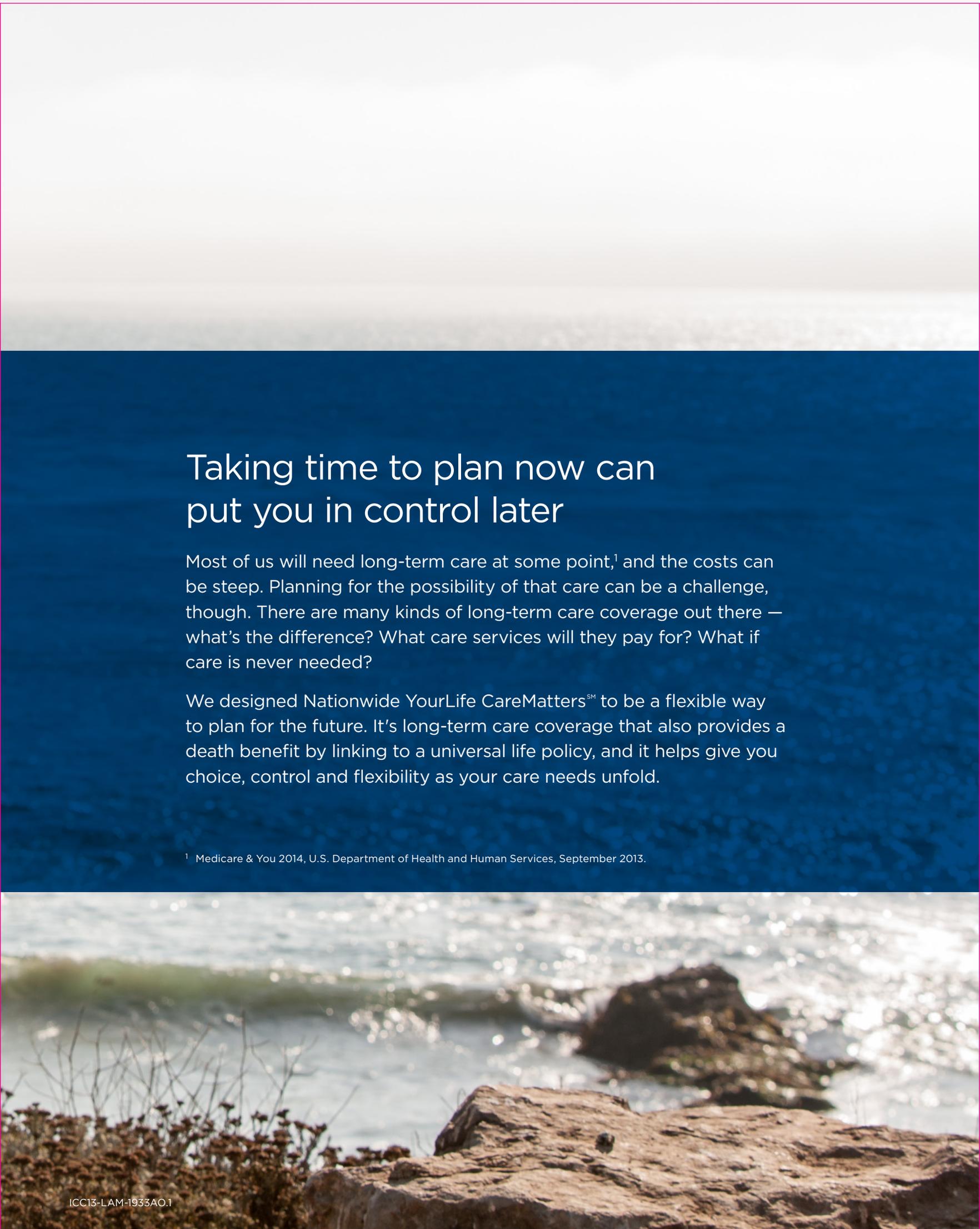




**Nationwide**<sup>®</sup>  
Financial

Nationwide YourLife CareMatters<sup>SM</sup>

Choice, control, flexibility –  
it's all in your hands



## Taking time to plan now can put you in control later

Most of us will need long-term care at some point,<sup>1</sup> and the costs can be steep. Planning for the possibility of that care can be a challenge, though. There are many kinds of long-term care coverage out there — what's the difference? What care services will they pay for? What if care is never needed?

