



**Nationwide®**  
is on your side

The Nationwide®  
Long-Term Care Rider

Product guide

Take control of your future

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

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

But as life expectancies continue to rise, the need for some form of long-term care (LTC) is likely to increase as well. These expenses can add up quickly and can have an impact on your personal finances. So whether you want to remain in your own home for care, need other care services or require a higher level of care in a facility, you'll need a plan to make sure you're in control of those choices — and Nationwide can help.

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.

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

# 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.

## **You'll find the following information in this brochure:**

Why do I need to have a plan? . . . . .	4
Who pays for what? . . . . .	6
Why Nationwide life insurance with the Long-Term Care Rider? . . .	8
How does the rider work? . . . . .	10
How do I qualify for benefits? . . . . .	11
What's covered? . . . . .	12
What's not covered? . . . . .	12
How is the benefit calculated? . . . . .	13
What else do I need to know? . . . . .	14

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 entire death benefit is accelerated by the Long-Term Care Rider payout. There is no guarantee that the rider will cover all the costs of the insured's long-term care, as these vary with the needs of each insured. The Long-Term Care Rider has an additional charge associated with it. A life insurance 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. Approval of coverage under this rider is subject to underwriting and may require a medical exam.

Nationwide and its representatives do not give legal or tax advice. An attorney or tax advisor should be consulted for answers to specific questions.



# Why do I need to have a plan?

Around 70% of all Americans age 65 and older will need long-term care at some point in their lives.<sup>1</sup> And long-term care doesn't necessarily mean a nursing home. In reality, more than half of all LTC claims paid were for care provided in the home.<sup>2</sup> Regardless of the type of care, planning ahead can help prevent potential long-term care expenses from impacting your family and finances later on.

---

**90%** of people 65 and older want to stay in their own home as long as possible<sup>3</sup>

---

Having a plan that will help pay for long-term care in place may help you stay in your home longer.

---

**The average costs for long-term care in the United States in 2017 were<sup>4</sup>:**

- \$235/day for a semiprivate room in a nursing home
  - \$267/day for a private room in a nursing home
  - \$3,750/month for care in an assisted living facility (for a one-bedroom unit)
  - \$135/day for a home health aide
  - \$131/day for homemaker services
  - \$70/day for care in an adult day health care center
- 

**FACT**

**3.9 years:** The average length of claim that lasted more than a year<sup>5</sup>

<sup>1</sup> "How Much Care Will You Need?" U.S. Department of Health and Human Services, [longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html](https://www.longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html) (Oct. 10, 2017).

<sup>2</sup> "Most Long Term Care Insurance Claims Begin and End At Home," American Association for Long-Term Care Insurance, [www.aaltci.org/news/long-term-care-insurance-association-news/most-long-term-care-insurance-claims-begin-and-end-at-home](https://www.aaltci.org/news/long-term-care-insurance-association-news/most-long-term-care-insurance-claims-begin-and-end-at-home) (Feb. 23, 2017).

<sup>3</sup> "Aging in Place," Jane E. Brody, The New York Times (May 2, 2016).

<sup>4</sup> Genworth's "Compare Long Term Care Costs Across the United States" tool (annual national median 2017), [www.genworth.com/about-us/industry-expertise/cost-of-care.html](https://www.genworth.com/about-us/industry-expertise/cost-of-care.html) (June 2017).

<sup>5</sup> "Long Term Care Statistics," LTC Tree, <https://www.ltctree.com/long-term-care-statistics/> (Aug. 15, 2016).







# Who pays for what?

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

Long-term care services	Medicare	Private Medigap insurance
<b>Home health care</b>	<p><i>Limited to:</i></p> <ul style="list-style-type: none"> <li>Reasonable, necessary part-time or intermittent skilled nursing care and home health aide services</li> <li>Some therapies that are ordered by your doctor and provided by Medicare-certified home health agencies</li> </ul> <p><i>Does not cover:</i></p> <ul style="list-style-type: none"> <li>Ongoing personal care</li> <li>Custodial care needs (help with activities of daily living)</li> </ul>	May cover the \$167.50/day <sup>6</sup> for 2018 copayment if your care services meet all Medicare requirements
<b>Adult day services</b>	Not covered	Not covered
<b>Assisted living facility (and similar facility options)</b>	Not covered	Not covered
<b>Nursing home care</b>	<p><b>Day 0 – 20:</b> Covers in full if you're hospitalized, admitted, and under treatment for at least three consecutive days before entering a Medicare-approved skilled nursing facility</p> <p><b>Day 21 – 100:</b> May cover the difference between the total daily cost and your copayment of \$167.50/day<sup>6</sup> for 2018</p> <p><b>Day 100+:</b> Not covered</p>	May cover the \$167.50/day <sup>6</sup> for 2018 copayment if your care services meet all Medicare requirements

