

Nationwide CareMatters® II is a long-term care (LTC) insurance policy linked to a universal life insurance policy, allowing benefits to be utilized regardless of whether LTC is needed. This policy offers flexibility in benefit usage, enabling care to be received at home or any preferred location. It clarifies misconceptions about LTC costs, emphasizing that Medicare and Medicaid do not cover all expenses, particularly for assisted living and adult day care services. The policy includes a death benefit, ensuring that premiums are not lost if LTC is never required, with guaranteed premiums and benefits that will not decrease.

To qualify for LTC benefits, a U.S.-licensed healthcare practitioner must certify a severe cognitive impairment or the inability to perform two out of six activities of daily living for at least 90 days. A Plan of Care must be submitted, and there is a 90-day elimination period before benefits commence, with retroactive payments for the first 90 days. Benefits can be received through reimbursement for incurred costs or as cash indemnity, allowing unrestricted use of funds once a claim is approved. The policy is customizable, offering various premium payment schedules and optional riders, such as inflation protection, designed to adapt to changing personal circumstances.

Coverage includes various LTC services, such as adult day care, nursing home care, hospice, family care, and alternative LTC services, with potential future coverage options. As a cash indemnity plan, it allows policyholders to receive monthly benefit payments without needing to submit bills or receipts once a claim is approved. The policy remains a liquid asset through its cash surrender value. For instance, a policyholder like Lisa, who purchased a policy with a total benefit of \$509,832 using an inheritance, values the flexibility of cash benefits that can be used for unlicensed caregivers or family members. If she does not require LTC, her beneficiaries will receive a death benefit, which may be reduced by any LTC benefits paid.

Additionally, the policy includes a long-term care support service, the Nationwide Care Guide Network, which offers referrals for various care needs. Benefits are tax-free up to the greater of the

HIPAA per diem amount or actual LTC costs incurred, although they may be taxable under certain circumstances. It is important to note that the payment of LTC benefits will reduce both the death benefit and cash surrender values of the policy. The policy has exclusions, limitations, and conditions for continuation or discontinuation, and approval for coverage is subject to underwriting, which may include a medical exam. Nationwide CareMatters II may not be available in all states, and potential policyholders are encouraged to consult with their insurance professionals for detailed information regarding costs, coverage options, and suitability based on personal circumstances. Overall, Nationwide CareMatters II aims to provide comprehensive coverage for potential long-term care needs while ensuring financial security for beneficiaries.