

There's more to  
life than you  
may think

The Long-term Care rider from Nationwide®



**Nationwide®**  
*On Your Side*



## Life has so much to offer ... including the possible need for long-term care

It's important to conduct a periodic checkup of your life insurance needs. During a meeting with your insurance or investment professional, you'll look at things like your objectives, risk tolerance and time horizon, as well as any costs that would be involved with the changes you make.

Now may also be a good time to consider whether permanent life insurance may be a good fit for your needs. Ask your insurance or investment professional to explain the benefits, as well as the challenges. These products may offer you:

- Permanent life insurance protection
- Tax advantages you just can't get from other products
- A selection of riders that can help you customize the policy to meet your individual needs, including the possible need for long-term care

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

## Living well

You want to know the important people and organizations in your life will be cared for when you're gone — and life insurance is one easy way to plan ahead.

But did you know some types of life insurance can provide more than just a death benefit for your family? Some permanent life policies, like those offered by Nationwide®, can also provide benefits during your lifetime.

One of the living benefits offered by Nationwide is the Long-term Care rider, available at an additional cost. It's offered on select permanent life insurance products and can help you:

- Preserve your assets
- Conserve your estate
- Retain financial independence later in life
- Accelerate your death benefit

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## Get your plans in shape

Of all the ways you picture your future, spending it in a nursing home — or needing some other form of long-term care — isn't the first image that comes to mind.

It's understandable, and you're certainly not alone. In fact, most people don't want to think about needing long-term care. But consider the odds:

- Chances of needing homeowners insurance for serious damage: 1 in 1,200<sup>1</sup>
- Chances of needing some form of long-term care: 1 in 2<sup>2</sup>

You would never think of going without homeowners insurance, so why leave a much more likely risk to chance — one that could be just as financially devastating to you and your family?

And you may be affected sooner than you think. Accidents, strokes and other illnesses cause adults ages 18 to 64 to make up about 40% of people needing long-term care.<sup>3</sup>

<sup>1</sup> Table A-1 and Federal Reserve Flow of Accounts, Table B-100.

<sup>2</sup> According to Centers for Medicare and Medicaid Services (CMS) at <http://cms.hhs.gov>.

<sup>3</sup> U.S. Department of Health and Human Services, National Clearinghouse for Long-Term Care Information, January 8, 2007.

## A healthy outlook

Nationwide® makes it easier to protect your family — and your independence — with the Long-term Care rider. It can help you:

### PROTECT YOUR FAMILY

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

### MAINTAIN CONTROL

- By offering a way to help manage long-term care costs so they don't deplete your assets though there is no guarantee that the rider will cover all long-term care services
- By stabilizing premiums so they don't skyrocket as you get older
- With indemnity benefits — the rider benefit is paid directly to the owner of the policy for qualifying expenses
- By maintaining financial independence later in life

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## How to get the care you need

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

- You select the long-term care specified amount when you purchase your policy
- The long-term care benefits are paid income tax free after qualifying requirements are met
- These benefits can be used for home health care, assisted living or nursing home or for any other purpose, once qualified
- Even if you never need long-term care, your beneficiaries will still receive an income tax-free death benefit

Please remember that tax laws are complex and subject to change. You should contact your legal or tax advisor for answers to your specific questions.

## What it covers

Once you meet the qualifications, the rider helps you cover costs associated with:

- Home health care — includes adult day care and home health care to assist with activities of daily living or cognitive impairment (including, but not limited to Alzheimer’s disease and senile dementia)
  - Qualified long-term care facilities — including 24-hour-a-day care and medical services to support the needs of patients
  - Nursing home — includes 24-hour-a-day skilled, intermediate or custodial care under the supervision of a physician
  - Any other expenses
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## How to qualify for benefits

### 1. ACTIVITIES OF DAILY LIVING

If you should ever need long-term care, you will receive monthly benefit payments if your doctor certifies that (a) you have a severe cognitive impairment, or (b) you are unable to perform two or more of the activities of daily living for a period of 90 days. These include:

- Bathing
- Continence
- Dressing
- Eating
- Toileting
- Transferring (moving into or out of a bed, chair or wheelchair)

## How to qualify for benefits (cont.)

### 2. 90-DAY ELIMINATION PERIOD

There is also a 90-day elimination, or waiting, period before the monthly benefits will be paid. This can be satisfied by any combination of days in a long-term care facility or days requiring home health care or adult day care services. These days of care or services need not be consecutive, but must be accumulated within a continuous period of 730 days.

While receiving benefits, the insured receives a planned program of observation and treatment. This program must (1) be under the care of a licensed health care practitioner other than the owner or an employee of the long-term care facility; and (2) be continued in accordance with generally accepted standards of medical practice for the injury or sickness.

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## What it doesn't cover

This rider does not cover any expense\* that results from:

- An attempted suicide or intentional self-inflicted injury
- Committing or attempting to commit a felony
- A condition for which you can receive benefits under Worker's Compensation
- Mood, affective or personality disorders as defined by the diagnostic and statistical manual by the American Psychiatric Association
- Alcoholism or a drug addiction
- Service in the armed forces; war or an act of war

\*This list varies by state, so please consult your policy for full details.

## How is the benefit calculated?

When your waiting period is over, the monthly benefit amount you will receive is as follows:

|  |   |
|--|---|
| <b>Monthly benefits provided for:</b> <ul style="list-style-type: none"><li>• Nursing Home</li><li>• Assisted Living Facility</li><li>• Home Health Care</li></ul> | <b>The lesser of:</b><br>2% of the long-term care specified amount or |
|  | Daily amount allowed by the HIPAA × number of days in the month       |

The Health Insurance Portability and Accountability Act (HIPAA) specifies that the maximum tax-free benefit for long-term care on a daily basis is the per diem amount specified by HIPAA, which is currently \$260 (2007). The rider provides a monthly benefit for nursing home or other qualifying services equal to the LESSER of (1) the long-term care specified amount times 2%, or (2) HIPAA per diem amount times the number of days in the month.

