

## *Basic Illustration*

Prepared For:  
Valued Client

Prepared By:  
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**Nationwide Life and Annuity Insurance Company**  
One Nationwide Plaza  
Columbus, OH 43215

## Nationwide CareMatters® II

LIFE INSURANCE WITH

## Cash Indemnity Long-Term Care Benefits

**Prepared for:**  
Valued Client

**Presented by:**  
Jack Lenenberg  
LTC Partner  
312 Maxwell Rd.  
Suite 400  
Alpharetta, GA 30009  
Phone: 800-891-5824  
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**Prepared on:**  
June 10, 2020

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



## Nationwide CareMatters® II

### LIFE INSURANCE WITH Cash Indemnity Long-term Care Benefits

Dear Valued Client,

Thank you for considering Nationwide® for your long-term (LTC) care planning needs. The proposal you're about to see was customized for you based on the following information:

#### Long-term care scenario

Valued Client (Female, 60, Couple Nontobacco, Illinois)

<b>Premium received</b>	Annual: \$100,000.00 Year 0 - Year 1 Total: \$100,000.00
<b>Refund of Premium on Surrender</b>	Maximum LTC Benefit <sup>1</sup>
<b>Total Long-term care benefit</b>	Day 1: \$341,899 Age 80: \$617,508
<b>Maximum monthly LTC benefit</b>	Day 1: \$4,405 Age 80: \$7,955
<b>LTC specified benefit period</b>	6 years
<b>Inflation protection option</b>	3% Compound
<b>Specified amount (amount accelerated for long-term care)</b>	\$105,713.62 Note: The Net Death Benefit may be higher in some years. See Net Death Benefit column of the Tabular Detail.
<b>Guaranteed minimum death benefit</b>	\$21,142.72
<b>Is Sales Proposal a MEC?</b>	Yes

<sup>1</sup>You have elected the Minimum Refund of Premium with Maximum LTC Benefit Option. The Refund of Premium value is equal to the Cash Surrender Value. This option provides the lowest Refund of Premium value in the early years and the most LTC benefit for a given Premium.

#### Distinct product features

- Cash Indemnity LTC Benefits
- Guaranteed Premiums
- Informal Care
- Nationwide Care Guide Network
- Guaranteed Cash Value

This policy covers care for a wide range of long-term care services and pays the monthly benefit directly to you, the policy owner. Nationwide CareMatters II was designed to put you in control of your future long-term care choices.

Please review the enclosed information with your insurance professional to determine if Nationwide CareMatters II is right for you.

Thank you.



Nationwide CareMatters® II

LIFE INSURANCE WITH  
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# 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 so it's ready anytime to provide funds for potential LTC needs<sup>2</sup>



### LTC benefits

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

<sup>2</sup>The insured must meet LTC claims requirements.



## Nationwide CareMatters® II

LIFE INSURANCE WITH  
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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<sup>3</sup>



### Eliminate monthly paperwork

You won't be required to submit bills or receipts to Nationwide<sup>4</sup>

### Long-term care support services

The Nationwide Care Guide Network<sup>®</sup> is a LTC resource and referral service tailored to your geographic location for policyowners who have purchased Nationwide CareMatters II.<sup>5</sup> 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

<sup>3</sup> Benefits may be taxable under certain circumstances. Consult your tax advisor.

<sup>4</sup> The insured must continue to meet LTC claims requirements

<sup>5</sup> 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.

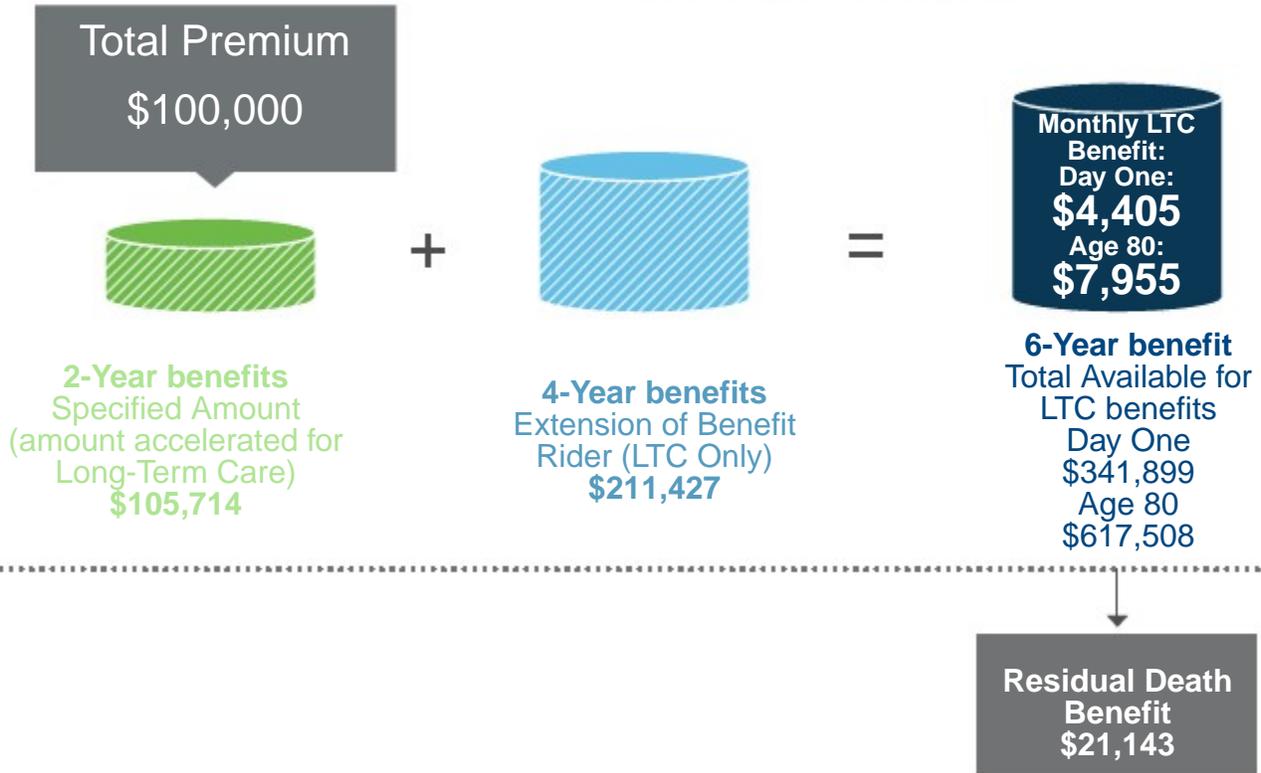


# Nationwide CareMatters® II

## LIFE INSURANCE WITH Cash Indemnity Long-term Care Benefits

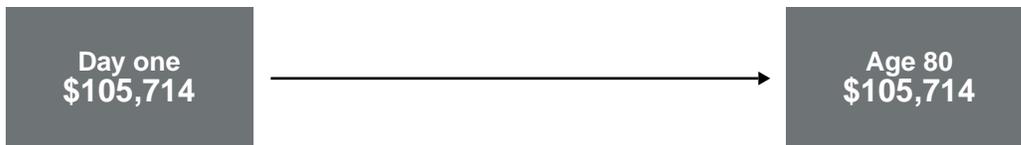
### How the product works<sup>6</sup>

Coverage if you need long-term care

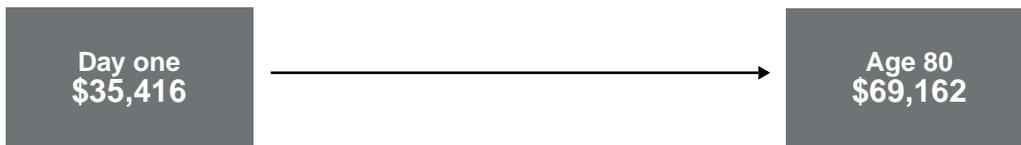


### If the Long-term care benefits are never used, the guarantees below are available.

Guaranteed Death Benefit if LTC is never used.



Guaranteed Total Received on Surrender.



<sup>6</sup> This scenario assumes no Loans, Partial Surrenders, or LTC Benefits have been taken.



## Nationwide CareMatters® II

LIFE INSURANCE WITH  
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### Narrative Summary

#### About this Proposal

Payment of the single premium, or paying all premiums during the selected premium payment period, guarantees that the policy will not lapse as long as no policy loans are taken.

This proposal assumes that the premium is paid on the first day of each policy year.

The proposal is not a contract and will not become part of any policy issued by Nationwide Life and Annuity Insurance Company. The policy constitutes the actual agreement of coverage and contains the entire terms of the contract. The policy is designed to qualify as life insurance under laws of the United States of America, including the Internal Revenue Code of 1986, as amended. This policy is also intended to be federally tax qualified under section 7702B(b) of the Internal Revenue Code of 1986, as amended. Tax treatment for citizens of, and US residents subject to taxation in, foreign countries may be different. Neither Nationwide nor its representatives give legal or tax advice. Please consult with your attorney or tax advisor for answers to your specific tax questions.

#### Proposal Details

**Total Required Premium - \$100,000** is the sum of all Scheduled Premiums you must pay (including any rollovers and/or lump sums), based on the Premium Payment Period you selected. The Premium Payment Period is the period during which the Scheduled Premium will be due and must be selected at issue. The Premium Payment Period for this proposal is a single pay. As long as the premium obligation is met and no loans or partial surrenders are taken, the quoted benefits are guaranteed. For any scheduled premium after the first, there will be a 61 day grace period after the date we mail the grace period notice in which to make the premium payment.

The Scheduled Premium breaks down as follows:

1. Life Insurance Premium - \$50,708.16
2. LTC Rider Premium- \$5,507.83
3. LTC Extension of Benefits Premium - \$12,598.02
4. LTC Inflation Protection Rider Premium - \$31,185.99

**Refund of Premium on Surrender** - You have elected the Minimum Refund of Premium with Maximum LTC Benefit Option. The Refund of Premium value is equal to the Cash Surrender Value. This option provides the lowest Refund of Premium value in the early years and the most LTC benefit for a given Premium.

**Total Long-Term Care (LTC) Benefits - \$317,141** is the total maximum amount of LTC benefits available to you from your Nationwide CareMatters® II policy. This amount does not include the Inflation Protection Option you may have elected.

**Maximum Monthly LTC Benefit - \$4,405** is the amount you will be paid every month if you choose to receive the full LTC benefit amount. It does not include amounts that might be provided by any inflation protection option you might have elected.

**Specified Amount - \$105,714** is the amount used to determine LTC benefits and the death benefits. It is also used to determine Policy Charges and Deductions from the Accumulated Value. The Specified Amount is not the same as the Net Death Benefit. Please refer to the Net Death Benefit description below or to the tabular detail.