We designed Nationwide YourLife CareMatters<sup>SM</sup> to be a flexible way to plan for the future. It's long-term care coverage that also provides a death benefit by linking to a universal life policy, and it helps give you choice, control and flexibility as your care needs unfold.

<sup>1</sup> Medicare & You 2014, U.S. Department of Health and Human Services, September 2013.

## What's inside?

<b>Facts about long-term care</b>	<b>4</b>
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• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution  
• Not insured by any federal government agency • May lose value

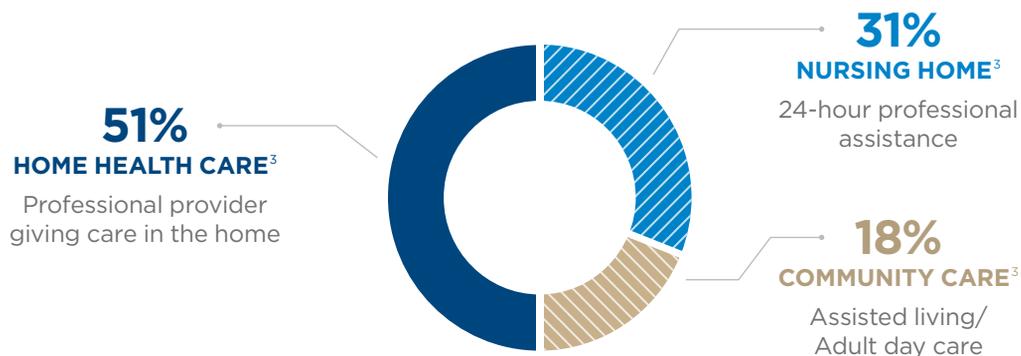
As your personal situations change (for example, marriage, birth of a child or job promotion), so will your life insurance needs. Care should be taken to ensure this product is suitable for your long-term life insurance needs. You should weigh any associated costs before making a purchase. Life insurance has fees and charges associated with it that include costs of insurance based on your sex, health and age, and has additional charges for riders that customize a policy to fit your individual needs. All guarantees and benefits of the insurance policy are subject to the claims-paying ability of the issuing insurance company.

# Facts about long-term care

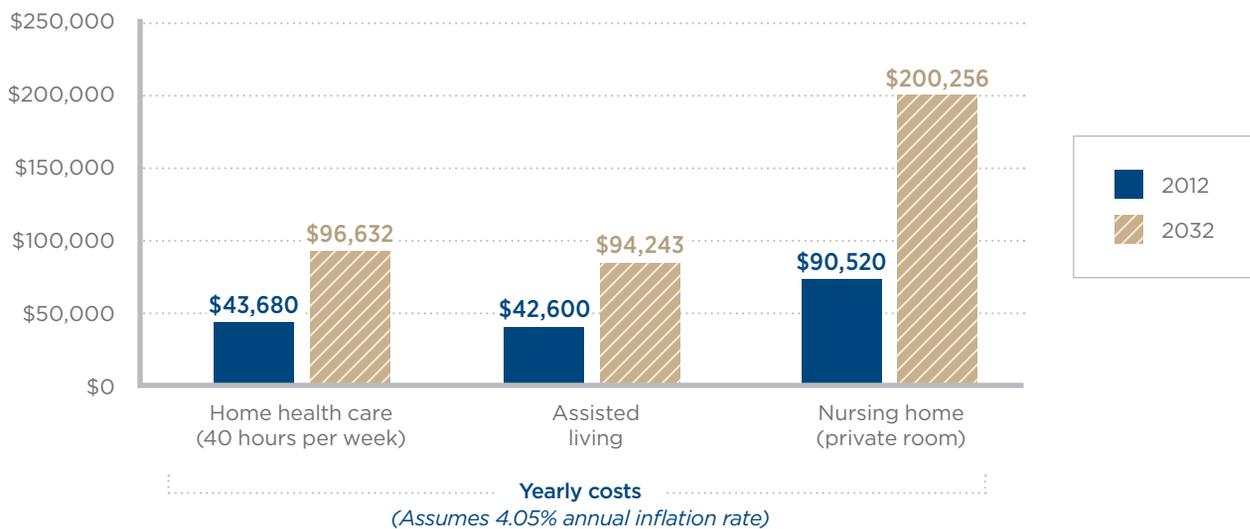
Most of us will need care as we age.<sup>2</sup>



When given the choice, many people remain in their own homes while receiving care.<sup>3</sup>



Long-term care is expensive, and the cost continues to grow.<sup>4</sup>



People receive long-term care for an average of 2½ years in a nursing home and 4½ years outside a nursing home.<sup>3</sup> If you need care, where will this money come from?

