Nationwide®
Financial

Nationwide YourLife CareMatters℠

Less may be more

Not all long-term care (LTC) products are the same and vary in features and benefits. So, it can be frustrating trying to decide which product may be best. And don't let an elimination period scare you either. "Less" may add up to "more" when you consider the difference between indemnity LTC benefits and reimbursement LTC benefits.

Nationwide® has just introduced new indemnity-style long-term care linked benefit coverage with a design that may help clients feel more comfortable purchasing LTC coverage — and it's called Nationwide YourLife CareMatters℠

CareMatters key features offer choice, flexibility and control

- **Full return of premium feature**
- **Indemnity-style benefits**
- **20% guaranteed minimum residual death benefit**
- **Informal caregivers allowed** — 100% benefits paid when family/friends provide care
- **Optional benefit banking available** — use a bank account option to preserve unneeded benefits for later LTC expenses or anything else
- International benefits (subject to additional requirements)
- Inflation protection option
  - 3% simple, 5% compound
- Issue ages 40–75
  - Single premium 40–69
  - 6-year benefit period 40–70
- 90 calendar day elimination period
- Lapse protection

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CareMatters pays LTC benefits with an indemnity-style model

But first, let's quickly look at the differences between reimbursement and indemnity-style benefits.

Reimbursement benefits	Indemnity benefits
Most companies offering linked benefit products use the reimbursement model. With a reimbursement model: • Bills and receipts must be submitted monthly • Only qualifying LTC expenses will be reimbursed • The monthly LTC benefit will be the lesser of the policy maximum monthly benefit or actual costs incurred This is the model currently used by other insurance companies offering linked benefit products and by a large number of traditional stand alone LTC products.	Nationwide YourLife CareMatters℠ pays indemnity-style benefits — currently the only indemnity product in the linked benefit industry. With an indemnity model: • Full monthly LTC benefits are paid to the policy owner • No monthly bills or receipts need to be submitted, and no "proof of billable services" are required • Excess benefits may be used for other needs of the policyowner

LTC statistics to consider when planning

- 87% of LTC claims are for three years or less[1]
- 51% of new claims are for home health care and 31% for nursing home care[2]
- Research shows most people would prefer to spend their final days being cared for in their homes as long as possible[3]

[1] American Association of Long Term Care Insurance, AALTCI, 2012-2013 Sourcebook
[2] American Association of Long Term Care Insurance, AALTCI, 2014 Sourcebook, September 2013
[3] "Long-term care: Investigate your options early", USA Today, Oct 21, 2013

Meet Wanda

Wanda is worried that the rising cost of long-term care could deplete her savings if her health should fail. She also remembers seeing some of her relatives outliving income and being forced to rely on the charity of family. Wanda is looking for a solution that allows her to cover LTC needs, with the assurance she can get her money back should she need it.

Wanda would like to see a couple of policy choices and how they would work for her.

Two options for Wanda to consider

If Wanda's health would eventually decline, she would need to bring in help to assist her with activities of daily living in order to stay in her home as long as possible. Should she receive care in her home for two years, and then go to a nursing home for 12 months just prior to her death, this is how the two policies would compare.

Assumptions are for a $100,000 single premium, 6-year benefit duration, no inflation option selected. Also assumed is that the monthly cost for home health care is $3,000 per month and will be utilized for 24 months, and the cost of a nursing home is $8,000 per month and will be utilized for 12 months, then death occurs immediately.

	NW YourLife CareMatters℠	Other company reimbursement
Premium	$100,000	$100,000
Death benefit	$120,000	$144,000
Total amount for LTC	$360,000	$432,000
Guaranteed minimum death benefit	$24,000	$14,400
Indemnity or reimbursement	Indemnity	Reimbursement
Maximum monthly LTC benefit	$5,000	$6,000
Elimination period	90 days	0 days (home health care)
Benefit banking	Yes	No
Self insure first 90 days	**Yes**	**No**
Out of pocket expenses	(90 day elimination) **($9,000)**	$0
LTC amount paid months 1-12	**$45,000**	**$36,000**
Amount used for LTC expenses	$27,000	$36,000
Amount banked	**$18,000** (9 mos)	**$0** (12 mos)
LTC Amount paid months 12-24	**$60,000**	**$36,000**
Amount used for LTC expenses	$36,000	$36,000
Amount banked	**$24,000**	**$0**
LTC amount paid months 25-36	**$60,000**	**$72,000**
Amount used for LTC expenses	$60,000	$72,000
Benefit banking amount used	Reserve supplements monthly LTC benefit **$36,000**	**$0**
Out of pocket expenses	$0	**($24,000)**
Death benefit	**$24,000**	**$14,400**
Total net benefits received	**$189,000** total benefits paid minus out of pocket expense **$9,000** **$180,000** net benefits	**$158,400** total benefits paid minus out of pocket expense **$24,000** **$134,400** net benefits

These are hypothetical examples meant to illustrate how Nationwide YourLife CareMatters℠ works. LTC benefits can be subject to taxation, so please consult with your legal or tax advisor about your specific situation.

Wanda's insurance professional suggests she consider Nationwide YourLife CareMatters with an indemnity design. With this product, she is able to plan for her LTC concerns while having the option to receive a full refund of her premium, plus any gain that may apply should she need the funds.

After looking at how the two policies might work, Wanda chooses the CareMatters policy. She likes the flexibility of the indemnity policy with the potential to collect more benefits.

All information is believed to be current as of 1/21/2014. All information presented is deemed reliable and Nationwide has made every effort to make sure it is accurate; however, it's possible that there are differences between the products compared which are not reflected and/or of which we are unaware. For this reason, its completeness and accuracy cannot be guaranteed.

If you'd like more information about Carematters for your clients, please contact us at:

Nationwide Sales Desk:	**1-800-321-6064**
Nationwide Financial Network®:	**1-877-223-0795**
Brokerage General Agents:	**1-888-767-7373**

Nationwide® Financial

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Federal tax laws are complex and subject to change. Neither the company nor its representatives give legal or tax advice. Please consult with an attorney or tax advisor for answers to your specific questions. Keep in mind that as an acceleration of the death benefit, the LTC rider payout will reduce both the death benefit and cash surrender values. There is no guarantee that the LTC rider or extension of benefits rider will cover the entire cost for all of the insured's LTC as these vary with the needs of each insured. Nationwide YourLife CareMatters℠ may not be available in every state.

As your personal situations change (i.e., marriage, birth of a child or job promotion), so will your life insurance needs. Care should be taken to ensure these strategies and products are suitable for long-term life insurance needs. You should weigh your objectives, time horizon and risk tolerance as well as any associated costs before investing. Life insurance has fees and charges associated with it that include costs of insurance that vary with such characteristics of the insured as gender, health and age, underlying fund charges and expenses, and additional charges for riders that customize a policy to fit your individual needs.

As long as the contract meets the non-MEC definitions of IRC Section 7702A, most distributions are taxed on a first-in/first-out basis. Surrender charges may apply to partial surrenders. Loans and partial surrenders from an MEC will generally be taxable, and if taken prior to age 59½, may be subject to a 10% tax penalty. Loans and partial surrenders will reduce the cash value and the death benefits payable to your beneficiaries, and withdrawals above the variable free amount will incur surrender charges. If your contract were to lapse with a loan outstanding, the loan amount in excess of basis will be treated as a distribution and all or a portion will be subject to income tax. Riders are offered at an additional cost and may not be available in all states.

Life insurance is issued by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio, member of Nationwide Financial®.

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