## Nationwide CareMatters® II

LIFE INSURANCE WITH  
Cash Indemnity Long-term Care Benefits

### Narrative Summary

#### Proposal Details (continued)

**Guaranteed Minimum Death Benefit - \$21,143** is 20% of the Specified Amount quoted. As long as your policy stays in force, we guarantee we will pay your beneficiaries a death benefit, even if the death benefit amount quoted is exhausted by the payment of LTC benefits. This death benefit will be lower if loans or partial surrenders are taken.

**Inflation Protection Option (Long-Term Care Fixed Rate Inflation Protection Rider Form # ICC18-NWLA-586)** - Nationwide CareMatters II offers Inflation Protection Options of either 3% Simple, 3% Compound, 5% Compound or the U.S. Medical Care Inflation Option. You have elected the 3% Compound inflation option. The monthly benefit provided by the Inflation Protection Rider is not included in the Total LTC Benefit Amount. The monthly Inflation Protection Rider amount is in addition to the Maximum Monthly LTC Benefit amount provided by the LTC Rider, or the LTCEB Rider if elected. This rider must be selected at the time of application and can't be changed after issue.

**LTC Specified Benefit Period - 6 years** is the benefit period you have selected. This represents the total period of time LTC benefits may be paid under your policy if the Maximum Monthly LTC Benefit is taken continuously. This includes a 2 Year LTC Rider Specified Acceleration Period and a 4 Year LTC Extension of Benefits Rider Specified Extension Period. Your specified benefit period must be selected at the time of the application and may not be changed after issue. However, taking less than the Maximum Monthly LTC Benefit may extend the length of time over which benefits are payable.

**LTC Rider (Form # ICC18-NWLA-584)** - Is the rider that provides LTC benefits as an acceleration of the death benefit.

**LTC Extension of Benefits Rider (Form # ICC18-NWLA-585)** - Is the rider that provides benefits once the benefits provided by the LTC rider are exhausted.

#### Key Policy Features & Terms

#### **Accelerated Death Benefit (ADB) for Terminal Illness Rider (ICC13-NWLA-495)**

- The ADB Rider advances a portion of the policy's death benefit in the event of a terminal illness (with a life expectancy of 12 months or less).
- The rider is attached to the policy at the time the policy is issued.
- There is no upfront charge for this rider; however, charges and adjustments will apply at the time the claim is approved.
- The receipt of an accelerated death benefit payment may be taxable or may affect Medicaid or public assistance eligibility. Nationwide does not provide tax or legal advice, so you should consult your personal financial advisor to assess the impact of this benefit.
- Nationwide reserves the right to require the base policy Specified Amount be at least \$50,000 on the Benefit Effective Date; the remaining Specified Amount, after payment of the ADB Rider Benefit, must be at least the minimum Specified Amount.
- The maximum amount of the ADB Rider Benefit to be paid if the insured meets the requirements of the Eligibility and Conditions for Payment section of the ADB Rider cannot exceed 50% of the base policy Eligible Specified Amount.

**Accumulated Value** - Is the amount of Life Insurance premium paid, minus premium loads and administrative charges, minus monthly deductions for cost of insurance minus any partial surrenders, plus interest credited.

**Nationwide CareMatters® II****LIFE INSURANCE WITH  
Cash Indemnity Long-term Care Benefits**

## Narrative Summary

**Key Policy  
Features &  
Terms  
(continued)**

**Cash Indemnity LTC Benefits** - Once your claim is approved, no monthly bills or receipts will need to be submitted, and up to full monthly LTC benefit will be paid directly to the policy owner.

**Cash Value** - Is an amount equal to the greater of:  
a. the Accumulated Value of this Policy; or  
b. the Guaranteed Cash Value.

**Cash Surrender Value** - Is an amount equal to the greater of:  
a. the Accumulated Value of this policy less any surrender charge; or  
b. the Guaranteed Cash Value.

**Cumulative Net Payments** - Is the sum of Premiums paid minus any partial surrenders.

**Eligibility Requirements** - In order to receive benefits, no exclusions must apply, and the following requirements must be met:

- The Insured has been certified within the previous 12 months by a Licensed Health Care Practitioner as requiring Substantial Supervision to protect the individual from threats to health and safety due to severe Cognitive Impairment and/or is unable to perform, without Substantial Assistance from another individual, two or more of the Activities of Daily Living for at least ninety (90) days due to a loss of functional capacity:
  - Bathing
  - Eating
  - Contenance
  - Toileting
  - Dressing
  - Transferring (moving into or out of a bed, chair, or wheel chair)
- during the Period of Care, the Insured has been receiving Qualified Long-Term Care Services specified in a Plan of Care submitted to us;
- The Licensed Health Care Practitioner must be someone other than the owner or an employee of the Eligible Service Provider, or a family member of the Insured;
- The Elimination Period has been satisfied. The Elimination Period has to be satisfied only once while these Riders are in effect;
- you may be required to provide a signed acknowledgment of concurrence with the payment from all parties with an interest in the Policy, including, but not limited to assignees.
- None of the following Exclusions or Preexisting conditions apply:  
**Exclusions** -
  1. intentionally self-inflicted injuries or attempts at suicide (either while sane or insane);
  2. committing or attempting to commit a felony;
  3. alcoholism or drug addiction, unless addiction results from administration of drugs for treatment prescribed by a Physician; or
  4. war or any act of war, whether declared or undeclared.

**Preexisting Conditions Limitations** - A preexisting condition is any condition for which the Insured received medical advice, or treatment was recommended by, or received from, a health care services provider in the six months preceding the Policy Date. We will not pay benefits for Qualified Long-Term Care Services received wholly or in part due to a preexisting condition which is not disclosed in the application if the need for services begins during the first six months after the Policy Date.



## Nationwide CareMatters® II

### LIFE INSURANCE WITH Cash Indemnity Long-term Care Benefits

## Narrative Summary

### Key Policy Features & Terms (continued)

**Guaranteed Cash Value** - Is the applicable amount (based on the insured's Attained Age) from the table of the Guaranteed Cash value. Please refer to the Total Received on Surrender report.

**Informal Care** - Benefits can be used to pay a family member, or any other individual deemed appropriate by the Licensed Health Care Practitioner under the insured's customized Plan of Care. Under certain circumstances, benefits may be taxable. Please consult a tax advisor.

**International Benefits** - If you are receiving Qualified Long-Term Care services outside of the United States, its territories or possessions, the International LTC benefit payments can be the Maximum Monthly LTC Rider Benefit Amount and the monthly inflation amount. International benefits are not available under the LTCEB rider. Please refer to the client guide for further information on this benefit.

**IRC Section 7702** - Provides the rules for the tax qualification of life insurance. The CVAT test requires we pay a minimum death benefit based on Corridor factors. These factors are defined in section 7702 of the IRS code, and are dependent upon age, class, gender, and rating. If the amount calculated using these Corridor factors in the CVAT is greater than the Specified Amount, then the "Death Benefit" is that higher amount as calculated.

**IRC Section 7702B** - Provides the rules for the tax qualification of life insurance. The LTC Rider and the LTCEB Rider are intended to be qualified long-term care insurance contracts under Section 7702B of the Internal Revenue Code of 1986, as amended.

**Issue Age** - Is the insured's age on the last birthday on or before the policy issue date.

**Licensed Health Care Practitioner** - A Physician, as defined in § 1861 (r)(1) of the Social Security Act, as amended; a registered professional nurse; licensed social worker; or other individual who meets requirements prescribed by the Secretary of the Treasury. The Licensed Health Care Practitioner must be acting within the scope of his or her license when providing: (a) a certification and/or recertification that the insured is Chronically III; or (b) an individualized Plan of Care for the Insured.

**Loans (Indebtedness)** - Is the amount borrowed against the Net Surrender Value during the policy year. Any outstanding policy indebtedness will be charged interest at the policy loan interest rate of 4.00% as defined in the policy. Any outstanding policy indebtedness will result in a reduction in the policy's Net Surrender Value, Death Benefit, Total LTC Benefit, and LTC Benefits.

**Maximum Monthly LTC Inflation Protection Rider Benefit** - Is the full amount of the benefit available under the Inflation Protection Option after the Maximum Monthly LTC Benefit is taken. This amount is in addition to the Maximum Monthly LTC Benefit. Please consult your policy specification pages for details.

**Nationwide CareMatters® II****LIFE INSURANCE WITH  
Cash Indemnity Long-term Care Benefits**

## Narrative Summary

**Key Policy  
Features &  
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(continued)**

**Modified Endowment Contract (MEC)** - This proposal is a MEC as defined by the guidelines of a MEC as defined by Section 7702A of the Internal Revenue Code. A life insurance policy where premium payments made during the first seven years of the contract, or during the first seven years after a material change, exceed the Modified Endowment Premium limit as defined by section 7702A of the Internal Revenue Code. Withdrawals and loans from these contracts are subject to less favorable tax treatment than distributions from policies which are not Modified Endowment Contracts. This does not apply to distributions for LTC benefits.

**Nationwide Care Guide Network®** - Is a service provided by a non-affiliated third party and included at no additional charge. It provides policy owners, insureds and their family members, with free consultations and tailored information to help implement your plan of care. You have no obligation to use these services which are currently provided through a non-affiliated third party. There is no separate additional charge for this service. This service is subject to availability.

**Net Surrender Value** - Is the Cash Surrender Value of this policy minus any indebtedness and minus the Unpaid Monthly Deductions Account if applicable.

**Net Death Benefit** - Is the death benefit amount that will be paid to your beneficiary if the insured dies while the policy is in-force. This amount is net of any outstanding Policy Indebtedness and LTC benefits paid. Assuming no Loans, Partial Surrenders or LTC Benefits have been paid, this amount will never be less than the total Premiums paid. The Net Death Benefit may be higher in some years based on the Specified Amount, Accumulated Value, Guaranteed Cash Value, Return of Premium Value, and the IRC 7702 corridor factors.

**Partial Surrenders** - Is the amount of money withdrawn during the policy year. Partial Surrenders will result in the reduction of the Cash Surrender Value, Death Benefit, Total LTC Benefit and Monthly LTC Benefit.

**Scheduled Premium** - Is the amount of Premium required on the first day of the premium payment frequency for the Premium Payment Period you selected.

**Surrender Charges** - Is the amount deducted from the Accumulated Value in the event the policy owner surrenders the policy for cash during the applicable period. At no time will the deduction of the surrender charge cause the policy owner to owe additional funds to Nationwide.

