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Product highlights

Nationwide CareMatters® II

Product type	Long-term care (LTC) coverage on a fixed-premium universal life chassis
Benefit type	Cash indemnity LTC benefits
Target market	Clients ages 40 to 65 looking for LTC coverage and flexibility of benefit use
Issue ages	Ages 30 to 70 (age at last birthday) This is subject to the policy options selected. For a summary, refer to the Maximum Issue Ages for CareMatters II chart at the end of the document.
Underwriting classes	Nontobacco Single, Tobacco Single, Nontobacco Couple, Tobacco Couple
Specified amount	The specified amount represents the amount used to determine the long-term care benefit and is a factor in determining the death benefit. See the sales proposal for more details. Minimum: \$60,000 (\$74,400 in South Dakota) Maximum: \$500,000
Residual death benefit	20% of specified amount
Elimination period	90 calendar days. LTC benefits will be paid retroactively back to day one, meaning that once the 90-calendar-day elimination period is satisfied, the first LTC benefit payment will include benefits for the previous 90 days (3 months) plus the current month.
LTC benefit periods available	2-year, 3-year, 4-year, 5-year, 6-year, 7-year The first 2 years of each benefit period are an acceleration of the specified amount.
Premium payment options	<ul style="list-style-type: none">• Pay one time (single-pay)• Pay annually or monthly for 5 years (5-pay)• Pay annually or monthly for 10 years (10-pay)• Pay annually or monthly to Attained Age 65 (available for Issue Ages 30-54)• Pay annually or monthly to Attained Age 100 (available for Issue Ages 30-65)
Premium payment flexibility (including 1035)	The policyowner has the option to pay a larger lump-sum premium at the time the policy is issued, which could include funds from a 1035 transfer from another life insurance policy, along with a smaller recurring premium for a period of 5 years, 10 years, to attained age 65 or to attained age 100. The amount and timing of the recurring premium will be fixed and determined at policy issue.

Waiver of LTC premium

If the policyowner has elected to pay a premium to attained age 100, then the premium for all long-term care riders will be waived while receiving long-term care benefits. This will not eliminate premium requirements, but it will result in a reduction of total premium due because premium for the death benefit associated with the base life insurance policy will continue to be due and payable.

As with all premium payment options, if receiving LTC benefits during the premium payment period, the policyowner may choose to continue paying the premium due, which will maintain the level of LTC benefits. They may also choose to stop paying the premium, which will convert the policy to reduced paid-up insurance and reduce the amount of the death benefit and LTC benefits received based on the amount of premium paid plus any premium waived (provided the reduced paid-up policy meets the minimum specified amount).

Using the LTC benefits

Once the insured qualifies for benefits and satisfies the elimination period, the LTC benefits will be paid to the policyowner. Nationwide places no restrictions on how benefits can be used.¹

Typical uses for benefits might be:

- Home health care
- Adult day care
- Assisted living
- Nursing home care
- Alternative care services
- Care from immediate family members
- Any LTC service existing today or developed in the future

Informal and family caregivers

LTC benefits can be used without restriction — including paying family members or less expensive unlicensed caregivers — as long as receiving informal care is appropriate and outlined in the Plan of Care prepared by a U.S.-licensed health care practitioner.

Exclusions**Does not pay benefits for qualified LTC services that result from:**

- 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
- War or any act of war, whether declared or undeclared

Refund of premium

The surrender value actually paid will be reduced by any outstanding loans, unpaid monthly deductions and LTC benefits paid.

The policy provides a cash surrender value — based in part on a guaranteed minimum cash value that grows steadily over the life of the policy — that represents a refund of some or all of the premium paid. In addition, you may choose between two options that guarantee the amount paid upon a full surrender will be at least based on a specified percentage of the net premium paid, if greater than the cash surrender value, or an option that maximizes your LTC benefit with no percent of premium guarantee.

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 policy years and the most LTC benefit for a given premium.

This option is available with all payment durations and is the only one available with premium payments to attained age 100. The maximum issue age is 70 unless limited by the premium payment option selected.

Vested option:

The refund of premium value is equivalent to all premium paid minus any withdrawals, multiplied by the applicable percentage. This refund of premium option is not available with premium payments to attained age 100. The maximum issue age is 69 unless limited by the premium payment option selected.

¹ Under certain circumstances, benefits may be taxable. Please consult a tax advisor.

