above shall be paid in U.S. dollars.

Article 6. Stock Appreciation Rights

6.1 Grant of Stock Appreciation Rights. The Committee is hereby authorized to grant Stock Appreciation Rights to Participants, including a concurrent grant of

Stock Appreciation Rights in tandem with any Stock Option. Subject to the terms of the Plan and any applicable Award Agreement, a Stock Appreciation Right granted under the Plan shall confer on the holder thereof a right to receive, upon exercise thereof, the excess of (a) the Fair Market Value of one Share on the date of exercise over (b) the grant price of the right as specified by the Committee, which shall not be less than the Fair Market Value of one Share on the date of grant of the Stock Appreciation Right (or, if the Committee so determines, in the case of any Stock Appreciation Right retroactively granted in tandem with or in substitution for another Award or any other outstanding award, on the date of grant of such other Award or award).

Subject to the terms of the Plan and any applicable Award Agreement, the grant price, term, methods of exercise, methods of settlement, and any other terms and conditions of any Stock

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Appreciation Right shall be as determined by the Committee. The Committee may impose such conditions or restrictions on the exercise of any Stock Appreciation Right as it may deem appropriate.

6.2 Stock Appreciation Right Term. The term of each Stock Appreciation Right shall be determined by the Committee at the time of grant; *provided*, *however*, that no Stock Appreciation Right shall be exercisable later than the tenth (10th) anniversary of the date of its grant unless otherwise determined by the Committee. Notwithstanding the foregoing, for Stock Appreciation Rights granted to Participants outside the United States, the Committee has the authority to grant Stock Appreciation Rights that have a term greater than ten (10) years to the extent required by the applicable local laws of the jurisdictions in which such Stock Appreciation Rights are granted.

6.3 Time of Exercise. Stock Appreciation Rights shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall determine at the time of grant.

6.4 Tandem Stock Appreciation Rights. Upon the exercise of all or a portion of a Stock Appreciation Right granted in tandem with a Stock Option, a Participant shall be required to forfeit the right to purchase an equivalent portion of the related Stock Option (and, when a Share is purchased under the related Stock Option, the Participant shall be required to forfeit an equivalent portion of the Stock Appreciation Right).

Article 7. Restricted Stock and Restricted Stock Units

7.1 Grant of Restricted Stock or Restricted Stock Units.

(a) **General.** The Committee is hereby authorized to grant Restricted Stock and Restricted Stock Units to Participants. Each Restricted Stock Unit shall represent one Share. Restricted Stock Units shall be credited to a notional account maintained by the Company. No Shares are actually awarded to the Participant in respect of Restricted Stock Units on the date of grant.

(b) **Award Agreement.** Each Award Agreement evidencing a Restricted Stock or Restricted Stock Unit grant shall specify the terms of the period(s) of restriction, the number of Shares of Restricted Stock or the number of Restricted Stock Units granted, settlement dates and such other provisions as the Committee shall determine.

(c) **Performance Shares; Performance Units.** Restricted Stock and Restricted Stock Units, the grant of which or lapse of restrictions of which is based upon the achievement of performance goals over a performance period, shall be referred to as "Performance Shares" and "Performance Units," respectively.

7.2 Voting Rights. Unless otherwise determined by the Committee and set forth in a Participant's Award Agreement, to the extent permitted or required by law, as determined by the Committee, Participants holding Shares of Restricted Stock granted hereunder shall have the right to exercise full voting rights with respect to those Shares during the period of restriction. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder.

7.3 Section 83(b) Election. The Committee may provide in an Award Agreement that the Award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to the Award under Section 83(b) of the Code. If a Participant makes an election pursuant to Section 83(b) of the Code concerning a Restricted Stock Award, the Participant shall be required to file promptly a copy of such election with the Company.

Article 8. Other Stock-Based Awards

The Committee is hereby authorized to grant other types of equity-based or equity-related Awards not otherwise described by the terms of the Plan (including the grant or offer for sale of unrestricted Shares) to Participants in such amounts and subject to such terms and conditions as the Committee shall determine. Such Awards shall be referred to as "Stock-Based Awards." Each such Other Stock-Based Award may involve the transfer of actual Shares to Participants or payment in cash or otherwise of amounts based on the value of Shares, and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

Each Other Stock-Based Award shall be expressed in terms of Shares or units or an equivalent measurement based on Shares, as determined by the Committee. If the value of an Other Stock-Based Award will be based on the appreciation of Shares from an initial value determined as of the date of grant, then such initial value shall not be less than the Fair Market Value of a Share on the date of grant of such Other Stock-Based Award (or, if the Committee so determines, in the case of any Other Stock-Based Award retroactively granted in tandem with or in substitution for another Award or any other outstanding award, on the date of grant of such other Award or award).

Article 9. Dividend Equivalents

The Committee is hereby authorized to grant to Participants Dividend Equivalents based on the dividends declared on Shares that are subject to any Award. Dividend Equivalents shall be credited as of dividend payment dates during the period between the date the Award is granted and the date the Award is exercised, vested, expired, credited or paid. Such Dividend Equivalents shall be converted to cash, Shares or additional Awards by such formula and at such time and subject to such limitations as may be determined by the Committee.

Dividend Equivalents granted with respect to any Stock Option or Stock Appreciation Right may be payable regardless of whether such Stock Option or Stock Appreciation Right is subsequently exercised.

Article 10. Nonemployee Director Awards

10.1 General. The Board of Directors is hereby authorized to grant Awards to Nonemployee Directors, as it shall from time to time determine, including Awards granted in satisfaction of annual fees that are otherwise payable to Nonemployee Directors.

10.2 Deferred Stock Units. Unless otherwise determined by the Board of Directors, sixty percent (60%) of the Nonemployee Director annual fee will be satisfied by a grant of "Deferred Stock Units." Each Deferred Stock Unit shall represent one Share and will be credited to a notional

account maintained by the Company. Nonemployee Directors shall not be entitled to vote Shares represented by such Deferred Stock Units but shall receive Dividend Equivalents with respect to such Awards, which shall be reinvested in additional Deferred Stock Units. Deferred Stock Units shall be settled in cash and paid in accordance with an election made by the Nonemployee Director, which payment date shall be no earlier than the first anniversary of the date the Nonemployee Director ceases to be a director of the Company.

Article 11. Cash-Based Awards

The Committee is hereby authorized to grant Awards to Participants denominated in cash in such amounts and subject to such terms and conditions as the Committee may determine. Such Awards shall be referred to as "Cash-Based Awards." Each such Cash-Based Award shall specify a payment amount or payment range as determined by the Committee.

Article 12. Performance-Based Compensation

12.1 Covered Employee Annual Incentive Award.

(a) **Establishment.** No later than ninety (90) days after the commencement of the Plan Year (but in no event after twenty-five percent (25%) of Plan Year has elapsed), the Committee may designate Covered Employees who are eligible to receive a cash payment with respect to any Plan Year based on a percentage of one or both of: (a) the Company's Consolidated Operating Earnings for the Plan Year and (b) the Company's Net Earnings for the Plan Year.

(b) **Certification.** Following the end of each Plan Year for which a Covered Employee Annual Incentive Award is made, the Committee shall certify in the Company's Consolidated Operating Earnings and Net Earnings for the Plan Year.

(c) **Settlement.** The Committee shall calculate each Participant's Covered Employee Annual Incentive Award based upon the percentage established at the beginning of the Plan Year. The Committee shall retain the discretion to adjust such Awards downward.

(d) **Applicable Terms.** For purposes of the Covered Employee Annual Incentive Award, 'Consolidated Operating Earnings" shall mean positive Company annual earnings from continuing operations before income taxes and accounting changes, as determined under generally accepted accounting principles and "Net Earnings" shall mean positive Company annual net earnings, as determined under generally accepted accounting principles.

12.2 Other Performance-Based Compensation. The Committee is authorized to design any Award of Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Cash-Based Awards and Other Stock-Based Awards so that the Award meets the requirements of this Section 12.2 as Performance-Based Compensation. If the Committee determines that it is advisable to grant Awards to Covered Employees that shall not qualify as Performance-Based Compensation, the Committee may make such grants without satisfying the requirements of this Section 12.2.

(a) **Performance Measures.** The granting, vesting, crediting and/or payment of Performance-Based Compensation shall be based on the achievement of performance goals based on one or more of the following performance measures: (i) net earnings or net income (before or after taxes); (ii) earnings growth; (iii) earnings per share; (iv) net sales (including net sales growth); (v) gross profits or net operating profit; (vi) return measures (including, but not limited to, return on assets, capital, equity, or sales); (vii) cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on capital and statutory cash measures); (viii) revenue growth; (ix) earnings before or after taxes, interest, depreciation, and/or amortization; (x) productivity ratios; (xi) Share price (including, but not limited to, growth measures and total shareholder return); (xii) expense targets; (xii) margins (including, but not limited to, gross or operating margins); (xiii) operating efficiency; (xiv) customer satisfaction or increase in the number of customers; (xv) attainment of budget goals; (xvi) division working capital turnover; (xvii) attainment of strategic or operational initiatives; (xviii) market share; (xix) cost reductions; (xx) working capital targets; and (xxi) EVA® and other value-added measures.

Any performance measure may be (1) used to measure the performance of the Company and/or any of its Affiliates as a whole, any business unit thereof or any combination thereof or (2) compared to the performance of a group of comparable companies, or a published or special index, in each case that the Committee, in its sole discretion, deems appropriate.

(b) **Establishment of Performance Goals for Covered Employees.** No later than ninety (90) days after the commencement of a performance period (but in no event after twenty-five percent (25%) of such performance period has elapsed), the Committee shall establish in writing: (i) the performance goals applicable to the performance period; (ii) the performance measures to be used to measure the performance goals in terms of an objective formula or standard; (iii) the method for computing the amount of compensation payable to the Participant if such performance goals are obtained; and (iv) the Participants or class of Participants to which such performance goals apply.

(c) **Permitted Exclusions/Inclusions.** When establishing the performance goals, the Committee may provide in any Award to a Covered Employee that the evaluation of performance goals may include or exclude any of the following events that occurs during a performance period: (i) asset write-downs; (ii) litigation or claim judgments or settlements; (iii) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results; (iv) any reorganization and restructuring programs; (v) extraordinary nonrecurring items as described in Accounting Principles Board Opinion No. 30 or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to shareholders for the applicable year; (vi) acquisitions or divestitures; and (vii) foreign exchange gains and losses.

(d) **Adjustment of Performance-Based Compensation.** Awards that are designed to qualify as Performance-Based Compensation may not be adjusted upward. The Committee shall retain the discretion to adjust such Awards downward, either on a formula or discretionary basis or any combination, as the Committee determines.