<sup>6</sup> Centers for Medicare and Medicaid Services (December 2017).

Medicaid	Private health insurance
Covers, but states have option to limit some services, such as therapy	Generally only covers services relating to a temporary medical condition and doesn't cover chronic health conditions
Varies by state; financial and functional eligibility required	Not covered
In some states, may cover care-related costs, but not room and board	Not covered
A single individual will not qualify for Medicaid in most states unless he or she has less than \$2,000 in countable assets and meets additional qualifications	Varies, but generally only covers services for a short time following a hospital stay, surgery or while recovering from an injury; it does not cover services for chronic care

# Why Nationwide® life insurance with the Long-Term Care Rider?

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**
  - It offers a way to help manage long-term care costs so they don't deplete your income and assets
  - Once the claim is verified, rider benefits are paid directly to the policyowner for qualifying expenses without the need to send in receipts each month (indemnity benefit)
  - Nationwide places no restrictions on how you use leftover benefits (e.g., on home safety improvements, prescription medicine, massage therapy)
  - It even provides you the opportunity to receive benefits outside the United States<sup>7</sup>
- **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
  - Through a guaranteed minimum death benefit (assuming it hasn't been depleted by withdrawals or loans), which can help pay for final expenses even if LTC benefits are completely used

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

<sup>7</sup> 1) All claims information and medical records must be submitted in English. 2) Assessment of the insured must be done by a physician or licensed health care practitioner [within the meaning of §1861(r)(1) of the Social Security Act (42 USCS 1395x(r)(1))], licensed to practice in the United States. 3) The assessment does not have to take place in the United States, but must comply with the licensing standards as mentioned above. The licensed health care practitioner providing the assessment must be acting within the scope of his or her license. 4) Care services must be consistent with what is expected of a U.S. claim. 5) Benefits are paid in U.S. dollars only. 6) It is the responsibility of the contract owner to determine if collecting long-term care benefits outside the United States will subject the contract owner to U.S. taxation or taxation from the country of residence or subject them to any other form of taxation or legal consequences. Nationwide and its affiliates do not give tax or legal advice. 7) Nationwide cannot guarantee that it will be legally permissible to send U.S. currency to the country the contract owner is residing in at the time of claim for LTC monthly benefits. This is because foreign countries or areas within foreign countries considered acceptable at policy issue may not be in that category at the time of the claim. So, Nationwide is unable to provide a list of "approved" countries (or areas) for claims purposes. However, at the time of claim, you can refer to the Office of Foreign Assets Control (OFAC) website of the United States Treasury for more information.



# Is the Long-Term Care Rider right for you?

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 does it work?

This rider is simply an acceleration of your life insurance death benefit.

- You select the **long-term care specified amount** when you purchase the policy; the long-term care specified amount is the total pool of money available for benefits under the Long-Term Care Rider; it is chosen at the time of purchase and may be as much as 100% of the total death benefit, as little as 10% of the total death benefit or anywhere in between
- 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) from the guaranteed minimum death benefit (not available in New York or the Virgin Islands)

# How do I qualify for benefits?

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

1. A U.S.-licensed health care professional, operating within their scope of practice, 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 or more:
  - Bathing
  - Eating
  - Continence
  - Toileting
  - Dressing
  - Transferring (moving into or out of a bed, chair or wheelchair)
2. There is a 90-day waiting period, called an elimination period, during which no benefits will be paid. This elimination period can be satisfied by any combination of care, whether it is from a long-term care facility, home health care, adult day care 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.

You must also submit a plan of care, which is a planned program of observation and treatment prepared by a U.S.-licensed health care practitioner.



