



Nationwide® benefit details for the Long-Term Care Rider on survivorship

Cash indemnity benefit

Once eligibility requirements have been met, the long-term care benefit will be paid directly to the policyowner on a monthly basis on Nationwide® Survivorship Indexed Universal Life 2020 (Nationwide Survivorship IUL).

Qualified long-term care services include:

- Nursing home care
- Home health care and hospice
- Assisted living
- Adult day care

Long-term care (LTC) benefit

- You will receive the lesser of
 - (a) 2% per month of the LTC Specified Amount
 - (b) Two times the per diem amount allowed by HIPAA, times 30
 - (c) $\frac{1}{12}$ th of the maximum lifetime benefit
- If collecting two times the per diem rate allowed by Health Insurance Portability and Accountability Act (HIPAA), your monthly benefit will increase each year with any increase in the HIPAA per diem rate until reaching the maximum monthly benefit amount available
- The benefit will last at least 50 months (longer if receiving it based on the HIPAA rate), assuming no withdrawals or loans have been taken that could reduce benefits
- During the benefit period, the LTC Rider on survivorship charges will be waived for the Rider Insured on claim only, but other charges will continue to be deducted, subject to the No-Lapse Guarantee described below

Lapse Protection Feature

If the net surrender value is insufficient to cover monthly deductions while long-term care benefits are collected, we will not lapse the policy, and monthly deductions will be waived.

Withdrawals and loans may not be taken while receiving long-term care benefits. However, the death benefit amount protected by this feature will be limited to the greater of the total LTC Rider on survivorship benefit value minus any policy indebtedness and minus the total LTC benefit payout account, or zero.

Residual death benefit

Upon the death of the Surviving Insured, the death benefit will be the greater of (a) or (b) where:

(a) is the death benefit provided by the base policy minus the amount of the total LTC benefit payout account amount;

(b) is 10 percent of the base policy (the base policy Specified Amount minus any policy indebtedness).

This residual death benefit is available if at least one Rider Insured continues to have LTC coverage and the policy is not being kept in force by the "Policy and Lapse Protection Feature" of the Rider.

If the Surviving Insured passes away while the policy is continued in force due to the "Policy and Lapse Protection Feature" of the Rider, the death benefit will be limited to the greater of (a) or (b) where:

(a) is the total LTC Rider on survivorship benefit value minus any policy indebtedness minus the total LTC benefit payout account amount;

(b) is 10 percent of the total LTC Rider Specified Amount minus any policy indebtedness.

Long-term care benefit effect on the policy

The cash value will not be affected, but the death benefit and cash surrender value will be reduced dollar for dollar by the amount of the Long-Term Care Rider on survivorship benefit payments.

Increases or decreases to the LTC Specified Amount

The Rider Insured's LTC Specified Amount must be no less than the amount in the Rider Insured's LTC benefit payout account. The Rider Insured's LTC Specified Amount may be reduced when reductions are made to the base policy Specified Amount. However, increases to the base policy Specified Amount will not result in an automatic increase to the Rider Insured's LTC Specified Amount. Requests to increase the base policy Specified Amount that would result in the Rider Insured's LTC Specified Amount being less than the minimum LTC Specified Amount will require a request to increase the Rider Insured's LTC Specified Amount so that it continues to be at least equal to the minimum LTC Specified Amount. Increases to the LTC Specified Amount are separately underwritten and must be no greater than the maximum LTC Specified Amount and no less than the minimum LTC Specified Amount stated on the policy specifications pages.

Effects of base policy Specified Amount changes on LTC benefits

- Policy loans will proportionately reduce each Rider Insured's Long-Term Care Specified Amount
- If the Long-Term Care Specified Amount equals the death benefit amount, all withdrawals will reduce the long-term care benefit dollar for dollar
- If the death benefit amount exceeds the Long-Term Care Specified Amount, then withdrawals up to cost basis but not exceeding the difference between the death benefit amount and the Long-Term Care Specified Amount may be taken without reducing long-term care benefits
- The amount in each Rider Insured's LTC benefit payout account may impact requests to reduce the base policy Specified Amount

Silver Brick Road®

This service is included at no charge and provides policyowners and insureds who have purchased the LTC Rider on survivorship a free professional consultation service that offers resources and answers to a variety of questions and concerns associated with the Long-Term Care Rider.*

*This service provider is not affiliated with Nationwide Life and Annuity Insurance Company or its subsidiaries. The service provider and the Silver Brick Road may be changed or discontinued at any time.

Eligibility for the payment of benefits

In order for benefits to be payable under this Rider, all of the following requirements must be met:

- The Rider Insured has been certified as having a severe cognitive impairment or is unable to perform two (2) or more of the activities of daily living (ADLs) and is expected to remain so for at least ninety (90) days, according to a licensed health care practitioner other than the owner or employee of the eligible service provider or a family member of the Rider Insured
- The Rider Insured's elimination period must be satisfied; the elimination period has to be satisfied only once for each individual Rider Insured while this Rider is in effect
- The Rider Insured must be receiving qualified long-term care services specified in a plan of care submitted to us
- The total amount of LTC benefits paid for the Rider Insured must not have reached the Rider Insured's maximum lifetime benefit amount
- The policyowner may be required to provide a signed acknowledgment of concurrence with the payment from all parties with an interest in the base policy; this includes, but is not limited to, assignees

Tax qualification status

This Rider is intended to be federally tax qualified under Section 7702B(b). Nationwide and its representatives do not give legal or tax advice, so you should consult your attorney or tax advisor for answers to specific tax questions.