(e) **Certification of Performance.** No Award designed to qualify as Performance-Based Compensation shall be granted, vested, credited or paid, as applicable, with respect to any Participant until the Committee certifies in writing that the performance goals and any other material terms applicable to such performance period have been satisfied.

(f) **Reapproval of Performance Measures.** Performance measures listed in Section 12.2(a) may not be used in designing Awards intended to qualify as

Performance-Based Compensation after the first shareholder meeting that occurs in the fifth year following the year in which shareholder approval is first approved pursuant to Section 12.3 (or previously approved pursuant to this Section 12.2(f)), unless shareholder approval of such performance measures is again obtained or applicable tax or securities laws change to provide otherwise.

12.3 Shareholder Approval. The Plan may not be used to make Awards to Covered Employees unless (a) the Plan is approved by shareholders at the first annual shareholder's meeting held more than twelve (12) months after the Effective Date; (b) the Award is a Stock Option, a Stock Appreciation Right, Restricted Stock or a Restricted Stock Unit made prior to such shareholder's meeting; or (c) the Award is made subject to shareholder approval.

Article 13. Change of Control

13.1 Change of Control of the Company. Unless the Committee shall determine otherwise in the Award Agreement, or unless otherwise specifically prohibited under applicable laws or by the rules and regulations of any governing governmental agencies or stock exchange on which the Shares are listed, upon the occurrence of a Change of Control in which the Successor Entity fails to Assume and Maintain an Award as defined in Section 13.2:

(a) **Time Vested Awards.** Awards, the vesting of which depends upon a participant's continuation of service for a period of time, shall fully vest as of the effective date of the Change of Control; shall be distributed or paid to the participant within thirty (30) days following the date of the Change of Control in cash, Shares, other securities, or any combination, as determined by the Committee; and shall thereafter terminate; *provided, however,* that if the Award is denominated in Shares, the amount distributed or paid shall equal the difference between the Fair Market Value of the Shares on the date of the Change of Control and, if applicable, the exercise price, grant price or unpaid purchase price as of the date of the Change of Control;

(b) **Performance-Based Awards.** Awards, the vesting of which is based on achievement of performance criteria (other than the Covered Employee Annual Incentive Awards), shall fully vest as of the effective date of the Change of

Control; shall be deemed earned based on the target performance being attained for the performance period in which the Change of Control occurs; shall be distributed or paid to the participant within thirty (30) days following the date of the Change of Control pro rata based on the portion of the performance period elapsed on the date of the Change of Control in cash, Shares, other securities, or any combination, as determined by the Committee; and shall thereafter terminate; *provided, however,* that if the Award is denominated in Shares, the amount distributed or paid shall equal the difference between the Fair Market Value of the Shares on the date of the Change of Control and, if applicable, the exercise price, grant price or unpaid purchase price as of the date of the Change of Control; and

(c) **Covered Employee Annual Incentive Awards.** The Covered Employee Annual Incentive Awards shall be based on the Consolidated Operating Earnings or Net Earnings of the Plan Year in which the Change of Control occurs (or such other method of payment as may be determined by the Committee at the time of such Award or thereafter but prior to the Change of Control); shall be distributed or paid to the participant within thirty (30) days following the date of the Change of Control pro rata based on the portion of the year elapsed on the date of the Change of Control in cash, Shares, other securities, or any combination, as determined by the Committee; and shall thereafter terminate.

13.2 Change of Control Definitions.

(a) **"Assume and Maintain".** A Successor Entity shall be deemed to have assumed and maintained an Award under this Plan if the Successor Entity substitutes an Award under this Plan or an award under a Successor Entity plan having equivalent value, terms and conditions as the Award being replaced. The Committee shall have the sole authority to determine whether the proposed assumption of an award by a Successor Entity meets the requirements listed in this Section 13.2(a).

(b) **"Beneficial Owner"** or **"Beneficial Ownership"** shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

(c) **"Change of Control"** shall mean the occurrence of any of the following events:

(i) Any Person becomes the Beneficial Owner of twenty percent (20%) or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of its directors (the "Outstanding Company Voting Securities"); *provided*, *however*, that for purposes of this Section 13.2(c), the following acquisitions shall not constitute a Change of Control: (A) any acquisition by General Electric Company or any of its Affiliates, or by any Person who on the Effective Date is the Beneficial Owner of twenty percent (20%) or more of the Outstanding Company Voting

Securities; (B) any acquisition directly from the Company, including without limitation, a public offering of securities; (C) any acquisition by the Company or any of its Affiliates; (D) any acquisition by any employee benefit plan or related trust sponsored or maintained by the Company or any of its Affiliates; or (E) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B), and (C) of Section 13.2(c)(iii).

(ii) Individuals who constitute the Board of Directors as of the Effective Date (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; *provided*, *however*, that any individual becoming a director of the Company subsequent to the Effective Date whose election to the Board of Directors, or nomination for election by the Company's shareholders, was approved by a vote of (A) at least a majority of the directors then comprising the Incumbent Board, (B) (x) the holders of the Class B Common Stock (as defined in the Master Agreement), voting as a class, or (y) at least a majority of the directors elected by the holders of the Class B Common Stock, in each case in accordance with Article VII of the Amended and Restated Certificate of Incorporation of the Company, (C) prior to the Trigger Date (as defined in the Master Agreement), a vote of at least a majority of any nominating committee of the Board of Directors, which nominating committee was designated by a vote of at least a majority of the directors then comprising the Incumbent Board, or (D) in the case of a director appointed to fill a vacancy in the Board of Directors (other than any vacancy of a director elected by the holders of the Class B Common Stock), at least a majority of the directors entitled (under Section 6 of Article VII of the Amended and Restated Certificate of Incorporation of the Company) to elect such director (so long as at least a majority of such directors voting in favor of the director filling the vacancy are themselves members of (or considered to be pursuant to this definition members of) the Incumbent Board) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election or removal of the directors of the Company or other actual or threatened solicitation of proxies of consents by or on behalf of a Person other than the Board of Directors;

(iii) Consummation of a reorganization, merger, or consolidation to which the Company is a party or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), unless, following such Business Combination: (A) all or substantially all of the individuals and entities who were the Beneficial Owners of Outstanding Company Voting Securities

immediately prior to such Business Combination are the Beneficial Owners, directly or indirectly, of more than fifty percent (50%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from the Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) (the "Successor Entity") in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Voting Securities; (B) no Person (excluding any Successor Entity or any employee benefit plan or related trust of the Company, such Successor Entity, or any of their Affiliates) is the Beneficial Owner, directly or indirectly, of twenty percent (20%) or more of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the Successor Entity, except to the extent that such ownership existed prior to the Business Combination; and (C) at least a majority of the members of the board of directors of the Successor Entity were members of the Incumbent Board (including persons deemed to be members of the Incumbent Board by reason of the proviso of Section 13.2(c)(ii)) at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Article 14. Duration, Rescission, Amendment, Modification, Suspension, and Termination

14.1 Duration of Plan. Unless sooner terminated as provided in Section 14.2 or 14.3, the Plan shall terminate ten (10) years from the Effective Date.

14.2 Automatic Rescission and Termination of Awards and Plan. Notwithstanding any other provision of the Plan, if delivery of the Firm Public Offering Shares (as defined in the Master Agreement) to the Underwriters (as defined in the Master Agreement) against payment therefor is not complete within four (4) Business Days (as defined in the Master Agreement) after the Closing Date (as defined in the Master Agreement), all Awards theretofore granted under the Plan shall immediately be rescinded in all respects and the Plan and all of the Award Agreements shall terminate, without the consent of any relevant Participant or holder or beneficiary of an Award.

14.3 Amendment, Modification, Suspension, and Termination of Plan. The Board of Directors may, at any time and from time to time, alter, amend, modify, suspend, or terminate the Plan in whole or in part; *provided*, *however*, that, without the prior approval of the Company's shareholders, no action shall be taken that would (a) increase the total number of Shares available for issuance under the Plan or the Annual Award Limits, except as provided in Section 4.4; (b) permit the exercise price or grant price of any Stock Option, Stock Appreciation Right or Other

Stock-Based Award the value of which is based on the appreciation of Shares from the date of grant (i) to be less than Fair Market Value (except as may be permitted by Section 5.2, 6.1, or Article 8), or (ii) to be repriced, replaced, or regranted through cancellation (except as may be permitted by Section 15.4) or by lowering the exercise price or grant price; (c) change the performance measurements listed in Section 12.2(a); or (d) base any Covered Employee Annual Incentive Award on performance measurements other than Consolidated Operating Earnings or Net Earnings; and *provided*, *further*, that no such action shall adversely affect in any material way any Award previously granted under the Plan without the written consent of the Participant holding such Award. After the Plan is terminated in accordance with this Section 14.3, no Award may be granted but any Award previously granted shall remain outstanding in accordance with the terms and conditions of the Plan and the Award.

14.4 Amendment, Modification, Suspension, and Termination of Awards. The Committee shall have the authority at any time and from time to time, alter, amend, modify, suspend or terminate the terms and conditions of any Award; *provided*, *however*, that no such action shall adversely affect in any material way any Award previously granted under the Plan without the written consent of the Participant holding such Award.

14.5 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. Subject to the limitations in Section 12.1(c) related to Covered Employee Annual Incentive Awards and Section 12.1(d) related to other Performance-Based Compensation, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.4) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

Article 15. General Provisions

15.1 Settlement of Awards; No Fractional Shares. Each Award Agreement shall establish the form in which the Award shall be settled. Awards (other than Stock Options and Restricted Stock) may be settled in cash, Shares, other securities, additional Awards or any combination, regardless of whether such Awards are originally denominated in cash or Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, Awards, other securities or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

15.2 Tax Withholding. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan.

15.3 Share Withholding. With respect to withholding required upon the exercise of Stock Options or Stock Appreciation Rights, upon the lapse of restrictions on Restricted Stock and

Restricted Stock Units, upon the achievement of performance goals related to Performance Shares and Performance Units, or any other taxable event arising as a result of an Award granted hereunder, Participants may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction.

15.4 Substitution of Share-Based Awards. The Committee may, without the consent of any Participant, substitute any Award granted under the Plan which by its terms is intended to be settled in Shares for any other type of Award intended to be settled in Shares, including without limitation, the substitution of Stock Appreciation Rights intended to be settled in Shares for Stock Options; *provided*, *however*, that the terms of the substituted Award and the economic benefit of the substituted Award are at least equivalent to the terms and economic benefit of the Award being replaced.