**Total Monthly Benefit** - is the total benefit amount available to you every month. If an inflation protection option is elected, the Total Monthly Benefit you receive will be the Maximum Monthly LTC Benefit plus the Maximum Monthly Inflation Benefit. The full Maximum Monthly LTC Benefit must be taken before the Inflation Protection Rider Benefit is available.

**Total Received On Surrender** - The total dollar amount that will be paid upon surrender of the policy. The Total Received on Surrender is equal to the Net Surrender Value plus any Refund of Premium amount provided by the Refund of Premium option elected.



## Nationwide CareMatters® II

LIFE INSURANCE WITH  
**Cash Indemnity Long-term Care Benefits**

### Narrative Summary

**Key Policy  
Features &  
Terms**  
(continued)

**Unpaid Monthly Deductions Account** - An account used for tracking purposes. This account accrues unpaid Policy charges and monthly deductions when Indebtedness exceeds the Accumulated Value. No interest is credited to the Unpaid Monthly Deductions Account. Interest charged on the Unpaid Monthly Deductions Account accrues at the same rate as Indebtedness, and is applied to the Unpaid Monthly Deductions Account.



## Nationwide CareMatters® II

### LIFE INSURANCE WITH Cash Indemnity Long-term Care Benefits

Prepared For: Valued Client // Female/60/Couple Non-Tobacco

IRC Section 7702: Cash Value Accumulation Test

Specified Amount: \$105,713.62

Guaranteed Minimum Death Benefit: \$21,143

Total LTC Benefit: \$317,140.86

Maximum Monthly LTC Benefit: \$4,404.73

LTC Benefit Period: 6 years

Inflation Protection Option: 3% Compound

Refund of Premium Option: Maximum LTC Benefit

Premium Payment Period: Single Premium

Scheduled Premium: \$100,000.00 Annual

## Tabular Detail

						All Values and Benefits Guaranteed				
						Guaranteed 1.00% Interest Rate				
End of Year	Age	Scheduled Premium	Cash Value	Total Received on Surrender	Net Death Benefit	Total LTC Benefit (Excludes Inflation)	Max Monthly LTC Benefit* (Excludes Inflation)	Max Monthly Inflation Rider Benefit*	Total Monthly Benefit	Total Benefit** (Total LTC Benefit Plus Inflation)
1	60	100,000	37,258	35,416	105,714	317,141	4,405	0	4,405	341,899
2	61	0	36,746	36,746	105,714	317,141	4,405	132	4,537	352,156
3	62	0	38,116	38,116	105,714	317,141	4,405	268	4,673	362,721
4	63	0	39,527	39,527	105,714	317,141	4,405	408	4,813	373,602
5	64	0	40,978	40,978	105,714	317,141	4,405	553	4,958	384,811
<b>Total</b>		<b>100,000</b>								
6	65	0	42,469	42,469	105,714	317,141	4,405	702	5,106	396,355
7	66	0	44,002	44,002	105,714	317,141	4,405	855	5,259	408,246
8	67	0	45,578	45,578	105,714	317,141	4,405	1,013	5,417	420,493
9	68	0	47,198	47,198	105,714	317,141	4,405	1,175	5,580	433,108
10	69	0	48,863	48,863	105,714	317,141	4,405	1,342	5,747	446,101
<b>Total</b>		<b>100,000</b>								
11	70	0	50,570	50,570	105,714	317,141	4,405	1,515	5,920	459,484
12	71	0	52,317	52,317	105,714	317,141	4,405	1,692	6,097	473,268
13	72	0	54,101	54,101	105,714	317,141	4,405	1,875	6,280	487,466
14	73	0	55,918	55,918	105,714	317,141	4,405	2,064	6,468	502,090
15	74	0	57,764	57,764	105,714	317,141	4,405	2,258	6,663	517,153
<b>Total</b>		<b>100,000</b>								
16	75	0	59,634	59,634	105,714	317,141	4,405	2,458	6,862	532,668
17	76	0	61,524	61,524	105,714	317,141	4,405	2,664	7,068	548,648
18	77	0	63,429	63,429	105,714	317,141	4,405	2,876	7,280	565,107
19	78	0	65,344	65,344	105,714	317,141	4,405	3,094	7,499	582,060
20	79	0	67,259	67,259	105,714	317,141	4,405	3,319	7,724	599,522
<b>Total</b>		<b>100,000</b>								

Based on Premium Outlay, coverage would continue to:

Insured's attained age: 120

\* The Max Monthly LTC Benefit + the Max Monthly Inflation Rider Benefit = The Total Monthly Benefit available. The full Max Monthly LTC Benefit must be taken before the Monthly Inflation Protection Rider Benefit can be taken. The benefit provided by the Inflation Rider will not be added to, nor will it increase or decrease the Total LTC Benefit, the Maximum Lifetime LTC Rider Benefit Amount, the Maximum Lifetime LTCEB Rider Benefit Amount or the Lifetime Total Maximum Amount of LTC Benefits.

\*\* The values shown assume you collect the full amount of LTC Benefits continuously for the full six year LTC Specified Benefit Period you elected and you are receiving qualified LTC services in the United States. Any Monthly Inflation Rider Benefit not taken in a given month will be forfeited. Benefits shown are cumulative over the six year LTC Specified Benefit Period you elected. For example, if you go on claim in year 11 the total benefit \$459,484 would encompass claim years 11-16.



## Nationwide CareMatters® II

### LIFE INSURANCE WITH Cash Indemnity Long-term Care Benefits

Prepared For: Valued Client // Female/60/Couple Non-Tobacco

IRC Section 7702: Cash Value Accumulation Test

Specified Amount: \$105,713.62

Guaranteed Minimum Death Benefit: \$21,143

Total LTC Benefit: \$317,140.86

Maximum Monthly LTC Benefit: \$4,404.73

LTC Benefit Period: 6 years

Inflation Protection Option: 3% Compound

Refund of Premium Option: Maximum LTC Benefit

Premium Payment Period: Single Premium

Scheduled Premium: \$100,000.00 Annual

## Tabular Detail

						All Values and Benefits Guaranteed				
						Guaranteed 1.00% Interest Rate				
End of Year	Age	Scheduled Premium	Cash Value	Total Received on Surrender	Net Death Benefit	Total LTC Benefit (Excludes Inflation)	Max Monthly LTC Benefit* (Excludes Inflation)	Max Monthly Inflation Rider Benefit*	Total Monthly Benefit	Total Benefit** (Total LTC Benefit Plus Inflation)
21	80	0	69,162	69,162	105,714	317,141	4,405	3,551	7,955	617,508
22	81	0	71,039	71,039	105,714	317,141	4,405	3,789	8,194	636,033
23	82	0	72,896	72,896	105,714	317,141	4,405	4,035	8,440	655,114
24	83	0	74,742	74,742	105,714	317,141	4,405	4,288	8,693	674,768
25	84	0	76,572	76,572	105,714	317,141	4,405	4,549	8,954	695,011
<b>Total</b>		<b>100,000</b>								
26	85	0	78,338	78,338	105,714	317,141	4,405	4,818	9,223	715,861
27	86	0	80,027	80,027	105,714	317,141	4,405	5,094	9,499	737,337
28	87	0	81,665	81,665	105,714	317,141	4,405	5,379	9,784	759,457
29	88	0	83,239	83,239	105,714	317,141	4,405	5,673	10,078	782,241
30	89	0	84,739	84,739	105,714	317,141	4,405	5,975	10,380	805,708
<b>Total</b>		<b>100,000</b>								
31	90	0	86,161	86,161	105,714	317,141	4,405	6,287	10,691	829,879
32	91	0	87,508	87,508	105,714	317,141	4,405	6,607	11,012	854,775
33	92	0	88,783	88,783	105,714	317,141	4,405	6,938	11,343	880,419
34	93	0	89,987	89,987	105,714	317,141	4,405	7,278	11,683	906,831
35	94	0	91,134	91,134	105,714	317,141	4,405	7,629	12,033	934,036
<b>Total</b>		<b>100,000</b>								
36	95	0	92,243	92,243	105,714	317,141	4,405	7,990	12,394	962,057
37	96	0	93,299	93,299	105,714	317,141	4,405	8,361	12,766	990,919
38	97	0	94,279	94,279	105,714	317,141	4,405	8,744	13,149	1,020,647
39	98	0	95,174	95,174	105,714	317,141	4,405	9,139	13,544	1,051,266
40	99	0	95,973	95,973	105,714	317,141	4,405	9,545	13,950	1,082,804
<b>Total</b>		<b>100,000</b>								

Based on Premium Outlay, coverage would continue to:

Insured's attained age: 120

\* The Max Monthly LTC Benefit + the Max Monthly Inflation Rider Benefit = The Total Monthly Benefit available. The full Max Monthly LTC Benefit must be taken before the Monthly Inflation Protection Rider Benefit can be taken. The benefit provided by the Inflation Rider will not be added to, nor will it increase or decrease the Total LTC Benefit, the Maximum Lifetime LTC Rider Benefit Amount, the Maximum Lifetime LTCEB Rider Benefit Amount or the Lifetime Total Maximum Amount of LTC Benefits.

\*\* The values shown assume you collect the full amount of LTC Benefits continuously for the full six year LTC Specified Benefit Period you elected and you are receiving qualified LTC services in the United States. Any Monthly Inflation Rider Benefit not taken in a given month will be forfeited. Benefits shown are cumulative over the six year LTC Specified Benefit Period you elected. For example, if you go on claim in year 11 the total benefit \$459,484 would encompass claim years 11-16.



