

# Find the right fit

## Determining when Nationwide YourLife CareMatters® is a fit for your clients

Most people will need long-term care (LTC) at some point during their lives,<sup>1</sup> and the costs can be staggering. Nationwide YourLife CareMatters offers your clients an efficient way to plan for these potential expenses with LTC coverage plus a death benefit for cost recovery.

### Here are four potential client profiles that are a good fit for Nationwide YourLife CareMatters

#### 1 | Clients ages 40–75 with “sleeping assets” or cash, such as:

- CDs or bonds that are maturing
- Proceeds from selling a business
- Funds from downsizing/selling a home
- A recent inheritance

**Concern:**

The impact an LTC event could have on their spouse, family and finances

**Payment type:**

Single pay to five-pay premiums

#### 2 | Clients ages 55–67 closing in on retirement who are:

- In the peak of earning capacity with excess income for premiums
- Preferably age 59½ or older so they can access qualified money (without 10% penalty tax) not needed for retirement income

**Concern:**

The financial and lifestyle risks LTC expenses could have on their spouse

**Payment type:**

Five-pay or 10-pay premiums

#### 3 | Retirees with IRAs, annuities or income sources to reposition:

- Required minimum distributions (RMDs) from IRAs (after tax amount) not needed for income purposes
- Annuities not needed for retirement income purposes
- Social Security benefits not needed for living expenses

**Concern:**

Protecting assets/income and reducing LTC dependence on family

**Payment type:**

Five-pay or 10-pay premiums

#### 4 | High earners not rich yet (HENRYs), ages 40–55 who:

- Have excess annual liquidity
- May have experienced providing care for a parent or grandparent
- See the value of buying earlier rather than later
- Would like to insure their parent(s) for LTC to protect their own savings and retirement assets

**Concern:**

Protecting assets/income and reducing LTC dependence across generations (their parents and themselves)

**Payment type:**

Five-pay or 10-pay premiums

If you have clients who fit these profiles, you can ask the following questions to better understand when Nationwide YourLife CareMatters® may be the right LTC solution for their needs, should they need care:

**Where do you want to receive care?**

Many clients would prefer to receive care in their own home — in fact, up to 70% of initial LTC claims are for home health care.<sup>2</sup> Ask clients what type of home they have, and what type of modifications would be required to remain safe and keep the home accessible. Help them choose a policy with the most flexibility to make those changes.

**Who would you want to provide your care?**

Don't assume that a client would want a family member to provide care. Have a conversation to understand their situation and preferences. Some clients may want a licensed provider, while others may prefer someone more informal to provide care. Make sure to look at policy details to determine if unlicensed informal caregivers or immediate family members are allowed as caregivers.

**Would you prefer to receive a full monthly cash LTC benefit or have the company reimburse only your qualified LTC expenses?**

Finally, make sure clients understand how claims are paid and find out which claims payment model best suits their needs.

A cash indemnity benefit pays the owner the full LTC benefit amount each month. Clients can pay for what they need when they need it, without expenses being monitored or approvals being needed by the insurance company.

The other choice is a reimbursement benefit that reimburses either the policyowner, the facility or the service provider directly — but only for the exact amount of qualifying LTC expenses. Other needs, such as home modifications, must be approved and/or be part of the policy provisions.

<sup>1</sup> *Medicare & You 2014*, U.S. Department of Health and Human Services, September 2013.

<sup>2</sup> American Association of Long Term Care Insurance — AALTCI Sourcebook 2014.



To learn more about the benefits Nationwide YourLife CareMatters has to offer your clients, please visit [www.nationwidefinancial.com/carematters](http://www.nationwidefinancial.com/carematters) or call us at:

**Nationwide Sales and Service Center: 1-800-321-6064**

**Nationwide Financial Network®: 1-877-223-0795**

**Brokerage General Agents: 1-888-767-7373**



**Nationwide®**

When choosing a product, make sure that life insurance and LTC insurance needs are met. Nationwide YourLife CareMatters is not intended to be a primary source of life insurance protection, so make sure life insurance needs have been covered by appropriate products. Because personal situations may change (i.e., marriage, birth of a child or job promotion), so can life insurance and LTC insurance needs. Care should be taken to ensure these strategies and products are suitable. Associated costs, as well as personal and financial objectives, time horizons, and risk tolerance should all be weighed before purchasing Nationwide YourLife CareMatters. Life insurance, and LTC coverage linked to life insurance, has fees and charges associated with it that include: costs of insurance which varies based on characteristics of the insured such as gender, tobacco use, health and age; and additional charges for riders that customize a policy to fit individual needs.

Keep in mind that as an acceleration of the death benefit, the payment of LTC rider benefits will reduce both the death benefit and cash surrender values of the policy. Additionally, loans and withdrawals will also reduce both the cash values and the death benefit. Care should be taken to make sure that life insurance needs continue to be met even if the rider pays out in full, or after money is taken from the policy. There is no guarantee that the rider will cover the entire cost for all of the insured's LTC, as this may vary with the needs of each insured. Nationwide pays the LTC benefit to the policyowner; there is no guarantee the policyowner will use the benefit for LTC expenses if the policy is owned by someone other than the insured.

For contracts that meet the MEC definitions of IRC Section 7702A, most distributions are taxed on a first-in/first-out basis, however, LTC benefit payments can be received tax-free under IRC Section 7702B. Partial surrenders and loans from a MEC will generally be taxable.

Approval for coverage under the policy and attached LTC riders is subject to underwriting and may require a medical exam.

Nationwide YourLife CareMatters may not be available in every state. Please contact Nationwide to determine product availability in your state.

Guarantees are subject to the claims-paying ability of the issuing company. Life insurance products are issued by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

Nationwide, Nationwide Financial Network, the Nationwide N and Eagle, Nationwide is on your side and Nationwide YourLife CareMatters are service marks of Nationwide Mutual Insurance Company. © 2015 Nationwide

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

LAM-2455AO (10/15)