



Nationwide®
is on your side

Nationwide
CareMatters® II

Client guide



NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY

Continue the life you've built,
where you've built it



74% of people would prefer to receive care in their own home.¹

Spend the future with those who matter most

Many of us may need long-term care (LTC) at some point during our lives, but remaining where we're most comfortable when we need care can be challenging. That's why there's Nationwide CareMatters® II.

It's LTC coverage linked to a universal life insurance policy, so benefits are paid whether you need LTC or not. Nationwide places no restriction on how benefits are used, giving you the flexibility to receive care wherever you feel most at home.

¹ "The Nationwide Retirement Institute Long-Term Care Costs in Retirement Consumer Survey," conducted by The Harris Poll on behalf of Nationwide Retirement Institute. This online survey was conducted March 25 through Apr. 10, 2019, among 1,462 U.S. adults, age 50 or older, with investable assets of \$50,000 or more and 516 U.S. adults age 50 or over who are caregivers.

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Be sure to choose a product that meets long-term life insurance needs, especially if personal situations change — for example, marriage, birth of a child or job promotion. Weigh the costs of the policy, and understand that life insurance has fees and charges that vary with sex, health, age and tobacco use. Riders that customize a policy to fit individual needs usually carry an additional charge. All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company.

• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution
• Not insured by any federal government agency • May lose value

Misconceptions about LTC

LTC costs can add up quickly, and a common misconception is that Medicare or Medicaid will pay for all expenses. The truth is that you may need to be able to cover much of the cost yourself with either cash or private insurance.



Health insurance

Does not cover long-term care expenses



Medicare

May cover a portion of long-term care costs, but only up to 100 days; requires a three-consecutive-day stay in a hospital under treatment, as well as other qualifiers



Medicaid

Covers long-term care expenses for individuals with countable assets of \$2,000 or less (varies by state); care may be limited to a nursing home

None of these cover:

- Assisted living facilities (average cost per year: \$48,600²)
- Continuing care retirement communities
- Adult day care services

This information is general in nature and is not intended to be tax, legal, accounting or other professional advice. The information provided is based on current laws, which are subject to change at any time, and has not been endorsed by any government agency.

² Genworth Cost of Care Survey 2019. This reflects the U.S. national average cost for 12 months of private care for one bedroom.

Why LTC coverage may be a better option

Consider a linked benefit policy.

Unlike a traditional long-term care policy, a linked benefit policy offers more than just LTC benefits — it's linked to a life insurance policy with a death benefit typically equal to or more than premiums paid. That means a benefit is paid whether you need LTC or not.

Let's take a closer look:



A linked benefit policy

The policy is an asset that's not tied to the market, and it's ready anytime to provide funds for potential LTC needs.³



LTC benefits

This is the amount you receive each month to help pay for your long-term care needs.



Death benefit

The death benefit preserves this asset for the beneficiaries to the extent that LTC is not needed and typically returns at least the premium paid — or more, if LTC benefits have never been paid.



Liquidity

The policy will remain a liquid asset in the form of the cash surrender value.

³ The insured must meet LTC claims requirements.

How benefits are paid

LTC policies pay benefits in several ways, including reimbursement and cash indemnity plans.

The more common way policies pay benefits is through reimbursement of costs incurred. These plans cover only expenses specific to long-term care services that qualify under your policy. Additionally, monthly bills and receipts are required in order to receive benefits.

By contrast, cash indemnity policies pay benefits with no restrictions from the insurance company on how the money is used. No monthly bills and receipts are required once a claim is approved.

Reimbursement

- Bills and receipts must be submitted every month
- Each month, you must wait to see what services qualify; the insurance company sends a check for only what's covered
- Services not covered under your policy will need to be paid for as out-of-pocket expenses

Cash indemnity⁴

- No need to submit monthly bills or receipts once your claim is approved
- You may elect to receive up to 100% of your available monthly cash benefit
- You can use your monthly cash benefit without restrictions from the insurance company
- Unused monthly benefits can be saved in a personal checking or savings account for use in the future⁵

⁴ Benefits may be taxable under certain circumstances. Please consult your tax advisor.

⁵ Benefit planning decisions can be complex and have consequences. Please consult your LTC benefit planning advisor.

Why Nationwide CareMatters II?

It's designed for familiarity, choice and flexibility.

Nationwide CareMatters II is a linked benefit insurance policy that provides long-term care coverage along with a death benefit that ensures your premium won't be lost should you never need LTC. We'll explain all of the details and how it works, but below are three important benefits that it may offer.



