



Nationwide CareMatters® Annuity

Frequently asked questions

What is the difference between cash indemnity and reimbursement plans?

Reimbursement policies reimburse only the actual cost of qualifying care expenses. To determine the amount of the reimbursement, all bills and receipts need to be turned in each month.

By contrast, Nationwide CareMatters® Annuity is a cash indemnity contract, meaning there's no need to go through a monthly process of submitting bills and receipts. Instead, once the claim is approved and the 90-day elimination period has been satisfied, the full available monthly long-term care (LTC) benefit can be accessed.

Are there any limits as to how I can spend my monthly LTC benefit?

No. Once you qualify for benefits, payments (up to the maximum amount you qualify for) are sent to the contract owner each month. Nationwide places no restrictions on how LTC benefit payments are used.¹

Do I have to take the maximum LTC benefit amount?

No. You may take less than the maximum monthly LTC benefit amount that you qualify for in your contract. Taking less money can help extend the length of time your benefit is available. However, if inflation protection is elected, the maximum monthly LTC benefit amount will be paid.

Will there be a death benefit if I start using LTC benefits?

Yes, if there is remaining contract value upon death of the insured, your beneficiaries will receive the remaining contract value as a death benefit.

How does inflation protection affect my contract?

Inflation protection provides additional security against rising LTC costs. This benefit guarantees that the maximum monthly benefit at the time of claim will have grown by at least 5% compounded annually since contract issue. The maximum monthly LTC benefit will be paid when inflation protection is elected.

Can I use my CareMatters® Annuity benefits for more than one LTC claim?

Yes. If you receive benefits for an LTC claim and then recover, you may use any remaining available LTC benefits for future LTC claims. No additional elimination period will be required. Future claims do not have to be related to the original claim. Each claim must meet the eligibility requirements of the LTC Benefits Rider or LTC Benefits with Inflation Protection Rider.

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

How would inflation protection work once I recover and am no longer on claim?

Upon recovering from a claim, your remaining available LTC benefits will continue to increase annually by the 5% inflation factor and will be available for any future claims that may arise.

How much of my LTC benefit will be tax-free?¹

The amount of tax-free LTC benefits you can receive across all policies each year is the greater of:

- The HIPAA per diem amount for that year
- The actual qualified long-term care expenses incurred

What is HIPAA?

HIPAA stands for the Health Insurance Portability and Accountability Act. HIPAA establishes a per diem amount for each tax year. The HIPAA per diem amount usually increases annually.

Do I have access to my contract value?

Yes. Partial withdrawals are allowed on this contract and, if taken, will decrease the contract value and LTC benefits.

How do I qualify for LTC benefits?

When applying for LTC benefits, a care coordinator will assist you through the process. In order to be eligible for the monthly LTC benefits, regulations require that:

1. A U.S.-licensed health care practitioner must certify the insured as:
 - a. requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment
 - b. being unable to perform, without substantial assistance from another individual, two or more of the activities of daily living for at least 90 days due to a loss of functional capacity
2. The claims coordinator will also develop and coordinate a plan of care that best fits the insured's needs. While the plan of care will recommend the care and services based on the review of the claim, the type and care that the insured actually receives is not enforced.

The claim will need to be recertified at least annually.

When will I start receiving my LTC benefits?

1. There is a 90-calendar-day elimination period beginning immediately after the date you're certified as chronically ill and start receiving LTC services.
2. Once the 90-calendar-day elimination period has been met, LTC benefits for the first 90 days will be paid along with LTC benefits for month four.
3. Upon meeting the elimination period, it is satisfied for the life of the contract in the event you have more than one LTC claim.

¹ Benefits are tax-free up to the greater of the HIPAA daily limit in the year of claim or the actual qualifying long-term care cost incurred. Benefits may be taxable under certain circumstances. Consult your tax advisor.

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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.

Fixed annuities are contracts purchased from a life insurance company. They are designed for long-term retirement goals. Withdrawals are subject to income tax, and withdrawals before age 59½ may be subject to a 10% early withdrawal federal tax penalty.

If you annuitize a nonqualified annuity, a portion of your payment will be considered a return of premium and will not be subject to ordinary income tax. The amount that is taxable will be determined at the time you elect to annuitize the policy. Upon annuitization, LTC benefits terminate unless the LTC Nonforfeiture Rider was elected in the contract, in which case benefits are significantly reduced. Withdrawals also reduce the available LTC benefits.

Nationwide CareMatters Annuity is a cash indemnity product that pays LTC benefits when the insured person is certified to have a qualifying condition and a need for LTC services. Bills and receipts showing actual expenses do not have to be submitted for payment of benefits once a claim has been approved. Each year, the contract owner can receive, tax free, the greater of the HIPAA per diem amount or actual LTC costs incurred. However, benefits may be taxable under certain circumstances. Taxpayers should consult with their tax and legal advisors about their specific situation.

Individual care needs and costs will vary, and there is no guarantee that the long-term care benefits paid under the contract will cover the entire cost of the insured's long-term care. Nationwide pays benefits to the contract owner. If the contract is owned by someone other than the insured, there is no guarantee that the contract owner will use the benefits to pay for LTC services.

All guarantees and benefits of the contract are backed by the claims-paying ability of the issuing insurance company. Contract 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 representations or guarantees regarding the claims-paying ability of the issuing insurance company.

CareMatters Annuity has exclusions, limitations, reductions of benefits and terms under which the product may be continued in force or discontinued. For more details on cost and coverage options, contact your insurance professional.

Approval for long-term care coverage under the contract and attached riders is subject to underwriting based on questions in the application and a cognitive screening for applicants age 70 and older..

Nationwide CareMatters Annuity might not be available in some states. Please contact Nationwide to determine product availability in your state.

The insurance professional or company may contact you in response to your request for additional information.

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

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