**Nationwide CareMatters® II**

**LIFE INSURANCE WITH  
Cash Indemnity Long-term Care Benefits**

**Prepared For:** Valued Client // Female/60/Couple Non-Tobacco  
**IRC Section 7702:** Cash Value Accumulation Test  
**Specified Amount:** \$105,713.62  
**Guaranteed Minimum Death Benefit:** \$21,143  
**Total LTC Benefit:** \$317,140.86  
**Maximum Monthly LTC Benefit:** \$4,404.73  
**LTC Benefit Period:** 6 years  
**Inflation Protection Option:** 3% Compound  
**Refund of Premium Option:** Maximum LTC Benefit  
**Premium Payment Period:** Single Premium  
**Scheduled Premium:** \$100,000.00 Annual

**Tabular Detail**

						All Values and Benefits Guaranteed				
						Guaranteed 1.00% Interest Rate				
End of Year	Age	Scheduled Premium	Cash Value	Total Received on Surrender	Net Death Benefit	Total LTC Benefit (Excludes Inflation)	Max Monthly LTC Benefit* (Excludes Inflation)	Max Monthly Inflation Rider Benefit*	Total Monthly Benefit	Total Benefit** (Total LTC Benefit Plus Inflation)
41	100	0	96,660	96,660	105,714	317,141	4,405	9,964	14,368	1,115,288
42	101	0	97,249	97,249	105,714	317,141	4,405	10,395	14,799	1,148,747
43	102	0	97,777	97,777	105,714	317,141	4,405	10,839	15,243	1,183,209
44	103	0	98,250	98,250	105,714	317,141	4,405	11,296	15,701	1,218,705
45	104	0	98,677	98,677	105,714	317,141	4,405	11,767	16,172	1,255,267
<b>Total</b>		<b>100,000</b>								
46	105	0	99,072	99,072	105,714	317,141	4,405	12,252	16,657	1,292,925
47	106	0	99,467	99,467	105,714	317,141	4,405	12,752	17,157	1,331,712
48	107	0	99,875	99,875	105,714	317,141	4,405	13,267	17,671	1,371,664
49	108	0	100,270	100,270	105,714	317,141	4,405	13,797	18,201	1,412,814
50	109	0	100,653	100,653	105,714	317,141	4,405	14,343	18,747	1,455,198
<b>Total</b>		<b>100,000</b>								
51	110	0	101,025	101,025	105,714	317,141	4,405	14,905	19,310	1,498,854
52	111	0	101,386	101,386	105,714	317,141	4,405	15,484	19,889	1,543,820
53	112	0	101,738	101,738	105,714	317,141	4,405	16,081	20,486	1,590,134
54	113	0	102,082	102,082	105,714	317,141	4,405	16,696	21,100	1,637,838
55	114	0	102,420	102,420	105,714	317,141	4,405	17,329	21,733	1,686,973
<b>Total</b>		<b>100,000</b>								
56	115	0	102,754	102,754	105,714	317,141	4,405	17,981	22,385	1,737,582
57	116	0	103,089	103,089	105,714	317,141	4,405	18,652	23,057	1,789,710
58	117	0	103,431	103,431	105,714	317,141	4,405	19,344	23,749	1,843,401
59	118	0	103,795	103,795	105,714	317,141	4,405	20,057	24,461	1,898,703
60	119	0	104,243	104,243	105,714	317,141	4,405	20,790	25,195	1,955,664
<b>Total</b>		<b>100,000</b>								

Based on Premium Outlay, coverage would continue to:

Insured's attained age: 120

\* The Max Monthly LTC Benefit + the Max Monthly Inflation Rider Benefit = The Total Monthly Benefit available. The full Max Monthly LTC Benefit must be taken before the Monthly Inflation Protection Rider Benefit can be taken. The benefit provided by the Inflation Rider will not be added to, nor will it increase or decrease the Total LTC Benefit, the Maximum Lifetime LTC Rider Benefit Amount, the Maximum Lifetime LTCEB Rider Benefit Amount or the Lifetime Total Maximum Amount of LTC Benefits.

\*\* The values shown assume you collect the full amount of LTC Benefits continuously for the full six year LTC Specified Benefit Period you elected and you are receiving qualified LTC services in the United States. Any Monthly Inflation Rider Benefit not taken in a given month will be forfeited. Benefits shown are cumulative over the six year LTC Specified Benefit Period you elected. For example, if you go on claim in year 11 the total benefit \$459,484 would encompass claim years 11-16.



## Nationwide CareMatters® II

LIFE INSURANCE WITH  
Cash Indemnity Long-term Care Benefits

### Input Summary - Ledger Case File: [Untitled]

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#### Screen: Insured

Revised Illustration?	No	Issue Age or D.O.B. (mm/dd/yyyy)	60
Issue State	IL	Tobacco User?	No
First Name	Valued	Married / Civil Union / Domestic Partnership?	Yes
Last Name	Client		
Sex	Female		

---

#### Screen: Face Amount and Premium

Specify Premium or Benefit	Premium	Premium Mode	Annual
Premium or Benefit Amount	100000	Benefit Duration	6
Scheduled Premium	Single Premium	Inflation Benefit Option	3% Compound
Refund of Premium	Maximum LTC Benefit	1035 Exchange?	No

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#### Screen: Interest Rate and Income

Guaranteed Rate

---

#### Screen: Output Design

General Ledger	Yes	Premium Summary	Yes
Annual Cost Summary	No	OCC Report	No
Display IRR Column	No	Monthly Cost Summary	No
Quick View	Yes		

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## Nationwide CareMatters® II

### LIFE INSURANCE WITH Cash Indemnity Long-term Care Benefits

**Prepared For:** Valued Client // Female/60/Couple Non-Tobacco

**IRC Section 7702:** Cash Value Accumulation Test

**Specified Amount:** \$105,713.62

**Guaranteed Minimum Death Benefit:** \$21,143

**Total LTC Benefit:** \$317,140.86

**Maximum Monthly LTC Benefit:** \$4,404.73

**LTC Benefit Period:** 6 years

**Inflation Protection Option:** 3% Compound

**Refund of Premium Option:** Maximum LTC Benefit

**Premium Payment Period:** Single Premium

**Scheduled Premium:** \$100,000.00 Annual

## Signature Page

**Proposal as shown is a Modified Endowment Contract.**

I have received a copy of this proposal. I also understand this proposal is not a contract and that the terms of the policy constitute the actual agreement of coverage.

\_\_\_\_\_  
Applicant/Policy Owner

\_\_\_\_\_  
Date

I certify that this proposal has been presented to the applicant. I have made no representations that are inconsistent with the proposal.

\_\_\_\_\_  
Sales Representative

\_\_\_\_\_  
Date

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



## Nationwide CareMatters® II

### LIFE INSURANCE WITH Cash Indemnity Long-term Care Benefits

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## Total Received on Surrender

- A. **Guaranteed Cash Value**
- B. **Accumulated Value Less Surrender Charges**
- C. **Net Surrender Value (the greater of A or B)**
- D. **Refund of Premium Value**

**E. Total Received On Surrender** - The total dollar amount that will be paid upon surrender of the policy. The Total received On Surrender is the greater of the Net Surrender Value (C) and the Refund of Premium (D). If the Refund of Premium is greater than the Net Surrender Value, the excess will be refunded upon surrender.

Examples:

- If the Refund of Premium is \$100,000 and the Net Surrender Value is \$70,000, the Total Received on Surrender will be \$100,000. The \$100,000 will consist of the \$70,000 Net Surrender Value and \$30,000 Refund of Premium.
- If the Refund of Premium is \$70,000 and the Net Surrender Value is \$100,000, the Total Received on Surrender will be \$100,000. The \$100,000 will consist of the \$100,000 Net Surrender Value.

End of Year	Age	(A) Guaranteed Cash Value	(B) Accumulated Value Less Surrender Charges	(C) Net Surrender Value	(D) Refund Of Premium	(E) Total Received on Surrender
1	60	35,416	33,201	35,416	N/A	35,416
2	61	36,746	32,622	36,746	N/A	36,746
3	62	38,116	31,997	38,116	N/A	38,116
4	63	39,527	31,326	39,527	N/A	39,527
5	64	40,978	30,608	40,978	N/A	40,978
6	65	42,469	29,837	42,469	N/A	42,469
7	66	44,002	29,013	44,002	N/A	44,002
8	67	45,578	28,385	45,578	N/A	45,578
9	68	47,198	27,696	47,198	N/A	47,198
10	69	48,863	26,943	48,863	N/A	48,863
11	70	50,570	26,629	50,570	N/A	50,570
12	71	52,317	25,225	52,317	N/A	52,317
13	72	54,101	23,744	54,101	N/A	54,101
14	73	55,918	22,184	55,918	N/A	55,918
15	74	57,764	20,540	57,764	N/A	57,764
16	75	59,634	18,811	59,634	N/A	59,634
17	76	61,524	16,995	61,524	N/A	61,524
18	77	63,429	15,089	63,429	N/A	63,429
19	78	65,344	13,092	65,344	N/A	65,344
20	79	67,259	11,004	67,259	N/A	67,259



## Nationwide CareMatters® II

### LIFE INSURANCE WITH Cash Indemnity Long-term Care Benefits

**Prepared For:** Valued Client // Female/60/Couple Non-Tobacco

**IRC Section 7702:** Cash Value Accumulation Test

**Specified Amount:** \$105,713.62

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**Maximum Monthly LTC Benefit:** \$4,404.73

**LTC Benefit Period:** 6 years

**Inflation Protection Option:** 3% Compound

**Refund of Premium Option:** Maximum LTC Benefit

**Premium Payment Period:** Single Premium

**Scheduled Premium:** \$100,000.00 Annual

## Total Received on Surrender

- A. **Guaranteed Cash Value**
- B. **Accumulated Value Less Surrender Charges**
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Examples:

- If the Refund of Premium is \$100,000 and the Net Surrender Value is \$70,000, the Total Received on Surrender will be \$100,000. The \$100,000 will consist of the \$70,000 Net Surrender Value and \$30,000 Refund of Premium.
- If the Refund of Premium is \$70,000 and the Net Surrender Value is \$100,000, the Total Received on Surrender will be \$100,000. The \$100,000 will consist of the \$100,000 Net Surrender Value.

End of Year	Age	(A) Guaranteed Cash Value	(B) Accumulated Value Less Surrender Charges	(C) Net Surrender Value	(D) Refund Of Premium	(E) Total Received on Surrender
21	80	69,162	8,804	69,162	N/A	69,162
22	81	71,039	6,468	71,039	N/A	71,039
23	82	72,896	4,003	72,896	N/A	72,896
24	83	74,742	1,421	74,742	N/A	74,742
25	84	76,572	0	76,572	N/A	76,572
26	85	78,338	0	78,338	N/A	78,338
27	86	80,027	0	80,027	N/A	80,027
28	87	81,665	0	81,665	N/A	81,665
29	88	83,239	0	83,239	N/A	83,239
30	89	84,739	0	84,739	N/A	84,739
31	90	86,161	0	86,161	N/A	86,161
32	91	87,508	0	87,508	N/A	87,508
33	92	88,783	0	88,783	N/A	88,783
34	93	89,987	0	89,987	N/A	89,987
35	94	91,134	0	91,134	N/A	91,134
36	95	92,243	0	92,243	N/A	92,243
37	96	93,299	0	93,299	N/A	93,299
38	97	94,279	0	94,279	N/A	94,279
39	98	95,174	0	95,174	N/A	95,174
40	99	95,973	0	95,973	N/A	95,973



## Nationwide CareMatters® II

### LIFE INSURANCE WITH Cash Indemnity Long-term Care Benefits

**Prepared For:** Valued Client // Female/60/Couple Non-Tobacco

**IRC Section 7702:** Cash Value Accumulation Test

**Specified Amount:** \$105,713.62

**Guaranteed Minimum Death Benefit:** \$21,143

**Total LTC Benefit:** \$317,140.86

**Maximum Monthly LTC Benefit:** \$4,404.73

**LTC Benefit Period:** 6 years

**Inflation Protection Option:** 3% Compound

**Refund of Premium Option:** Maximum LTC Benefit

**Premium Payment Period:** Single Premium

**Scheduled Premium:** \$100,000.00 Annual

## Total Received on Surrender

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Examples:

- If the Refund of Premium is \$100,000 and the Net Surrender Value is \$70,000, the Total Received on Surrender will be \$100,000. The \$100,000 will consist of the \$70,000 Net Surrender Value and \$30,000 Refund of Premium.
- If the Refund of Premium is \$70,000 and the Net Surrender Value is \$100,000, the Total Received on Surrender will be \$100,000. The \$100,000 will consist of the \$100,000 Net Surrender Value.

