

Nationwide offers an insurance-based income solution designed to enhance retirement income while providing life insurance coverage. This product allows policyholders to protect their family's future through a death benefit while simultaneously saving for retirement. It is essential to select a product that aligns with long-term life insurance needs, especially in light of personal changes such as marriage or job promotions. Policyholders should consider their objectives, time horizon, risk tolerance, and associated costs, as market volatility may necessitate additional premium payments. Variable life insurance includes fees and charges that vary based on factors like health and age, and optional riders may incur extra costs.

The insurance-based income solution provides life insurance coverage with a death benefit that is generally free from federal income tax and potentially estate tax if properly structured. It allows for tax-deferred growth of cash value and offers the possibility of tax-free income through withdrawals or loans, provided the policy is not classified as a modified endowment contract (MEC). This solution can supplement retirement income or be used for other financial needs. However, the policy must remain in force until the death benefit is payable to avoid adverse tax consequences from lapses or surrenders.

Key benefits include tax advantages such as tax-free withdrawals and loans, tax-deferred cash value growth, and no penalties for withdrawals before age 59½. There are no contribution limits as seen in qualified retirement plans, and it does not affect existing qualified plans. The policy provides basic life insurance protection, and the death benefit can transfer wealth to beneficiaries, potentially excluding it from the taxable estate if structured correctly. The policy offers flexibility with various optional features and riders, allowing customization at an additional cost.

Policyholders have control over the amount of insurance, premium payments, and withdrawal amounts. However, it is important to note that this strategy does not guarantee returns and does not protect against losses, including loss of principal. The death benefit and guarantees depend on the

claims-paying ability of the issuing insurance company. Loans and withdrawals will reduce the death benefits payable to beneficiaries, and surrender charges may apply based on various factors.

Individuals interested in this insurance-based income solution should consult with their investment professional to ensure it meets their specific needs and objectives. Additionally, Nationwide provides other business-planning strategies, including buy/sell agreements and key person insurance. All products are issued by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, and individuals selling these products must be licensed insurance agents and registered representatives.