**Refund of premium
(continued)**

Policy year	Single-pay	5-pay	10-pay	Pay to age 65	Pay to age 100
1	85%	85%	85%	85%	N/A
2	88%	88%	86.5%	86.5%	N/A
3	91%	91%	88%	88%	N/A
4	94%	94%	89.5%	89.5%	N/A
5	97%	97%	91%	91%	N/A
6	100%	100%	92.5%	92.5%	N/A
7	100%	100%	94%	94%	N/A
8	100%	100%	95.5%	95.5%	N/A
9	100%	100%	97%	97%	N/A
10	100%	100%	98.5%	98.5%	N/A
11+	100%	100%	100%	100%	N/A

One-Time Step-Up option:

The refund of premium value is equivalent to all premium paid, minus any withdrawals, multiplied by the applicable percentage. Starting day one of the policy, 80% of the refund of premium value is available. Starting day one of policy year 11, 100% of the refund of premium value is available.

This refund of premium option is not available with premium payments to attained age 100. The maximum issue age is 69 unless limited by the premium payment option selected.

Charges and costs**Monthly administrative charge:**

- Current: \$0 per month
- Guaranteed: \$20 per month
- Per-thousand of specified amount charge; the per-thousand charge applies to the initial specified amount and is deducted monthly; if the specified amount is reduced due to partial surrenders during the charge period, then the charge continues to be calculated based on the initial specified amount

Premium expense charge:

- Current and guaranteed: Varies by refund of premium option selected:
 - Vested: 5% of each premium
 - One-Time Step-Up: 10% of each premium
 - No refund of premium: 25% of each premium

Cost of insurance charge (COI):

- The base life insurance policy has a COI charge rate, which applies to each \$1,000 of the net amount at risk and is deducted monthly
- The guaranteed COI applicable for a particular policy can be found in the Policy Specifications pages under premium expense charge

Rider charges:

- There is no separate monthly charge for each rider; each rider has its own premium amount
- Available riders are:
 - LTC Rider
 - LTC Extension of Benefits Rider
 - LTC Fixed Rate Inflation Protection Rider
 - LTC Indexed Rate Inflation Protection Rider

Surrender charges

10-year surrender charge period

Year 1 — 8%

Year 2 — 7.5%

Year 3 — 7%

Year 4 — 6.5%

Year 5 — 6%

Year 6 — 5.5%

Year 7 — 5%

Year 8 — 4%

Year 9 — 3%

Year 10 — 2%

Year 11 — 0%

Partial surrenders

A partial surrender will result in a reduction of benefit amounts available for both LTC benefits and death benefits and will reduce the cash surrender value.

The maximum transaction fee is \$25 per partial surrender.

Loans

Policy loans are available from issue, as long as the policy has a cash value. The minimum amount of any policy loan is \$200.

Interest rate charged: 4%

Repayments

Loan repayments may be made at any time; the minimum loan repayment amount is \$25.

Maximum loan

The maximum total loan amount is equal to the current net surrender value less three months of deductions, the first of which will come due on the next monthly anniversary.

Impact on policy values

Outstanding loans at the time of benefit payments reduce the maximum monthly LTC benefit, along with the total pool of LTC benefits and any associated inflation protection benefits, the death benefit and the cash surrender value.

Qualifications for benefits

To qualify for benefits, the insured must be certified by a U.S.-licensed health care practitioner to have a severe cognitive impairment or not be able to perform two of six activities of daily living for at least 90 days.

A plan of care prepared by a U.S.-licensed health care practitioner must also be provided. The 90-calendar-day elimination period must be met.

The LTC claim must be recertified at least every 12 months. This means a U.S.-licensed health care practitioner must recertify the insured's qualifications for claims and submit an updated plan of care.

Inflation protection options

If elected, a separate monthly benefit is provided based on the monthly maximum LTC rider benefit amount. The monthly benefit amount will increase whether or not claims are being paid.

These riders have their own premium amounts.

LTC Fixed Rate Inflation Protection Rider

- 3% simple interest
- 3% compound interest
- 5% compound interest

LTC Indexed Rate Inflation Protection Rider

Under this option, the maximum monthly LTC Inflation Protection Rider benefit amount will be the greater of the annual change in a Reference Index (subject to a floor rate of 0% and cap rate of 6%) and a fixed LTC roll-up inflation rate of 2%. Before the claim, the monthly benefit will increase every three years. After the claim is approved, the monthly benefit will increase annually.