The long-term care specified amount represents the total pool of money available for long-term care benefits under the Long-term Care rider. The total benefit for long-term care is chosen at the time of purchase and may be no less than 10% and no more than 100% of the total death benefit amount.

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## How long will the benefits last?

You will continue to receive monthly benefits until the total benefits paid are the lesser of:

- The long-term care specified amount you designated as the total pool of money available for long-term care benefits when you established the policy, or
- The total specified death benefit, less any loans or withdrawals you have made from the policy



**Will my policy lapse while I'm receiving benefits?**

No. The no-lapse guarantee provides that if you are collecting the Long-term Care rider benefit and there is not enough cash value to cover the monthly costs associated with the policy, the costs will be waived and you will continue to receive your remaining long-term care benefits, if any. This special protection from lapse only applies as long as you receive long-term care benefits.

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**What death benefit will be available to my beneficiaries?**

The minimum death benefit guarantee provides that if you die while the rider is in force, your beneficiaries will receive the greater of:

- Your death benefit, less the total amount of long-term care benefit received, less any policy indebtedness, or
- 10% of the base policy specified amount less any policy indebtedness

## What if I need extra help?

All you need to do is to call the Nationwide Care Guide Network<sup>SM</sup>. This free service to policyholders, their families and caregivers offers long-term care referral and consultation services. You can obtain access to a gamut of services including referrals to long-term care facilities or assistance with relocation. By calling a toll-free number at the time of need, you can access an expert level of professional advice and counsel that can help you — whether you are the policyholder, family member or caregiver — through a difficult and trying time. Policyholders can better maintain their quality of life by taking advantage of the clinicians, professionals and long-term care experts affiliated with the Nationwide Care Guide Network. The toll-free number is 1-866-442-6569, available 24 hours a day.

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## Won't Medicare or Medicaid pay for my long-term care needs?

### MEDICARE

If you are age 65 or older and have been a hospital patient for three consecutive days, Medicare will pay (up to 100 days per benefit period) the skilled nursing care you require at the time of discharge. Of these 100 days, only the first 20 (after the three-day hospital stay) are fully covered. A co-pay is required for the remaining days.

*Skilled nursing care means the services provided on a daily basis directly by, or requiring the supervision of, a licensed nurse or registered therapist as certified by your doctor. Common skilled care services include intravenous therapy and physical and occupational therapy. All covered services must be accompanied by continued improvement.*

The majority of nursing home care, however, is not considered "skilled." And since Medicare is designed to cover the acute medical care needs of the elderly, it does not pay for intermediate or custodial care, normally defined as long-term care.

### MEDICAID

Medicaid will pay for long-term care but only after most other personal assets are depleted. Medicaid's priority is on getting the patient placed in the first available facility, not the facility of your choice. By having access to long-term care benefits to pay your own way, you could choose the facility that best meets your needs, or remain at home for as long as possible.

## Setting Nationwide® apart

Nationwide® stands out in the crowd by offering:

- A way to keep you in control — unlike other riders and stand-alone policies that directly reimburse the facility for services rendered, the design of our rider allows the benefits to go directly to the owner of the policy — to use as needed
- The strength and stability of Nationwide Financial®
- A benefit whether you need long-term care or not — it pays you if you need it, and it pays your family if you don't

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## Other things you should know

- If you and your insurance or investment professional decide that a permanent life policy is right for you, there may be other costs associated with the purchase; your personalized illustration will identify specific cost information for you
- Federal income tax laws are complex and can change over time
- The information in this brochure is based on current understanding of the law
- You should consult your attorney or tax advisor for answers to specific questions

**If your investment professional recommends a variable universal life (VUL) insurance policy, he or she must give you a prospectus that contains important facts you need to know about the policy and the issuing company. Before you decide to purchase, carefully read and consider the investment objectives, risks and any expenses in the product prospectus and any additional prospectuses for the investment options. If you're interested in VUL, you can also get a prospectus directly from Nationwide.**

**Benefits that go on  
for years to come**

There are a lot of factors that go into determining your eligibility for the rider, but basically, if you're between the ages of 21 and 80 years old and have a life insurance need, then you may be a good candidate.

It may be easier than you think to get the most out of life! Talk to your insurance or investment professional for more information on these details. The Long-term Care rider from Nationwide® may be a good fit for your life needs.





Life insurance is underwritten by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio, members of Nationwide Financial<sup>®</sup>. The general distributor is Nationwide Investment Services Corporation, member NASD. In Michigan only: Nationwide Investment Svcs. Corporation. Nationwide Life Insurance Company is a subsidiary of Nationwide Financial Services Inc., a publicly traded holding company.

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The name of the rider may not actually be Long-term Care rider in certain states.

Policy/Certificate: VLO-430, VLO-430-36, VLO-430-42, VLO-0643, VLO-0643-36, VLO-0643-42, NWLA-162, NWLA-162-36, NWLA-162-42, NWLA-222, NWLA-222-36, NWLA-222-42, NWLA-333, NWLA-333-36, NWLA-333-42, VLO-0721, VO-0721-36, VLO-0721-42, VLO-0742, VLO-0742-36, VLO-0742-42

Oklahoma Contract/Certificates: NWLA-222-35, VLO-0742-35, VLO-0721-35, VLO-0643-35, VLO-430-35, NWLA-333-35

Riders: VLO-528-B, NWLA-171  
Oklahoma Riders: VLO-528-35, NWLA-171-35

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