15.5 Transferability of Awards. Except as otherwise provided in a Participant's Award Agreement or otherwise at any time by the Committee, no Award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent or distribution and any attempt to enforce such a purported sale, transfer, pledge, alienation or hypothecation shall be void. Should the Committee permit transferability of an Award, it may do so on a general or a specific basis, and may impose conditions and limitations on any permitted transferability. Unless transferability is permitted, Stock Options and Stock Appreciation Rights may be exercised by a Participant only during his or her lifetime. If the Committee permits any Stock Option or Stock Appreciation Right to be transferred, references in the Plan to the exercise of a Stock Option or Stock Appreciation Right by the Participant or payment of any amount to the Participant shall be deemed to include the Participant's transferee.

15.6 Termination of Service; Forfeiture Events.

(a) **Termination of Service.** Each Award Agreement shall specify the effect of a Participant's termination of service with the Company and any of its Affiliates, including specifically whether the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment, in addition to the effect on any otherwise applicable vesting or performance conditions of an Award. Such provisions shall be determined in the Committee's sole discretion, need not be uniform and may reflect distinctions based on the reasons for termination.

(b) **Forfeiture Events.** An Award Agreement may also specify other events that may cause a Participant's rights, payments and benefits with respect to an Award to be subject to reduction, cancellation, forfeiture, or recoupment, or which may affect any otherwise applicable vesting or performance conditions of an Award.

15.7 Deferrals. The Committee may permit or require a Participant to defer such Participant's receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant by virtue of any Award.

15.8 Conditions and Restrictions on Shares. The Committee shall impose such other conditions or restrictions on any Shares received in connection with an Award as it may deem advisable or desirable. These restrictions may include, but shall not be limited to, a requirement that the Participant hold the Shares received for a specified period of time or a requirement that a Participant represent and warrant in writing that the Participants is acquiring the Shares for investment and without any present intention to sell or distribute such Shares. The certificates for Shares may include any legend which the Committee deems appropriate to reflect any conditions and restrictions applicable to such Shares.

15.9 Share Certificates. If an Award provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on an uncertificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange on which the Shares are listed. Shares issued in connection with Awards of Restricted Stock may, to the extent deemed appropriate by the Committee, be retained in the Company's possession until such time as all conditions or restrictions applicable to such Shares have been satisfied or lapse.

15.10 Compliance with Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

(a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and

(b) Completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable.

The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

15.11 Rights as a Shareholder. Except as otherwise provided herein, a Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares.

15.12 Awards to Non-U.S. Employees. To comply with the laws in other countries in which the Company or any of its Affiliates operates or has Employees, directors, or Third Party Service Providers, the Committee, in its sole discretion, shall have the power and authority to:

(a) Determine which Affiliates shall be covered by the Plan;

(b) Determine which Employees, directors and Third Party Service Providers outside the United States are eligible to participate in the Plan;

(c) Modify the terms and conditions of any Award granted to Employees, directors and Third Party Service Providers outside the United States to comply with applicable foreign laws;

(d) Establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable. Any subplans and modifications to Plan terms and procedures established under this Section 15.12(d) by the Committee shall be attached to this Plan document as appendices; and

(e) Take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local government regulatory exemptions or approvals.

15.13 No Right to Continued Service. Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or any of its Affiliates to terminate any Participant's employment or service at any time or for any reason not prohibited by law, nor confer upon any Participant any right to continue his or her employment or service for any specified period of time. Neither any Award nor any benefits arising under the Plan shall constitute an employment or consulting contract with the Company or any of its Affiliates and, accordingly, subject to Article 14, the Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Board of Directors or Committee, as applicable, without giving rise to any liability on the part of the Company or any of its Affiliates.

15.14 Beneficiary Designation. Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, amounts due under the Plan remaining unpaid at the Participant's death shall be paid to the Participant's estate.

15.15 Other Compensation Plans or Arrangements. The Committee shall have the authority to grant Awards as an alternative to or as the form of payment for grants or rights earned or due under other compensation plans or arrangements of the Company.

15.16 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

15.17 Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would

disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

15.18 Unfunded Plan. Participants shall have no right, title, or interest whatsoever in or to any investments that the Company or any of its Affiliates may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, beneficiary, legal representative, or any other person. To the extent that any person acquires a right to receive payments from the Company or any of its Affiliates under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company or an Affiliate, as the case may be. All payments to be made hereunder shall be paid from the general funds of the Company or an Affiliate, as the case may be, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan. The Plan is not subject to the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time.

15.19 Nonexclusivity of the Plan. The adoption of the Plan shall not be construed as creating any limitations on the power of the Board of Directors or Committee to adopt such other compensation arrangements as it may deem desirable for any Participant.

15.20 No Constraint on Corporate Action. Nothing in the Plan shall be construed to (a) limit, impair, or otherwise affect the Company's or its Affiliate's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets, or (b) limit the right or power of the Company or its Affiliate to take any action which such entity deems to be necessary or appropriate.

15.21 Successors. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

15.22 Governing Law. The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

Exhibit 10.57

DATED [•], [•], 2004

General Electric Company

General Electric Capital Corporation

IGE USA Investments

Consolidated Insurance Holdings Limited

Financial Assurance Company Limited

Financial Insurance Group Services Limited

GE Capital SAS

GEFA International Holdings Inc.

UK Group Holding Company Limited

Genworth Financial Inc.

and

GEFA UK Holdings Limited

EUROPEAN TAX MATTERS AGREEMENT

Slaughter and May
One Bunhill Row
London EC1Y 8YY

(SME/MCL)
(TX033420033)

Table of Contents

19. AGENT FOR SERVICE

DRAFT – 01.04.04 -

This Tax Matters Agreement is made the [•] day of [•], 2004

BETWEEN:-

1. General Electric Company, a company incorporated under the laws of the State of New York, USA, whose registered office is at 3135 Easton Turnpike, Fairfield, CT 06828, USA ("**GE**");

2. General Electric Capital Corporation, a company incorporated under the laws of the State of Delaware, USA, whose registered office is at 1209 Orange Street, Wilmington, County of Newcastle, Delaware 19801, USA ("**GECC**");

3. IGE USA Investments, a company incorporated under the laws of England and Wales whose registered office is at 3rd floor, 1 Trevelyan Square, Boar Lane, Leeds, LS1 6HP, England ("**IGE**");

4. Consolidated Insurance Holdings Limited, a company incorporated under the laws of England and Wales whose registered office is at The Priory, Hitchin, Hertfordshire, SG5 2DW, England ("**CIHL**");

5. Financial Assurance Company Limited a company incorporated under the laws of England and Wales whose registered office is at Vantage West, Great West Road, Brentford, Middlesex, TW8 9AG ("**FACL**");

6. Financial Insurance Group Services Limited a company incorporated under the laws of England and Wales whose registered office is at Vantage West, Great West Road, Brentford, Middlesex TW8 9AG ("**FIGSL**");

7. GE Capital SAS a company incorporated under the laws of France whose registered office is at Tour Europlaza, La Defense 4, 20, Avenue Andre-Prothin,92063 Paris La Defense Cedex ("**GEC SAS"**);

7. GEFA International Holdings Inc. a company incorporated under the laws of the State of Delaware, USA whose registered office is at 2711 Centerville Road, Suite 400, City of Wilmington, County of Newcastle, Delaware 19808, USA ("**GEFA**");

8. UK Group Holding Company Limited a company incorporated under the laws of England and Wales whose registered office is at Vantage West, Great West Road, Brentford, Middlesex, TW8 9AG ("**UKGHCL**");

9. Genworth Financial Inc., a company incorporated under the laws of the State of Delaware, USA whose registered office is at 2711 Centerville Road, Suite 400, City of Wilmington, County of Newcastle. Delaware 19808, USA ("**Genworth**");

10. GEFA UK Holdings Limited, a company incorporated under the laws of England and Wales whose registered office is at Vantage West, Great West Road, Brentford, Middlesex, TW8 9AG ("**UK Holdings**").

WHEREAS:-

(A) Pursuant to the Master Agreement dated [•], [•] 2004 between, inter alia, GE and Genworth (the "Master Agreement"), Genworth has agreed to acquire the outstanding shares and/or stock of certain subsidiaries of GE and the business and assets of FACL (the "**Acquisition**"). It is expected that the business and assets of FACL will be transferred to Financial New Life Company Limited ("**FINCL**") pursuant to a scheme under section 105 of the Financial Services and Markets Act 200 (the "**105 Scheme**"). If for whatever reason the 105 Scheme does not take place it is anticipated that the entire issued share capital of FACL will be transferred to UK Holdings.

(B) Pursuant to the US Tax Management Agreement dated [•], [•] 2004 between, inter alia, GE and Genworth, (the "**US TMA**"), GE and Genworth have entered into an arrangement governing the US Tax affairs of the subsidiaries acquired under the Acquisition.

(C) Pursuant to the Global Transition Services Agreement dated [•], [•] 2004 between, inter alia, GE and Genworth, GE and its subsidiaries will provide or cause to be provided certain administrative and support services and other assistance to Genworth and its subsidiaries on a transitional basis and Genworth and its subsidiaries will provide or cause to be provided certain administrative and support services and other assistance to GE and its subsidiaries (the "**Global TSA**").

(D) Further to and in connection with the Global TSA, FIGSL and GE Life Services Limited entered into a Transitional Services Agreement (the "**UK TSA**") pursuant to which each party is to provide transitional administrative and support services to the other and its group companies on a reciprocal basis on the terms and conditions therein.

(E) The purpose of this Agreement is to record the parties' agreement with regard to the European Tax affairs of certain subsidiaries acquired under the Acquisition (the "**European Subsidiaries**" a full list of which is set out in Schedule 1 hereto).