End of Year	Age	(A) Guaranteed Cash Value	(B) Accumulated Value Less Surrender Charges	(C) Net Surrender Value	(D) Refund Of Premium	(E) Total Received on Surrender
41	100	96,660	0	96,660	N/A	96,660
42	101	97,249	0	97,249	N/A	97,249
43	102	97,777	0	97,777	N/A	97,777
44	103	98,250	0	98,250	N/A	98,250
45	104	98,677	0	98,677	N/A	98,677
46	105	99,072	0	99,072	N/A	99,072
47	106	99,467	0	99,467	N/A	99,467
48	107	99,875	0	99,875	N/A	99,875
49	108	100,270	0	100,270	N/A	100,270
50	109	100,653	0	100,653	N/A	100,653
51	110	101,025	0	101,025	N/A	101,025
52	111	101,386	0	101,386	N/A	101,386
53	112	101,738	0	101,738	N/A	101,738
54	113	102,082	0	102,082	N/A	102,082
55	114	102,420	0	102,420	N/A	102,420
56	115	102,754	0	102,754	N/A	102,754
57	116	103,089	0	103,089	N/A	103,089
58	117	103,431	0	103,431	N/A	103,431
59	118	103,795	0	103,795	N/A	103,795
60	119	104,243	0	104,243	N/A	104,243



## Nationwide CareMatters® II

### LIFE INSURANCE WITH Cash Indemnity Long-term Care Benefits

**Prepared For:** Valued Client // Female/60/Couple Non-Tobacco

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**Refund of Premium Option:** Maximum LTC Benefit

**Premium Payment Period:** Single Premium

**Scheduled Premium:** \$100,000.00 Annual

## 7702 / 7702a

**MEP:** **\$6,423.91**

**NSP:** **\$39,607.90**

Modified Endowment Premium (MEP): As defined by the IRC Section 7702A, this premium represents the level annual premium required for seven years to mature the policy under guaranteed mortality charges at an annual interest rate of 4%.

Net Single Premium (NSP): This premium represents the single premium required to mature the policy under mortality charges, as defined in IRC Section 7702, at an annual interest rate of 4%.

Please see the proposal for further information on other important information and features.



## Nationwide CareMatters® II

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**Scheduled Premium:** \$100,000.00 Annual

## Quick View

### All Values and Benefits are Guaranteed

LTC Specified Benefit Period	Inflation Protection Option	Specified Amount	Total Benefit** (Total LTC Benefit Plus Inflation) (Day One)	Max Monthly LTC Benefit (Day One)	Total Monthly* Benefit (Age 80)	Total Benefit** (Total LTC Benefit Plus Inflation) (Age 80)	Inflation Crossover Age***
2 Years	None	\$188,049	\$188,049	\$7,835	\$7,835	\$188,049	
2 Years	3% Simple	\$159,257	\$161,646	\$6,636	\$10,617	\$257,200	67
2 Years	3% Compound	\$143,535	\$145,688	\$5,981	\$10,802	\$263,129	70
2 Years	5% Compound	\$112,033	\$114,833	\$4,668	\$12,386	\$304,687	71
3 Years	None	\$174,478	\$261,717	\$7,270	\$7,270	\$261,717	
3 Years	3% Simple	\$141,663	\$218,869	\$5,903	\$9,444	\$346,365	68
3 Years	3% Compound	\$126,179	\$195,003	\$5,257	\$9,496	\$352,198	71
3 Years	5% Compound	\$90,782	\$143,095	\$3,783	\$10,036	\$379,675	74
4 Years	None	\$164,913	\$329,827	\$6,871	\$6,871	\$329,827	
4 Years	3% Simple	\$122,301	\$255,610	\$5,096	\$8,153	\$402,371	72
4 Years	3% Compound	\$118,136	\$247,118	\$4,922	\$8,890	\$446,323	72
4 Years	5% Compound	\$76,178	\$164,169	\$3,174	\$8,422	\$435,590	76
5 Years	None	\$158,467	\$396,168	\$6,603	\$6,603	\$396,168	
5 Years	3% Simple	\$116,820	\$309,573	\$4,868	\$7,788	\$484,803	72
5 Years	3% Compound	\$110,397	\$293,058	\$4,600	\$8,308	\$529,295	73
5 Years	5% Compound	\$70,222	\$194,011	\$2,926	\$7,763	\$514,770	77
6 Years	None	\$153,622	\$460,867	\$6,401	\$6,401	\$460,867	
6 Years	3% Simple	\$111,789	\$360,519	\$4,658	\$7,453	\$561,739	73
6 Years	3% Compound	\$105,714	\$341,899	\$4,405	\$7,955	\$617,508	73
6 Years	5% Compound	\$64,659	\$219,904	\$2,694	\$7,148	\$583,472	78
7 Years	None	\$150,417	\$526,461	\$6,267	\$6,267	\$526,461	
7 Years	3% Simple	\$108,192	\$412,753	\$4,508	\$7,213	\$639,957	74
7 Years	3% Compound	\$100,551	\$385,235	\$4,190	\$7,567	\$695,776	74
7 Years	5% Compound	\$60,728	\$247,224	\$2,530	\$6,714	\$655,958	79

\*The Max Monthly LTC Benefit + the Max Monthly Inflation Rider Benefit at age 80 = The Total Monthly Benefit available at age 80. The full Max Monthly LTC Benefit must be taken before the Monthly Inflation Rider Benefit can be taken. The benefit provided by the Inflation Rider will not be added to, nor will it increase or decrease the Total LTC Benefit, the Maximum Lifetime LTC Rider Benefit Amount, the Maximum Lifetime LTCEB Rider Benefit Amount or the lifetime Total Maximum Amount of LTC Benefits.

\*\*The values shown assume you collect the full amount of LTC Benefits continuously for the full LTC Specified Benefit Period you elected at the beginning of Day 1 or age 80 and you are receiving qualified LTC services in the United States. Any Monthly Inflation Rider Benefit not taken in a given month will be forfeited. Benefits shown are cumulative over the LTC Specified Benefit Period you elected.

\*\*\*The Inflation Crossover Age is the age that the Total Monthly Benefit is equal to or greater than the Max Monthly Benefit with no inflation added.



**Nationwide Life and Annuity Insurance Company**  
 One Nationwide Plaza  
 Columbus, OH 43215

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 policy owner 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 values of the policy. Additionally, loans and withdrawals will also reduce both the cash values 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 policy owner; there is no guarantee the policy owner will use the benefit for long-term care expenses if the policy is owned by someone other than the insured.

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 (i.e., marriage, birth of a child or job promotion), so can life insurance and longterm 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: 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.

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

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

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**Long-Term Care Insurance Outline of Coverage  
for Long-Term Care Rider (ICC18-NWLA-584)  
and Long-Term Care Extension of  
Benefits Rider (ICC18-NWLA-585)  
Nationwide Life And Annuity Insurance Company**  
PO Box 182835, Columbus, Ohio 43218-2835 • 1-800-848-6331

**NOTICE TO BUYER: THE RIDERS DESCRIBED IN THIS OUTLINE MAY NOT COVER ALL THE COSTS ASSOCIATED WITH LONG-TERM CARE INCURRED BY THE BUYER DURING THE PERIOD OF COVERAGE. THE BUYER IS ADVISED TO REVIEW CAREFULLY ALL POLICY AND RIDER LIMITATIONS.**

**CAUTION:** The issuance of the Long-Term Care Rider (“LTC Rider”) and Long-Term Care Extension of Benefits Rider (“LTCEB Rider”), if elected, (together, “Riders”) described in this outline is based upon your responses to the questions on your application. A copy of your application is enclosed. If your answers are incorrect or untrue, Nationwide Life and Annuity Insurance Company (“Nationwide”) has the right to deny benefits or rescind these Riders. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact us at the address above.

**These Riders are attached to an individual Policy of life insurance.**

**PURPOSE OF OUTLINE OF COVERAGE.** This Outline of Coverage provides a very brief description of the important features of the LTC Rider and LTCEB Rider. You should compare this Outline of Coverage to outlines of coverage for other riders available to you. This Outline of Coverage is not the insurance contract, but only a summary of coverage. Only the Riders, and the individual life insurance Policy to which they are attached, contain governing contractual provisions. This means both the Policy and Riders themselves set forth, in detail, the rights and obligations of both you and Nationwide. It is, therefore, important that you **READ YOUR POLICY AND RIDERS CAREFULLY.**

**FEDERAL TAX CONSEQUENCES.** THE LTC RIDER AND LTCEB RIDER ARE BOTH INTENDED TO BE A FEDERALLY TAX-QUALIFIED LONG-TERM CARE INSURANCE CONTRACT UNDER SECTION 7702B OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. **Benefits paid under these Riders may be taxable, depending on your specific circumstances. As with all tax matters, you should consult your personal tax advisor to assess the impact of this benefit.**

**TERMS UNDER WHICH THESE RIDERS MAY BE CONTINUED IN FORCE OR DISCONTINUED.**

**RENEWABILITY.** The Policy these Riders are attached to is noncancellable. This means you have the right, subject to the terms of your Policy, to continue your Policy as long as 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 you currently pay.

**WAIVER OF PREMIUM.** These Riders do not contain a waiver of premium provision. However, if the Accumulated Value has been reduced to less than the required monthly deductions while Rider benefits are being received, any monthly deductions that would otherwise cause the Accumulated Value to be less than zero will be waived. Depending on the Premium Payment Period elected, the Waiver of Premium Endorsement may be available at time of issue. This endorsement waives Premium for the LTC Rider, LTCEB Rider, and LTC Inflation Protection Rider while the Insured is receiving long-term care benefits.

**TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS.** These Riders are attached to a fixed premium universal life insurance policy which requires payment of all Scheduled Premium as stated in the Policy Specification Pages. The amount of the Scheduled Premium is fixed at issue, so we can never increase the Scheduled Premium for the Policy and attached Riders.

