



The Nationwide®  
LONG-TERM CARE RIDER

Take control  
of your future.



**Nationwide®**  
is on your side

# You've worked hard to live life on your terms.

So, when you think of your later years, you probably don't envision becoming dependent on family members or being restricted in the services and providers you have access to.

But, as life expectancies continue to rise, the need for some form of long-term care is likely to increase as well. These expenses can add up quickly and can have an impact on your personal finances. So, whether you want to remain in your own home for care, need other care services or require a higher level of care in a facility, you'll need a plan to make sure you're in control of those choices — and Nationwide can help.



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 this product is suitable for your long-term life insurance needs. You should weigh any associated costs before making a purchase. Life insurance has fees and charges associated with it that include costs of insurance based on your sex, health and age, and has additional charges for riders that customize a policy to fit your individual needs. All guarantees and benefits of the insurance policy are subject to 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 representation or guarantees regarding 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

# Introducing the Nationwide<sup>®</sup> long-term care rider

You have the ability to take control of your future by simply planning ahead. And our long-term care rider, available on select permanent life insurance policies, offers a flexible plan for covering long-term care expenses if you need it—and a way to pass a legacy on to your family if you don't.

## You'll find the following information in this brochure:

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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. Care should be taken to make sure that your life insurance needs continue to be met even if the entire death benefit is accelerated by the long-term care rider payout. There is no guarantee that the rider will cover the entire cost for all of the insured's long-term care as these vary with the needs of each insured. The long-term care rider has an additional charge associated with it. A life purchase should be based on the life policy, and not optional riders or features. The cost of a rider may exceed the actual benefit paid under the rider. Approval of coverage under this rider is subject to underwriting and may require a medical exam.

Federal income tax laws are complex and subject to change. The information being provided is based on current interpretations of the law and is not guaranteed. Neither the company nor its representatives give legal or tax advice. Please consult your attorney or tax advisor for answers to specific questions.

# Why you need to have a plan.

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Around 70% of all Americans age 65 and older will need long-term care at some point in their lives.<sup>1</sup> And long-term care doesn't necessarily mean a nursing home. For every one person in a nursing home, there are four people receiving home health care.<sup>2</sup> Regardless of the type of care, planning ahead can help prevent potential long-term care expenses from impacting your family and finances later on.

## What are the odds?

**1 in 1,200:** Chances of financial risk from a house fire<sup>3</sup>

**1 in 2:** Chances of financial risk from long-term care<sup>3</sup>

You would never  
consider going without  
homeowners insurance,  
so why leave a much  
more likely risk to chance?

<sup>1</sup> *Medicare & You 2014*, U.S. Department of Health and Human Services (09/13).

<sup>2</sup> *Long Term Care Statistics*, LTC Tree (06/14).

<sup>3</sup> *Long Term Care Risk in Needing Care*, LTC Tree (06/14).

### The average costs for long-term care in the United States in 2012 were<sup>4</sup>:

- \$222/day for a semiprivate room in a nursing home
- \$248/day for a private room in a nursing home
- \$3,550/month for care in an assisted living facility (for a one-bedroom unit)
- \$21/hour for a home health aide
- \$20/hour for homemaker services
- \$70/day for care in an adult day health care center

FACT

**3.9 years:** the average length of service for 50% of all long-term care insurance claims<sup>5</sup>

<sup>4</sup> *Market survey of long-term care costs*, Mature Market Institute (10/12).

<sup>5</sup> *2014 LTCi Sourcebook*, American Association for Long-Term Care Insurance.

# Who pays for what?

Long-term care costs can quickly add up, and a common misconception is that Medicare or health insurance will pay for the expenses. But the truth is, you'll need to be able to cover much of the expense yourself.

Long-term care service	Medicare
<b>Nursing home care</b>	<p><b>Days 0 - 20</b> — Pays in full if you're hospitalized for at least three days before entering a Medicare-approved skilled nursing facility.</p> <p><b>Days 21-100</b> — May pay for the difference between the total daily cost and your copayment of \$152/day<sup>6</sup> (for 2014) if you continue to need skilled nursing care.</p> <p><b>Days 100+</b> — Does not pay</p>
<b>Assisted living facility (and similar facility options)</b>	Does not pay
<b>Continuing care retirement community</b>	Does not pay
<b>Adult day services</b>	Not covered
<b>Home health and personal care*</b>	Limited to reasonable, necessary part-time or intermittent skilled nursing care and home health aide services, and some therapies that are ordered by your doctor and provided by Medicare-certified home health agency. Does not pay for ongoing personal care or custodial care needs (help with activities of daily living).

Source: Coverage limits of long-term care offered by health insurance, Medicare.gov (5/13/14).

