

NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY



Nationwide[®]
is on your side



Nationwide[®] Long-Term Care Rider II | Product guide

Take comfort in the familiar

Create a long-term care plan that lets you decide what's best



There is a good chance that you will need some long-term care (LTC) services in your lifetime.¹ Combining life insurance and LTC benefits offers diverse options for care.

Life insurance covers many needs, including family protection and legacy enhancement. If you have a life insurance need, the addition of an LTC rider to your policy can help provide a source of funds to cover unexpected long-term care expenses.

As you think about your ideal care situation, you'll want to be sure you can fund your plans with the freedom to use your LTC benefits without any policy restrictions.

With our Long-Term Care Rider II, Nationwide® can help you plan ahead to reduce the potential impact of LTC expenses on your family members and finances. Once your claim is approved, you have the flexibility to choose how your LTC benefits will be used — so you stay in total control.

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

¹ "What Is the Lifetime Risk of Needing and Receiving Long-Term Services and Supports?" U.S. Department of Health and Human Services (April 3, 2019).

A little familiarity can go a long way

We all enjoy being at home with the ones we love. So it should come as no surprise that when faced with the prospect of long-term care (LTC), **80% of people say they'd prefer to receive home-based care.**²

Know your options

Many people equate LTC with nursing home care. In reality, more than half of all LTC initial claims paid were for care provided in the home.³



Plan for tomorrow, today

The annual cost of long-term care is expected to increase significantly over the next 20 years.⁴



² “The Nationwide Retirement Institute® 2021 Long-Term Care Consumer Survey,” conducted by The Harris Poll on behalf of the Nationwide Retirement Institute (November 2021).

³ “Home care dominates majority of long-term care insurance claims,” Insurance-Forums.com (Nov. 16, 2020).

⁴ Annual Median Costs (National 2021 vs. 2041), Cost of Care Survey 2020, Genworth.com (Feb. 12, 2021).



Knowledge is power

Many people assume that Medicare or health insurance will cover LTC expenses, but the truth is that you'll need to cover many of the costs yourself unless you have LTC insurance. Here's a closer look at coverage limits for LTC services:

Long-term care services	Medicare	Private Medigap insurance
Home health care	<p>Limited to:</p> <ul style="list-style-type: none"> Reasonable, necessary part-time or intermittent skilled nursing care and home health aide services Some therapies that are ordered by your doctor and provided by Medicare-certified home health agencies <p>Does not cover:</p> <ul style="list-style-type: none"> Ongoing personal care Custodial care needs (help with activities of daily living) 	May cover the daily co-payment if your care services meet all Medicare requirements
Adult day services	Not covered	Not covered
Assisted living facility (and similar facility options)	Not covered	Not covered
Nursing home care	<p>Day 0-20: Covers in full if you're hospitalized, admitted and under treatment for at least 3 consecutive days before entering a Medicare-approved skilled nursing facility</p> <p>Day 21-100: May cover the difference between the total daily cost and your co-payment of \$194.50/day in 2022</p> <p>Day 100+: Not covered</p>	May cover the daily co-payment if your care services meet all Medicare requirements

Medicaid	Private health insurance
Covers, but states have the option to limit some services, such as therapy	Generally covers only services relating to a temporary medical condition and doesn't cover chronic health conditions
Varies by state, financial and functional eligibility required	Not covered
In some states, may cover care-related costs, but not room and board	Not covered
A single individual will not qualify for Medicaid in most states unless they have less than \$2,000 in countable assets and meet additional qualifications	Varies, but generally covers services for only a short time following a hospital stay, surgery or while recovering from an injury; it does not cover services for chronic care

Our rider gives you flexible choices when it comes to your care

Because it offers a cash indemnity benefit, the Long-Term Care Rider II gives you the flexibility to use the money as you see fit.^{5,6} That means you may use your benefit to pay for licensed professionals or, if you prefer, pay family members or less expensive informal caregivers to provide your care.⁶ Whatever your unique needs, you will be able to choose a type of care that is familiar and comfortable for you.