Familiarity

Your policy is designed to provide funds that will help you pay for LTC where and from whom you're most comfortable.



Choice

Your policy can be designed to meet your needs: Choose a premium payment schedule that works for you, and select from options that meet your needs.

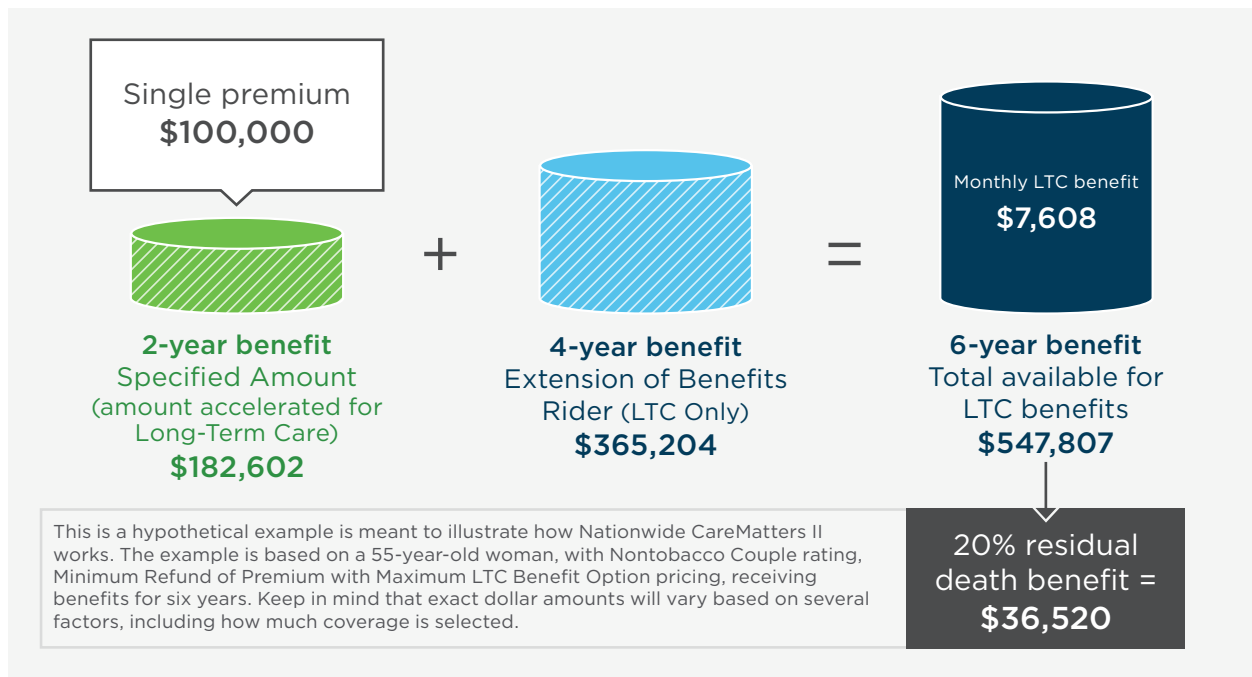


Flexibility

Nationwide CareMatters II was created to help cover LTC services that exist today as well as those that will be developed in the future.

Here's a look at how Nationwide CareMatters II was designed to offer you familiarity, choice and flexibility as you prepare for the future.

Nationwide CareMatters II in action



In this example, repositioning \$100,000 to pay the premium on a Nationwide CareMatters II policy provides \$547,807 available for LTC. The first \$182,602 represents an acceleration of the specified amount, which means that as monthly LTC benefits are paid, the specified amount and death benefit are reduced. After the specified amount has been completely accelerated for long-term care, there is an Extension of Benefits Rider that provides an additional \$365,204 for long-term care. Note there is no cash surrender value or death benefit associated with this additional LTC benefit. Any amount remaining at death from the Extension of Benefits Rider will not be payable as a death benefit.

Even if all of the LTC benefits are collected, a guaranteed minimum death benefit of \$36,520 is paid to the beneficiaries.

Qualifying for LTC benefits

To qualify for and begin receiving monthly LTC benefits, the following things must happen:

- A U.S.-licensed health care practitioner must certify that **(a)** the insured has a severe cognitive impairment, or **(b)** the insured is unable to perform two out of six activities of daily living due to a loss of functional capacity: bathing, eating, continence, toileting, dressing or transferring (moving into or out of a bed, chair or wheelchair) for at least 90 days⁶
- Upon filing a claim, a Plan of Care describing the LTC services needed for treatment must be completed by a U.S.-licensed health care practitioner and submitted to Nationwide.⁶
- Before benefits begin, the insured must complete a 90-calendar-day elimination period; upon completion, benefits for the first 90 days will be paid retroactively along with benefits for month four⁷

⁶ The claim must be recertified at least once a year to continue receiving benefits.