<sup>6</sup>2014 Medicare Costs, Centers for Medicare & Medicaid Services (10/13).

Private Medigap insurance	Private Health insurance
May cover the \$152/day <sup>6</sup> (for 2014) copayment if your nursing home stay meets all other Medicare requirements.	Varies, but generally only covers services for a short time following a hospital stay, surgery or while recovering from an injury; it does not cover skilled services for chronic care.
Does not pay	Does not pay
Does not pay	Does not pay
Not Covered	Not covered
Not covered	Varies, but limited

Source: Coverage limits of long-term care offered by health insurance, Medicare.gov (5/13/14).

<sup>6</sup>2014 Medicare Costs, Centers for Medicare & Medicaid Services (10/13).

# Why Nationwide<sup>®</sup> life insurance with the long-term care rider?

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This is where we come in. By adding the long-term care rider to your Nationwide life insurance policy, you have a plan in place that helps you:

## Maintain control

- By offering a way to help manage long-term care costs so they don't deplete your assets
- The rider benefits are paid directly to the owner of the policy for qualifying expenses without the need for receipts (indemnity-style benefit)
- Enabling you to use excess funds not needed for long-term care services any way you wish (e.g., home safety improvements, prescription medicine, massage therapy)
- By providing you the opportunity to receive benefits outside the United States\*

## Protect your family

- From financial hardship if there is an extended need for qualified long-term care
- By leaving an inheritance to family members (or even a favorite charity) if the benefits from the rider are not needed or are completely depleted

And it's all backed by the strength and stability you can only get from Nationwide.

\* 1) All claims information and medical records must be submitted in English. 2) Assessment of the insured must be done by a physician or licensed health care practitioner [within the meaning of §1861(r)(1) of the Social Security Act. (42 USCS 1395x(r)(1))], licensed to practice in the United States. 3) The assessment does not have to take place in the United States, but must comply with the licensing standards as mentioned above. The licensed health care practitioner providing the assessment must be acting within the scope of his or her license. 4) Care services must be consistent with what is expected of a U.S. claim. 5) Benefits are paid in U.S. dollars only. 6) It is the responsibility of the contract owner to determine if collecting long-term care benefits outside the United States will subject the contract owner to U.S. taxation or taxation from the country of residence or subject them to any other form of taxation or legal consequences. Nationwide and its affiliates do not give tax or legal advice. 7) Nationwide cannot guarantee that it will be legally permissible to send U.S. currency to the country the contract owner is residing in at the time of claim for LTC monthly benefits. This is because foreign countries or areas within foreign countries considered acceptable at policy issue may not be in that category at the time of the claim. So, Nationwide is unable to provide a list of "approved" countries (or areas) for claims purposes. However, at the time of claim, you can refer to the Office of Foreign Assets Control (OFAC) website of the United States Treasury for more information.



# Is the long-term care rider right for you?

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If you need life insurance, are between the ages of 21 and 80 and want a plan for dealing with potential long-term care costs, then adding the long-term care rider to your Nationwide life insurance coverage may be a good solution for you.

# How it works

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This rider is simply an acceleration of your life insurance death benefit.

- You select the **long-term care specified amount**\* when you purchase your policy

*\* The total pool of money available for long-term care benefits under the long-term care rider. The total benefit for long-term care is chosen at the time of purchase and may be as much as 100% of the total death benefit amount, as little as 10% of the total death benefit or anywhere in between.*

- The long-term care benefits are paid income tax free after qualifying requirements are met
- If you never need long-term care, your beneficiaries will still receive an income tax-free death benefit as long as your policy remains in force
- If you do need long-term care, your beneficiaries will still receive the greater of any unused long-term care benefits or 10% of the base policy's specified amount (less any policy indebtedness) from the guaranteed minimum death benefit (not available in New York or the Virgin Islands)

# How you qualify for benefits

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Two things have to happen in order for you to qualify for and begin receiving monthly long-term care benefits.

1. Your licensed health care practitioner must certify that (a) you have a severe cognitive impairment, or (b) you are unable to perform two or more of these activities of daily living for a period of 90 days or more:
  - Bathing
  - Eating
  - Continence
  - Toileting
  - Dressing
  - Transferring (moving into or out of a bed, chair or wheelchair)
2. There is a 90-day waiting period, called an elimination period, where no benefits will be paid. This elimination period can be satisfied by any combination of care, whether it is from a long-term care facility, home health care, adult day care or any other qualifying long-term care service. These days of care or services don't need to be consecutive, but they do need to be accumulated within a continuous period of 730 days.

While receiving benefits, you must also receive a planned program of observation and treatment, sometimes referred to as a plan of care. This program must (a) be under the care of a licensed health care practitioner other than the owner or an employee of the long-term care facility; and (b) be continued in accordance with generally accepted standards of medical practice for the injury or sickness.

