



Help clients face the unexpected

Offer clients more than they expect from a life insurance policy

At Nationwide®, we view life insurance as more than just a death benefit. That's why we offer three cash indemnity protection features through our Living Access Benefits Suite to help clients face the unexpected:

**Chronic
Illness
Benefit**

**Critical
Illness
Benefit**

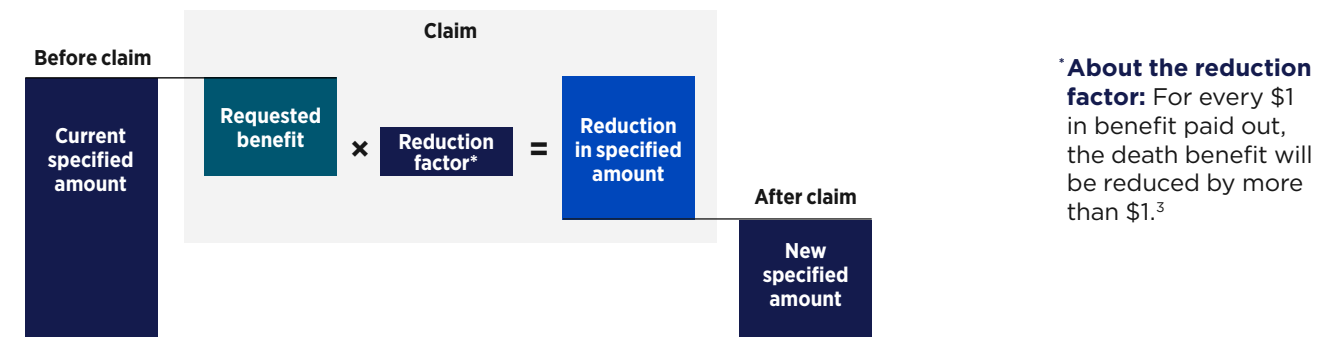
**Terminal
Illness
Benefit**

An expanded approach to protection

These living benefit features are automatically included on eligible life policies for no initial cost or monthly charge. A policyowner will incur a charge only if the feature is used. Not all policies will include these benefits, and there are age restrictions and underwriting thresholds. The benefits are tax free (subject to IRS limitations) and are based on the following: sex of the insured, their age at the time of the claim and the discount interest rate at the time of the claim.

Transparent access to the policy's death benefit

Transparency is important to us. Should your client need to access their death benefit early, **the amount they request is the amount they'll receive in the case of a chronic illness or critical illness claim.**¹ Here's how it impacts the specified amount²:



When a policyowner accesses the death benefit early, other policy values will be reduced as well.

¹ There are minimum and maximum dollar or percentage amounts for the benefits and policy type. A \$250 administrative charge will be applied and deducted from the benefit payment.

² The benefit paid will be reduced to pay due and unpaid premium or charges. Additionally, a pro rata portion of the payment will be applied as a policy loan payment if there is any outstanding indebtedness.

³ The Terminal Illness Benefit operates differently: The benefit payment amount is reduced by a discount factor resulting in a lower payment than the amount requested.

The Nationwide Chronic Illness Benefit

With this feature, clients who have a chronic illness can receive a portion of their life insurance policy's death benefit while they are still alive. This feature allows for a lump-sum cash indemnity benefit payment to help cover any expenses they may have.

To preserve a level of death benefit for beneficiaries, the policy's minimum death benefit will limit the total amount of Chronic Illness Benefit that can be requested and received.

Eligibility

This feature allows the policyowner to request a lump-sum benefit payment every 12 months if:

- | | | | |
|----------|--|-----------|--|
| 1 | <p>The insured has severe cognitive impairment, such as Alzheimer's or dementia, that requires substantial supervision that is expected to be needed for the rest of their life.</p> | OR | <p>The insured is unable to perform two out of six ADLs without substantial assistance from another individual that is expected to be needed for the rest of their life.</p> |
|----------|--|-----------|--|

Activities of daily living (ADLs): • Bathing • Continenence • Dressing • Eating • Toileting • Transferring



Benefits

The maximum annual benefit is the lesser of 20% of the specified amount or the HIPAA daily rate times 365.



How it could work

John purchases a Nationwide indexed universal life policy when he turns 45 years old. At age 55, he develops a permanent, chronic condition that prevents him from performing two of the six activities of daily living without assistance, which he is expected to need for the remainder of his life. So he decides to exercise the chronic illness feature of his policy. At the time of the claim, he has no policy indebtedness or unpaid premium or policy charges.