<sup>2</sup> Medicare & You 2014, U.S. Department of Health and Human Services, September 2013.

<sup>3</sup> The 2014 Sourcebook for Long-term care information, American Association for Long-term Care Insurance, 2013.

<sup>4</sup> Market Survey of Long-term Care Costs, Mature Market Institute, November 2012.



For more information on paying for long-term care, including where Medicare, Medicaid and private health insurance come in, as well as conversation starters for you and your loved ones, turn to the *Starting the long-term conversation* section on page 20.

# Long-term care coverage options

## A look at two common types of coverage: Linked benefit and stand-alone

There are several different types of long-term care coverage in the marketplace. Two of the most common are linked benefit policies and stand-alone insurance policies. Nationwide YourLife CareMatters<sup>SM</sup> is a linked benefit long-term care insurance solution. To help you evaluate what kind of coverage could be the best fit for your needs, we'll take a look at some of the characteristics and differences between the two.

Keep in mind that variations exist from product to product, and regardless of the type of policy you choose, it's important to select the level of coverage that's right for the care you think you'll need.

	What it is	Premiums	Death benefit
<b>Linked benefit</b> long-term care insurance	Long-term care coverage is linked to a life insurance policy that provides long-term care benefits as well as a death benefit; base policies have cash value	Paid in a lump sum, or over the course of several years (usually 5 to 10); premiums (the payments made into the policy) are guaranteed not to increase	Beneficiaries receive a death benefit, even if the full long-term care benefit was used
<b>Stand-alone</b> long-term care insurance	A policy designed specifically for long-term care coverage; similar to auto, home or health insurance, policies have no cash value	Usually, paid until you need long-term care; premiums (the payments made into the policy) are subject to increase	No death benefit available

## How benefits are paid: indemnity style vs. reimbursement

Long-term care policies can pay benefits in a couple of different ways.

1. The more common is through **reimbursement**: bills and receipts are submitted to the long-term care insurance company, who then pays the facility or health care professional.
2. With an **indemnity-style** policy, a check is mailed to the policy owner each month for the full amount of the monthly long-term care benefit. The money can be used to pay for care costs, and any funds left over can be used as desired. Examples include expenses that might not typically be associated with long-term care, such as safety upgrades around the house.

When you need care	Overall long-term care benefit	If you never need care
<p>With CareMatters, payments are sent to the person who owns the policy, and that money is used to pay for expenses (no monthly bills or receipts are required to be submitted, which is an indemnity style)</p> <p>Most other products in the market use a reimbursement style — see <i>How benefits are paid</i>, above, for more details</p>	<p>With CareMatters, you know exactly how much long-term care benefit is available; once you qualify for benefits, they're paid each month, and you have the option to adjust how much money you receive</p> <p>With reimbursement plans, you're eligible to cover expenses up to your monthly benefit amount, or the actual costs for care</p>	<p>Beneficiaries receive a death benefit greater than the premiums paid into the policy, or the policy can be surrendered for a guaranteed full return of premium; keep in mind that the death benefit and return of premium will be reduced if partial surrenders or loans are taken</p>
<p>Both reimbursement and indemnity-style plans are available</p>	<p>When care is needed, policies provide a benefit (for example, \$200 per day) that's paid once a month</p>	<p>Generally speaking, premiums are not refundable; some products offer a return-of-premium feature, but it typically has a significant cost</p>



# Why CareMatters?

## It's designed for choice, control and flexibility

Nationwide YourLife CareMatters<sup>SM</sup> is a universal life insurance policy that provides long-term coverage along with a death benefit. We'll explain all of the details and how it works, but here are three of the important ways it's different from other products out there:

- 
- 1. Choice** Your policy adapts to meet your needs: choose a payment schedule that works for you and select from options that meet your needs
  - 2. Control** Your premiums are guaranteed to never increase and you'll receive a guaranteed return of premium (minus any loans or withdrawals taken from the policy)
  - 3. Flexibility** CareMatters was created to help cover today's qualified long-term care services as well as those that will be developed in the future
- 

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

# 1. Choice

## Choose the features that are right for you

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

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### Fine-tune your care to work for you

If you need care, your licensed health practitioner will create a personalized plan for you. Within that plan, CareMatters gives you the ability to pick the options that work best for you. For example, if you're receiving care at home, you can use your benefit to pay for a home health care worker, or you could choose to pay a friend or loved one to care for you.