1. DEFINITIONS

In this Agreement and in the Schedules:-

(i) capitalised terms used but not otherwise defined in this Agreement shall have the meaning ascribed to them in the US TMA. However, the following expressions shall have the following meanings:-

"**Accounts**"	in relation to any company means the accounts for the last full accounting period of that company prior to Completion;
"**Agreed Rate**"	Means LIBOR + 200 bps compounded on an annual basis;

"**Business Day**"	Means a day (other than a Saturday or a Sunday) on which banks are open for business in London and New York;
"**Completion**"	Means the Closing Date under the Master Agreement;
"**European Subsidiary**"	Means those companies acquired by Genworth pursuant to the Acquisition which are Tax resident in a European country a full list of which is set out in Schedule 1 hereto;
"**Exit Date**"	in respect of a European Subsidiary member of the UK VAT Group, means such date as the Commissioners of HM Customs & Excise specify by notice to the European Subsidiary or GE Capital Bank Limited as being the date from which they shall terminate the treatment of that European Subsidiary as a member of the UK VAT Group;

"**Group Relief**"	Means any loss, allowance or other amount eligible for surrender by way of group relief in accordance with the provisions contained in sections 402 to 413 ICTA and shall also include the amount of any loss utilised as a result of an election under section 171A of the Taxation of Chargeable Gains Act 1992;
"**ICTA**"	Means the Income and Corporation Taxes Act 1988;
"**Notional VAT Credit**" or "**Notional VAT Liability**"	in respect of a European Subsidiary member of the UK VAT Group for a Relevant VAT Period, means (in the case of a Notional VAT Liability) the amount of VAT for which the European Subsidiary would have been liable to account to H.M. Customs & Excise for the Relevant VAT Period or (in the case of a Notional VAT Credit) the amount of VAT which the European Subsidiary would have been entitled to reclaim from H.M. Customs & Excise for the Relevant VAT Period if (in either such case) the European Subsidiary had been separately registered for VAT purposes throughout the Relevant VAT Period but there were disregarded any supply made to or by the European Subsidiary by or to any member of the UK VAT Group;
"**Proceedings**"	Means any proceeding, suit or action arising out of or in connection with this agreement;
"**Relevant VAT Period**"	in respect of a European Subsidiary member of the UK VAT Group, means the period (if any) from Completion to the Exit Date, which shall, for the purposes of this Agreement, be assumed to constitute a prescribed accounting period (as defined in VATA 1994);
"**Relief**"	Means any relief, allowance or credit in respect of any Tax or any deduction in computing Income, Profits or Gains for the purposes of any Tax;

"**Remaining Supergroup Member**"	Means any member of the UK Supergroup other than any European Subsidiary;
"**Service Document**"	Means a writ, summons, order, judgment or other document relating to or in connection with any Proceedings;
"**Tax Authority**"	Means any Taxing or other authority (whether within or outside the United Kingdom) competent to impose or collect any Tax;
"**Tax**"	Means all taxes, levies, duties, imposts, charges and withholdings of any nature whatsoever and wherever imposed **except** (other than for the purposes of clause 8 (Payments), any such taxes, levies, duties, imposts, charges or withholdings imposed in or by the United States of America, including (without limitation) corporation tax, advance corporation tax, income tax (including income tax required to be deducted or withheld from or accounted for in respect of any payment), capital gains tax, inheritance tax, VAT, national insurance contributions, stamp duty reserve tax, stamp duty land tax, duties of customs and excise and any other taxes, levies, duties, charges, imposts or withholdings corresponding to, similar to, replaced by or replacing any of them and all other taxes on gross or net Income, Profits or Gains and taxes on receipts, sales, use, occupation, franchise, value added, and personal property, but excluding stamp duty, together with all penalties, charges and interest relating to any of them or to any late or incorrect return in respect of any of them;
"**UK Subsidiary**"	means any European Subsidiary which has at any time been a member of the UK Supergroup;

"**UK Supergroup**"	means, in respect of any time on or before 30 October 2003, IGE USA Holdings ("**IGEH**") and any company which was at that time a member of the same group as IGEH within the meaning of section 402(2) ICTA and, in respect of any time thereafter, IGE and any company which was at that time a member of the same group as IGE within the meaning of section 402(2) ICTA;
"**UK VAT Group**"	means the group of companies of which GE Capital Bank Limited is the representative member for the purposes of VAT;
"**UK VAT Group Member**"	means any European Subsidiary which is a member of the UK VAT Group;

"**VAT**"	means value added tax; and
"**VATA 1994**"	means the Value Added Tax Act 1994.

1.2 Any reference to "Income, Profits or Gains" shall include any income, profits or gains which are deemed to be earned, accrued or received for the purpose of any Tax;

2. TAX RETURNS

2.1 Genworth shall procure that FIGSL, or the appropriate Genworth affiliate in the case of a non-UK European subsidiary, shall, at its cost and expense, prepare all documentation and deal with all matters (including correspondence) relating to the Tax returns of the European Subsidiaries for all accounting periods ending on or prior to 31 December, 2004.

2.2 Genworth shall procure that the European Subsidiaries shall cause the returns mentioned in clause 2.1 above to be authorised, signed and submitted to the appropriate authority. If requested reasonably in advance of the relevant due date for filing in writing by GE, FIGSL shall promptly provide to GE and its accounting advisers draft copies of such returns mentioned in clause 2.1 above as GE may specify. Genworth will give reasonable consideration to the reasonable comments of GE and its accounting adviser thereon provided that such comments are received reasonably in advance of the due date for the filing of the relevant return. Notwithstanding the foregoing, Genworth shall not file any tax return in a manner that would materially adversely effect GE or any GE affiliate without the consent of GE, which consent shall not be unreasonably withheld.

2.3 Clauses 2.2 and 2.6 notwithstanding, Genworth shall not be obliged to procure that any of the European Subsidiaries authorise, sign or submit any Tax return that is not true and accurate in all material respects.

2.4 Genworth or its duly authorised agent shall have sole conduct of all tax affairs of the European Subsidiaries relating to accounting periods ending after 31 December, 2004 (save that Genworth shall have sole conduct of all tax affairs of FINCL from the time of its incorporation and that GE shall have sole conduct of all tax affairs of FACL in respect of those periods of account in which that company is no longer trading as an insurance company). The parties shall grant each other or their agents all such assistance as may reasonably be required in the conduct of all such Tax affairs.

2.5 In addition to the foregoing, GE agrees to provide, and to procure that any of its subsidiaries from time to time will provide, all such assistance as Genworth may reasonably require for the purposes of preparing any returns, audits or filings for itself and/or any of its subsidiaries from time to time and Genworth agrees to provide, and to procure that any of its subsidiaries from time to time will provide, all such assistance as GE may reasonably require for the purposes of preparing any returns, audits or filings for itself and/or any of its subsidiaries from time to time. The recipient of any such assistance shall make such payment for that assistance as the UK TSA may specify (if any).

2.6 In the event of a dispute arising in relation to clause 2.2, an application shall be made to the president of the Institute of Chartered Accountants in England and Wales for the time being for him or her to appoint a suitably qualified and independent firm of accountants to resolve such dispute (the "**Appointed Firm**").The purpose of the reference of the dispute to the Appointed Firm shall be to determine whether or not FIGSL has given reasonable consideration to any reasonable comments of GE or whether GE unreasonably withheld any consent provided in accordance with clause 2.2 purposes, the Appointed Firm shall be deemed to act as an expert and not as an arbitrator, and accordingly the provisions of the Arbitration Act 1979 shall not apply. The decision of the Appointed Firm as to the matter referred to it shall, except in the case of manifest error, be conclusive and binding on the parties. The Appointed Firm's costs shall be borne by the parties on a just and reasonable basis as decided by the Appointed Firm bearing in mind its conclusions.

3. SURRENDER OF GROUP RELIEF

3.1 Genworth shall procure that each UK Subsidiary shall, and GE shall procure that each Remaining Supergroup Member shall, make or claim, as appropriate, all such surrenders of Group Relief as are specified in Schedule 2 hereto as can be validly made or claimed (to the extent that such claims or surrenders have not already been validly made and accepted by the Inland Revenue.)

Each such Group Relief surrender shall be made for full value and in consideration for (a) each other Group Relief surrender to be made pursuant to this clause 3.1; (b) such payment, if any, as is made pursuant to clause 3.9, and (c) the Initial Payment, in each case as appropriate, except that where Genworth and GE agree, GE may waive payment by any UK subsidiary in respect of any Group Relief surrender. The "**Initial Payment**" is a payment to be made on Completion, and to be funded by a GE subsidiary, as follows:

(i) from GEFA to GECC, in the event that the full tax value of the aggregate losses surrendered by the Remaining Supergroup Members to the UK Subsidiaries exceeds the full tax value of the aggregate losses surrendered by the UK Subsidiaries to the Remaining Supergroup Members, and of an amount equal to the difference in value between the two; or

(ii) from GECC to GEFA, in the event that the full tax value of the aggregate losses surrendered by the UK Subsidiaries to the Remaining Supergroup Members exceeds the full tax value of the aggregate losses surrendered by the Remaining Supergroup Members to the UK Subsidiaries, and of an amount equal to the difference in value between the two; or

(iii) no payment in the event that the full tax value of the aggregate losses surrendered by the UK Subsidiaries to the Remaining Supergroup Members equals the full tax value of the aggregate losses surrendered by the Remaining Supergroup Members to the UK Subsidiaries.

3.2 In the event that any loss specified in Schedule 2 to be surrendered exceeds £40m and such loss has not yet been agreed with the Inland Revenue, the value of that loss to be taken into account for the purposes of the Initial Payment calculation in clause 3.1 shall be a value equal to one half of the full tax value of such loss with the remainder to be taken into account in calculating any relevant Adjustment Payment to be made in accordance with clause 3.5 below if and when such loss is agreed with the Inland Revenue.

3.3 Prior to 31 March each year, (commencing with 31 March, 2005 and continuing until all Tax returns for each of the UK Subsidiaries and the Remaining Supergroup Members for all accounting periods commencing before Completion are agreed with the Inland Revenue), GE shall deliver to Genworth a statement showing the extent to which the losses of the Remaining Supergroup Members for any time before Completion have been agreed with the Inland Revenue to be either greater than or less than the amount assumed to be available in Schedule 2 and the changes, if any, agreed with the Inland Revenue in the amount of profits of the Remaining Supergroup Members for any time before Completion and Genworth shall deliver to GE a statement showing the extent to which any losses of any UK Subsidiary shown in Schedule 2 has been agreed with the Inland Revenue to be either greater than or less than the amount shown in Schedule 2 and the changes, if any, agreed with the Inland Revenue in the amount of profits of any European Subsidiary for any time before Completion (together that year's "**Adjustment Statement**").

3.4 Genworth shall procure that each UK Subsidiary shall, and GE shall procure that each Remaining Supergroup Member shall, make such adjustments to existing surrenders of Group Relief or make or claim, as appropriate, all such new surrenders of Group Relief as are necessary to make the appropriate changes indicated by the Adjustment Statements in that year. Each such adjustment to an existing surrender of Group Relief or new surrender of Group Relief shall be made for full value in consideration for a) each other adjustment to an existing surrender of Group Relief or new surrender of Group Relief to be made under this clause 3.4; (b) such payment, if any, as is made pursuant to clause 3.9, and (c) the Adjustment Payment, in each case as appropriate.