The Reference Index is currently the Medical Care Component of the Consumer Price Index for All Urban Consumers, Unadjusted.

LTC Acceleration Rider	This rider is part of the policy and provides for acceleration of the base policy specified amount. A monthly benefit is paid to the policyowner over the acceleration period. This rider has its own premium amount.
LTC Extension of Benefits Rider	This rider provides a monthly benefit to the policyowner once the acceleration benefit has been exhausted. It is a part of any policy with a benefit period of 3 years or more. This rider has its own premium amount.
Critical Illness Rider	<p>This rider permits a request for an elected portion of the base policy's specified amount when the insured is diagnosed with a critical illness as described in the rider, including any required period of survival or treatment.</p> <p>Benefits paid under this rider will result in a reduction of the benefit amounts available for both LTC benefits and death benefits and will reduce the cash surrender value. This rider is automatically issued with the policy. No charges are deducted for the rider until it is invoked.</p>
Terminal Illness Rider	<p>This rider provides for an accelerated death benefit paid to the policyowner when the insured has a terminal illness with a life expectancy of 12 months or less (24 months in Illinois).</p> <p>Benefits paid under this rider will result in a reduction of the benefit amounts available for both LTC benefits and death benefits and will reduce the cash surrender value. This rider is automatically issued with the policy. No charges are deducted for the rider until it is invoked.</p>
Nationwide Care Guide Network®	Insureds, policyowners and their immediate family members will have access to this free service, which provides information and references for LTC service providers and community services in their area. There is no obligation to use these services, which are currently provided through a nonaffiliated third party. There is no separate additional charge for this service. This service is subject to availability.
International benefits	<p>100% of the maximum monthly benefit amount from the LTC Acceleration Rider and 100% of any LTC Inflation Protection Rider benefit are available while benefits are paid under the LTC Acceleration Rider. This is available while the insured is living outside of the U.S.; no international benefits are available under the LTC Extension of Benefits Rider or any LTC Inflation Protection Rider benefit associated with it.</p> <p>Extension of benefits availability will resume if the insured returns to the U.S. and the maximum lifetime benefit amount is not exhausted.</p>

Maximum issue ages for CareMatters II

Refund of Premium option				
Payment Schedule		Minimum ROP/ Maximum LTC	Vested	Step-Up
	Single-pay		70	69
5-pay		70	69	69
10-pay		70	69	69
Pay to age 65		54	54	54
Pay to age 100		65	N/A	N/A
Age last birthday				



To learn more about the benefits **Nationwide CareMatters II** offers to your clients, please call us at:

**Life Insurance
Solutions Center**

1-800-321-6064

**Brokerage
General Agents
Solutions Center**

1-888-767-7373

**Nationwide
Financial Network®
Solutions Center**

1-877-223-0795

**Producer Group
Solutions Center**

1-844-867-8159

**World Financial
Group Solutions
Center**

1-855-455-4139



FOR INSURANCE PROFESSIONAL USE — NOT FOR DISTRIBUTION TO THE PUBLIC

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

When choosing a product, make sure that life insurance and long-term care insurance needs are met. Nationwide CareMatters II is not intended to be a primary source of life insurance protection, so make sure life insurance needs are covered by appropriate products. Be sure to choose a product that meets long-term life insurance needs, especially if personal situations change — for example, marriage, birth of a child or job promotion. Weigh the costs of the policy, and understand that life insurance, and long-term care coverage linked to life insurance, has fees and charges that vary with sex, health, age and tobacco use. Riders that customize a policy to fit individual needs usually carry an additional charge.

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. Taxpayers should consult with their tax and legal advisors about their specific situation.

Benefits under the LTC Rider are an advance payment of the policy's death benefit while the insured is still living. Accelerating the death benefit, along with taking loans and withdrawals, reduces both the death benefit and cash surrender value of the policy. Care should be taken to make sure that life insurance needs continue to be met even if the entire death benefit is accelerated or if money is taken from the policy.

Individual care needs and costs will vary, and there is no guarantee the policy will cover the entire cost of the insured's long-term care. Nationwide pays benefits to the policyowner. If the policy is owned by someone other than the insured, there is no guarantee that the policyowner will use the benefits to pay for LTC services.

Approval for coverage under the policy and attached riders is subject to underwriting and may require a medical exam.

Nationwide CareMatters II may not be available in some states. Please contact Nationwide to determine product availability in your state.

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.

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 completeness of Nationwide's use of the Index.

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

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