Frequently Asked Questions

What is the difference between a cash indemnity payout and a reimbursement payout?

Reimbursement plans require the insured(s) to send in bills and receipts each month. The plan will cover only LTC-specific charges, and the insured(s) (or the facility) will be reimbursed only for the exact amount of qualifying expenses up to the maximum benefit amount.

Indemnity plans simply send a check each month for the full amount of LTC benefit qualified for, even if the expenses are less. No bills, receipts or any other types of monthly paperwork are required. Nationwide's LTC benefit is cash indemnity.

Are there any expenses that will be excluded from coverage?

No. Nationwide places no restrictions on how the benefits are spent.

Does the policyowner(s) need to submit bills or receipts each month to receive the benefit?

No. Nationwide pays a cash indemnity benefit for long-term care services. Once the insured(s) qualifies for benefits, the policyowner(s) simply collects the benefit check each month. No additional paperwork is required (other than annual recertification).

Does the policyowner(s) have to take the maximum benefit amount?

No. The policyowner(s) may elect to take at least the minimum monthly LTC benefit amount, up to the maximum benefit the insured(s) qualifies for. Taking less benefit can extend the LTC benefit period. Any LTC benefit left in the policy will be paid as a death benefit to the beneficiary. The entire benefit will be paid, whether as an LTC benefit to the policyowner(s) or to the beneficiary as a death benefit.

Is there a residual death benefit?

Upon the death of the Surviving Insured, the death benefit will be the greater of (a) or (b) where:

(a) is the death benefit provided by the base policy minus the total LTC benefit payout account amount;

(b) is 10 percent of the base policy Specified Amount minus any policy indebtedness.

This residual death benefit is available if at least one Rider Insured continues to have LTC coverage and the policy is not being kept in force by the "Policy and Lapse Protection Feature" of the Rider.

If the Surviving Insured passes away while the policy is continued in force due to the "Policy and Lapse Protection Feature" of the Rider, the death benefit will be limited to the greater of (a) or (b) where:

(a) is the total LTC Rider on survivorship benefit value minus any policy indebtedness minus the total LTC benefit payout account amount;

(b) is 10 percent of the total LTC Rider Specified Amount minus any policy indebtedness.

Can the policy lapse while a Rider Insured(s) is on claim?

No. Nationwide provides a No-Lapse Guarantee that says if the net surrender value is insufficient to cover all other monthly deductions while the Rider Insured is on claim, we will not lapse the policy and all monthly deductions will be waived. Premium requirements for any death benefit guarantee feature of the policy or any elected rider are not waived. Once Rider benefits are no longer being received, you may have to pay additional premium and/or make loan repayments to prevent your policy from lapsing. However, the death benefit amount protected by this feature will be limited to the greater of the total LTC Rider on survivorship benefit value minus any policy indebtedness and minus the total LTC benefit payout account amount, or zero.

What is HIPAA?

HIPAA stands for the Health Insurance Portability and Accountability Act. It governs, among other things, a maximum LTC benefit amount that can be paid daily in a given year. This amount usually increases each year. For 2020, it is \$390 per day (or \$11,700 in a 30-day month). This rate is used to help determine how much tax-free LTC benefit a person may collect. Nationwide's maximum benefit for the LTC Rider on survivorship is two times the HIPAA rate per insured.

How much of my LTC benefit will be tax free?

The amount of LTC benefit that a policyowner(s) is allowed to receive tax free is the greater of the HIPAA per diem amount for the given year OR the actual LTC costs incurred. If the policyowner(s) is collecting LTC benefits from more than one policy and does not use it for care, it is possible for some of the benefit to be taxable. Because Nationwide allows the policyowner(s) to take less than the insured(s) qualifying benefit, they may be able to manage the LTC benefits so as not to incur taxes.

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 benefit and LTC benefits.

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

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

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

The Long-Term Care Rider on survivorship has exclusions, limitations, reductions of benefits and terms under which the rider may be continued in force or discontinued. For more details on cost and coverage options, contact your financial professional. Please keep in mind that life insurance and long-term care benefits may have various tax implications. Federal income tax laws are complex and subject to change. Nationwide and its representatives do not give legal or tax advice. You should consult an attorney or tax advisor for answers to specific questions.

Keep in mind that as an acceleration of the death benefit, the LTC rider payout will reduce both the death benefit and cash surrender values. Care should be taken to make sure that your life insurance needs continue to be met even if the rider pays out in full. There is no guarantee that the rider will cover the entire cost for all of the insured's long-term care as it varies with the needs of each insured.

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

As your personal situations change (i.e., marriage, birth of a child or job promotion), so will your life insurance needs. Care should be taken to ensure that 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, including costs of insurance, which vary with characteristics such as sex, health, age and tobacco use, and has additional charges for riders that customize a policy to fit your individual needs.

Not all Nationwide products and services are appropriate for all situations. There may be products, issued by other companies, that better suit your goals. Be sure to consider your objectives, your need for cash flow and liquidity, and overall risk tolerance when using any strategy.

Policy loans or partial surrenders affect the amount available for LTC benefit payouts.

Product features such as benefits, exclusions, limitations, terms and definitions may vary by state. If the insured receives care outside of the United States, its territories or its possessions, certain limitations and restrictions on benefits will apply.

All guarantees and benefits of the insurance policy are subject to the claims-paying ability of Nationwide Life and Annuity 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.

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

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