**TERMS UNDER WHICH THESE RIDERS MAY BE RETURNED AND PREMIUM REFUNDED.** To be certain that you are satisfied with these Riders, you have a thirty day “free look.” Within thirty days after you receive these Riders, you may return it to our Home Office or to the representative who delivered it. We will then void these Riders and the Policy as if it had never been in force and refund to the Policy Owner all Life Insurance Premium and Total LTC Premium paid, including any fees and charges.

***Partial Refund of LTC Premium on Surrender***

Based on the refund of premium option elected, you may be entitled to a partial refund of premium upon Surrender, if the total Scheduled Premium paid less partial Surrenders multiplied by the Premium Refund Percentage, exceeds the greater of the Cash Surrender Value or the LTC Benefits Paid, the excess amount is refunded up to the Total LTC Premium paid.

***Partial Refund of LTC Premium on Death***

Based on the refund of premium option elected, you may be entitled to a partial refund of premium upon the death of the Insured, if the total Scheduled Premium less partial Surrenders, exceeds the greater of the death benefit or LTC Benefits Paid, the excess amount will be refunded up to the Total LTC Premium paid.

**THESE RIDERS ARE NOT MEDICARE SUPPLEMENT COVERAGE.** If the Insured is eligible for Medicare, review the “Guide to Health Insurance for People with Medicare” available from us upon request. Receipt of benefits under these Riders may adversely affect your eligibility for governmental benefits or public assistance programs such as Medicaid. Neither Nationwide Life and Annuity Insurance Company nor its agents can represent Medicare, the federal government, or any state government.

**LONG-TERM CARE COVERAGE.** These Riders are designed to provide coverage for one or more necessary, or diagnostic, preventive, therapeutic, rehabilitative, Maintenance or Personal Care services, provided in a setting other than an acute care unit of a Hospital, such as in a nursing home, in the community or in the home. These Riders provide coverage in the form of a fixed dollar cash indemnity benefit for Qualified Long-Term Care Services, and is subject to an Elimination Period, limitations, and exclusions described in these Riders.

**BENEFITS PROVIDED BY THESE RIDERS.** These Riders interact with the Policy to which they are attached. Upon meeting the eligibility requirements for payment of benefits, we will pay a monthly benefit for the elected period, to the Policy Owner while the Insured is receiving Qualified Long-Term Care Services. The monthly benefit amount is not based on the number of days of services received and is not based on actual expenses incurred.

The LTC Rider provides for acceleration of the Policy Specified Amount until that Rider’s benefit limit has been reached. The LTCEB Rider, if elected, extends the benefits provided by the LTC Rider after the LTC Rider’s benefit limit has been reached, up to the Lifetime Total Maximum Amount of LTC Benefits. The Policy Owner has the option to receive a monthly Rider benefit payment equal to or less than the maximum monthly Rider benefit amount. However, the monthly Rider benefit payment requested must be greater than or equal to the minimum monthly Rider benefit amount stated on the Policy Specification Pages, or no less than as required by applicable laws and regulations in the State of Issue.

#### **LTC Rider Benefit Amounts:**

**Maximum Lifetime LTC Rider Benefit Amount.** The maximum benefit payable under the LTC Rider. It is the Policy Specified Amount multiplied by the quantity (Cash Surrender Value minus Indebtedness) divided by the Cash Surrender Value. The initial Maximum Lifetime LTC Rider Benefit Amount is stated on the initial Policy Specification Pages.

**Maximum Monthly LTC Rider Benefit Amount.** The maximum monthly benefit payable under the LTC Rider. The Maximum Monthly LTC Rider Benefit Amount is based on the Policy Specified Amount, and is calculated by dividing the Maximum Lifetime LTC Rider Benefit Amount by the number of months you elected on the application to receive LTC Rider benefit payments. It is stated on the Policy Specification Pages. The initial Maximum Monthly LTC Rider Benefit Amount is set on the Policy Date.

#### **LTCEB Rider Benefit Amounts:**

**Maximum Lifetime LTCEB Rider Benefit Amount.** The maximum benefit payable under the LTCEB Rider. It is equal to the number of months you elected on the application to receive LTCEB Rider benefit payments multiplied by the initial Maximum Monthly LTC Rider Benefit Amount. The initial Maximum Lifetime LTCEB Rider Benefit Amount is stated on the initial Policy Specification Pages.

**Maximum Monthly LTCEB Rider Benefit Amount.** The maximum monthly benefit available under the LTCEB Rider. The Maximum Monthly LTCEB Rider Benefit Amount is equal to the Maximum Monthly LTC Rider Benefit Amount. It is stated on the Policy Specification Pages. The initial Maximum Monthly LTCEB Rider Benefit Amount is set on the Policy Date. The Maximum Monthly LTCEB Rider Benefit Amount is recalculated any time the Maximum Lifetime LTCEB Rider Benefit Amount is recalculated.

**Lifetime Total Maximum Amount of LTC Benefits.** The maximum benefit payable under the LTC Rider, and the LTCEB Rider, if elected. This amount is equal to the Maximum Lifetime LTC Rider Benefit Amount, plus the Maximum Lifetime LTCEB Rider Benefit Amount if the LTCEB Rider is elected. The Lifetime Total Maximum Amount of LTC Benefits is stated on the Policy Specification Pages.

**Lapse Protection Feature.** While benefits are being received under the Riders, coverage under the Policy and attached Riders will not lapse; however, you must continue to pay your Scheduled Premium to maintain current Policy and rider benefit amounts. If the Accumulated Value is insufficient to cover all monthly deductions, any monthly deductions that would otherwise cause the Accumulated Value to be less than zero will be waived for the Rider benefit payment period. If there is Policy Indebtedness, as soon as you are no longer receiving LTC benefits, you may have to make sufficient loan repayment to prevent your Policy from lapsing.

**ELIGIBILITY FOR PAYMENT OF BENEFITS.** In order for Rider benefits to be payable, the total amount of benefits paid under the applicable Rider must not have reached the maximum lifetime Rider benefit amount under that Rider. Additionally, we must verify the following requirements have been met:

1. the Insured is Chronically Ill. This means, the Insured has been certified, within the preceding twelve months, by a Licensed Health Care Practitioner other than the owner or employee of an LTC Service Provider or Immediate Family of the Policy Owner or Insured, as:
  - a. being unable to perform, without Substantial Assistance from another individual, at least two Activities of Daily Living (i.e., Bathing, Continence, Dressing, Eating, Toileting, and Transferring) for a period of at least ninety days due to a loss of functional capacity; or
  - b. requiring Substantial Supervision to protect the individual from threats to health and safety due to severe Cognitive Impairment;
2. the Insured must be receiving Qualified Long-Term Care Services specified in a Plan of Care submitted to us;
3. the Elimination Period has been satisfied. The Elimination Period only has to be satisfied once while these Riders are in effect;
4. no exclusions as stated in the applicable Rider apply; and
5. the Policy Owner may be required to provide a signed acknowledgment of concurrence with the payment from all parties with an interest in the Policy, including, but not limited to assignees.

#### *Recertification*

At least once every twelve months, but no more frequently than every ninety days, a Licensed Health Care Practitioner must certify that the Insured requires Substantial Supervision to protect the individual from threats to health and safety due to severe Cognitive Impairment and/or is unable to perform, without Substantial Assistance from another individual, two or more Activities of Daily Living for at least ninety days due to a loss of functional capacity. Additionally, the Licensed Health Care Practitioner must either prescribe a new Plan of Care or reconfirm the existing Plan of Care.

#### **DEFINED TERMS USED IN THIS OUTLINE OF COVERAGE**

**Activities of Daily Living.** Those activities that measure the Insured's ability for self-care. The six Activities of Daily Living used in these Riders to determine the level of care needed by the Insured are:

1. "Bathing" – washing oneself in either a tub or shower, including getting into and out of the tub or shower, or by sponge bath.
2. "Continence" – ability to control one's bowel and/or bladder function, or the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag) when unable to control one's bowel and/or bladder function.
3. "Dressing" – putting on and taking off all items of clothing, and attaching any necessary braces, fasteners, or prosthesis.
4. "Eating" – feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.
5. "Toileting" – getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
6. "Transferring" – means moving in and out of a bed, chair, or wheelchair.

**Adult Day Care Services/Facility.** A state licensed or certified program for a specified number of individuals providing Qualified Long-Term Care Services, including social or health-related or both types of services. These services are provided during the day in a community group setting for the purpose of supporting frail, impaired elderly or other disabled adults who can benefit from care in a group setting outside the home.

**Chronically Ill.** An Insured who has been certified, within the preceding twelve months, by a Licensed Health Care Practitioner other than the owner or employee of a Long-Term Care Service Provider or Immediate Family of the Policy Owner or Insured as:

1. being unable to perform, without Substantial Assistance from another individual, at least two Activities of Daily Living for a period of at least ninety days due to a loss of functional capacity; or
2. requiring Substantial Supervision to protect the individual from threats to health and safety due to severe Cognitive Impairment.

**Cognitive Impairment.** A deficiency in the Insured's short or long-term memory, orientation as to person, place and time, deductive or abstract reasoning, or judgment as it relates to safety awareness. Included are nervous or mental disorders of organic origin, including Alzheimer's Disease and senile dementia, which are determined by clinical diagnosis or tests.

**Hands-On Assistance.** The physical assistance of another person without which the individual would be unable to perform the Activities of Daily Living.

**Home Health Care Agency.** A public or private entity, with a valid operating certificate, in states where required, that provides in-home Qualified Long-Term Care Services delivered through licensed practical nurses, registered nurses, or other skilled or unskilled medical personnel. If the jurisdiction does not license or certify such facilities, then the Home Health Care Agency must: (1) be primarily engaged in providing residential health care services; and (2) operate under policies and procedures established by a group of professionals, including at least one Physician and one nurse.

**Home Health Care Services.** Medical or non-medical Maintenance or Personal Care Services, Homemaker Services, and Hospice Care delivered in a private home, as part of the Insured's Plan of Care. Home Health Care Services can include Qualified Long-Term Care Services provided by skilled or unskilled medical personnel of a Hospital or Home Health Care Agency, or by unskilled individuals in the Insured's home.

**Immediate Family.** The Insured's or Policy Owner's spouse or other legally recognized partner, children, grandchildren, parents, grandparents, brothers and sisters, aunts and uncles, cousins, including adopted, in-laws, and step-relatives of any of the listed persons and their spouses or legally recognized partners.

