



Nationwide[®]
is on your side

Nationwide
CareMatters[®] II

Inflation protection



Plan for the rising costs of long-term care

Nationwide CareMatters[®] II offers an option to help offset the impact of medical inflation

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

Americans are facing increasing medical costs

Americans see cost and access as their most pressing health care concerns.¹ Medical technology evolution, longer life expectancies and greater demand may drive greater expenditures, making addressing rising health care expenses an important part of your financial plan.

Evolution of medical care

- **Advances in medical technology**
New innovations and advancements in medicine are likely to improve the quality of care we receive
- **People are living longer**
One in four 65 year-olds today will live past age 90, and one in 10 will live past age 95²
- **Greater demand for care**
Demand for home health and personal care is expected to grow 41% by 2026³

¹ Gallup, "Americans Remain Dissatisfied with Healthcare Costs," 11/28/18.

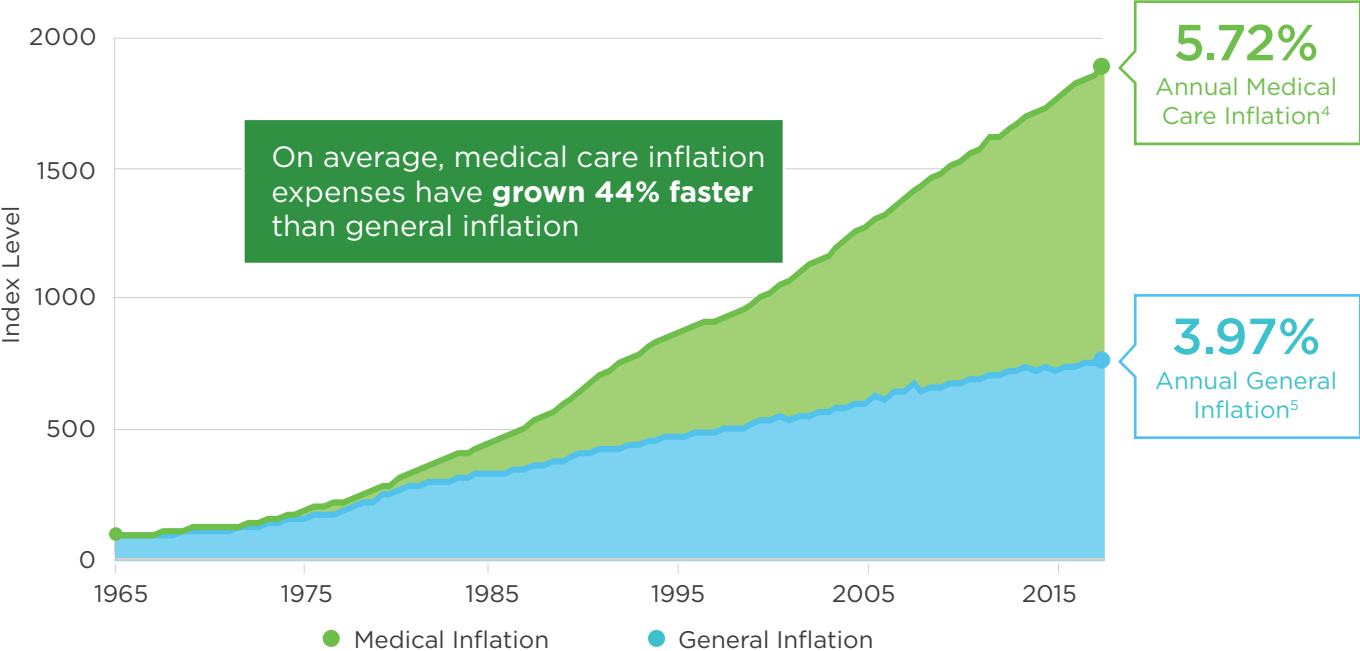
² Social Security Administration, Benefits Planner, 2018.

³ Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, 6/11/18.

Medical care inflation has grown faster than general inflation

Since 1965, medical expenses have historically grown 44% faster on average each year than general inflation, which could cause your long-term care benefits to erode more quickly than you might anticipate.

Medical care inflation vs. General inflation



Source: U.S. Department of Labor. Consumer Price Index (CPI) for all Urban Customers, Unadjusted and the Medical Care Component of the Consumer Price Index for All Urban Customers, Unadjusted, 12/31/65 - 12/31/18. Past inflation is no indication of future inflation.