## What's covered

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Once you meet the requirements and elimination period, the rider benefits will help you cover the costs of qualified care, such as:

- **Home health care** — includes adult day care and home health care to assist with activities of daily living or cognitive impairment (including, but not limited to Alzheimer's disease and senile dementia)
- **Qualified long-term care facilities** — including 24-hour-a-day care and medical services to support the needs of patients
- **Nursing home care** — includes 24-hour-a-day skilled, intermediate or custodial care under the supervision of a physician
- **Assisted living** — housing and limited care to assist with activities of daily living or cognitive impairment
- **Adult day care**
- **Any qualifying long-term care service**

FACT

69% of people who need long-term care live at home or in community settings, not in institutions.<sup>5</sup>

## What's not covered

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This rider does not cover any expense that results from:

- Suicide, intentionally self-inflicted injuries or attempts at suicide (either while sane or insane)
- Committing or attempting to commit a felony
- A condition for which the insured can receive benefits under federal or state workers' compensation
- Alcoholism or drug addiction, unless addiction results from administration of drugs for treatment prescribed by a physician
- Active duty in the armed forces of any nation or international government or units auxiliary thereto, or the National Guard
- War or any act of war, whether declared or undeclared

<sup>5</sup> 2014 LTCi Sourcebook, American Association for Long-Term Care Insurance.

# How the benefit is calculated

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The benefit amount will be the lesser of:

**2% of the long-term care specified amount**

or

**Daily amount allowed by HIPAA  $\times$  number of days in the month**

The maximum tax-free benefit for long-term care is the greater of actual costs incurred or the per diem rate established by the Health Insurance Portability and Accountability Act (HIPAA), which is currently \$330 per day (2014 and 2015).

Keep in mind that, as an acceleration of the death benefit, the long-term care rider payout will reduce both the death benefit and cash surrender values. Make sure life insurance needs will still be met, even if the rider pays out in full. Costs for long-term care vary by person, and there is no guarantee the rider will cover all long-term care costs. Nationwide pays long-term care benefits to the policyowner. If the insured is not the policyowner, there is no guarantee benefits will be used to pay for long-term care.

The long-term care rider has an additional charge associated with it. A life purchase should be based on the life policy, and not optional riders or features. The cost of a rider may exceed the actual benefit paid under the rider.



## Other things you need to know

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### **How long will benefits be paid?**

You'll continue to receive monthly benefits until the total amount paid is the lesser of:

- The long-term care specified amount you designated when you established the policy, or
- The total specified death benefit, less any loans or withdrawals you've taken from the policy

### **Will the policy lapse while you're receiving benefits?**

No. If you are collecting long-term care rider benefits and there isn't enough cash value to cover the monthly costs associated with the policy, the costs will be waived and you'll continue to receive your remaining long-term care benefits. However, this special protection only applies as long as you are on claim with Nationwide and are receiving long-term care benefits. Should you recover and long-term care benefits are no longer needed, you may need to pay additional premiums to reinstate your policy or restore a no-lapse guarantee if you did not keep your policy in good standing while on claim.

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## What if you need extra help?

The Nationwide Care Guide Network® is a free telephone consultation service for policyholders who have purchased the long-term care rider.\* It offers comprehensive assessment, resource, referral and consultation services on long-term care issues.

- The Nationwide Care Guide Network is available to policyholders who have purchased the long-term care rider, as well as their spouses, parents, adult children, siblings and parents-in-law
- You or your caregiver can call toll-free, 1-866-442-6569, 24 hours a day, to speak with a professional care manager
- The **professional care manager**, usually a registered nurse or social worker, will evaluate the long-term care situation and begin to offer solutions in the form of a Customized Care Plan

**Note:** Professional care managers *do not have information about Nationwide policies, so to find out how to make a long-term care claim, you'll need to call Nationwide directly.*

- The Customized Care Plan is designed to provide all the information and guidance needed to make long-term care decisions; it assesses the personal, emotional and environmental long-term care needs and presents information on resources to help meet those needs
- There is no time limit to the service and no restriction on the number of calls you may make
- Whether the need is for simple household services, home care or relocation services, the Nationwide Care Guide Network can help with guidance on issues including:
  - Home care and housing options
  - Safety and adaptive equipment
  - Medical and medication issues
  - Meal and nutrition services
  - Mental health and Alzheimer's care

\* 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.

# Make sure the choice is yours.

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Putting a plan in place now is the easiest way to ensure you're in charge of your circumstances later in life. So ask your insurance or investment professional for more information on Nationwide life insurance with the long-term care rider today.



The producer or the company may contact the customer in response to a customer's request to receive additional information.



**Nationwide**<sup>®</sup>

Life insurance is underwritten by Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

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