Just keep in mind that there can be tax implications depending on whom you pay for care. Nationwide and its representatives don't give tax or legal advice, so please consult with your tax or legal advisor for answers to your specific questions.

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

- Pay one time (single-pay)
  - Pay annually for five years (5-pay)
  - Pay annually for 10 years (10-pay)
- 

### Protect yourself against rising long-term care costs

You can add optional inflation protection to your CareMatters policy (this feature is available for an additional cost).

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\* For more specifics about CareMatters, turn to the Product details section on page 16.

## 2. Control

### We're putting the control in your hands

We designed CareMatters to help you take control of the many different facets of long-term care. From guaranteed premiums to the way you pay for care expenses, you have choices and options at every step.

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#### Premiums are guaranteed never to increase

Unlike many traditional long-term care policies, premiums on this product are guaranteed; they will never increase.

---

#### Determine how you pay for care

After you qualify for benefits, you'll receive a check each month for the full amount of your monthly long-term care benefit (this is called an indemnity-style structure, and CareMatters is currently the only linked benefit product in the industry to offer it).<sup>5</sup> Once you are receiving long-term care benefits, you don't have to submit monthly bills or receipts because they're not required, and any money you don't need for care expenses can be used as you choose. Care payment decisions can have tax implications, so please consult with your tax advisors.

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#### There's no use-it-or-lose-it risk

A common concern with buying long-term care coverage is the possibility that you'll never need care and your money will go to waste. CareMatters is structured to ensure that the premiums paid into your policy are recovered, even if you never need care. If your long-term care benefits aren't needed, your beneficiaries will receive the policy's death benefit, which will be greater than the premiums you paid. And if some of your long-term care benefits are needed, the death benefit will pass to your loved ones, minus the benefits that were used.

CareMatters also offers a guaranteed return of premium. You can surrender your policy at any time and receive the premiums you paid, plus any applicable growth. Keep in mind that any loans or withdrawals taken from the policy will reduce the amount you receive.

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#### Leave a death benefit even if you need care

Even if you use every dollar of the money earmarked for long-term care, your beneficiaries will still receive a 20% guaranteed minimum death benefit.

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For more specifics about CareMatters, turn to the Product details section on page 16.

<sup>5</sup> LTC Linked Benefit Competitive Research and Analysis, The Nationwide Competitive Intelligence & Analytics Department, September 2013.

# 3. Flexibility

## Different ways to help you take care

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

---

### Choose the care that works for you

You can use your policy to pay for the long-term care services that are right for your needs. Your licensed health care practitioner will put together a plan of care for you, and eligible care and service options include:

- Home health care
- Nursing home care
- Hospice
- Assisted living
- Adult day care
- Family care (receive care from people you already know and trust by paying a family member or friend to care for you)
- Household services (cleaning person, pet sitter)
- Home safety improvements (guard rails, ramps, handicap accommodations, accessibility upgrades)
- Certified alternative-style long-term care services
- State-certified long-term care coverage options developed in the future

---

### Put funds aside for later

If you don't need your full monthly benefit for care expenses, you have the flexibility to reserve that extra money for long-term care costs another time. You can use this benefit banking feature to plan for higher expenses in the future or to make your overall benefit last longer. And if you never need the saved money, you can leave it to family members or anyone else you choose.

