



The Nationwide®  
LONG-TERM CARE RIDER

Take control  
of your future.



# You've worked hard to live life on your terms.

So, when you think of your later years, you probably don't envision becoming dependant on family members or being restricted in the services and providers you have access to.

But, as life expectancies continue to rise, so do the odds of needing some form of long-term care. These expenses can add up quickly and can have a devastating impact on your personal finances. So, whether you want to remain in your own home or think an assisted living facility will suite you best, you'll need a plan to make sure you're in control of those choices — and Nationwide® can help.



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 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 that vary with such characteristics of the insured as 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. 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 representation or guarantees regarding the claims-paying ability of the issuing insurance company.

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

# Introducing the Nationwide<sup>®</sup> long-term care rider

You have the ability to take control of your future by simply planning ahead. And our long-term care rider, available on select permanent life insurance policies, offers a flexible plan for covering long-term care expenses if you need it—and a way to pass a legacy on to your family if you don't.

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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 these vary with the needs of each insured. The long term care rider may be known by different names in different states, may not be available in every state and has an additional charge associated with it. A life purchase should be based on the life policy, and not optional riders or features. The cost of a rider may exceed the actual benefit paid under the rider.

Federal income tax laws are complex and subject to change. The information being provided is based on current interpretations of the law and is not guaranteed. Neither the company nor its representatives give legal or tax advice. Please consult your attorney or tax advisor for answers to specific questions.

## Why you need to have a plan.

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Many people assume the only way they'll need long-term care is if they go into a nursing home. Actually, any assistance you need (medical or personal) to help maximize your independence as you get older could be considered long-term care.

### What are the odds?

**1 in 1,200:** Chances of needing homeowners insurance for serious damage<sup>1</sup>

**1 in 2:** Chances of needing some form of long-term care<sup>1</sup>

You would never consider going without homeowners insurance, so why leave a much more likely risk to chance?

## The average costs for long-term care in the United States in 2010 were<sup>2</sup>:

- \$205/day for a semiprivate room in a nursing home
- \$229/day for a private room in a nursing home
- \$3293/month for care in an assisted living facility (for a one-bedroom unit)
- \$21/hour for a home health aide
- \$19/hour for homemaker services
- \$67/day for care in an adult day health care center

FACT

**3 years:** the length of service for 92% of all long-term care insurance claims<sup>3</sup>

1. LTC Tree, retrieved from <http://www.longtermcareinsurancetree.com> (June 2010).
2. U.S. Department of Health and Human Services, National Clearinghouse for Long-Term Care Information, retrieved from [www.longtermcare.gov](http://www.longtermcare.gov) (2011).
3. <http://www.longtermcareinsurancetree.com/ltc-basics/long-term-care-stats.html> (May 25, 2011).

# Who pays for what?

Long-term care costs can quickly add up, and a common misconception is that Medicare or Medicaid will pay for the expenses. But the truth is, you'll need to be able to cover much of the expense yourself in the form of either cash or private insurance.

Long-term care service	Medicare
<b>Nursing home care</b>	<p><b>Days 0-20</b> — Pays in full if you're hospitalized for at least three days before entering a Medicare-approved skilled nursing facility.<sup>4</sup></p> <p><b>Days 21-100</b> — May pay for the difference between the totals daily cost and your co-payment of \$141.50/day (for 2011)<sup>5</sup> if you continue to need Skilled Nursing care.</p> <p><b>Days 100+</b> — Does not pay</p>
<b>Assisted living facility (and similar facility options)</b>	Does not pay
<b>Continuing care retirement community</b>	Does not pay
<b>Adult day services</b>	Not covered
<b>Home health care</b>	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 on-going personal care or custodial care needs (help with activities of daily living).

Source: [http://www.longtermcare.gov/LTC/Main\\_Site/Paying\\_LTC/Costs\\_Of\\_Care/Costs\\_Of\\_Care.aspx#Who](http://www.longtermcare.gov/LTC/Main_Site/Paying_LTC/Costs_Of_Care/Costs_Of_Care.aspx#Who).

4. Forefield, Inc. (2011).

5. <http://www.medicare.gov/publications/pubs/pdf/10050.pdf> (June 14, 2011).

6. *2011 Social Security and Medicare Facts*, Joseph F. Stenken, J.D., CLU, ChFC, Summit Business Media, The National Underwriter.

Private Medigap insurance	Medicaid	You pay on your own*
May cover the \$141.50/day (for 2011) <sup>5</sup> co-payment 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>6</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>5</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.

# Why Nationwide<sup>®</sup> life insurance with the long-term care rider?

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This is where we come in. By adding the long-term care rider to your Nationwide life insurance policy you have a plan in place that helps you:

## **Maintain control**

- By offering a way to help manage long-term care costs so they don't deplete your assets
- By offering the potential to stabilize premiums so they don't skyrocket as you get older
- The rider benefits are paid directly to the owner of the policy for qualifying expenses without the need for receipts (it's what we call an indemnity-style benefit)
- Enabling you to use excess funds not needed for other qualified care to cover other expenses as needed (i.e., home safety improvements, prescription medicine, massage therapy)
- By providing you the opportunity to receive benefits outside the United States\*

## **Protect your family**

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

And it's all backed by the strength and stability you can only get from Nationwide.

\* Benefits may be paid outside the United States as long as the physician assessment and care service are commensurate with what is expected of a U.S. claim. All claim information and records must be submitted in English and all long-term care benefits are paid in U.S. dollars only.