**Licensed Health Care Practitioner.** A Physician, as defined in §1861(r)(1) of the Social Security Act, as amended; a registered professional nurse; licensed social worker; or other individual who meets requirements prescribed by the Secretary of the Treasury. The Licensed Health Care Practitioner must be acting within the scope of his or her license when providing: (a) a certification and/or recertification that the Insured is Chronically Ill; or (b) an individualized Plan of Care for the Insured.

**Long-Term Care Facility.** Any facility, other than a Hospital, which provides Skilled Nursing Care, Intermediate Care, or Custodial Care, and is licensed or certified by the appropriate state licensing agency. If the jurisdiction does not license or certify such facilities, then it must also have: (1) a registered graduate nurse on duty at all times to supervise 24-hour nursing service; (2) a Physician to supervise the operation of the facility; (3) a planned program of policies and procedures developed with the advice of a professional group of at least one Physician and one nurse; and (4) a Physician available to furnish emergency medical care.

**Maintenance or Personal Care Services.** Any care of which the primary purpose is the provision of needed assistance with any of the disabilities as a result of which the individual is a Chronically Ill individual, including the protection from threats to health and safety due to severe Cognitive Impairment. Maintenance or Personal Care Services also include, but are not limited to, assistance provided pursuant to a Plan of Care by any skilled or unskilled person of your choice.

**Period of Care.** A Period of Care begins immediately following the Insured being certified as Chronically Ill and receiving Qualified Long-Term Care Services. Instances where the Insured's condition improves and then relapses will be deemed a single Period of Care if the receipt of Qualified Long-Term Care Services:

1. is for the same condition;
2. is not separated by more than ninety days; and
3. occurs while this Rider is In Force.

A new Period of Care begins each time the Insured begins receiving Qualified Long-Term Care Services for a new condition or one unrelated to the current certification.

**Physician.** A person licensed to practice medicine or surgery in the state where such functions are performed, as defined in §1861 (r)(1) of the Social Security Act, as amended. Physician does not include the Policy owner, the Insured or any Immediate Family of either. The Physician must perform only those services permitted by his or her license.

**Plan of Care.** A written document which prescribes Qualified Long-Term Care Services based on an assessment by a Licensed Health Care Practitioner indicating that the Insured is Chronically Ill. The individualized plan developed by a Licensed Health Care Practitioner must specify the type of medical treatment (including medication and therapy), non-medical assistance and services, frequency of services, and most appropriate providers of all services the Insured requires. The Plan of Care must be appropriate and consistent with generally accepted standards of care for persons who are Chronically Ill.

**Qualified Long-Term Care Services.** Services that meet the requirements of §7702(B)(c)(1) of the Internal Revenue Code of 1986, as amended, as follows: necessary diagnostic, preventive, therapeutic, curative, treatment, mitigation and rehabilitative services, and Maintenance or Personal Care Services which are required by a Chronically Ill individual, and are provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.

**Standby Assistance.** The presence of another person within arm's reach of the individual that is necessary to prevent, by physical intervention, injury to the individual while the individual is performing the Activities of Daily Living (such as being ready to catch the individual if the individual falls while getting into or out of the bathtub or shower as part of bathing, or being ready to remove food from the individual's throat if the individual chokes while eating).

**Substantial Assistance.** Hands-on Assistance and/or Standby Assistance.

**Substantial Supervision.** Continual supervision by another person. This may include cuing by verbal prompting, gestures or other demonstrations and must be necessary to protect an individual with severe Cognitive Impairment from threats to his or her health or safety, such as may result from wandering.

**EXCLUSIONS AND PREEXISTING CONDITIONS LIMITATIONS.** These Riders do not pay benefits for Qualified Long-Term Care Services that result from:

1. intentionally self-inflicted injuries or attempts at suicide (either while sane or insane);
2. committing or attempting to commit a felony;
3. alcoholism or drug addiction, unless addiction results from administration of drugs for treatment prescribed by a Physician; or
4. war or any act of war, whether declared or undeclared.

Preexisting condition refers to any condition for which the Insured received medical advice or treatment in the six months preceding the Policy Date. The receipt of Qualified Long-Term Care Services, due to preexisting conditions stated in the application, are covered under the Riders, subject to the eligibility requirements listed in the Riders. We will not pay benefits for Qualified Long-Term Care Services received wholly or in part due to a preexisting condition which is not disclosed in the application if the need for services begins during the first six months after the Policy Date.

**THIS POLICY MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG-TERM CARE NEEDS.**

**INTERNATIONAL BENEFITS.** The LTC Rider provides benefits for Qualified Long-Term Care Services received outside of the United States or its territories or possessions, according to the requirements of the International Claims section of the LTC Rider. The available International LTC Rider Benefits are 100% of the Maximum Monthly LTC Rider Benefit Amount, until the Maximum Lifetime LTC Rider Benefit Amount is exhausted, while the Insured is receiving care outside of the United States. The LTCEB Rider does not provide benefits for Qualified Long-Term Care Services received outside of the United States, its territories or possessions.

As long as the Insured is receiving Qualified Long-Term Care Services outside of the United States, its territories or possessions, and is receiving International LTC Rider benefit payments, International LTC Inflation Protection Rider Benefit Payments are available if the Long-Term Care Fixed Rate Inflation Protection Rider is elected. International LTC Inflation Protection Rider Benefits available are 100% of the Maximum Monthly LTC Inflation Protection Rider Benefit Amount.

If the Insured returns to the United States and is determined to be eligible for benefits under the LTC Rider or LTCEB Rider, if elected, and Qualified Long-Term Care Services are provided in the United States, the Maximum Monthly LTC Rider Benefit Amount (or Maximum Monthly LTCEB Benefit Amount, if applicable), and the Maximum Monthly LTC Inflation Protection Rider Benefit Amount will be available until the Lifetime Total Maximum Amount of LTC Benefits is exhausted.

**RELATIONSHIP OF COST OF CARE AND BENEFITS.** Because the costs of Qualified Long-Term Care Services will likely increase over time, you should consider how the benefits of this plan may be adjusted, and whether you desire to adjust them. These Riders do not provide for inflation protection coverage; however, the optional Long-Term Care Fixed Rate Inflation Protection Rider is available.

**INFLATION PROTECTION.** Nationwide offers two riders for inflation protection needs: the Long-Term Care Indexed Rate Inflation Protection Rider and the Long-Term Care Fixed Rate Inflation Protection Rider. If you elect one of the optional Inflation Protection Riders at application, a monthly inflation benefit is paid in addition to the maximum monthly LTC Rider benefit, or maximum monthly LTCEB Rider benefit if the LTCEB Rider is elected. This optional Inflation Protection coverage can help long-term care benefits keep up with long-term care expenses as they increase over time. The maximum monthly inflation protection benefit available depends on the Inflation Protection Option that is in effect. You can choose 5% Compound Inflation Protection, 3% Compound Inflation Protection, 3% Simple Inflation Protection, or Indexed Inflation Protection as described below. Benefits under the Long-Term Care Inflation Protection Riders are noncumulative. If you reject the optional Long-Term Care Inflation Protection Riders by indicating so in the application, you will not be able to increase your benefits later. An additional premium will be charged based on the inflation option selected.

### **3% Simple Inflation Protection:**

Under this option, the Maximum Monthly LTC Inflation Protection Rider Benefit Amount will increase on each Policy Anniversary by 3% of the Maximum Monthly LTC Rider Benefit Amount (or Maximum Monthly LTCEB Rider Benefit Amount, if applicable).

### 3% Compound Inflation Protection:

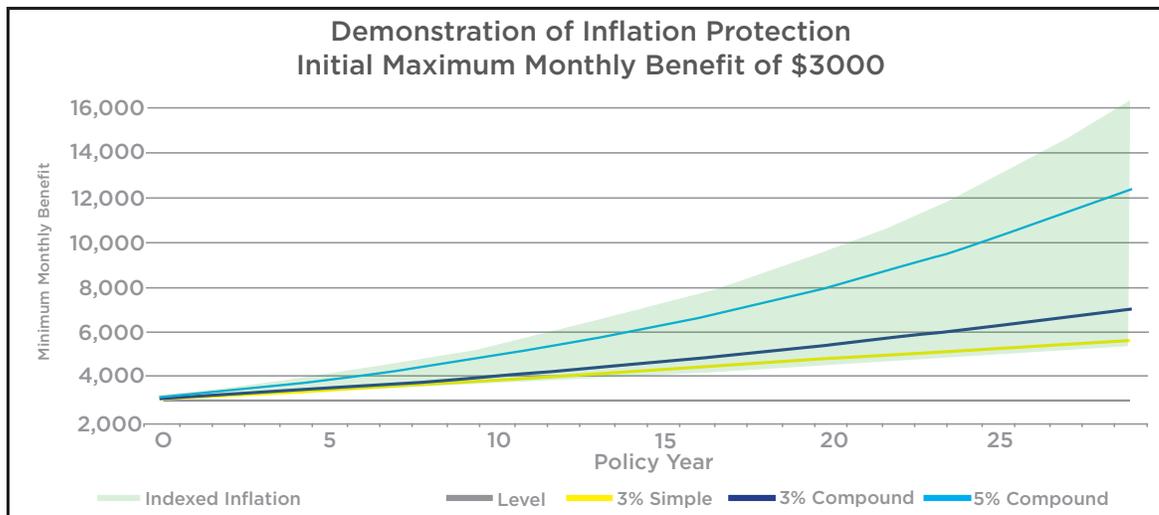
Under this option, the Maximum Monthly LTC Inflation Protection Rider Benefit Amount on the first Policy Anniversary will be equal to 3% of the Maximum Monthly LTC Rider Benefit Amount (or Maximum Monthly LTCEB Rider Benefit Amount, if applicable). On each Policy Anniversary afterwards, the Maximum Monthly LTC Inflation Protection Rider Benefit Amount will increase by an amount that is 3% higher than the previous year's increase.

### 5% Compound Inflation Protection:

Under this option, the Maximum Monthly LTC Inflation Protection Rider Benefit Amount on the first Policy Anniversary will be equal to 5% of the Maximum Monthly LTC Rider Benefit Amount (or Maximum Monthly LTCEB Rider Benefit Amount, if applicable). On each Policy Anniversary afterwards, the Maximum Monthly LTC Inflation Protection Rider Benefit Amount will increase by an amount that is 5% higher than the previous year's increase.

**Indexed Inflation Protection:** Under this option, the Maximum Monthly LTC Inflation Protection Rider Benefit Amount will be based on the greater of the performance of a Reference Index (subject to a floor rate and cap rate) and a fixed LTC Roll Up Inflation Rate. The shaded region in the graph below shows the range of possible values for the indexed inflation benefit based on a LTC Roll Up Inflation Rate of 2% and an Index Cap Rate of 6%.