When John exercises this feature, the policy specified amount will be reduced based on a reduction factor that will be no more than a guaranteed factor for the insured's sex and age at the time of the claim. A table of guaranteed factors will be provided when the policy is issued. At the time of the claim, the reduction factor may be lower (more favorable) than the guarantee.

Here's a hypothetical example of what his benefit and the policy impact might be at the time of the first claim⁴:

	Guaranteed	
Initial claim	a. Policy specified amount (death benefit)	\$250,000
	b. Policy-specific minimum required specified amount	\$100,000
	c. Maximum eligible specified amount (a – b)	\$150,000
	d. Maximum annual chronic illness acceleration (of original specified amount)	20%
	e. Maximum Chronic Illness Benefit requested (a × d)	\$50,000
	f. Administrative charge	-\$250
	g. Chronic Illness Benefit received (e – f)	\$49,750
	h. Reduction factor in the first claim year	2.00
	i. Amount deducted from specified amount (e × h)	\$100,000
	j. Remaining specified amount (a – i)	\$150,000

The actual reduction factor at the time of the claim could be more favorable.

⁴ This hypothetical example assumes no unpaid premium or policy charges and no outstanding indebtedness.

In a second claim, if John wants to take out the maximum Chronic Illness Benefit, he can. This shows how that is calculated. After this claim, no further Chronic Illness Benefit will be available under these assumptions.

		Guaranteed
Second claim	a. New specified amount (death benefit)	\$150,000
	b. Minimum required specified amount	\$100,000
	c. Remaining specified amount available before going below minimum specified amount (a – b)	\$50,000
	d. Reduction factor	1.98
	e. Maximum Chronic Illness Benefit available (c÷d)	\$25,253
	f. Administrative charge	\$250
	g. Chronic Illness Benefit received (e – f)	\$25,003
	h. Amount deducted from specified amount (d × e)	\$50,000
	i. Remaining specified amount (a – h)	\$100,000

The actual reduction factor at the time of the claim could be more favorable.

Additional considerations

The Chronic Illness Benefit does not offer the same coverage as a long-term care rider and is not intended to replace long-term care coverage. Generally, the Chronic Illness Benefit does not provide as large a cumulative monetary benefit as a long-term care rider. In addition, it does not pay for temporary claims for conditions not expected to require permanent assistance or services and it may not offer the same protections as long-term care coverage.

However, if your client was declined long-term care coverage or doesn't want to purchase it, knowing they have the potential benefit of a chronic illness feature may be helpful.

The Nationwide Critical Illness Benefit

This feature allows clients who have a critical illness to receive a portion of their life insurance policy's death benefit while they are still alive.



Eligibility

This feature allows the policyowner to request a lump-sum benefit payment when the insured is diagnosed with or has the need for any of the following as described in the rider, including any required period of survival or treatment⁵:

- Cancer
- Heart attack
- Heart valve replacement
- Kidney failure
- Major organ transplant
- Paralysis
- Stroke
- Sudden cardiac arrest



Benefits

The maximum annual benefit is the lesser of 10% of the specified amount or \$25,000 per event and is paid as a lump sum. Up to five claims are allowed.



How it could work

Rob is 38 years old and purchases a 20-year guaranteed level term policy worth \$350,000. At age 53, Rob has a critical illness event and decides to file a claim on his policy. When Rob exercises this feature, the policy specified amount will be reduced based on a reduction factor that will be no more than a guaranteed factor for the insured's sex and age at the time of the claim. A table of guaranteed factors will be provided when the policy is issued. At the time of the claim, the reduction factor may be lower (more favorable) than the guarantee.⁶

Claim	a. Policy specified amount (death benefit)	\$350,000
	b. Maximum Critical Illness Benefit	\$25,000
	c. Administrative charge	\$250
	d. Critical Illness Benefit received (b - c)	\$24,750
	e. Reduction factor	4.39
	f. Amount deducted from specified amount (b × e)	\$109,750
	g. Remaining specified amount (a - f)	\$240,250

The actual reduction factor at the time of the claim could be more favorable.

⁵ This benefit is limited to one claim per year and a condition arising from the same event or basis.

⁶ This hypothetical example assumes no unpaid premium or policy charges.

The Nationwide® Terminal Illness Benefit

With this feature, the policyowner can receive a portion of the death benefit while they are still alive when the primary insured is diagnosed with a terminal illness resulting in a life expectancy of 12 months or less.