3.5 On 31 March each year, a net payment (an "**Adjustment Payment**") shall be made from Genworth (or its designated affiliate) to GECC or from GECC to Genworth (or its designated affiliate), as appropriate, to reflect the following:

(i) payment by Genworth (or its designated affiliate) to GECC to reflect the full tax value of any additional losses surrendered by any Remaining Supergroup Member to any UK Subsidiary pursuant to clause 3.4 and to the extent that payment has not already been made for that loss pursuant to this clause 3;

(ii) payment by GECC to Genworth (or its designated affiliate) to reflect the full tax value of any additional losses surrendered by any UK Subsidiary to any Remaining Supergroup Member pursuant to clause 3.4 and to the extent that payment has not already been made for that loss pursuant to this clause 3;

(iii) payment by GECC to Genworth (or its designated affiliate) to reflect a rebate for the full tax value of any loss of any Remaining Supergroup Member for which payment has been made pursuant to this clause 3 to the extent that the surrender of such loss is withdrawn pursuant to clause 3.4; and

(iv) payment by Genworth (or its designated affiliate) to GECC to reflect a rebate for the full tax value of any loss of any UK Subsidiary for which payment has been made pursuant to this clause 3 to the extent that the surrender of such loss is withdrawn pursuant to pursuant to clause 3.4.

3.6 Genworth hereby undertakes that it shall, and shall procure that each UK Subsidiary shall, and GE hereby undertakes that it shall, and shall procure that each Remaining Supergroup Member shall, use all reasonable endeavours to procure that full effect is given to the surrenders to be made pursuant to this clause 3 and that such surrenders are allowed in full by the Inland Revenue and that each relevant company shall sign and submit to the Inland Revenue all such notices of consent to surrender (including provisional protective notices of consent in cases where any relevant Tax computation has not yet been agreed) and all such other documents and returns as may be necessary to secure that full effect is given to this clause 3.

3.7 The foregoing provisions of this clause 3 notwithstanding, no UK Subsidiary shall be obliged to accept any surrender of any loss of any Remaining Supergroup Member, nor shall any Remaining Supergroup Member be obliged to accept any surrender of any loss of any UK Subsidiary to the extent that:

(i) such loss, as shown in an Adjusted Statement, exceeds the corresponding loss reflected in Schedule 2; and

(ii) Genworth, in the case of a surrender to a UK Subsidiary, or GE, in the case of a surrender to a Remaining Supergroup Member, notifies GE or Genworth as appropriate that in its opinion, acting reasonably, accepting such an increased surrender would be prejudicial to the relevant member(s) of its group.

3.8 Both GE and Genworth agree to act in good faith both in preparing any Adjustment Statements pursuant to clause 3.3 above and in determining whether the surrender of an increased loss would be prejudicial to the relevant member(s) of its group pursuant to 3.7 above.

3.9 In the event that the aggregate amount of UK corporation tax saved by the Remaining Supergroup Members as a result of any losses surrendered to any of them by a UK Subsidiary pursuant to this clause 3 exceeds the amount of UK corporation tax saved by that UK Subsidiary as a result of any losses surrendered to it by any Remaining Supergroup Members, Genworth shall pay to that UK Subsidiary an amount equal to that excess.

3.10 In the event of any dispute arising under this clause 3 either as to the amount of losses that any company has or is able to validly surrender to another or as to whether the surrender of a particular loss would be prejudicial for the purposes of clause 3.7, an application shall be made to the president of the Institute of Chartered Accountants in England and Wales for the time being for him or her to appoint a suitably qualified and independent firm of accountants to resolve such dispute (the "**Appointed Firm**"). The purpose of the reference of the dispute to the Appointed Firm shall be to determine the amount of losses that the particular company (or companies) has or is able to validly surrender to another or as to whether the surrender of a particular loss would

be prejudicial for the purposes of clause 3.7 above as appropriate. For these purposes, the Appointed Firm shall be deemed to act as an expert and not as an arbitrator, and accordingly the provisions of the Arbitration Act 1979 shall not apply. The decision of the Appointed Firm as to the matter referred to it shall, except in the case of manifest error, be conclusive and binding on the parties. The Appointed Firm's costs shall be borne by the parties on a just and reasonable basis as decided by the Appointed Firm bearing in mind its conclusions.

4. UK VAT GROUP

4.1 Upon the Trigger Date GE shall procure that GE Capital Bank Limited promptly apply to Customs & Excise under section 43C of VATA 1994 to remove such of the European Subsidiaries as are members of the VAT Group from the VAT Group and will procure that Genworth is kept informed of the progress of the application and is provided with copies of all correspondence.

4.2 GE shall, within thirty days of receiving notice of the Exit Date, procure the deliverance to Genworth of a statement, together with reasonable explanatory details, workings and calculations (the "**VAT Statement**") certifying whether the UK Subsidiaries have, in aggregate, a Notional VAT Liability or a Notional VAT Credit for the Relevant VAT Period and, if so, the amount of such aggregate Notional VAT Liability or Notional VAT Credit.

4.3 Genworth shall procure that the European Subsidiaries provide such information and assistance as GE or its duly authorised agent may reasonably require for the purposes of preparing the VAT Statement. GE shall procure that GE Capital Bank Limited act in good faith and shall use reasonable skill and care in preparing the VAT Statement and the VAT Statement shall, in the absence of manifest error, be binding on the parties.

4.4 If the VAT Statement shows that the UK Subsidiaries have in aggregate a Notional VAT Credit, GE shall pay to Genworth an amount equal to such Notional VAT Credit within fourteen days of delivery of the VAT Statement to Genworth under clause 4.3.

4.5 If the VAT Statement shows that the UK Subsidiaries have in aggregate a Notional VAT Liability, Genworth shall pay to GE an amount equal to such Notional VAT Liability within fourteen days of delivery of the VAT Statement to the Genworth under clause 4.3.

5. OVERPAYMENTS ON ACCOUNT

5.1 On Completion, GE will pay to Genworth an amount equal to any amount set out in Schedule 3 hereto as being an overpayment on account of tax by any European Subsidiary.

5.2 In the event that the aggregate amounts paid by the European Subsidiaries to GE Capital Corporation Limited for or on account of any Tax liability properly attributable to any period ending on or before 31 December, 2003 less any amounts paid by GE to Genworth pursuant to clause 5.1 or otherwise refunded to the European Subsidiaries exceed the actual Tax liability of the European Subsidiaries for such periods, GE shall pay to Genworth an amount equal to the amount of such excess.

5.3 In the event that the aggregate amounts paid by the European Subsidiaries to GE Capital Corporation Limited for or on account of any Tax liability properly attributable to any period ending on or before 31 December, 2003 less any amounts paid by GE to Genworth pursuant to clause 5.1 or otherwise refunded to the European Subsidiaries are less than the actual Tax liability of the European Subsidiaries for such periods, Genworth shall pay to GE an amount equal to the amount of such deficiency.

5.4 GE shall procure that GE Capital Corporation Limited give notice to Genworth promptly upon determining, in good faith, that a payment under either clause 5.2 or clause 5.3, as appropriate, is required and, provided that Genworth agrees the amount, payment shall be made to or by Genworth within 10 Business Days of receipt of such notice by Genworth.

6. INDEMNITIES

6.1 GE hereby covenants to pay to Genworth an amount equal to any liability or increased liability to Tax of any of the European Subsidiaries which arises as a consequence of or by reference to any Relevant Company, after Completion, failing to pay the whole of the Tax charged by any Tax assessment made in respect of that Relevant Company within six months of the date of that Tax assessment. For the purposes of this clause 6.1, the term "Relevant Company" shall mean GE and any company, other than Genworth, any European Subsidiary or any other company acquired by Genworth pursuant to the Acquisition, which is or has at any time been a member of the UK Supergroup, the UK VAT Group or otherwise treated for the purposes of any Tax as being a member of the same group of companies as GE or any of its subsidiaries for the purposes of any Tax.

6.2 Genworth hereby covenants to pay to GE an amount equal to any liability or increased liability to Tax of GE or any of its subsidiaries which arises as a consequence of or by reference to any European Subsidiary, after Completion, failing to pay the whole of the Tax charged by any Tax assessment made in respect of that European Subsidiary within six months of the date of that Tax assessment.

7. TRANSACTION/TRANSFER TAXES

7.1 Pursuant to Sections 2 and 19 of the US TMA all Transaction and Transfer taxes, including stamp duty, arising in connection with the Acquisition are for the account of GE and are to be dealt with in accordance with those Sections unless otherwise agreed between the parties to this Agreement.

7.2 Notwithstanding section 7.1 above, in respect of any UK corporation tax arising on the transfer of the shares of Consolidated Insurance Group Limited from FACL to Financial New Life Company Limited pursuant to the 105 Scheme, there shall be for the account of GE under section 7.1 only the amount of such corporation tax that is attributable to the amount by which the value of those shares at Completion exceeds the original cost to FACL of the acquisition of those shares.

8. PAYMENTS

8.1 All sums payable by one party hereto (the "**Payer**") to any other (the "**Recipient**") under this Agreement shall be paid to the Recipient or as the Recipient may from time to time direct in full, without set-off, counterclaim, restriction, condition, deduction or withholding (except any deduction or withholding for or on account of Tax required by law), on the due date therefor, upon demand by the Recipient and if not so paid shall carry interest on the balance for the time being outstanding at the Agreed Rate.

8.2 If the Payer is required by law to make any deduction or withholding from any payment due under this Agreement, the amount of such payment shall be increased by such amount as to ensure that the payment actually received is equal to the amount which would have been payable had no withholding or deduction been required. If the Recipient obtains any credit for any such deduction or withholding then it shall rebate to the Payer such amount of such credit as will leave it in the same net after tax position that it would have been in had no such deduction or withholding been required.

8.3 If payment (excluding any amount of default or other interest payable in respect thereof) payable under this Agreement is liable to Tax the hands of the Recipient (including in circumstances where any Relief is available in respect of such liability), the amount payable shall be increased by such amount as will leave the Recipient in the same net after tax position as that it would have been in had the payment not been so liable to Tax (and ignoring the availability of such Relief other than any such Relief to which the payment has given rise).

9. TERMINATION

9.1 This agreement shall terminate on 31 December, 2011 unless there is an earlier Change of Control in which event this agreement shall terminate with immediate effect upon such Change of Control.

9.2 In the event that this agreement terminates early upon a Change of Control, the parties hereto shall in good faith and in writing agree what further payments, if any, are more likely than not to be required to be made pursuant to any of clauses 3.5, 5.2 and 5.3 and such payments shall be made by the appropriate party within 10 Business Days of such agreement being reached.