If you are between the ages of 21 and 80, need life insurance and want a plan for dealing with potential LTC costs, then adding the Long-Term Care Rider II to your Nationwide life insurance coverage may be a good solution.⁷

The difference is in the details

Once your claim is approved, our LTC rider gives you the opportunity to:

- Have 100% of your monthly cash benefit guaranteed to be available
- Use your monthly cash benefit without policy restrictions and without the need to submit monthly bills or receipts
- Receive care in a familiar, home setting with those you know, including care from your immediate family members
- Choose licensed, facility-based or customized care choices, such as foster care for the elderly
- Help protect assets and income sources from depletion and maintain the standard of living for you (and your spouse)
- Receive care outside of the U.S. with 100% of your available monthly LTC benefit⁸
- Experience the peace of mind that comes with knowing you have a plan
- Pass on a legacy to your family members if you don't need the funds for LTC

⁵ Nationwide pays long-term care benefits to the policyowner. If the insured is not the policyowner, there is no guarantee that benefits will be used to pay for long-term care.

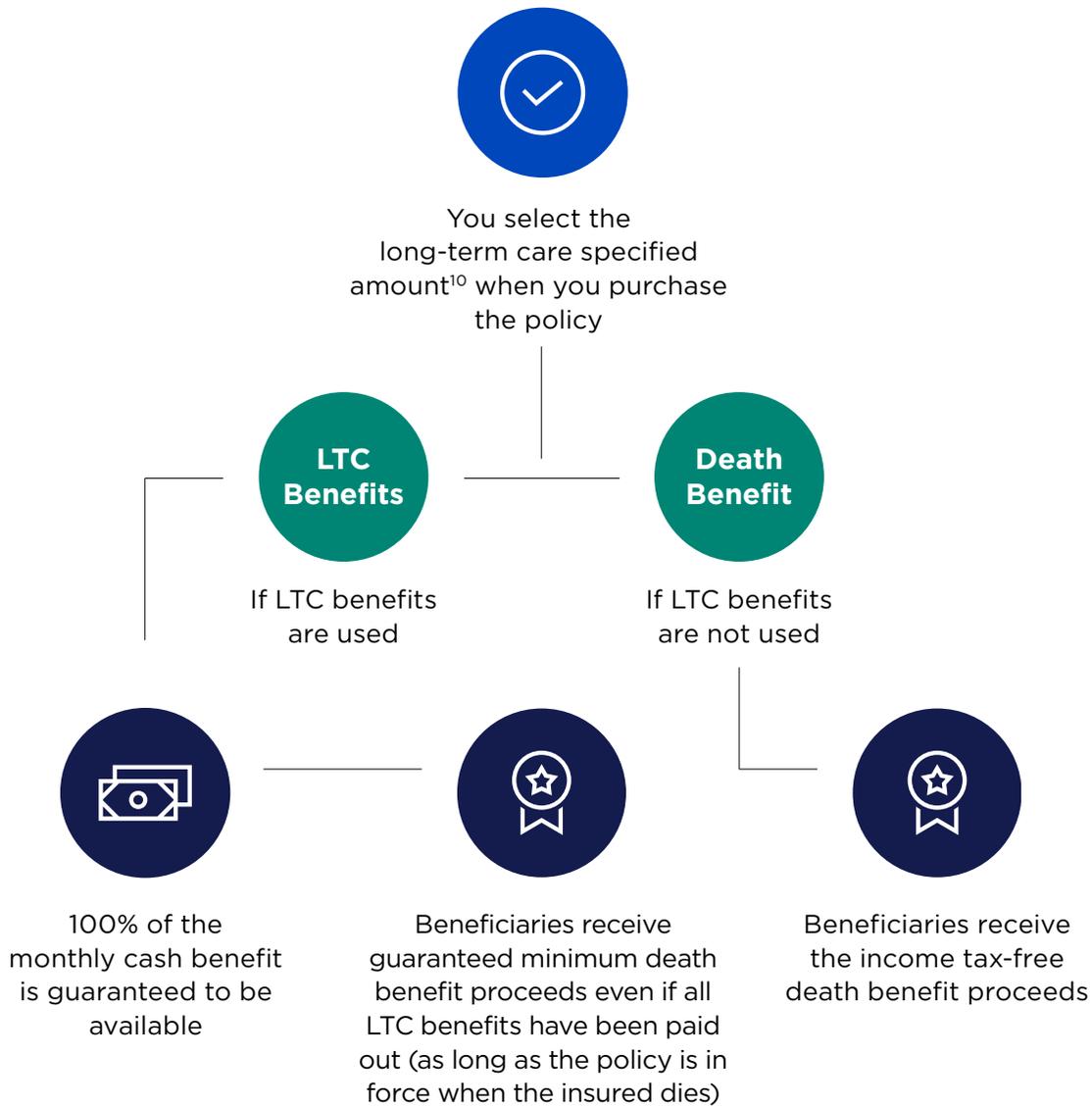
⁶ Under certain circumstances, benefits may be taxable. Please consult your tax advisor.

