



**Nationwide**<sup>®</sup>  
is on your side

Long-term care

Quick reference



NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY

Planning now gives  
you more options later

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Long-term care involves a variety of support and services designed to help you live as independently and safely as possible when you can no longer perform everyday activities on your own.

And putting a plan in place now — as you would for any other future financial need — can help you choose the type of care that is familiar and comfortable for you, whatever your needs might be.

# Why planning matters

Chances are, you'll need long-term care (LTC) at some point in your life.<sup>1</sup> Planning now can help you maintain your choices in the future.

## Familiar comfort for the future

We all enjoy being in a familiar environment — like our home and the community we live in — with the people we know and love. So, it should come as no surprise that when faced with the prospect of long-term care (LTC), 74% of individuals want to receive care in their homes<sup>2</sup>

## Why you need to have a plan

Costs are expected to more than double in approximately 20 years.<sup>3</sup>



### Home health care

2016: \$45,760 annually  
2036: \$91,520 annually



### Assisted living

2016: \$43,200 annually  
2036: \$86,400 annually



### Nursing home

2016: \$91,250 annually  
2036: \$182,500 annually

Putting a plan in place now to address these expenses can give you the freedom to select the services and providers you want later on. And, it may even extend the length of time you're able to remain in your home.

<sup>1</sup> Source: 2015 Medicare & You, Centers for Medicare & Medicaid Services

<sup>2</sup> Health Care and Long-term Care Study, presented by Nielsen for Nationwide, Nov. 2015.

<sup>3</sup> 2015 Genworth Cost of Care Survey.

# Know your options

There are many misconceptions surrounding how long-term care expenses can be covered. So, the first step in creating a plan is to know what your funding options really are:

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## Health insurance

DOES NOT cover long-term care expenses

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## Medicare

May cover a portion of long-term care costs, but only up to 100 days; requires a three-consecutive-day stay in hospital under treatment, as well as other qualifiers

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## Medicaid

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

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## Adult children

Many may assume their adult children will care for them later in life, but this can present huge financial, physical and emotional challenges for the children

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## Out of pocket

Using income and savings or selling assets may be an option; however, it may leave a surviving spouse without adequate financial resources, or reduce a legacy planned for heirs

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## Long-term care coverage

LTC coverage can be a cost-efficient way to help protect yourself and your assets from the potentially devastating<sup>4</sup> cost of long-term care

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<sup>4</sup> About 75 percent of all single people and 50 percent of all couples spend their entire savings within one year of entering a nursing home. Source: Itctree.com Long Term Care Statistics, August 15, 2016.

# Select the solution that fits your needs

Here are three common types of products to choose from.

## **Life insurance policies with a LTC rider<sup>5, 6</sup>**

Consider this option if:

- You wish to enhance or protect the legacy to your heirs
- You need insurance for family protection now but would like a source of funds to help cover potential long-term care expenses later

Guaranteed premium solutions are available on some products. Keep in mind that rider and policy charges could be increased up to guaranteed maximums.

## **Linked benefit policies<sup>6</sup>**

Consider this option if:

- You are primarily concerned with LTC coverage
- Have less need for life insurance coverage
- They offer an extension of LTC benefits beyond the life insurance coverage
- Premiums are guaranteed never to increase
- Typically funded with a single premium or premium scheduled of 10 years or less

Premium is fixed and guaranteed never to increase. Keep in mind that rider and policy charges could be increased up to guaranteed maximums.

## **Standalone policies**

Consider this option if:

- You're not looking for life insurance coverage
- You desire LTC coverage at a lower cost or would like more policy customization

**Note: premiums may increase numerous times in the future, and there may be no policy benefits other than LTC coverage.**

<sup>5</sup> Life insurance covers many needs, including family protection and legacy enhancement. If you have a life insurance need, the addition of an LTC rider to your policy can help provide a source of funds to cover unexpected long-term care expenses.

A life insurance purchase should be based on the life policy, and not optional riders or features

<sup>6</sup> 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 of life insurance policies. 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. Long-term care riders may not be available in every state and have an additional charge associated with them. The cost of a rider may exceed the actual benefit paid under the rider.

# How benefits are paid

If you decide that long-term care coverage is right for you, there are two common types of benefit plans available to choose from.

## 1 Reimbursement

- Bills must be submitted every month
- Each month, wait to see what services are covered; insurance company sends a check for **only** what's covered
- Services not covered under your policy will need to be paid for out of pocket

## 2 Cash Indemnity<sup>7</sup>

- Elect to receive up to 100% of your available monthly cash benefit
- Use your monthly cash benefit without restrictions, no need to submit monthly bills or receipts once your claim is approved
- Unused monthly benefits can be used for other expenses as you see fit, including saving for future expenses

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## A little familiarity can mean a lot

Planning for potential long-term care expenses now can give you the flexibility to choose to stay in a familiar, comfortable environment. Ask your insurance professional for more information about long-term care coverage today.

<sup>7</sup> Under certain circumstances, LTC benefits received may be taxable. Please consult with your tax advisor.

# Why Nationwide<sup>®</sup>?

As a stable, Midwestern company with 90 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 help 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 company<sup>8</sup> with more than 30,000 associates, 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 family-based culture allows us to bring a unique brand of personalized service to our customers.

<sup>8</sup> Based on revenue, Fortune magazine (6/16).



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- Not guaranteed by the institution
- Not insured by any federal government agency • May lose value

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

The information contained herein was prepared to support the promotion, marketing, and/or sale of life insurance contracts, annuity contracts and/or other products and services provided by Nationwide Life and Annuity Insurance Company.

When purchasing life insurance, 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 your policy to fit your individual needs usually carry additional charges, may not be available in certain states and may be known by different names.

Long-term care insurance does have exclusions, limitations, reductions of benefits and terms under which the policy may be continued in force or discontinued. For more details on cost and coverage options, contact your insurance professional.

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.

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