9.3 In the event of any dispute arising under this clause 9 as to the amount of further payments required to be made pursuant to clause 9.2 an application shall be made to the president of the Institute of Chartered Accountants in England and Wales for the time being for him or her to appoint a suitably qualified and independent firm of accountants to resolve such dispute (the "**Appointed Firm**"). The purpose of the reference of the dispute to the Appointed Firm shall be to determine the amount of further payments that each of the parties is more likely or not to make pursuant to any of clauses 3.5, 5.2 and 5.3, For these purposes, the Appointed Firm shall be deemed to act as an expert and not as an arbitrator, and accordingly the provisions of the Arbitration Act 1979 shall not apply. The decision of the Appointed Firm as to the matter referred to it shall, except in the case of manifest error, be conclusive and binding on the parties. The Appointed Firm's costs shall be borne by the parties on a just and reasonable basis as decided by the Appointed Firm bearing in mind its conclusions.

10. REMEDIES AND WAIVERS

10.1 No delay or omission on the part of any party to this agreement in exercising any right, power or remedy provided by law under this agreement shall:-

(i) impair such right, power or remedy; or

(ii) operate as a waiver thereof.

10.2 The single or partial exercise of any right, power or remedy provided by law or under this agreement shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

10.3 The rights, powers and remedies provided in this agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

11. ASSIGNMENT

11.1 This agreement shall not be assigned or transferred by any party hereto, whether in whole or in part, without the prior written consent of both GE and Genworth.

12. FURTHER ASSURANCE

12.1 Each of the parties to this agreement shall from time to time, on being required to do so by any other party to this agreement now or at any time in the future, do or, so far as it is able to, procure the doing of all such acts and/or execute or, so far as it is able to, procure the execution of all such documents in a form satisfactory to the party concerned as that party may reasonably consider necessary for giving full effect to this agreement and securing to that party the full benefit of the rights, powers and remedies conferred upon it in this agreement.

13. NOTICE

13.1 Any notice or other communication given or made under or in connection with the matters contemplated by this deed shall be in writing (other than writing on the screen of a visual display unit or other similar device which shall not be treated as writing for the purposes of this clause).

13.2 Any such notice or other communication shall be addressed as provided in clause 13.3 below and, if so addressed, shall be deemed to have been duly given or made as follows:-

(i) if sent by personal delivery, upon delivery at the address of the relevant party;

(ii) if sent by first class post, two Business Days after the date of posting;

(iii) if sent by facsimile, when despatched;

PROVIDED THAT if, in accordance with the above provisions, any such notice or other communication would otherwise be deemed to be given or made outside Working Hours, such notice or other communication shall be deemed to be given or made at the start of Working Hours on the next Business Day.

13.3 The relevant addressee, address, telephone number and facsimile number of each party for the purposes of this agreement, subject to 13.4, are:-

Name of party	Address	Telephone No.	Facsimile No.
For any notice to be given to Genworth or any European Subsidiary:	Vantage West, Great West Road, Brentford, Middlesex, TW8 9AG	0208 380 3661	0208 380 3008
Financial Insurance Group Services Limited	For the attention of: Helen Maxwell		
For any other notice to be given hereunder:	Clarges House, 6-12 Clarges Street, London W1J 8DH	0207 302 6284	0207 302 6284
GE Capital Europe Limited	For the attention of: Roy Clark		

13.4 A party may notify the other parties to this agreement of a change to its name, relevant addressee, address, telephone number or facsimile number for the purposes of this clause 13 PROVIDED THAT such notification shall only be effective on:-

(i) the date specified in the notification as the date on which the change is to take place; or

(ii) if no date is specified or the date specified is less than five Business Days after the date on which notice is given, the date falling five Business Days after notice of any such change has been given.

13.5 For the avoidance of doubt, the parties agree that the provisions of this clause shall not apply in relation to the service of Service Documents (as defined in Clause 19 below).

14. COUNTERPARTS

14.1 This agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart.

14.2 Each counterpart shall constitute the original of this agreement, but all the counterparts shall together constitute but one and the same instrument.

15. TIME OF ESSENCE

15.1 Save as otherwise expressly provided, time is of the essence of this agreement.

16. INVALIDITY

16.1 If at any time any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:-

(i) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or

(ii) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this agreement.

17. CHOICE OF GOVERNING LAW

17.1 This agreement shall be governed by and construed in accordance with English law.

18. JURISDICTION

18.1 The parties to this agreement irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this agreement and that accordingly any Proceedings must be brought in such courts.

19. AGENT FOR SERVICE

19.1 Each of GE, GECC and IGE irrevocably agrees that any Service Document may be sufficiently and effectively served on it in connection with Proceedings in England and Wales by service on its agent Slaughter and May, if no replacement agent has been appointed and notified to Genworth pursuant to clause 13, or on the replacement agent if one has been appointed and so notified.

19.2 Both Genworth and GEFA irrevocably agree that any Service Document may be sufficiently and effectively served on it in connection with Proceedings in England and Wales by service on its agent, UK Group Holding Company Limited, if no replacement agent has been appointed and notified to GE pursuant to clause 13, or on the replacement agent if one has been appointed and so notified.

19.3 Any Service Document served pursuant to clause 19.1 shall be marked for the attention of:-

(i) Trusec Limited at One Bunhill Row, London, EC1Y 8YY or such other address within England or Wales as may be notified to Genworth pursuant to clause 13; or

(ii) such other person as is appointed as agent for service pursuant to clause 19.1 at the address notified pursuant to clause 13.

19.4 Any Service Document served pursuant to clause 19.2 shall be marked for the attention of:-

(i) James Rember at Vantage West, Great West Road, Middlesex TW8 9AG or such other address within England or Wales as may be notified to GE pursuant to clause 13; or

(ii) such other person as is appointed as agent for service pursuant to clause 19.2 at the address notified pursuant to clause 13.

19.5 Any document addressed in accordance with clause 19.3 or 19.4 shall be deemed to have been duly served if:-

(i) left at the specified address, when it is left; or

(ii) sent by first class post, two Business Days after the date of posting.

19.6 If either of the agents referred to in clauses 19.1 and 19.2 (or any validly appointed replacement agent) at any time ceases for any reason to act as such, GE (acting also on behalf of GECC and IGE), or Genworth (acting also on behalf of GEFA), as appropriate, shall appoint a replacement agent to accept service having an address for service in England or Wales and shall notify Genworth or GE, as appropriate, of the name and address of the replacement agent; failing such appointment and notification, Genworth or GE, as appropriate, shall be entitled by notice to the other to appoint such a replacement agent to act on the other's behalf.

19.7 IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

GENERAL ELECTRIC COMPANY

By: ______________________________
Name:
Title:

GENERAL ELECTRIC CAPITAL CORPORATION

By: ______________________________
Name:
Title:

IGE USA INVESTMENTS

CONSOLIDATED INSURANCE HOLDINGS LIMITED

By: ____________________________
Name:
Title:

By: ____________________________
Name:
Title:

FINANCIAL ASSURANCE COMPANY LIMITED

By: ____________________________
Name:
Title:

FINANCIAL INSURANCE GROUP SERVICES LIMITED

By: ____________________________
Name:
Title

GE CAPITAL SAS

By: ____________________________
Name:
Title:

GEFA INTERNATIONAL HOLDINGS, INC

By: ____________________________
Name:
Title:

UK GROUP HOLDING COMPANY LIMITED

By: ____________________________
Name:
Title:

GENWORTH FINANCIAL, INC

By: ____________________________
Name:
Title:

GEFA UK HOLDINGS LIMITED

By: ____________________________
Name:
Title:

Schedule 1

The European Subsidiaries

Assocred S.A.;

CFI Administrators Limited;

CFI Pension Trustees Limited;

Consolidated Insurance Group Limited;

Ennington Properties Limited

FIG Ireland Limited;

Financial Assurance Company Limited;

Financial Insurance Company Limited;

Financial Insurance Group Services Limited;

Financial Insurance Guernsey PCC Limited;

Financial New Life Company Limited;

GE Financial Assurance, Compania de Seguros y Reaseguros de Vida S.A;

GE Financial Insurance, Compania de Seguros y Reaseguros S.A.;

GE Mortgage Insurance Limited;

GE Mortgage Insurance (Guernsey) Limited;

GE Mortgage Services Limited;

GE Mortgage Solutions Limited;

GEFA UK Finance Limited;

GEFA UK Holdings Limited;

RD Plus S.A.;

UK Group Holding Company Limited; and

World Cover Direct Limited.

Schedule 2

GENWORTH – Group Relief amount
(profits)/losses

			GROSS		@ 30%	
			£	£	£	£
FICL	1988-1998		(5,780,683)		(1,734,205)	
	1999		(16,222,538)		(4,866,761)	
	2000		(47,683,362)		(14,305,009)	
	2001		0		0	
	2002		0		0	
	2003		(18,500,000)		(5,550,000)	
				(88,186,583)		(26,455,975)
FACL	1988-1998		(19,233,983)		(5,770,195)	
	1999		(2,584,018)		(775,205)	
	2000		(14,793,851)		(4,438,155)	
	2001		1,888,071		566,421	
	2002		0		0	
FACL	2002	171A	3,956,394		1,186,918	
	2003		76,000,000		22,800,000	
				45,232,613		13,569,784
Clause 3.2	Adjustment			(38,000,000)		(11,400,000)
FIGSL	1988-1998		(1,841,367)		(552,410)	
	1999		(4,432,839)		(1,329,852)	
	2000		(1,495,006)		(448,502)	
	2001		(3,405,339)		(1,021,602)	
	2002		(3,587,637)		(1,076,291)	
	2003		(8,500,000)		(2,550,000)	
				(23,262,188)		(6,978,656)
CIGL	1988-1998		(208,680)		(62,604)	
	1999		0		0	
	2000		0		0	
	2001		0		0	
	2002		0		0	
	2003		(100,000)		(30,000)	
				(308,680)		(92,604)
GEMI	1988-1998		0		0	
	1999		0		0	
	2000		(6,387,608)		(1,916,282)	
	2001		(1,555,633)		(466,690)	
	2002		(6,219,354)		(1,865,806)	
	2003		(6,000,000)		(1,800,000)	
				(20,162,595)		(6,048,779)
				(124,687,433)		**(37,406,230)**

Schedule 3

Overpayments on account of tax as at 31/12/03

GENWORTH			
Accounting period ended 31/12/1999	• FICL	£	926,965
	• FACL	£	1,006,518
	• FIGSL	£	151,019
Accounting period ended 31/12/2001	• FICL	£	5,817
		£	**2,090,319**

Exhibit 10.58

This Taxation Management Agreement

is made on **[*insert date*]** between the following parties:

1 **Genworth Financial, Inc**
, a company incorporated in the State of Delaware, United States of America, and having its principal place of business at 6620 West Broad Street, Richmond, Virginia 23230
(**Genworth**)

2 **General Electric Capital Corporation**
, a company incorporated in the State of Delaware, United States of America, and having its principal place of business at 260 Long Ridge Road, Stamford, CT, 06927

(**GECC**)

Recitals

(A) The Board of Directors of GE Company has determined that it is in the best interest of its subsidiaries and shareholders to divest the Genworth Group into a separate business and to divest a portion of its interests in the Genworth Group through a public share offering.