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### Home sweet home

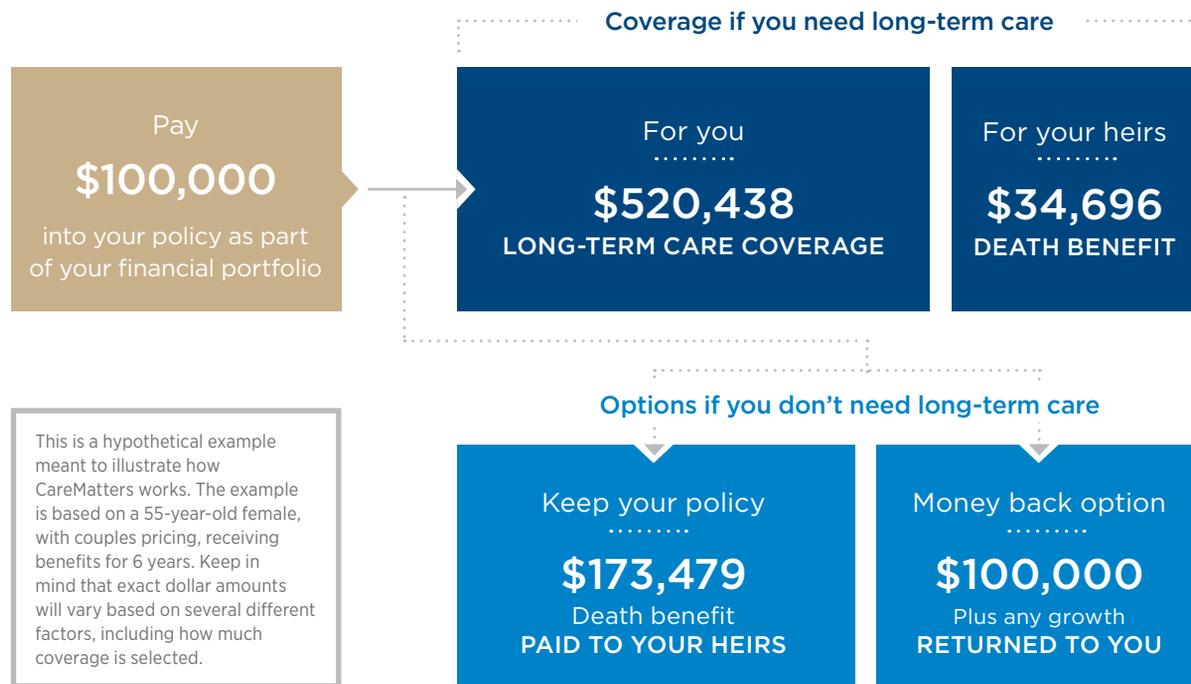
With CareMatters, you can stay in the home you know and love by using your long-term care benefit to make any needed safety and accessibility upgrades or to pay for caregivers to come to you. You can even use your benefit for a housekeeper or other things that help keep your life running normally.

\* For more specifics about CareMatters, turn to the Product details section on page 16.



# CareMatters in action

## A look at how CareMatters works



By repositioning \$100,000 of your assets to pay the premium on your Nationwide YourLife CareMatters policy, you'll have \$520,438 in total LTC benefits. Please keep in mind that since everyone's long-term care needs are different, CareMatters isn't guaranteed to cover all of your long-term care costs, but it can give you a significant amount of coverage for your premium.

Once you (or the person insured by the policy) qualify for long-term care benefits, monthly tax-free payments will be sent directly to you to help pay for care. When you buy your CareMatters policy, you choose how long to receive benefits, ranging from two to seven years. If you set aside excess funds in your benefit banking account, those can be used to cover expenses beyond the period of time you've chosen to receive benefits. You can also use your banked funds to help cover costs that exceed your usual monthly benefits.

Even if you have collected all of the LTC benefits, a guaranteed minimum death benefit of \$34,696 is paid to your beneficiaries.

And if you never need LTC:

- Your beneficiaries will receive a death benefit of \$173,479 (minus any loans or withdrawals you may have taken from the policy)
- OR**
- All of your initial premium, plus any growth, will be returned to you through our money-back option

## Here are examples of how CareMatters works for different people's long-term care planning needs.

### Michael

(Age 60)



#### The background

Michael has a certificate of deposit (CD) that he's renewed several times. He doesn't need the money for retirement income, so he has earmarked it for unexpected costs, such as the possibility of long-term care expenses.

#### His worry

The CD might not grow at the rate he needs it in order to help pay for long-term care.

#### His CareMatters policy

Michael uses the money he currently has in the CD to buy a CareMatters policy. He's able to leverage the assets to buy a larger long-term care benefit, and if he never needs care, the death benefit will be greater than the premiums he paid into the policy.

Premium:  
**\$50,000**

Long-term care benefit:  
**\$195,785**

Minimum death benefit:  
**\$13,052**

Death benefit:  
**\$65,262**

Return of premium:  
**\$50,000**  
*(plus any growth)*

Receive benefits for:  
**6 years**

### Robert & Lisa

(Age 55)

(Age 50)



#### The background

Robert and Lisa are married, and they have been managing Lisa's mother's long-term care needs for the last several years. Her mother did not plan for those costs, which has put both financial and emotional stress on the couple.