⁷ The 90-calendar-day period begins the day after receipt of qualified long-term care services if receiving licensed services. If receiving unlicensed or informal care, the 90-day calendar period begins on the date that the Plan of Care was signed. If the insured does not require qualified long-term care services over a continuous 90-day period, separate periods may be accumulated within a continuous period of 730 days to satisfy the 90-day elimination period. The elimination period needs to be met only once in a lifetime.

If the policyowner and the insured are not the same person, there is no guarantee the policyowner will use benefit payments to pay for the insured's care.



1. Familiarity

Care where you're most comfortable

From choosing who provides your care to how you pay for those expenses, Nationwide CareMatters II is designed to help you receive long-term care in the comfort of your own home or wherever you feel you'll receive the best care.

Home sweet home

With Nationwide CareMatters II, you have the choice of staying in the home you know and love by using your LTC benefit to make any needed safety and accessibility upgrades while paying the caregivers of your choice — including family members.⁸

Premium and benefits you'll always recognize

Unlike many traditional LTC policies, premiums for this product are guaranteed; they will never increase and benefits are guaranteed to never decrease.⁹

A guaranteed death benefit

Nationwide CareMatters II includes a death benefit. Even if all LTC benefits are paid, your heirs will receive a death benefit equal to 20% of your policy's specified amount.⁸

⁸ Under certain circumstances, benefits may be taxable. Please consult a tax advisor.

⁹ This assumes all premium payments have been made as scheduled at policy issue and no loans or partial withdrawals are taken.



2. Choice

Choose the features that are right for you

Nationwide CareMatters II isn't a one-size-fits-all product. It's filled with customizable features to meet your needs.

Select the premium payment schedule that works for you and your finances

Pay
one time
(single-pay)

Pay annually
or monthly for
5 years

Pay annually
or monthly for
10 years

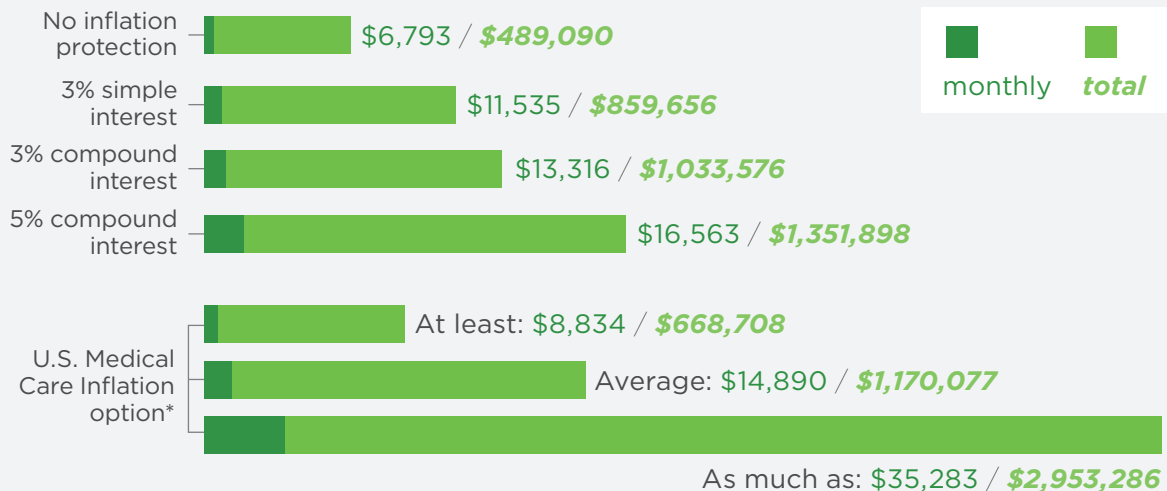
Pay annually
or monthly
to age 65

Pay annually
or monthly
to age 100

Protect yourself against rising LTC costs

You can add the optional Inflation Protection Rider to your Nationwide CareMatters II policy (this rider is available for an additional cost that varies based on the option selected).

