

There's more to life than you may think

The Acceleration of Life Insurance
Death Benefit for Qualified Long Term
Care Services Rider from Nationwide®

NY only Brochure



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. It 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 help 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 that 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 Acceleration of Life Insurance Death Benefit for Qualified Long Term Care Services 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

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 1,200¹
- Chances of needing some form of long-term care: 1 in 2²

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.³

¹ Table A-1 and Federal Reserve Flow of Accounts, Table B-100.

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

³ 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 Acceleration of Life Insurance Death Benefit for Qualified Long Term Care Services 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-style benefits — the rider benefit is paid directly to the owner of the policy for qualifying expenses
- By maintaining financial independence later in life

How to get the care you need

The Acceleration of Life Insurance Death Benefit for Qualified Long Term Care Services Rider is simply an acceleration of your life insurance death benefit. Please keep in mind that the rider benefits may be taxable and the receipt of this benefit may affect eligibility for public assistance programs.

These benefits can be used for home health care, adult day care, a long-term care facility stay or a qualified terminal illness. If you are diagnosed with a qualified terminal illness, you can request a lump-sum payment.

Even 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.

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 or personal assistance and care in a private home 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 facility — including 24-hour-a-day nursing service and a licensed health care practitioner to supervise the facility
- Qualified terminal illness — upon diagnosis, a lump-sum benefit may be requested

How to qualify for acceleration of death benefits

1. ACTIVITIES OF DAILY LIVING

If you should ever become chronically ill, you will receive monthly benefit payments if your licensed health care practitioner certifies that (a) you have a severe cognitive impairment (b) have a level of disability that is determined under regulations by the Secretary of the Treasury in consultation with the Secretary of Health and Human Services, or (c) you are unable to perform without substantial assistance from another individual at least two 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 acceleration of death 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 service of home health care. These days of care or services need not be consecutive, but must be accumulated within a continuous period of 730 days. There is no elimination period for the receipt of the lump-sum benefit.

While receiving benefits, the insured receives a plan of care from their licensed health care practitioner. They will certify that the insured qualifies for monthly benefits. The licensed health care practitioner will renew this written certificate every 12 months.

What it doesn't cover

This rider does not cover any expense that results from:

- An attempted suicide or intentional self-inflicted injury
- Participation in a felony, a riot or insurrection
- A condition for which you are provided benefits under Worker's Compensation
- Mental or nervous disorders without evidence of organic disease (coverage is provided for Alzheimer's disease and senile dementia)
- Alcoholism or a drug addiction, unless addiction results from administration of drugs for treatment prescribed by a licensed health care practitioner
- Service in the armed forces, war, or an act of war
- Aviation for non-fare-paying passengers

How is the monthly benefit calculated?

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

Monthly benefits provided for: <ul style="list-style-type: none">• Long-term care facility• Home health care	Are the lesser of: 2% of the specified amount at the time monthly benefits begin
	Daily amount allowed by the HIPAA × number of days in the month
	The current specified amount minus any policy indebtedness

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 \$270 (2008). The rider provides a monthly benefit for home health care or long-term care facility equal to the lesser of (1) the specified amount at the time monthly benefits begin times 2%, (2) HIPAA per diem amount times days in the month, or (3) the current specified amount minus any policy indebtedness.

How is the lump-sum benefit calculated?

If your licensed health care practitioner certifies that you have a life expectancy of 12 months, or less, you can request a lump-sum benefit. This benefit is equal to the lesser of (1) 25% of the specified amount, (2) the specified amount minus any policy indebtedness, or (3) \$50,000.

How long will the benefits be paid?

You will continue to receive monthly benefits until the total benefits paid are equal to the total specified amount at the time monthly benefits begin, less any indebtedness.



Will my policy lapse while I'm receiving benefits?

No. The lapse protection provides that if you are collecting the rider benefit and if there is not enough cash value or death benefit guarantee value to cover the monthly costs associated with the policy, you will continue to receive your monthly rider benefit. This special protection from lapse applies only as long as you receive the monthly rider benefit. Also, we will not lapse the policy within 12 months of paying a lump-sum benefit.

Please note that receiving monthly rider benefits or a lump-sum benefit increases the likelihood of the policy lapsing and a possible termination to any remaining death benefit. In addition, if the acceleration of the death benefit is no longer needed, it will be necessary to calculate, based on the lower specified amount and the reduction in policy values, a new planned premium that may be higher or lower than the original planned premium.

Will policy values reduce if I receive benefits?

Yes. The specified amount is reduced by each monthly rider benefit. In addition, the cash value and any death benefit guarantee value will be reduced by a proportional amount. For example, if your specified amount is \$500,000 and your monthly rider benefit is \$10,000, the specified amount would be reduced to \$490,000. Then, since your specified amount was reduced by 2%, your cash value and any death benefit guarantee value would also be reduced by 2%. This reduction would take place each month that you receive benefits.

What if I need extra help?

All you need to do is to call the Nationwide Care Guide Network®. This free service, available to policyholders, their families and caregivers, offers long-term care referral and consultation services. You can obtain access to a variety 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.

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 medically necessary care provided or supervised by a registered nurse or a licensed health care practitioner in a long-term care facility to the insured who is admitted as a resident patient. It must be certified by an attending licensed health care practitioner that skilled nursing care in a long-term care facility is medically needed on a daily basis.

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 accelerated death benefit 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 or reimburse you for bills you had to pay up front, the design of our rider allows the benefits to go directly to the owner of the policy
 - The strength and stability of Nationwide Financial®
 - A benefit whether you need an accelerated death benefit 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
- If you die while the rider is in force, your beneficiaries will receive the current specified amount net of any policy indebtedness; remember, each time a benefit is received the specified amount is reduced
- 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

Variable products are sold by prospectus. Both the product prospectus and underlying fund prospectuses can be obtained from your investment professional or by writing to Nationwide Life Insurance Company, P.O. Box 182021, Columbus, OH 43218-2021. Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The product prospectus and underlying fund prospectus contain this and other important information. Read the prospectuses carefully before investing.

Benefits that go on for years to come

There are a lot of factors that go into deciding who is eligible to purchase the rider, but basically, if you're between the ages of 21 and 80 years of age 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 Acceleration of Life Insurance Death Benefit for Qualified Long Term Care Services Rider from Nationwide® may be a good fit for your life needs.





Nationwide[®]
On Your Side

Life insurance is underwritten by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio, members of Nationwide Financial[®].

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