(B) Pursuant to a Master Agreement dated [•], [•] 2004 between, inter alia, GE Company, GECC and Genworth (the "**Master Agreement**"), Genworth has agreed to acquire the outstanding shares of stock of certain subsidiaries of GE (the "**Acquisition**") and will thereby become the parent entity of the Genworth Companies..

(C) Pursuant to the US Tax Management Agreement dated [•], [•] 2004 between, inter alia, GE Company and Genworth, (the "**US TMA**"), GE and Genworth have entered into an arrangement governing the US Tax liabilities and affairs of the subsidiaries acquired under the Acquisition.

(D) Pursuant to the Global Transition Services Agreement dated [•], [•] 2004 between, inter alia, GE Company and Genworth, GE Company and its subsidiaries will provide or cause to be provided certain administrative and support services and other assistance to Genworth and its subsidiaries on a transitional basis and Genworth and its subsidiaries will provide or cause to be provided certain administrative and support services and other assistance to GE and its subsidiaries (the "**Global TSA**"). The GE Aust Companies and NEW GEMICO entered into the Business Transfer Arrangements on 23 February 2004 to effect a transfer of the Business conducted by the GE Aust Companies to NEW GEMICO, which were completed on 31 March 2004.

(E) The purpose of this Agreement is to record the parties' agreement with regard to the Tax liabilities and affairs of the GE Aust Companies and Genworth Companies.

The parties agree

in consideration of, among other things, the mutual promises contained in this agreement:

1 Definitions and Interpretation

1.1 Definitions

Act means Corporations Act 2001 (Cth).

Business means the lenders mortgage insurance business of GEMI and GEMICO which has been transferred to NEW GEMICO pursuant to the Business Transfer Arrangements and the business of GEMICO HOLDINGS.

Business Day means a day on which trading banks are open for business in Sydney other than a Saturday or Sunday;

Business Transfer Arrangements means the:

(a) GEMI Business Transfer Agreement dated 23 February 2004 between GEMI and NEW GEMICO for the transfer of certain assets from GEMI to NEW GEMICO;

(b) GEMICO Business Transfer Agreement dated 23 February 2004 between GEMICO and NEW GEMICO for the transfer of certain assets from GEMICO to NEW GEMICO; and

(c) the Schemes,

which took effect on the Transfer Date.

Consolidated Tax Group has the meaning set out in the Income Tax Assessment Act.

GECFA means GE Capital Finance Australasia Pty Limited ACN 070 396 020

GEMICO means GE Capital Mortgage Insurance Corporation (Australia) Pty Limited ABN 52 081 488 440.

GE Company means General Electric Company, a company incorporated in the United States ofAmerica and having its principal place of business at 3135 Easton Turnpike Fairfield, CT 06828

GE Group means GE Company and its subsidiaries (other than Genworth and its subsidiaries).

GE Group Company means any company in the GE Group.

GE Aust Companies means GEMI, GEMICO and GEMICO HOLDINGS and**GE Aust Company** means any one of them.

NEW GEMICO means GE Mortgage Insurance Company Pty Limited ABN 60 106 974 305.

GEMI means GE Mortgage Insurance Pty Limited ABN 61 071 466 334.

GEMICO HOLDINGS means GEMICO Holdings ABN 95 099 020 694.

Genworth Companies means:

(a) NEW GEMICO Holdings; and

(b) NEW GEMICO;

and **Genworth Company** means either one of them.

Genworth Group means Genworth and its subsidiaries

Group Liability has the meaning defined in section 721-10 of the Income Tax Assessment Act.

Head Company has the meaning set out in the Income Tax Assessment Act.

Income Tax Assessment Act means the Income Tax Assessment Act 1997 (Cth).

Initial Public Offering or IPO has the meaning specified in section 1.1 of the Master Agreement.

Losses means all losses, liabilities, costs (including without limitation reasonable legal costs), charges, expenses, actions, proceedings, claims and damages.

Net Tax Contribution Amount has the meaning set out in the Taxation Management (Stub Period Payments) Agreement.

NEW GEMICO HOLDINGS means GE Mortgage Insurance Holdings Pty Limited ABN 89 106 972 874.

Public Authority includes:

(a) any government in any jurisdiction, whether federal, state, territorial or local;

(b) any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested;

(c) any non-government regulatory authority;

(d) any provider of public utility services, whether or not government owned or controlled;

(e) any regulatory organisation established under statute or any stock exchange; and

(f) judicial body or administrative body.

Relevant Tax Matters means:

(a) the preparation and filing of all Tax returns, forms or statements;

(b) any dealings with or making of any Tax assessments;

(c) any audit or other administrative or judicial proceedings regarding any Taxes payable; and

(d) any other matter that may result in any Tax liability,

in relation to the GE Aust Companies or the Genworth Companies in so far as such things relate to matters where Genworth or the Genworth Companies have agreed to indemnify or pay an amount under this agreement.

Schemes means:

(a) a scheme pursuant to Part III Division 3A of the Insurance Act 1973 (Cth) for the transfer of the lenders mortgage insurance business of GEMI to NEW GEMICO; and

(b) a scheme pursuant to Part III Division 3A of the Insurance Act 1973 (Cth) for the transfer of the lenders mortgage insurance business of GEMICO to NEW GEMICO.

Supplemental Payment Deed means the agreement of the same name dated 31 March 2004 between NEW GEMICO HOLDINGS, GECC, GEMICO and GEFA International Holdings, Inc. a corporation organised under the laws of Delaware, providing for an additional payment from NEW GEMICO HOLDINGS to GEMICO in respect of the transfer of the Business.

Taxation Management (Stub Period Payments) Agreement means the agreement of the same name between GECFA and NEW GEMICO, dated the same day as this agreement.

Tax includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding which is levied or imposed by a Public Authority, and any related interest, penalty, charge, fee or other amount.

Tax Expert means a Sydney barrister who specialises in tax law:

(a) as agreed between the parties; or

(b) failing such agreement, upon application of either the Recipient or the Payer, as nominated by the President for the time being of The NSW Bar Association.

Tax Matters Agreement means the agreement dated [***insert date***] between GE Company, GECC, GEI, Inc. (a Delaware Corporation), GE Financial Assurance Holdings, Inc. (a Delaware Corporation) and Genworth.

2003 Tax Provision means the amount provided in respect of Tax in the annual accounts for the GE Aust Companies and GECFA (insofar as it relates to the Business) for the year ended 31 December 2003.

2004 Tax Provision means GE Group's estimate (determined acting reasonably and as soon as reasonably practicable after the Transfer Date) of the aggregate amount of Tax payable by GECFA in respect of the Business for the period 1 January 2004 to the Transfer Date as if that period were an income year.

Transfer Date means the "Transfer Date" as defined in the Schemes, being 31 March 2004.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules of interpretation apply unless the context requires otherwise.

(a) The singular includes the plural and conversely.

(b) A gender includes all genders.

(c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(d) A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.

(e) A reference to a clause or schedule is to a clause of or schedule to this agreement.

(f) A reference to any party to this agreement or any other agreement or document includes the party's successors and permitted assigns.

(g) A reference to any agreement, deed or document is to that agreement, deed or document as amended, novated, supplemented, varied or replaced from time to time, except to the extent prohibited by this agreement.

(h) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.

(i) A reference to dollars or $ is to Australian currency.

(j) Each schedule to this agreement forms part of the agreement.

(k) A reference to conduct includes any omission and any statement or undertaking, whether or not in writing.

(l) A reference to writing includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.

(m) Mentioning anything after include, includes or including does not limit what else might be included.

(n) A reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and severally.

(o) No provision of this agreement will be construed adversely to a party on the ground that the party was responsible for the preparation of this agreement or that provision.

1.3 Business Days

Where the day on or by which anything has to be done under this agreement is not a Business Day, that thing must be done on or by the preceding Business Day.

2 Indemnities

2.1 GECC Indemnity

(a) GECC indemnifies Genworth in respect of and must pay Genworth an amount equal to any Tax payable by the Genworth Companies to the Commissioner of Taxation:

(1) under Division 721 of Income Tax Assessment Act in respect of a Group Liability of GECFA that is not paid or otherwise discharged in full by the time the liability became due and payable; and

(2) under section 53 of the Taxation Administration Act 1953 in respect of GST.

(b) The indemnity given by GECC under this clause 2.1 does not affect the obligation of NEW GEMICO to pay any Net Tax Contribution Amount to GECFA under clause 2.1 of the Taxation Management (Stub Period Payments) Agreement.

(c) Where a Genworth Company:

(1) receives a refund of Tax; or

(2) pays a reduced amount of Tax as a result of the application of a benefit or credit arising from an earlier payment of Tax,

and the Tax giving rise to the refund, benefit or credit is Tax in respect of which GECC has paid an amount to Genworth under the indemnity given by GECC pursuant to this clause 2.1, Genworth must procure that the relevant Genworth Company repays to GECC, to the extent of the refund or reduced amount of Tax, the amount paid by GECC under this clause 2.1 within 30 days of receipt of the refund or reduced payment.

(d) GECC indemnifies Genworth in respect of and must pay Genworth an amount equal to any stamp duty (including penalties and interest) on the execution, delivery and performance of the Supplemental Payment Deed.

2.2 Genworth Indemnity

(a) Genworth indemnifies GECC in respect of and must pay GECC an amount equal to:

(1) any increases in Tax payable by the GE Aust Companies in respect of the Business up to 31 December 2002;

(2) any Tax payable by the GE Aust Companies and GECFA (insofar as it relates to the Business) in respect of the carrying on of the Business in excess of the 2003 Tax Provision; and

(3) any Tax payable by GECFA in respect of the carrying on of the Business in excess of the 2004 Tax Provision.