#### Their worry

Robert and Lisa don't want their own children to go through the same anxiety and stress, so having a plan for their long-term care needs is important to them.

#### Their CareMatters policies

Lisa is younger than Robert, and she's likely to both have a longer life expectancy and to be without a spouse to care for her in later years. They decide to put more money into her CareMatters policy to plan for these circumstances while still getting Robert a policy that will provide funds if he needs long-term care.

Premium:  
**\$50,000**      **\$75,000**

Long-term care benefit:  
**\$225,902**      **\$403,297**

Minimum death benefit:  
**\$15,060**      **\$34,568**

Death benefit:  
**\$75,301**      **\$172,842**

Return of premium:  
**\$50,000**      **\$75,000**  
*(plus any growth)*      *(plus any growth)*

Receive benefits for:  
**6 years (Robert)**      **7 years (Lisa)**

These are hypothetical examples meant to illustrate how CareMatters works. They are based on nontobacco users and use couples pricing where applicable. Long-term care benefits can be subject to taxation, so please consult with your legal or tax advisor on your specific situation.

# Product details

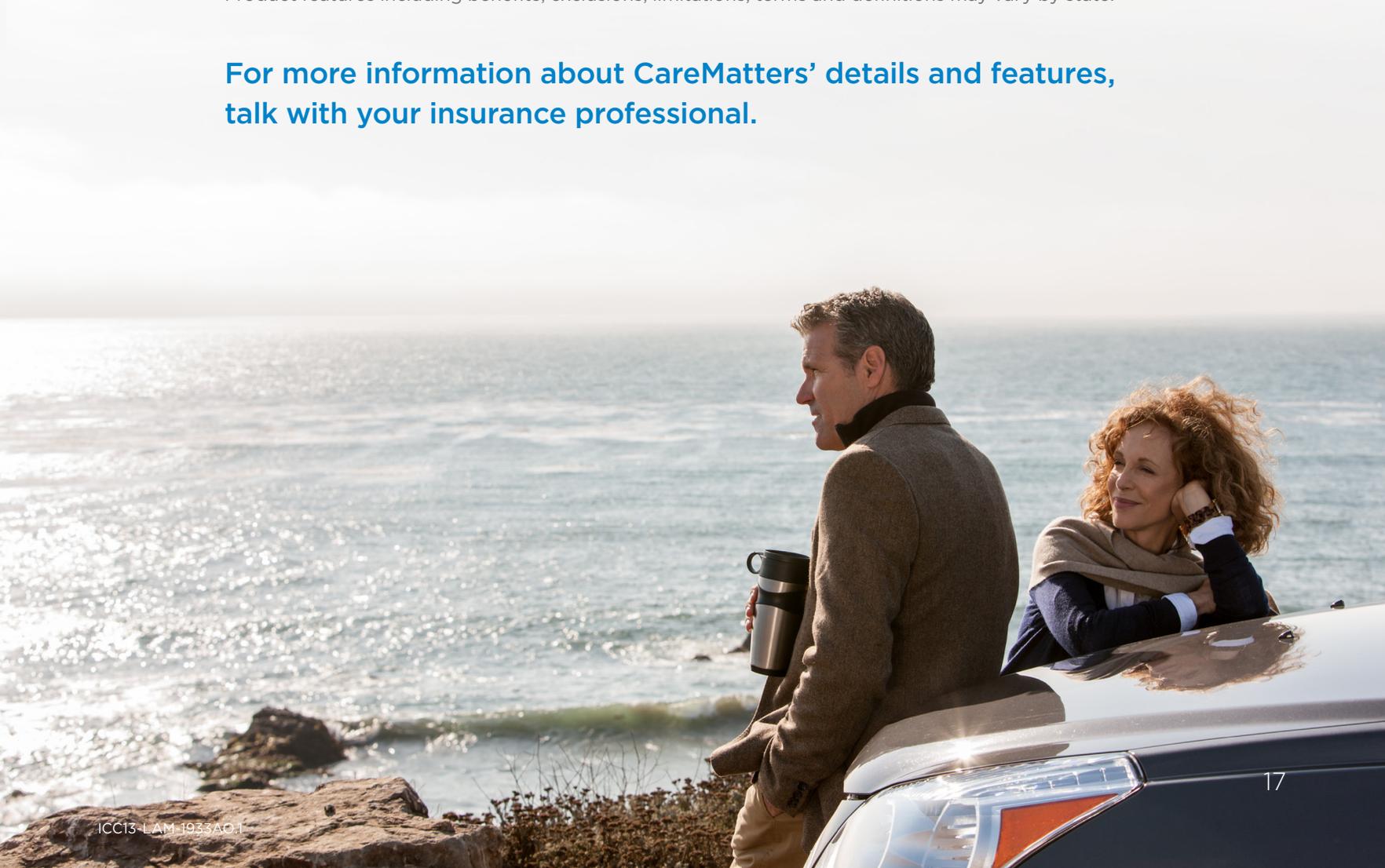
## In-depth information about CareMatters

