Nationwide YourLife® No-Lapse Guarantee UL

Wealth transfer

with the LTC rider

Nationwide®

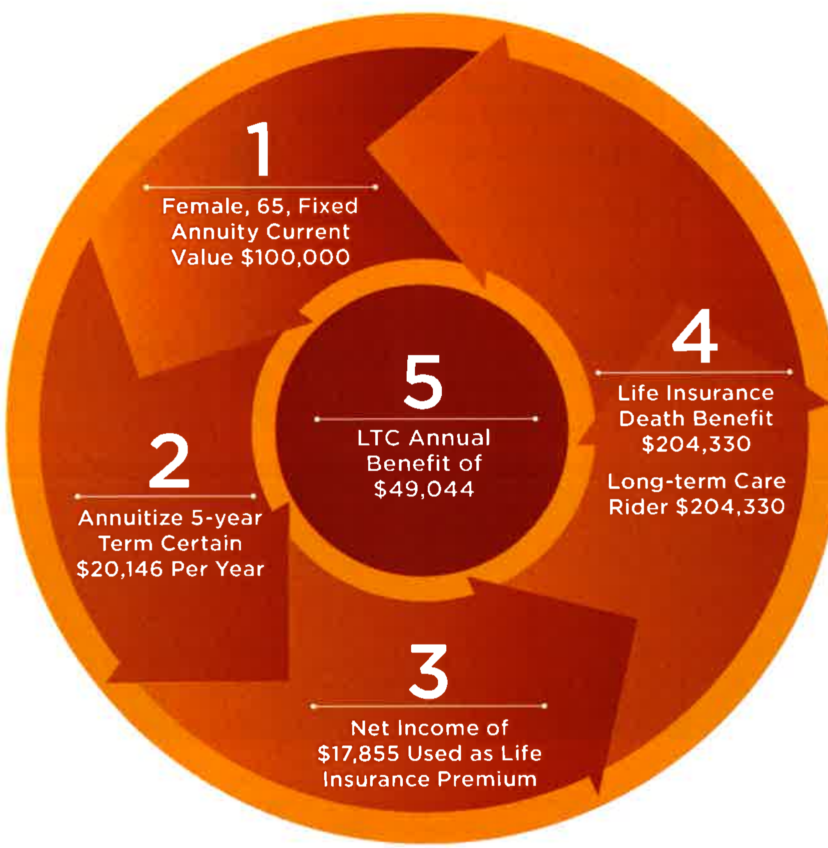
Your Life
SALES IDEA

Do you have clients who have a fixed annuity and don't need the annuity for retirement?

Are these clients concerned about long-term care (LTC) costs?

Would they like to leave a legacy to their beneficiaries?

Nationwide® has a solution. By annuitizing the contract and using the distribution from the annuity to purchase life insurance with a long-term care rider, your client can potentially create a larger pool of money that can help fund long-term care needs.



As your clients' personal situations change (i.e., marriage, birth of a child or job promotion), so will their life insurance needs. Care should be taken to ensure this product is suitable for their long-term life insurance needs. They should weigh any associated costs before making a purchase. Life insurance has fees and charges associated with it that include costs of insurance that vary with such characteristics of the insured as sex, health and age, and has additional charges for riders that customize a policy to fit their individual needs. All protections and guarantees are subject to the claims-paying ability of the issuing insurance company. Neither Nationwide nor its representatives give legal or tax advice. Please have your clients consult with their attorney or tax advisor for answers to their specific tax questions.

Let's look at an example

Anna* is 65 years old and in good health. She feels comfortable her current assets will cover her living expenses for retirement and is somewhat concerned about possible long-term care costs. Anna has two adult children, and she would like to leave a small legacy to make their lives more comfortable.

Anna purchased a fixed annuity 10 years ago and put $68,000 into the annuity. Currently, the annuity is worth just over $100,000. Earning a 4% rate, the annuity would be worth $219,112 ($166,223 after tax) by age 85. Anna wants to know if there are options with the annuity that will help address her concerns for long-term care and possibly leave her children in a more comfortable position at her death.

Here's an option

Anna can annuitize choosing a five-year term-certain option, which would generate an annual income of approximately $20,146** for five years (payable in semi-annual installments of $10,073). She could use a portion of this distribution to purchase a Nationwide YourLife® No-Lapse Guarantee UL (NLG UL) policy with a LTC rider and retain the rest to pay taxes due on the distribution. (A convenient way to manage this would be to have the distribution deposited into a bank account with automatic premium payments while creating a reserve to pay the taxes.) With $17,855, she can purchase a Nationwide YourLife NLG UL contract with a death benefit of $204,330. Anna's underwriting class is Nontobacco Preferred.

Should Anna need to tap into the LTC rider, she could receive a monthly benefit of $4,087 for 50 months ($49,044 annually) to cover LTC needs. If LTC benefits are exhausted and the policy is in force at the time of death, the policy will have a remainder death benefit of $20,433***. Should she not have a need for LTC, her children will still receive a death benefit of $204,330, so you are not putting your client in a "use it or lose it" position. The LTC benefit is an accelerated death benefit. The death benefit and cash surrender value are reduced by the cumulative LTC benefits received. Care should be taken to make sure that your clients' 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 benefit available to the owner of the contract is the lesser of: 2% of the LTC specified amount ($4,087 in this example) or the maximum rate set by HIPAA. For 2011, the maximum rate is $300 per day, which equates to $9,000 per month or $108,000 per year. (Nationwide's LTC benefits are based on a 30-day month.)

* The individual in this case study is fictional but is meant to represent a typical client in a typical situation.
** Five-year term-certain option, purchase payment of $100,000, rates as of 5/23/11.
*** Note that in NY, KY and Virgin Islands, the long-term care specified amount must be equal to the death benefit.

Let's summarize

Annuity value if held until death: (age 85)	Nationwide YourLife NLG UL death benefit if no LTC received:	Residual death benefit, if maximum LTC benefit received:
$219,112 or $166,223 after taxes (Anna is in the 35% tax bracket)	**$204,330** tax free	**$20,433** tax free

Annuitize **Five-year Term-certain Option**

Annual income	Taxes	After-tax distribution
$20,146 (all years)	**$2,291 (all years)**	**$17,855 (all years)**

▶ To find out more about Nationwide YourLife® No-Lapse Guarantee UL with the long-term care rider, contact me today.

Name: Associated Life Brokerage, INC.
Contact information: 135 Route 202/206
Bedminster, NJ 07921

Nationwide® On Your Side®

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

FOR INSURANCE PROFESSIONAL USE ONLY—NOT FOR DISTRIBUTION WITH THE PUBLIC

Life insurance products are underwritten by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

NFM-6763AO-BG.1 (05/11)