(b) For the avoidance of doubt, any reference to Tax payable by GECFA or any GE Aust Company in respect of the carrying on of the Business in excess of the 2004 Tax Provision (for which Genworth has given an indemnity under clause 2.2(a)(3)) does not include any Tax (including stamp duty) payable by GECFA or any GE Aust Company in respect of the Business Transfer Arrangements or the Supplemental Payment Deed.

(c) Where a GE Aust Company or GECFA:

(1) receives a refund of Tax; or

(2) pays a reduced amount of Tax as a result of the application of a benefit or credit arising from an earlier payment of Tax,

and the Tax giving rise to the refund, benefit or credit is Tax in respect of the periods referred to in clause 2.2(a)(1), (2) or (3), GECC must pay to Genworth an amount equal to the refund or reduced amount of Tax.

2.3 Limitations on Liability

A party will not be liable for any Tax, Loss or other amount under or relating to this agreement to the extent that the Loss arose or was incurred as a result of breach of any obligation under this agreement or the Master Agreement.

2.4 Taxation Effect

If a payment that is required to be made by one party (the '**Payer**") to any other (the "**Recipient**") under this agreement is liable to Tax in the hands of the Recipient, or in appropriate cases an affiliate of the Recipient, the amount payable

shall be increased by such amount as will leave the Recipient and the relevant affiliate in the same net after tax position as it would have been in had the payment not been so liable to Tax.

3 Control of Tax Matters

3.1 Control by GE Group

(a) The GE Group has sole control over:

(1) the preparation and filing of all Tax returns, forms or statements;

(2) any dealings with Tax assessments;

(3) any audit or other administrative or judicial proceedings regarding any Taxes payable; and

(4) any other matter that may result in any Tax liability,

in relation to the GE Aust Companies (including any Relevant Tax Matter).

(b) Without limiting clause 3.1(a), GECC must keep Genworth fully informed, must consult with and must permit Genworth to participate in any Relevant Tax Matter.

(c) In respect of a Relevant Tax Matter, GECC must procure that each GE Group Company must not file any Tax returns or settle any proceedings or other matters which may result in any Tax liability in a manner that would materially adversely affect Genworth or the Genworth Companies without the consent of Genworth, which consent may not be unreasonably withheld.

(d) If a GE Group Company unreasonably fails to accept any proposal by Genworth or a Genworth Company in relation to a Relevant Tax Matter, then any relevant amount payable by Genworth or a Genworth Company pursuant to this agreement will be determined as if such proposal had been accepted.

(e) If a GE Group Company otherwise acts unreasonably (or unreasonably fails to act) in dealing with any Relevant Tax Matter, then any relevant amount payable by Genworth or a Genworth Company pursuant to this agreement will be reduced to the extent that the unreasonable act (or failure to act) of that GE Group Company has increased the amount the subject of the payment.

3.2 Control by Genworth

Except as provided in section 3.1, Genworth will have exclusive right to control:

(a) the preparation and filing of all Tax returns, forms or statements;

(b) any dealings with Tax assessments;

(c) any audit or other administrative or judicial proceedings regarding any Taxes payable; and

(d) any other matter that may result in any Tax liability,

of the Genworth Companies.

4 Disputes

If a dispute arises between the parties with respect to this agreement and the parties are unable to reach an agreement on the matter in dispute, then any party to the dispute may refer the dispute to the Tax Expert for determination.

(a) The Tax Expert shall be deemed to act as an expert and not as an arbitrator.

(b) The Tax Expert shall have the right to call for information from any party relevant to any determination it may be required to make.

(c) Each of the parties shall be entitled to submit written representations to the Tax Expert in connection with the matter or matters in dispute.

(d) The parties shall provide to the Tax Expert all such information and documentation as it may reasonably require.

(e) The decision of the Tax Expert is, in the absence of manifest error, to be conclusive and binding on the parties for the purposes of determining the dispute and the time for any payment.

(f) The costs and expenses in connection with the reference will be borne by the parties in a manner determined by the Tax Expert (and either party may request that determination) and in the absence of such a determination will be borne by the parties to the dispute equally.

5 GST

(a) Any reference in this clause or otherwise in this agreement to a term defined or used in *A New Tax System (Goods and Services Tax) Act 1999* is, unless the context indicates otherwise, a reference to that term as defined or used in that Act.

(b) Any amount referred to in this agreement which is relevant in determining a payment to be made by one of the parties to the other is exclusive of any GST unless indicated otherwise.

(c) If GST is payable on a supply made under or in connection with this agreement then the consideration provided for that supply is increased by the rate at which that GST is imposed. The additional consideration is payable at the same time as the consideration to which it relates.

(d) The supplier must issue a tax invoice to the recipient of the supply at the time of payment of the GST inclusive consideration or at such other time as the parties agree.

(e) If one of the parties to this agreement is entitled to be reimbursed for an expense or outgoing incurred in connection with the agreement, then the amount of the reimbursement will be net of any input tax credit which may be claimed by the party (or its representative member) being reimbursed in relation to that expense or outgoing.

6 Trusts

6.1 Trust of Genworth's promises

GECC holds the promises given by Genworth under this agreement for itself and also on trust for the GE Group Companies, with the intent that if GECC refuses or fails to enforce any of those promises then any GE Group Company may enforce them against Genworth.

6.2 Trust of GECC's promises

Genworth holds the promises given by GECC under this agreement for itself and also on trust for the subsidiaries of Genworth, with the intent that if Genworth refuses or fails to enforce any of those promises then any subsidiary of Genworth may enforce them against GECC.

7 Interest

In the event that any payment required to be made under this agreement is made after the date on which such payment is due, interest will accrue on the amount of such payment from (but not including) the due date of such payment (and including) the date such payment is actually made at the rate determined under section 12 of the Tax Matters Agreement, compounded on a daily basis.

8 General

8.1 Notices

(a) Any notice or other communication including any request, demand, consent or approval, to or by a party to this agreement:

(1) must be in legible writing and in English addressed as shown below:

(A) if to Genworth

Address: 6620 West Broad Street, Richmond, Virginia 23230

Attention: Michael Schlessinger

Facsimile: (804) 662 7900],

(B) if to GECC

Address: 260 Long Ridge Road, Stamford, CT, 06927

Attention: Richard D'Avino

Facsimile: (203) 967 5084 , and

or as specified to the sender by any party by notice;

(2) must be signed by the sender (if a natural person) or an officer or under the common seal of the sender (if a corporation);

(3) is regarded as being given by the sender and received by the addressee:

(A) if by delivery in person, when delivered to the addressee;

(B) if by post, 3 Business Days from and including the date of postage; or

(C) if by facsimile transmission, whether or not legibly received, when transmitted tothe addressee,

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00pm (addressee's time) it is regarded as received at 9.00am on the following Business Day; and

(4) can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.

(b) A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after transmission is received or regarded as received under clause 8.1(a)(3) and informs the sender that it is not legible.

(c) In this clause 8.1, a reference to an addressee includes a reference to an addressee's Officers, agents or employees.

8.2 Waiver

(a) A party waives a right under this agreement only if it does so in writing.

(b) A party does not waive a right simply because it:

(1) fails to exercise the right;

(2) delays exercising the right; or

(3) only exercises part of the right.

(c) A waiver of one breach of a term of this agreement does not operate as a waiver of another breach of the same term or any other term.

8.3 Whole agreement

This agreement replaces any previous agreement, representation, warranty or understanding between the parties concerning the subject matter and embodies the entire agreement between the parties.

8.4 Variation

A variation of any term of this agreement must be in writing and signed by the parties.

8.5 Further action

Each party must promptly sign any document or do anything else that is necessary to give full effect to this agreement.

8.6 Enforceability

If all or any part of a provision of this agreement is invalid or unenforceable, it may be severed to the extent of the invalidity or unenforceability, without affecting the validity or enforceability of the balance of that provision or any other provision which remains after severance.

8.7 Counterparts

This agreement may be executed in any number of counterparts and all counterparts, taken together, constitute one instrument.

8.8 Governing Law

This agreement is governed by the laws of New York.

Executed as an agreement:

Signed by
Genworth Financial, Inc
by:

Authorised Representative

Name (please print)

Signed by
General Electric Capital Corporation
by:

Authorised Representative

Name (please print)

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EXHIBIT 23.1

WHEN THE TRANSACTIONS REFERRED TO IN NOTE 1 TO THE AUDITED COMBINED FINANCIAL STATEMENTS ON PAGE F-7 HAVE BEEN CONSUMMATED, WE WILL BE IN A POSITION TO RENDER THE FOLLOWING CONSENT.

/s/ KPMG LLP

Independent Auditors' Consent

The Board of Directors
Genworth Financial, Inc.:

We consent to the use of our reports on the combined financial statements and the related schedule of Genworth Financial, Inc. as of December 31, 2003 and 2002, and our report on the statement of financial position of Genworth Financial, Inc. as of December 31, 2003 included herein and to the reference to our firm under the headings "Selected Historical and Pro Forma Financial Information" and "Experts" in the prospectus. Our report dated February 6, 2004, except for note 1 which is as of   , 2004, with respect to the combined statement of financial position of Genworth Financial, Inc. as of December 31, 2003 and 2002 and the related combined statements of earnings, stockholder's interest, and cash flows for each of the years in the three-year period ended December 31, 2003 refers to a change in accounting for variable interest entities in 2003, goodwill and other intangible assets in 2002, and derivative instruments and hedging activities in 2001.

Richmond, Virginia
April 28, 2004

Exhibit 99.1

Consent of Frank J. Borelli

I hereby consent to being named as a person who will be appointed as a member of the board of directors of Genworth Financial, Inc. (the “Company”), as contemplated in the Company’s Registration Statement on Form S-1, filed by the Company with the Securities and Exchange Commission on April 28, 2004, as the same may be amended from time to time. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Dated: April 27, 2004

/s/ FRANK J. BORELLI
Frank J. Borelli

Exhibit 99.2

Consent of J. Robert Kerrey

I hereby consent to being named as a person who will be appointed as a member of the board of directors of Genworth Financial, Inc. (the “Company”), as contemplated in the Company’s Registration Statement on Form S-1, filed by the Company with the Securities and Exchange Commission on April 28, 2004, as the same may be amended from time to time. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Dated: April 13, 2004

/s/ J. ROBERT KERREY

J. Robert Kerrey

Exhibit 99.3

Consent of Thomas B. Wheeler

I hereby consent to being named as a person who will be appointed as a member of the board of directors of Genworth Financial, Inc. (the "Company"), as contemplated in the Company's Registration Statement on Form S-1, filed by the Company with the Securities and Exchange Commission on April 28, 2004, as the same may be amended from time to time. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

Dated: April 12, 2004

/s/ THOMAS B. WHEELER

Thomas B. Wheeler