MONTHLY AND TOTAL LONG-TERM CARE BENEFIT AMOUNTS AT AGE 80¹⁰



* Under this option, the Maximum Monthly LTC Inflation Protection Rider Benefit Amount is based on the greater of the fixed 2% LTC Roll-Up Benefit ("At least") and the experience of the **Medical Care Component of the Consumer Price Index for All Urban Consumers, Unadjusted** (subject to a floor rate of 0% and a cap rate of 6% ("as much as")). The average assumes a 3.49% average based on a 30-year look-back on the index ("Average").

¹⁰ This is a hypothetical example of a policy underwritten on a 42-year old man with Nontobacco Couple rating and a 6-year benefit period. The total benefit amount is based on a long-term care claim beginning at age 80 with monthly pay to age 100 and Minimum Refund of Premium with option. For more detailed information regarding Refund of Premium options, please consult your financial professional.



Meet Michael

Michael is 42 years old and has seen how his grandfather's lack of planning for LTC adversely affected his mother's finances and future retirement plans when she became his caregiver.¹¹ Michael would like to plan better for his own children's sake, so he decides to purchase a Nationwide CareMatters II policy.

Once he qualifies, his policy provides him with a long-term care monthly benefit starting at \$4,331 and total LTC coverage of \$311,804. Michael has some extra income available so he opts for the "pay to age 100" premium schedule. Because of his younger age, he also selects an inflation rider that grows the benefit on an annual 3% compound basis. This policy has a guaranteed premium of \$260 per month (\$3,120 per year). By age 80, his LTC monthly benefit will have grown to \$13,316 and \$1,033,576 in total long-term care coverage. In addition, there is a \$103,935 death benefit if his policy is never used and a \$20,787 death benefit if all LTC benefits are collected.

¹¹ This is a hypothetical example of a policy underwritten on a 42-year old man with Nontobacco Couple rating and a six-year benefit period. The total benefit amount is based on a long-term care claim beginning at age 80 with monthly pay to age 100, 3% compound inflation and Minimum Refund of Premium with Maximum LTC option. For more detailed information regarding Refund of Premium options, please consult your financial professional.



3. Flexibility

Choose from a variety of options to help you receive care

Because we don't know how our needs will change over the years, Nationwide CareMatters II includes features that adapt to your individual needs and circumstances.

Choose the care that works for you

You can use your policy to pay for the LTC services that are right for your needs.¹²

Service and care options may include:

- Home health care
- Assisted living
- Adult day care
- Nursing home care
- Hospice
- Family care (receive care from people you already know and trust by paying a family member or friend to care for you)¹³
- Alternative LTC services
- LTC coverage options developed in the future

If you never need care

A common concern with buying LTC coverage is the possibility that care will never be needed and premium money will go to waste. With Nationwide CareMatters II, if you never need LTC, your heirs will receive a death benefit.¹⁴

Liquidity

Nationwide CareMatters II remains a liquid asset in the form of the cash surrender value.¹⁵

¹² Benefits may be taxable under certain circumstances. Consult your tax advisor.

¹³ The plan of care prepared by your U.S.-licensed health care practitioner must state that care from family members or other informal caregivers is appropriate.

¹⁴ The benefit may be reduced by outstanding loans, unpaid monthly deductions and partial surrenders.

¹⁵ This feature is subject to the vesting schedule and benefit options selected.



Meet Lisa

Lisa is 60 years old and recently inherited \$100,000 from her mother.¹⁶ As she thinks about her own potential LTC needs, she likes the idea of receiving cash benefits without having the worry of submitting monthly bills and receipts. She would prefer to stay in her own home if possible and likes the flexibility of cash benefits that can be used to pay less expensive unlicensed caregivers or even her own children.

Lisa uses the \$100,000 to purchase a Nationwide CareMatters II policy with a total benefit of \$460,867. She knows that if she never needs LTC, no premium will be lost due to the death benefit that will be paid to her children. Even if she uses all of the LTC benefits, they can still receive the guaranteed minimum death benefit.¹⁷

¹⁶ This scenario reflects Nontobacco Couple rating with a six-year benefit period and Minimum Refund of Premium with Maximum LTC option. For more detailed information regarding Refund of Premium options, please consult your financial professional. This example is for illustrative purposes only.

¹⁷ The death benefit may be reduced by LTC benefits paid, outstanding loans, unpaid monthly deductions and partial surrenders.