The graph below shows the total of the Maximum Monthly LTC (or LTCEB) Rider Benefit Amount plus the Maximum Monthly LTC Inflation Protection Rider Benefit Amount over time for the available LTC Inflation Protection Types. The example shown is for an initial monthly benefit of \$3000.



**ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS.** These Riders provide coverage for Insureds clinically diagnosed as having Alzheimer's Disease or related degenerative and dementing illnesses.  
**PREMIUM.**

In addition to the fixed premium for the life insurance Policy, there are fixed premiums for the LTC Rider, LTCEB Rider, if elected, and Long-Term Care Fixed Rate Inflation Protection Rider, if elected. This Policy is noncancellable, meaning we guarantee that the Policy and all attached riders will not lapse as long as all Scheduled Premiums are paid and no Policy loans are taken. Please refer to your Policy for details on how deductions taken from the Accumulated Value may affect your Net Surrender Value and your Death Benefit Proceeds. Please refer to your sales proposal to see Scheduled Premiums for each benefit period and inflation protection option available.

**ADDITIONAL FEATURES.** These Riders will be medically underwritten.

**Nonforfeiture Benefit.** If the Policy enters the grace period due to nonpayment of Scheduled Premium, the Policy Owner will have the option to Surrender the Policy or elect the reduced paid-up insurance option of the Nonforfeiture section of the Policy, as long as the Minimum Specified Amount, as stated on the Policy Specification Pages, is met. Electing the reduced paid-up insurance option may result in a reduction in the Policy Specified Amount. This reduction in the Specified Amount will cause a reduction to the following values as of the effective date of that reduction: the Maximum Monthly LTC Rider Benefit Amount; the Maximum Lifetime LTC Rider Benefit Amount; Maximum Monthly LTCEB Rider Benefit Amount; the Maximum Lifetime LTCEB Rider Benefit Amount; and the Lifetime Total Maximum Amount of LTC Benefits.

**CONTACT THE STATE AGENCY LISTED IN A SHOPPER'S GUIDE TO LONG-TERM CARE INSURANCE IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT NATIONWIDE IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE RIDER OR LONG-TERM CARE EXTENSION OF BENEFITS RIDER.**



# Nationwide CareMatters® II

## Frequently Asked Questions

### What is the difference between Cash Indemnity and Reimbursement plans?

Cash Indemnity plans provide a monthly check for the amount you elect up to the maximum amount of long-term care (LTC) benefit you qualify for, even if your expenses are less or you are not paying a caregiver, because it is not based on actual expenses incurred. No bills, receipts or any other type of monthly paperwork is required once a claim is approved as they are with reimbursement plans. Nationwide CareMatters II is a cash indemnity plan.

Reimbursement plans require the submission of bills and receipts each month for LTC costs incurred. These policies specify which types of LTC expenses are covered and you (or the facility) will only be reimbursed for the exact amount of qualifying expenses up to the maximum benefit amount.

### Are there any limits as to how I can spend my monthly LTC benefit?

No. Once you qualify for benefits, payments (up to the maximum amount you qualify for) are sent monthly to the policy owner. Nationwide places no restrictions on how LTC benefit payments are used. Under certain circumstances benefits may be taxable. Please consult a tax advisor.

### Do I have to take the maximum LTC benefit amount?

No. You may take less than the Maximum Monthly LTC Benefit Amount that you qualify for in your policy. Taking less money can help extend the length of time your benefit is available. However, if Inflation Protection is elected, the Maximum Monthly LTC Benefit Amount must be requested in order to receive the Inflation Protection benefit. Please be aware that a minimum allowable amount also applies to what you may request each month. Benefit planning decisions can be complex and have consequences. Please consult your LTC benefit planning advisor.

### Will there still be a death benefit if I start using LTC benefits?

Yes. Your beneficiaries will receive either the policy death benefit reduced by the LTC benefits paid or the minimum death benefit, whichever is greater. Death benefit may be reduced by LTC benefits paid, outstanding loans, unpaid monthly deductions and partial surrenders.

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

## **How does Inflation Protection affect my policy?**

Inflation Protection, if elected, will provide an additional amount to your Maximum Monthly LTC Benefit. The additional benefit provided by electing Inflation Protection helps offset rising LTC costs. Benefits provided by Inflation Protection are in addition to the Total LTC Benefits and Maximum Monthly LTC Benefit available. The benefit amount requested each month will be paid first from the LTC Rider (or LTCEB Rider) up to the maximum monthly LTC benefit and then from the Inflation Protection Rider up to the maximum monthly inflation benefit. Inflation benefits not taken in a given month will not be available in future months.

## **Can the policy lapse while I am collecting LTC benefits?**

While the insured is receiving LTC benefits, your policy will not lapse. However, if you are in the Premium Payment Period and Scheduled Premium is not paid, then the policy will be converted to reduced paid-up insurance and the monthly LTC benefit will be reduced. Note that if you elected the pay-to-age-100 premium payment option, the portion of the premium that pays for long-term care (i.e., LTC Rider, LTCEB Rider, Inflation Protection Rider) will be waived while LTC benefits are being paid. Please refer to the Premium Summary page for Premium detail.

If there is Policy Indebtedness, as soon as you are no longer receiving LTC benefits, you may have to make sufficient loan repayment to prevent your Policy from lapsing.

## **Can I use my CareMatters benefits for more than one LTC claim?**

Yes. If you receive benefits for a LTC claim and then recover, you may use any remaining available LTC benefits for future LTC claims. Future claims do not have to be related to the original claim. Each claim must meet the eligibility requirements of the LTC Rider or LTCEB Rider. You may use your LTC benefits multiple times until they are exhausted.

## **How would inflation work once I recover and I am no longer on claim?**

Upon recovering from a claim, your remaining available LTC benefits will continue to inflate and will be available for any future claims that may arise.

## **What is HIPAA?**

HIPAA stands for the Health Insurance Portability and Accountability Act. HIPAA establishes a per diem amount. The HIPAA per diem amount usually increases each year. For 2019, it is \$370 per day (or \$11,100 in a 30-day month).

## **How much of my LTC benefit will be tax-free?**

The amount of tax free LTC benefits you can receive across all policies in a given year is the greater of:

- The HIPAA per diem amount for that year, or
- The actual qualified long-term care expenses incurred

## **Do I have access to my cash value?**

Yes. Loans and partial surrenders are allowed on this policy. However, loans and partial surrenders will decrease the death and LTC benefits. No loans or partial surrenders are permitted while LTC benefits are being paid. The policy may also be surrendered at any time for its Net Surrender Value which can be seen in the Tabular Detail of the Sales Proposal.

### **Why is the death benefit higher at issue?**

The Internal Revenue Code requires a minimum death benefit relative to the policy's Cash Value based on your age. This requirement can result in a minimum required death benefit greater than that produced by the elected Specified Amount and is why the Net Death Benefit may be higher in some years. Please refer to the Tabular Detail for specific values in a given year.

### **How do I qualify for LTC benefits?**

The following things must happen in order for you to qualify for monthly LTC benefits.

1. Your U.S.-licensed health care practitioner must certify the Insured as:
  - a. requiring Substantial Supervision to protect the individual from threats to health and safety due to severe Cognitive Impairment, and/or
  - b. being unable to perform, without Substantial Assistance from another individual, two or more of the Activities of Daily Living for at least ninety (90) days due to a loss of functional capacity
2. Upon filing a claim, a Plan of Care must be submitted describing the LTC services needed for treatment (whether formal or informal); the Plan of Care and condition(s) in item 1 must be recertified at least once annually by a U.S.-licensed health care practitioner.

### **When will I start receiving my LTC Benefits?**

1. There is a 90-calendar day elimination period beginning immediately after the date you're certified as chronically ill and start receiving LTC services.
2. Once the 90-calendar day elimination period has been met, LTC benefits for the first 90 days will be paid along with LTC benefits for month four.
3. Upon meeting the elimination period, it is satisfied for life of the policy in the event you have more than one LTC claim.

### **Is there special pricing available if both my spouse and I buy a policy?**

Individuals who are married or in a legally recognized domestic partnership or civil union receive a lower rate that will result in a larger pool of LTC benefits for the same cost or the same pool of LTC benefits at a lower cost, depending on which is requested. This rate is applied if one or both spouses purchase a policy.

### **Can I pool benefits with my spouse or transfer benefits?**

No. Each spouse must purchase his or her own policy, and no benefits can be transferred between policies.

### **What if I only use some of my LTC benefits?**

Your beneficiaries will receive either the remaining policy death benefit not used for LTC benefits or the minimum death benefit, whichever is greater.

### **Are any expenses excluded from coverage?**

Nationwide places no restrictions on how the benefits are spent.



**Nationwide®**  
is on your side

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 values of the policy. Additionally, loans and withdrawals will also reduce both the cash values 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 benefit payments to pay for the insured's care.

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 (i.e., 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: 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.

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

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

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**Name: Valued Client F/60**

**Company/ Product: Nationwide/ Nationwide CareMatters II**

**Product Warning(s)**

- This policy becomes a Modified Endowment Contract (MEC) in year 1.
- Illustration Succeeded

# Client Input Summary

Company: Nationwide

June 10, 2020

Product: Nationwide CareMatters II

## Insured

Insured Name	Valued Client
Sex	Female
Age	60
Class	Standard Non-Tobacco
Married/Civil Union/Domestic Partnership	Y
State of Issue	Illinois

## Specify

Specify Premium or Benefit	Premium
Premium or Benefit Amount	100,000
Scheduled Premium	Single Premium
Premium Mode	Annual
LTC Benefit Duration	6
Inflation Benefit Option	3% Compound
Refund of Premium	Maximum LTC Benefit

## Policy Options

Illustrative Rate	1 to 120 - Guaranteed
1035 Exchange Amount	0
Lump Sum	1 to 1 -
Section 7702	CVAT
Revised Illustration	N
Years to Print	MAX

## Report Options

Report Options	Y
General Ledger	Y
Premium Summary Report	Y
Annual Cost Summary	N
Monthly Cost Summary	N
Display IRR Column	N
Quick View	Y

## Agent Info

Agent Name	Jack Lenenberg
Agent Company	LTC Partner
Agent Address1	312 Maxwell Rd.
Agent Address2	Suite 400
Agent City	Alpharetta
Agent State	Georgia
Agent Zip Code	30009
Agent Phone	800-891-5824
Agent Fax	770-753-3939
Agent License #	3524868

# Client Input Summary

Company: Nationwide

June 10, 2020

Product: Nationwide CareMatters II

## Agent Info

Bank Sale

N

## Concept

Concept

None