⁷ The Long-Term Care Rider II has an additional charge associated with it. A life insurance purchase should be based on the need for the life insurance and not on optional riders or features. The cost of a rider may exceed the actual benefit paid under the rider. There is no guarantee that the rider will cover all LTC costs.

⁸ The insured is not required to return to the United States for certification if receiving qualified long-term care services outside of the United States, its territories or possessions. However, the licensed health care practitioner providing the certification must be licensed to practice in the United States, its territories or possessions and operating within the scope of their license.

How it works

The Long-Term Care Rider II benefits are paid as an acceleration of the life insurance death benefit.⁹



⁹ Keep in mind that as an acceleration of the death benefit, the Long-Term Care Rider II payout will reduce both the death benefit and cash surrender value of the life insurance policy.

¹⁰ The long-term care specified amount is the portion of the life insurance coverage you elect to be available to pay long-term care benefits under the rider. Subject to underwriting, the long-term care specified amount may be as much as 100% of the life insurance policy coverage amount, as little as 10% or any amount in between.

What's covered

Once the insured has qualified for a claim, submission of monthly bills and receipts is not required. Up to 100% of the monthly LTC cash benefit is guaranteed to be available and will be paid directly to the policyowner.

The rider benefits may help cover the costs of LTC, such as:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Home health care | <input checked="" type="checkbox"/> Informal care |
| <input checked="" type="checkbox"/> Assisted living | <input checked="" type="checkbox"/> Any state-qualified LTC service |
| <input checked="" type="checkbox"/> Adult day care | <input checked="" type="checkbox"/> Cognitive care |
| <input checked="" type="checkbox"/> Nursing home care | |
-

What's not covered

This rider does not cover any services that result from:

- Medical conditions arising out of an attempt at suicide — whether or not the person had mental capacity to control what they were doing — or an intentionally self-inflicted injury
- Medical conditions arising from committing or attempting to commit a felony
- Alcoholism or drug addiction itself as a medical condition, unless addiction results from administration of drugs prescribed by a physician
- Medical conditions arising out of war or any act of war, whether declared or undeclared

It also does not pay benefits for qualified long-term care services received due to a pre-existing condition that was not disclosed in the application until 6 months after the policy date.

How monthly benefits are calculated

The policyowner will choose the following at the time of application

- The LTC specified amount
- The acceleration percentage (2%, 3% or 4%)¹¹

The maximum LTC monthly benefit is the lesser of the following:

- The amount based on the acceleration percentage of the LTC specified amount
- Twice the Health Insurance Portability and Accountability Act (HIPAA) per diem in the year of claim x 30 days;
or
- 1/12th of the maximum lifetime LTC benefit remaining after a policy loan¹²

The policyowner can take the maximum monthly LTC benefit, or they can choose to take less and the beneficiary will get what is left as the death benefit proceeds.

The maximum monthly rider benefit available at any time may vary based on:

- Changes to the HIPAA per diem amount
- Any outstanding policy loans
- Changes to the rider specified amount or policy specified amount
- The remaining maximum lifetime LTC benefit

Are my LTC benefits tax free?

The Long-Term Care Rider II is intended to receive favorable tax treatment and provides tax-free benefits under Internal Revenue Code Section 7702B. Generally, the maximum tax-free long-term care benefit payable from all coverage on the same insured is limited to the greater of the actual qualified long-term care expenses or the per diem rate established by HIPAA.^{13,14}

¹¹ The cost of the Long-Term Care Rider II will vary based on the percentage elected.

¹² The maximum lifetime LTC benefit is equal to the lesser of the then-current 1) LTC rider specified amount, or 2) the base policy specified amount (total specified amount if the Additional Term Insurance Rider is also elected and in force) minus any indebtedness.

¹³ 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. Thus, any amount of LTC benefits received to pay for qualified LTC expenses that exceed the HIPAA per diem would remain tax free.

¹⁴ LTC benefits may be taxable under certain circumstances. Rules applicable to long-term care products are complex. Please consult your tax advisor.

How long will LTC benefits be paid?