<b>Underlying policy</b>	Fixed premium universal with long-term care benefits
<b>Issue ages</b>	Ages 40 – 75 (age last birthday) Maximum age for 6-year benefit period is 70 Single premium issue age limit is 69
<b>Minimum premium (single)</b>	\$20,000
<b>Minimum monthly benefit amount</b>	\$2,500
<b>Maximum monthly benefit amount</b>	\$20,833
<b>Return of premium feature</b>	Yes Return of premium is available on 5 - 10 pay options only after the end of the premium payment period.
<b>Premium payment options</b>	Single premium 5-pay 10-pay
<b>Monthly benefit payment</b>	Indemnity style
<b>Benefit banking</b>	If the monthly benefit amount you select when you need care is less than the maximum available, you can set aside — or “bank”— the monthly difference. You can use those banked funds at any time to help cover costs that exceed your usual monthly benefit, or to pay for any other expenses you choose.
<b>Benefit periods</b>	2 years 3 years 4 years 5 years 6 years 7 years

<b>Inflation protection</b>	3% simple 5% compound
<b>Minimum death benefit</b>	If all long-term care benefits are used, beneficiaries will receive a death benefit that's equal to 20% of the original specified amount.
<b>Care from a family member</b>	Benefits can be used to pay a family member (or a friend, etc.) to provide care under a plan provided and approved by a licensed health care practitioner.
<b>International benefits</b>	Reduced benefits are available under certain conditions; for full details, see the product contract or talk with your insurance professional.

Product features including benefits, exclusions, limitations, terms and definitions may vary by state.

**For more information about CareMatters' details and features, talk with your insurance professional.**



# Questions and answers

## Answers to common questions about CareMatters

### Q. How do I qualify for long-term care benefits?

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- A. The following things have to happen in order for you to qualify for and begin receiving monthly long-term care benefits.
1. Your licensed health care practitioner must certify that you are a chronically ill individual, meaning that, (a) you have a severe cognitive impairment, or (b) you are unable to perform two or more of these activities of daily living: - Bathing- Eating- Continenence- Toileting- Dressing- Transferring (moving into or out of a bed, chair or wheelchair)
  2. There is a 90 calendar day elimination, or waiting, period. It begins immediately following the date you are certified as chronically ill and begin receiving qualified long-term care services. These days of care or services don't need to be consecutive, but they do need to be accumulated within a continuous period of 730 days.
  3. You must also receive qualified long-term care services according to a plan of care as prescribed by a licensed health care practitioner.

While you're receiving benefits, your licensed health care practitioner will be asked to recertify your care needs at least once a year.

### Q. How long will benefits be paid?

---

- A. As long as you qualify, you will receive LTC benefits until the Lifetime Total Maximum Amount of LTC Benefits (reduced for loans or partial withdrawals) has been paid. The Lifetime Total Maximum Amount of LTC Benefits is shown on the policy specifications pages.

If you choose to receive the maximum monthly LTC benefit each month, then LTC benefits will be paid for the LTC Specified Benefit Period that you selected on the application.

You may choose to receive less than the maximum monthly LTC benefit. This will extend the time that benefits are paid beyond the LTC Specified Benefit Period.

### Q. How long do I have to have the policy before I can begin receiving benefits?

---

- A. Once your policy is enforced and you qualify for benefits (see the question and answer in this section for details), you can begin receiving benefits. If all of your premiums have not been paid, it may affect the amount of benefits you can receive.

### Q. What if I only use some of my long-term care benefits?

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

### Q. Can I pay my premiums in installments versus a lump sum?

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- A. Yes: in addition to the single-pay (lump sum) option, you can choose 5 or 10 annual payments (5-pay and 10-pay).