# Is the long-term care rider right for you?

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If you need life insurance, are between the ages of 21 and 80 and want a plan for dealing with potential long-term care costs, then adding the long-term care rider to your Nationwide life insurance coverage may be a good solution for you.

# How it works

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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 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 as much as 100% of the total death benefit amount, as little as 10% of the total death benefit or anywhere in between. Note: In NY, KY and Virgin Islands, the long-term care specified amount must be equal to the death benefit.*

- The long-term care benefits are paid income tax free after qualifying requirements are met
- If you never need long-term care, your beneficiaries will still receive an income tax-free death benefit as long as your policy remains in force
- If you do need long-term care, your beneficiaries will still receive the greater of any unused long-term care benefits or 10% of the base policy's specified amount (less any policy indebtedness) thanks to the guaranteed minimum death benefit

**Note:** *This 10% guaranteed minimum death benefit is not available in NY, KY or Virgin Islands, so only unused long-term care benefits are available to the beneficiaries.*

# How you qualify for benefits

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Two things have to happen in order for you to qualify for and begin receiving monthly long-term care benefits.

1. Your doctor must certify that (a) you have a severe cognitive impairment, or (b) you are unable to perform two or more of these activities of daily living for a period of 90 days:
  - Bathing
  - Eating
  - Continence
  - Toileting
  - Dressing
  - Transferring (moving into or out of a bed, chair or wheelchair)

FACT

**1 in 3:** Number of workers who will face providing some form of long-term care for their baby boomer parents by 2020<sup>7</sup>

2. There is also a 90-day elimination, or waiting, period. 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 or any other qualifying long-term care service. 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.

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

7. <http://www.longtermcareinsurancetree.com/ltc-basics/long-term-care-stats.html> (May 25, 2011).

## What's covered

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Once you meet the requirements and elimination period, the rider benefits will help you cover the costs of qualified care, such as:

- **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 care** — includes 24-hour-a-day skilled, intermediate or custodial care under the supervision of a physician
- **Adult day care**
- **Any qualifying long-term care service**

## What's not covered\*

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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.

FACT

79% of people who need long-term care live at home or in community settings, not in institutions.<sup>8</sup>

8. [http://www.caregiver.org/caregiver/jsp/content\\_node.jsp?nodeid=440](http://www.caregiver.org/caregiver/jsp/content_node.jsp?nodeid=440), (May 24, 2011).

# How the benefit is calculated

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The benefit amount will be the lesser of:

**2% of the long-term care specified amount**

or

**Daily amount allowed by HIPAA  $\times$  number of days in the month**

The maximum tax-free benefit for long-term care is the greater of actual costs incurred or the per diem rate established by The Health Insurance Portability and Accountability Act (HIPAA), which is currently \$300 per day (2011).

FACT

Adults ages 18 to 64 make up about **40%**  
of people needing long-term care<sup>9</sup>

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<sup>9</sup> U.S. Department of Health and Human Services, National Clearinghouse for Long-Term Care Information, retrieved from [www.longtermcare.gov](http://www.longtermcare.gov) (2011).





## Other things you need to know

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### **How long will benefits be paid?**

You'll continue to receive monthly benefits until the total amount paid is the lesser of:

- The long-term care specified amount you designated when you established the policy, or
- The total specified death benefit, less any loans or withdrawals you've taken from the policy

### **Will the policy lapse while you're receiving benefits?**

No. If you are collecting long-term care rider benefits and there isn't enough cash value to cover the monthly costs associated with the policy, the costs will be waived and you'll continue to receive your remaining long-term care benefits. However, this special protection only applies as long as you are on claim with Nationwide and are receiving long-term care benefits. Should you recover and long-term care benefits are no longer needed, you may need to pay additional premiums to reinstate your policy or restore a no-lapse guarantee you may have if you did not keep your policy in good standing while on claim.

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## What if you need extra help?

The Nationwide Care Guide Network® is a free telephone consultation service for policyholders who have purchased the long-term care rider.\* It offers comprehensive assessment, resource, referral and consultation services on long-term care issues.

- The Nationwide Care Guide Network is available to policyholders who have purchased the long-term care rider, as well as their spouses, parents, adult children, siblings and parents-in-law
- You or your caregiver can call toll-free, 1-866-442-6569, 24 hours a day, to speak with a professional care manager
- The **professional care manager**, usually a registered nurse or social worker, will evaluate the long-term care situation and begin to offer solutions in the form of a Customized Care Plan

**Note:** Professional care managers *do not have information about Nationwide policies, so to find out how to make a long-term care claim, you'll need to call Nationwide directly.*

- The Customized Care Plan is designed to provide all the information and guidance needed to make long-term care decisions; it assesses the personal, emotional and environmental long-term care needs and presents information on resources to help meet those needs
- There is no time limit to the service and no restriction on the number of calls you may make
- Whether the need is for simple household services, home care or relocation services, the Nationwide Care Guide Network can help with guidance on issues including:
  - Home care and housing options
  - Meal and nutrition services
  - Safety and adaptive equipment
  - Mental health and Alzheimer's care
  - Medical and medication issues

\* 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 Insurance Company or 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.



# Make sure the choice is yours.

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Putting a plan in place now is the easiest way to ensure you're in charge of your circumstances later in life. So ask your insurance or investment professional for more information on Nationwide life insurance with the long-term care rider today.



Life insurance is underwritten by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

Nationwide, the Nationwide framemark, On Your Side and Nationwide Care Guide Network are service marks of Nationwide Mutual Insurance Company.

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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ML Code: 11-005218

NFS-0093-N (12/11)



*On Your Side*®