# What's covered?

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
- **Assisted living**—housing and limited care to assist with activities of daily living or cognitive impairment
- **Adult day care**
- **Any qualifying long-term care service**

FACT

**68%** of people who need long-term care live at home or in community settings, not in institutions<sup>8</sup>

# What's not covered?

This rider does not cover any expense that results from:

- Suicide, intentionally self-inflicted injuries or attempts at suicide (either while sane or insane)
- Committing or attempting to commit a felony
- A condition for which the insured can receive benefits under federal or state workers' compensation
- Alcoholism or drug addiction, unless addiction results from administration of drugs for treatment prescribed by a physician
- Active duty in the armed forces of any nation or international government or units auxiliary thereto, or the National Guard
- War or any act of war, whether declared or undeclared

<sup>8</sup> "Most Long Term Care Insurance Claims Begin and End At Home," American Association for Long-Term Care Insurance, [www.aaltci.org/news/long-term-care-insurance-association-news/most-long-term-care-insurance-claims-begin-and-end-at-home](http://www.aaltci.org/news/long-term-care-insurance-association-news/most-long-term-care-insurance-claims-begin-and-end-at-home) (Feb. 23, 2017).

# How is the benefit calculated?

The maximum monthly LTC benefit amount will be the lesser of:

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

or

**Daily amount allowed by HIPAA x 30**

The maximum tax-free benefit for long-term care is the greater of actual qualifying LTC costs incurred or the per diem rate established by the Health Insurance Portability and Accountability Act (HIPAA), which is currently \$360 per day for 2018.<sup>9</sup>

Keep in mind that, as an acceleration of the death benefit, the Long-Term Care Rider payout will reduce both the death benefit and cash surrender values. Make sure life insurance needs will still 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 long-term care costs. Nationwide pays long-term care benefits to the policyowner. If the insured is not the policyowner, there is no guarantee benefits will be used to pay for long-term care.

The Long-Term Care Rider has an additional charge associated with it. A life insurance 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.

Your coverage under the LTC rider is guaranteed renewable. This means Nationwide will not unilaterally cancel or reduce coverage under this rider. Unless you request termination of this rider, it will remain in force as long as the policy remains in force. Your monthly LTC rider charge rate cannot increase beyond the maximums stated in your policy. However, Nationwide has the right to increase your current monthly LTC rider charge rates, up to the guaranteed maximum monthly LTC rider charge rate. Any change in the current monthly LTC rider 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.

<sup>9</sup> You may receive, tax free, the greater of the HIPAA per diem in the year of your claim or your actual qualified LTC expenses incurred. Thus, any amount of LTC benefits received to pay for qualified LTC expenses that exceed the HIPAA per diem would remain tax free.

# What else do I need to know?

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

You'll continue to receive monthly LTC 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 LTC 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 if you did not keep your policy in good standing while on claim.



### Are there any support services available?

The **Nationwide Care Guide Network**<sup>10</sup> is an LTC resource referral service for policyowners who have purchased the Nationwide Long-Term Care Rider.<sup>10</sup>

Whether the need is for simple household services, home care or relocation services, the Nationwide Care Guide Network can offer provider referrals for LTC needs in your geographic area.

- The Nationwide Care Guide Network is available to policyowners who have purchased the rider, as well as their spouses, parents, adult children, siblings and parents-in-law
- It is designed to help provide referrals when you need help with the following:
  - Caregiver support
  - Home care and housing options
  - Assisted living or nursing homes
  - Adult day care
  - Memory and Alzheimer's care
  - End-of-life care
  - Meal and nutrition services
  - Safety and adaptive equipment
  - Transportation
- There is no time limit to the service and no restriction on the number of calls you may make
- You or your caregiver can call **toll-free 1-866-442-6569**, Monday through Friday, 7 a.m. to 7 p.m.

<sup>10</sup> 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 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.

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.



**Nationwide®**  
is on your side

The producer or the company may contact the customer in response to a customer's request to receive additional information.

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

Nationwide, Nationwide Care Guide Network, Nationwide is on your side and the Nationwide N and Eagle are service marks of Nationwide Mutual Insurance Company. © 2011 - 2018 Nationwide

ML 13-004259

ICC18-NFM-1437AO.14 (04/18)