



Nationwide[®]
Financial

LONG-TERM CARE PLANNING

YOUR 5-MINUTE GUIDE

Planning now
puts you in
control later



What are the odds?

There's a pretty good chance that either you or you spouse will need some form of long-term care over the years. Having a plan in place to address these expenses can give you both the freedom to select the services and providers you want — and may even extend the length of time you're able to remain in your home.

Chance of experiencing a house fire:

1 in 1200¹

Chance of being in a car accident:

1 in 240¹

Chance of needing long-term care:

1 in 2¹

¹ <http://www.ltctree.com/ltc-basics/the-chances-of-needing-long-term-care.html>, 09/19/12.

Know your options

There are many misconceptions surrounding who will cover long-term care expenses. So, the first step in creating a plan is to know what your coverage options really are:

Health insurance and Social Security

DO NOT cover long-term care expenses

Medicare

Will cover a portion of long-term care costs, but only up to 100 days (after a three consecutive day stay in a hospital under treatment).

Medicaid

Covers long-term care expenses for impoverished individuals with assets of \$2,000 or less (varies by state); care may be limited to a nursing home

Adult children

Many people assume their adult children will care for them later in life, but this presents a huge financial, physical and emotional burden that some people aren't willing or able to take on

Out of pocket

Using savings or selling assets may be an option; however, considering the national average cost of care for just one year in a nursing home is approximately \$80,850,² it may not be a very efficient option

Long-term care coverage

Similar to auto or homeowners insurance, long-term care coverage is simply a way to protect yourself and your assets from the potentially devastating impact of a claim

² <http://www.ltctree.com/ltc-basics/long-term-care-stats.html>, 10/08/12.

A different kind of coverage

There are several traditional long-term care products to choose from, but one alternative to consider is a life insurance policy with a long-term care rider. In addition to death benefit protection for your family, this combination offers you:

- **A fixed premium for the life of the policy** — the premium payment required for a long-term care rider will not suddenly go up as it can for traditional long-term care insurance policies
- **Reasonable costs** — while the exact cost will vary based on your age, sex and other factors, adding the rider to your life insurance policy may add as little as a few hundred dollars each year to your premium
- **No “wasted” premiums** — if you’re fortunate enough to never need long-term care, the death benefit will be paid to your beneficiaries as it would with any life insurance policy

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 rider pays out in full. There is no guarantee that the rider will cover the entire cost for all of the insured’s long-term care as these vary with the needs of each insured. The long-term care rider may be known by different names in different states, may not be available in every state and has an additional charge associated with it. A life 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.

Select a style to fit your needs

If you and your insurance professional decide that a life insurance policy with a long-term care rider is right for you, there are two types of plans available to choose from.

REIMBURSEMENT-STYLE

With this type of plan, the policy holder (or provider) submit bills or receipts to the insurance carrier for approval. If approved, the insurance carrier then reimburses the exact amount of the bill, up to the amount the insured qualifies for, but never more.

INDEMNITY-STYLE

In contrast, products that offer an indemnity-style plan send payments directly to the policyholder each month, without requiring bills or receipts. Because the full benefit amount is sent to the policyholder, it offers the flexibility to use any excess funds not needed to pay medical expenses for other things, such as:

- Home safety improvements
- Prescription medications
- Massage therapy

Don't leave your future up to chance

Taking control of your future can be as simple as having a plan. Ask your insurance professional for more information about life insurance with the long-term care rider today.

Why Nationwide®?

As a stable, Midwestern company with more than 80 years of experience, we're conservative by nature. And, because we're in the business of offering annuities, life insurance, retirement plans and mutual funds, we know risk management and take many steps to protect our policyholders.

We're proud of the company we keep and the company we've built along the way. Nationwide is a Fortune 100 company³ with 32,601 associates⁴, making us one of the largest financial services companies in America. Through the years, we've worked hard to build things you can rely on:

- Diversified sources of earnings and cash flows
- A strong balance sheet
- A sound and disciplined investment policy
- A long history of maintaining a quality investment portfolio

Spend some time with us and you'll quickly see a difference. Our conservative, family-based culture allows us to bring a unique brand of personalized service to our customers. We call it being *On Your Side*® and it's what drives us to help you protect what's important to you.

Welcome to the Nationwide family.

³ Based on revenue, Fortune magazine (05/21/12).

⁴ 12/31/11.



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

Life insurance is issued by Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

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