



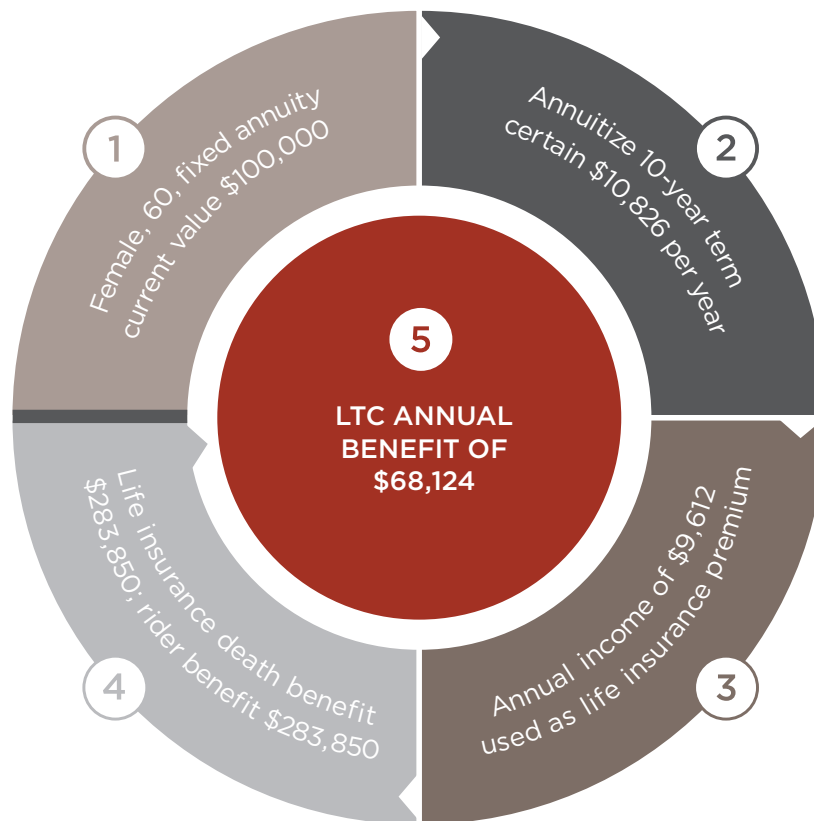
Nationwide®
is on your side

Wealth transfer

with the Acceleration of Life Insurance Death Benefit
for Qualified Long Term Care Services rider

- ▶ Do you have clients who have a fixed annuity and don't need the annuity for retirement?
- ▶ Are these clients concerned about long-term care (LTC) costs?
- ▶ Would they like to leave a legacy to their beneficiaries?

Nationwide® has a solution. By annuitizing the contract and using the distribution from the annuity to purchase life insurance with an Acceleration of Life Insurance Death Benefit for Qualified Long Term Care Services rider, your client can potentially create a larger pool of money that can help fund long-term care needs while still providing an inheritance for his or her family.



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 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 and may not be the ideal solution for everyone.

Let's look at an example

Anna is 60 years old and in good health. She feels comfortable her current assets will cover her living expenses for retirement and is somewhat concerned about possible long-term care costs. Anna has two adult children, and she would like to leave a small legacy to make their lives more comfortable.

Anna purchased a \$68,000 fixed annuity many years ago that is now out of the surrender period. Currently, the annuity is worth \$100,000. Earning the guaranteed 3% rate, the annuity would be worth \$155,797 (\$129,457 after tax) by age 85. Anna wants to know if there are options with the annuity that will address her concerns for long-term care and leave her children in a more comfortable position at her death.

Here's an option

Anna can annuitize choosing a 10-year term-certain option, which would generate an annual income of approximately \$10,826² for 10 years. She could use a portion of this distribution to purchase a Nationwide YourLife[®] No-Lapse Guarantee UL (NLG UL) policy with the Acceleration of Life Insurance Death Benefit for Qualified Long Term Care Services rider and retain the rest to pay taxes due on the distribution. (A convenient way to manage this would be to have the distribution deposited into a bank account with automatic premium payments while creating a reserve to pay the taxes.) With \$9,612 of after-tax dollars, she can purchase a Nationwide YourLife NLG UL contract with a

death benefit of \$283,850. Anna's underwriting class is Nontobacco Preferred.

Should Anna need to tap the rider, she could receive a monthly benefit of \$5,677 for 50 months (\$68,124 annually) to help cover LTC needs. If she doesn't have a need for LTC, her children will still receive a death benefit, so she is not in a "use it or lose it" position.

The LTC benefit is an acceleration of the death benefit. The death benefit is reduced dollar for dollar by the cumulative LTC benefits received, and the cash value is reduced on a pro-rata basis. The benefit available to the owner of the contract is the lesser of: 2% of the LTC specified amount (\$5,677 in this example) or the maximum per diem rate set by HIPAA in the year of claim. For 2017, the maximum rate is \$360 per day, which equates to \$10,800 or \$129,600 per year.

¹ The individual in this case study is fictional but is meant to represent a typical client in a typical situation.

² 10-year term-certain option, purchase payment of \$100,000, rates as of 3/31/15.

Care should be taken to make sure each client's life insurance needs will continue to be met, even if the rider pays out in full. Costs for long-term care vary by person, and there is no guarantee the rider will cover all of the insured's long-term care costs. LTC benefits are paid to the policyowner. If the insured is not the policyowner, please be aware that the policyowner is under no obligation to pay the LTC expenses of the insured. The rider may be known by different names in different states.

The rider is underwritten separately, with underwriting that differs from the base life insurance policy. So, it is possible for the insured to qualify for the life insurance policy and be rated or declined for the rider.

Annuitize 10-year term-certain option

Annual income: \$10,826 (all years)▶	Taxes: \$1,214 (all years)▶	After-tax distribution to purchase policy: \$9,612 (all years)
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Summary of policy benefits

Annuity value if held until death (age 85, 35% tax bracket): \$155,797 or \$129,457 after taxes▶	Nationwide YourLife NLG UL death benefit if no LTC received: \$283,850 tax free
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To find out more about Nationwide YourLife[®] No-Lapse Guarantee UL with the Acceleration of Life Insurance Death Benefit for Qualified Long Term Care Services rider, call us at:

National Sales Desk.....1-800-321-6064
Nationwide Financial Network[®].....1-877-223-0795
Brokerage General Agents (BGAs)...1-888-767-7373



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