Flexible benefits made simple

Nationwide CareMatters II is a cash indemnity plan that simplifies how your benefits are paid to you because it allows you to:



Spend your benefits as you see fit

Once you qualify, you'll receive monthly long-term care benefit payments to use without restrictions from Nationwide.¹⁸



Eliminate monthly paperwork

You won't be required to submit bills or receipts to Nationwide.¹⁹

Long-term care support services

The Nationwide Care Guide Network[®] is a long-term care resource and referral service tailored to your geographic location for policyowners who have purchased Nationwide CareMatters II.²⁰ This service is available to the policyowner as well as to their spouses, parents, adult children, siblings and parents-in-law.

It's designed to help provide referrals when you need help with the following:

Caregiver support

Home care and housing options

Assisted living or nursing homes

Adult day care

Memory and Alzheimer's care

End-of-life care

Meal and nutrition services

Safety and adaptive equipment

Transportation

¹⁸ Benefits may be taxable under certain circumstances. Consult your tax advisor.

¹⁹ The insured must continue to meet LTC claims requirements.

²⁰ The company that currently provides professional consultation services through the Nationwide Care Guide Network is a member of The National Association of Geriatric Care Managers. This service provider is not affiliated with Nationwide Life and Annuity Insurance Company or its subsidiaries. The service provider and the Nationwide Care Guide Network may be changed or discontinued at any time.



Your next steps

Talk with your insurance or financial professional today to find out how Nationwide CareMatters II can help you pay for the care you want, from whom you want, in your own home or wherever you're most comfortable.





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All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. Policy guarantees and benefits are not backed by the broker/dealer and/or insurance agency selling the policy, nor by any of their affiliates, and none of them makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Nationwide CareMatters II is a cash indemnity product that pays LTC benefits when the insured person is certified to have a qualifying condition and a need for LTC services. Bills and receipts showing actual expenses do not have to be submitted for payment of benefits once a claim has been approved. Each year, the policyowner can receive, tax free, the greater of the HIPAA per diem amount or actual LTC costs incurred. However, benefits may be taxable under certain circumstances. You may receive, tax free, the greater of the HIPAA per diem in the year of your claim or your actual qualified LTC expenses incurred. Taxpayers should consult with their tax and legal advisors about their specific situation.

Keep in mind that the payment of long-term care rider benefits, as an acceleration of the death benefit, will reduce both the death benefit and cash surrender value of the policy. Additionally, loans and withdrawals will also reduce both the cash value and the death benefit. Care should be taken to make sure that life insurance needs continue to be met even if the rider pays out in full or after money is taken from the policy. There is no guarantee that the rider will cover the entire cost for all of the insured's long-term care, as this may vary with the needs of each insured. Nationwide pays the long-term care benefit to the policyowner; there is no guarantee the policyowner will use the benefit for long-term care expenses if the policy is owned by someone other than the insured.

The policy this rider is attached to is noncancelable. This means that you have the right, subject to the terms of your policy, to continue your policy, provided you pay your scheduled premium on time. Nationwide cannot change any of the terms of your policy on its own and cannot change the scheduled premium.

When choosing a product, make sure that life insurance and long-term care insurance needs are met. CareMatters II is not intended to be a primary source of life insurance protection, so make sure life insurance needs have been covered by appropriate products. Because personal situations may change (e.g., marriage, birth of a child or job promotion), so can life insurance and long-term care insurance needs. Care should be taken to ensure these strategies and products are suitable. Associated costs, as well as personal and financial objectives, time horizons and risk tolerance should all be weighed before purchasing CareMatters II. Life insurance, and long-term care coverage linked to life insurance, has fees and charges associated with it that include the costs of insurance, which vary based on characteristics of the insured such as sex, tobacco use, health and age, and additional charges for riders that customize a policy to fit individual needs.

CareMatters II has exclusions, limitations, reductions of benefits and terms under which the product may be continued in force or discontinued. For more details on cost and coverage options, contact your insurance professional.

The insurance professional or company may contact you in response to your request for additional information.

Approval for coverage under the policy and riders is subject to underwriting and may require a medical exam.

Nationwide CareMatters II may not be available in every state. Please contact Nationwide to determine product availability in your state.

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The Medical Care Component of the Consumer Price Index for All Urban Consumers, Unadjusted (the "Index"), is maintained by the U.S. Bureau of Labor Statistics. Nationwide's use of the Index is not sponsored, endorsed or promoted by the U.S. Bureau of Labor Statistics, the U.S. government or any of its agencies. Inclusion of the Index in an insurance product is not a recommendation by the U.S. government to buy such a product. Neither the U.S. government nor the U.S. Bureau of Labor Statistics guarantees the adequacy, accuracy, timeliness or the completeness of Nationwide's use of the Index. The actual rate of inflation in long-term care costs may be different than the experience of the Index.

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