The duration of the benefits depends on the payout option chosen at policy issue, how much you choose to take and other factors. Assuming the maximum monthly LTC benefit is based on the elected payout percentage, there are no withdrawals or loans taken from the policy and the policyowner chooses to take the full monthly benefit available, benefits will last as follows:

- A 2% payout will last at least 50 months
- A 3% payout will last at least 33 $\frac{1}{3}$ months
- A 4% payout will last at least 25 months

As long as your eligibility continues, you can elect to receive the maximum monthly LTC benefit until the entire LTC specified amount has been paid. You may choose to take less than the full monthly benefit, which may increase the period of time over which your LTC benefits are available and help preserve a larger portion of the life insurance benefit for your beneficiaries.¹⁵

Qualifying for LTC benefits

3 steps must occur to be approved for monthly LTC cash benefits:

- 1** | A U.S.-licensed health care practitioner must certify that the insured has a severe cognitive impairment or is unable to perform 2 or more of the following activities of daily living (ADLs) for a period of 90 calendar days or more:
 - Bathing
 - Eating
 - Contenance
 - Toileting
 - Dressing
 - Transferring (moving into or out of a bed, chair or wheelchair)
- 2** | Before benefits begin, the insured must complete a 90-calendar-day elimination period.¹⁶
- 3** | Upon filing a claim, a plan of care describing the LTC services needed for treatment must be created. The plan of care must be recertified at least annually by a licensed health care practitioner.

¹⁵ Keep in mind that as an acceleration of the death benefit, the Long-Term Care Rider II payout will reduce both the death benefit and cash surrender value.

¹⁶ The 90-calendar-day period begins the day after receipt of qualified long-term care services. 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 elimination period.



Additional questions? We have the answers.

Can my policy lapse while I'm receiving benefits?

No, the rider has a lapse protection feature. If you are collecting Long-Term Care Rider II benefits and there isn't enough cash value to cover the monthly costs associated with the policy, the costs will be waived, the remaining long-term care benefits will continue to be paid and the death benefit will be based on the LTC specified amount.

However, this special protection applies only as long as rider benefits are being paid by Nationwide. If rider benefit payments cease for any reason, you may need to pay additional premium to prevent your policy from lapsing.¹⁷ Consult your insurance or investment professional at claim time to assess the potential advantages of continuing to pay premium while rider benefits are being paid.

How does taking LTC benefits affect my death benefit?

Because it is an acceleration of the death benefit, the LTC benefit received will reduce the death benefit dollar for dollar.

If the policy is being kept in force by the rider's lapse protection feature when the insured dies, the death benefit will be calculated using the rider specified amount.

If the rider specified amount is lower than the policy's total specified amount, the death benefit will be reduced. However, your beneficiaries receive the guaranteed minimum death benefit proceeds even if all the LTC benefits have been paid out.

¹⁷ If your policy has a loan balance, in order to avoid a taxable event, the policy must be kept in force even when all LTC benefits have been exhausted.

Nationwide is on your side every step of the way

If you eventually need LTC, we offer personalized support in filing your claim and finding the care that's appropriate for you. Your care coordinator will assist with the claim process, including helping you with the following:



Understanding how the process works to get your benefit



Filing the claim for benefits



Creating a plan of care that is appropriate for you



Finding local care services — such as home health care services, the right facility for your needs, adult day care, community services and more



Providing ongoing support as your needs change



Your next steps

Talk to your insurance or investment professional for more information on how Nationwide life insurance with the Long-Term Care Rider II can help you create a plan that keeps you close to the ones you love.

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

The information contained herein was prepared to support the promotion, marketing and/or sale of life insurance contracts and/or other products and services provided by Nationwide Life and Annuity Insurance Company.

Your coverage under the Long-Term Care Rider II is guaranteed renewable. This means that Nationwide will not unilaterally cancel or reduce coverage under this rider. Unless you request termination of this rider, it will remain in force as long as the policy remains in force. Your monthly LTC Rider II charge rate cannot increase beyond the maximum stated in your policy. However, Nationwide has the right to increase your current monthly LTC Rider II charge rate up to the guaranteed maximum monthly LTC Rider II charge rate. Any change in the current monthly LTC Rider II charge rate will be on a uniform basis for insureds of the same sex, issue age, product, rate type and rate class whose policies have been in force for the same duration.

Keep in mind that, as an acceleration of the death benefit, the Long-Term Care Rider II payout will reduce both the death benefit and cash surrender value. Make sure that 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 that 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 that benefits will be used to pay for long-term care. The Long-Term Care Rider II has an additional charge associated with it. A life insurance purchase should be based on the life policy and not on optional riders or features. The cost of a rider may exceed the actual benefit paid under the rider.

The Long-Term Care Rider II does have exclusions, limitations, reductions of benefits and terms under which the rider may be continued in force or discontinued. For more details on cost and coverage options, contact your financial professional.

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.

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 representations or guarantees regarding the claims-paying ability of the issuing insurance company.

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

Products are issued by Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

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