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

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- A. Married couples (and those in legally recognized domestic partnerships or civil unions) receive a special rate that results in a larger pool of long-term care benefits. This rate is applied if one or both spouses purchase a policy.

**Q. Can I pool benefits with my spouse or transfer benefits?**

---

- A. No, each spouse must purchase his or her own policy, and no benefits can be transferred.

**Q. Are there things that are not covered by CareMatters?**

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- A. It does not cover any expense that results from:
- Suicide, intentionally self-inflicted injuries or attempts at suicide (either while sane or insane)
  - Committing or attempting to commit a felony
  - Alcoholism or drug addiction, unless addiction results from administration of drugs for treatment prescribed by a physician
  - Active duty in the armed forces of any nation or international government or units auxiliary thereto, or the National Guard
  - War or any act of war, whether declared or undeclared

**Q. Are any expenses excluded from coverage?**

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- A. No. Once you qualify for coverage, your monthly benefit can be used for any expenses you choose.

**Q. Do I have to take the maximum long-term care benefit amount?**

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- A. You can take any benefit amount, up to the maximum benefit you qualify for. Taking less money can help extend the length of time your benefit is available.

**Q. How much of my long-term care benefit will be tax free?**

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- A. You can receive, tax-free, the greater of:
- The HIPAA per diem amount for the given period you make a claim, or
  - Actual long-term care costs incurred

If you're collecting long-term care benefits from more than one policy, care should be taken to ensure that part of your benefit doesn't become taxable. We allow you to take less than your full benefit, which can help prevent your long-term care benefits from becoming taxable. Nationwide and its representatives don't give legal or tax advice, so please consult your advisors for answers to your specific questions.

# Starting the long-term care conversation

## Common concerns about paying for long-term care and conversation starters for you and your loved ones

It can be difficult to talk about many of the things associated with aging, and paying for long-term care costs is often at the top of that list. Here are a few things for you and your loved ones to consider and discuss.

### Who pays for long-term care? Will my medical insurance cover it?

As we've seen, long-term care costs can quickly add up, and a common misconception is that Medicare or Medicaid will pay for all expenses. The truth is that you'll need to be able to cover much of the cost yourself in the form of either cash or private insurance.

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

<sup>6</sup> Medicare and you, U.S. Department of Health and Human Services (9/12).

<sup>7</sup> 2011 Social Security and Medicare Facts, Joseph F. Stenken, J.D., CLU, ChFC, Summit Business Media, The National Underwriter.

## How will paying for long-term care affect my family?

As you consider which long-term care coverage option is the best fit for your needs, you can use these questions to get a conversation started with your loved ones:

- How would paying for long-term care affect the financial security of your spouse?
- Would your adult children or other family members be able to quit working or cut back work hours to care for you if needed?
- How will you and your family make decisions about how your finances are being handled?

Private Medigap insurance	Medicaid	You pay on your own*
Days 21 - 80 — May cover a significant copayment if your nursing home stay meets all other Medicare requirements.	A single individual will not qualify for Medicaid in most states unless he or she has less than \$2,000 in countable assets. <sup>7</sup>	If you need only personal or supervisory care in a nursing home and/or have not had a prior hospital stay, or if you choose a nursing home that does not participate in Medicaid or is not Medicare certified. Also, if you need care beyond the 100 days Medicare is willing to pay. <sup>6</sup>
Does not pay	In some states, may pay care-related costs, but not room and board.	You pay on your own except as noted under Medicaid, if eligible.
Does not pay	Does not pay	You pay on your own.
Not covered	Varies by state, financial and functional eligibility required.	You pay on your own except as noted under Medicaid, if eligible.
Not covered	Pays for, but states have option to limit some services, such as therapy.	You pay on your own for personal or custodial care, except as noted under Medicaid, if eligible.

Source: Paying for Long-Term Care, Medicare.gov (8/3/12).

\* Varies by state.

# Helping you take care

Taking time to make a plan now for your long-term care needs can help you stay in control of your choices later. Talk with your insurance or investment professional today for more information on Nationwide YourLife CareMatters.

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

**For more information, visit us at [nationwide.com/carematters](https://nationwide.com/carematters).**

Please keep in mind that there is no guarantee this product will cover the entire cost for long-term care, as expenses vary with the needs of each individual.

Product features including benefits, exclusions, limitations, terms and definitions may vary by state.





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