Eligibility

The insured must be living when the payment is made and meet the conditions stated in the rider:

- The insured must have a terminal illness and have a life expectancy of 12 months or less⁷
- The policy must have been in force for more than 2 years; any amount subject to the contestable period is not eligible for the benefit; however, in some states, such policies are eligible for the rider, but any claim within the contestable period will be treated as a contestable claim
- At least 2 years must remain until the maturity date
- Nationwide reserves the right to require the base policy specified amount to be at least \$50,000 on the benefit effective date; the remaining specified amount, after early payment of the death benefit, must be at least the minimum specified amount
- Nationwide will limit benefits such that the owner's policy will not be disqualified as life insurance by the IRS



Benefits

The maximum amount that can be accelerated is 50% of the base policy's specified amount. The benefit payment (before charges are deducted) must be at least \$10,000 and may not exceed \$250,000.



How it could work

Kathy can request that up to \$250,000 of her policy specified amount be used to pay the Terminal Illness Benefit. The Terminal Illness Benefit calculation differs from the Chronic Illness and Critical Illness Benefit calculations and does not involve a guaranteed factor.

The amount paid to Kathy will be the requested deduction from the specified amount reduced by a number of charges and adjustments. The amount paid will be less than \$250,000. Please contact Nationwide for more information.

⁷ In Illinois, the life expectancy can be 24 months or less.

Availability

The full Living Access Benefit Suite is included on most of our life insurance offerings. For exceptions, please refer to the table below. Some products or riders may not be available with your firm or broker/dealer. Please consult with your distribution partner for more details.

	Chronic Illness*	Critical Illness	Terminal Illness
Nationwide Indexed Universal Life	✓	✓	✓
Nationwide No-Lapse Guarantee Universal Life	✓	✓	✓
Nationwide CareMatters® (Linked-Benefit UL)	X	✓	✓
Nationwide Variable Universal Life	✓	✓	✓
Nationwide Whole Life	✓	✓	✓
Nationwide Guaranteed Level Term**	✓	✓	✓
Nationwide Survivorship Indexed Universal Life	X	X	X

*The chronic illness feature is not available when a long-term care rider is included in the policy. If the proposed insured is declined for the LTC Rider, the chronic illness rider will be included automatically provided the minimum underwriting threshold is reached (Table C or better). These riders may not be available in some states. Contact Nationwide to learn more.

**The Chronic Illness and Critical Illness features are not available on 10-year term policies and are limited to issue ages 18 through 55.

Client considerations

The Living Access Benefits Suite is designed to allow clients to access their death benefit if they meet the applicable requirements. While accessing the benefit reduces it, we utilize a calculation that helps preserve some of the death benefit for the clients' family members and beneficiaries.

If the policy cash value is sufficient, it may be better for the policyowner to take withdrawals and loans instead of a Living Access Benefit. This could result in more cash in hand as well as less impact on the death benefit.

Financial and insurance professional consideration

Licensing for the underlying life insurance policy is required. However, there are no continuing education requirements for the Living Access Benefits Suite.



**For more information about the Living Access Benefits,
contact us today at:**

**Life Insurance Solutions Center
1-800-321-6064**

**Brokerage General Agents (BGA) Solutions Center
1-888-767-7373**



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

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This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

Keep in mind that, as an acceleration of the death benefit, exercising the Chronic Illness Rider, the Critical Illness Rider or the Terminal Illness Rider payout will reduce both the death benefit and cash value by an amount greater than one dollar for every dollar paid. Make sure life insurance needs will still be met, even if the rider pays out in full. Though riders that customize a policy to fit individual needs usually carry an additional charge, neither the Chronic Illness Rider, the Critical Illness Rider nor the Terminal Illness Rider has an initial cost or upfront monthly charge when included in the policy; however, a cost is incurred if and when the rider is exercised, and policy cash values, death benefits and other policy values are reduced. A life insurance purchase should be based on the life policy and not solely on riders or features.

The Chronic Illness, Critical Illness or Terminal Illness Benefit paid will be reduced to pay due and unpaid premium or charges. Additionally, a pro rata portion of the payment will be applied as a policy loan payment if there is any outstanding indebtedness.

Neither Nationwide nor its associates provide tax or legal advice. Benefits may be taxable under certain circumstances. Clients should consult with their tax and legal advisors about their specific situation.

When choosing a product, make sure that life insurance needs are met. Because personal situations may change (e.g., marriage, birth of a child or job promotion), so can life insurance needs. Care should be taken to ensure that these strategies and products are appropriate. Associated costs, as well as personal and financial objectives, time horizons and risk tolerance, should all be weighed before purchasing a product. Life insurance has fees and charges associated with it that include costs of insurance, which vary based on characteristics of the insured such as sex, health, age and tobacco use; and additional charges for riders that customize a policy to fit individual needs.

All guarantees and benefits of the insurance policy are backed by the issuing insurance company. They are not backed by the broker/dealer and/or insurance agency selling the policy, or 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 Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio. The general distributor for variable products is Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio.

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