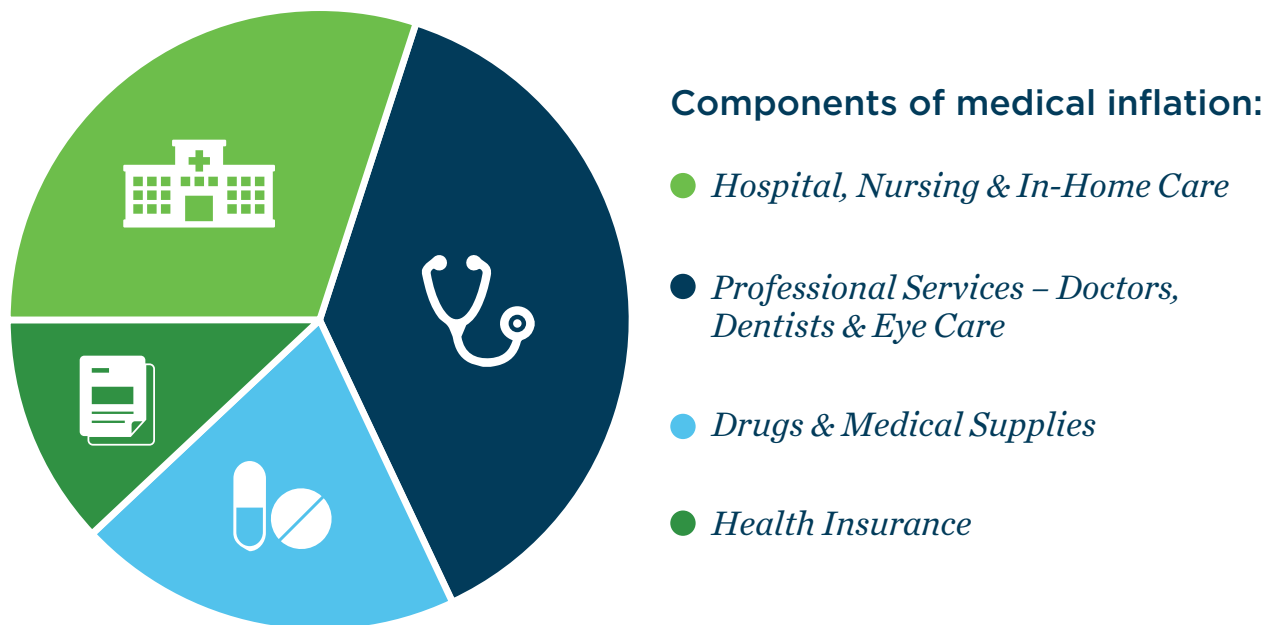
⁴ Medical Care Component of the Consumer Price Index for All Urban Consumers, Unadjusted. U.S. Bureau of Labor Statistics. 12/31/1965 - 12/31/2018.

⁵ Consumer Price Index for All Urban Consumers, Unadjusted. U.S. Bureau of Labor Statistics. 12/31/1965 - 12/31/2018.

Tracking the unique increases in medical inflation

For over 50 years, the U.S. Department of Labor has been tracking the actual price of goods and services associated with medical care. The increase in these prices over time is a way of measuring medical care inflation.

U.S. medical care inflation⁶



U.S. Department of Labor, as of 12/18.

Nationwide CareMatters® II with the U.S. Medical Care Inflation option is the only solution designed to grow your future monthly long-term care benefits based on any medical care inflation.⁷ LTC benefits are guaranteed to increase at no less than a 2% compound inflation rate over the life of your policy. Even if medical care inflation is negative, LTC benefits are protected.

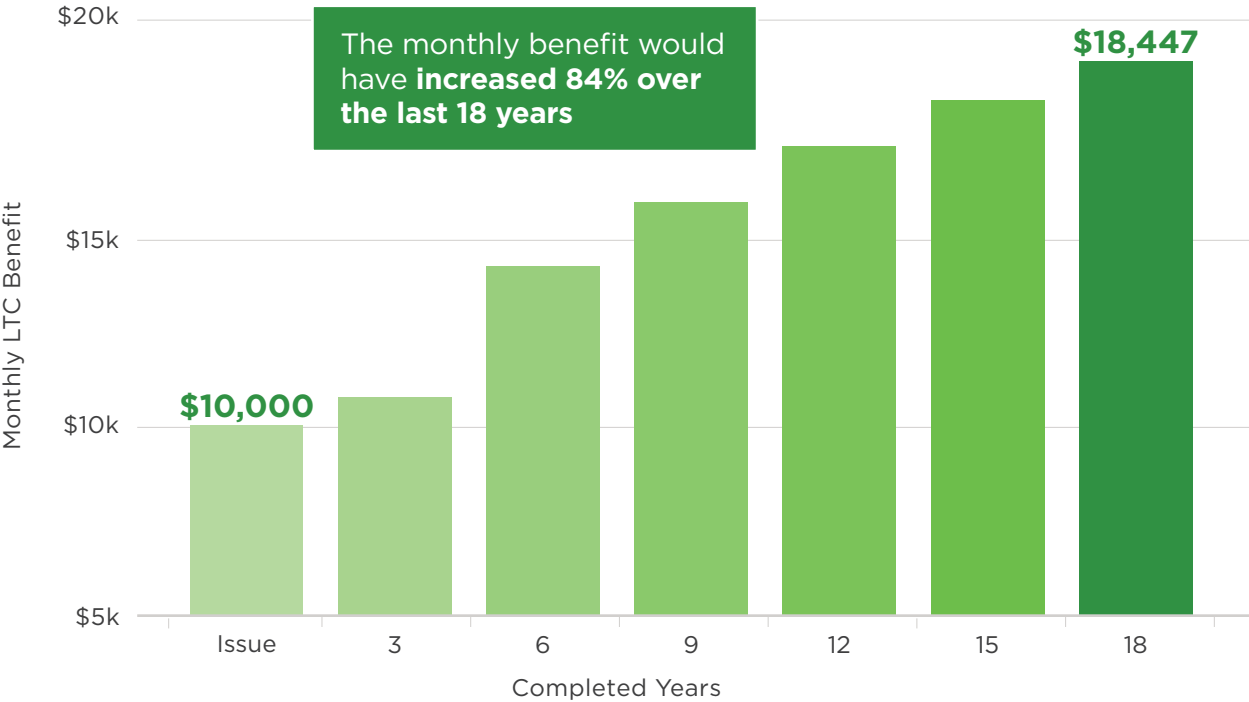
⁶ Medical care inflation is measured by the Medical Care Component of the Consumer Price Index (CPI) for All Urban Consumers, Unadjusted, which is managed by the U.S. Bureau of Labor Statistics. The actual rate of inflation in long-term care costs may be different.

⁷ This brochure was designed to provide information on the U.S. Medical Care Inflation option and should be used in conjunction with the Nationwide CareMatters II materials. Other inflation protection options are available.

Benefits designed to keep pace with medical inflation

CareMatters® II with the U.S. Medical Care Inflation option provides long-term care benefit growth designed to help offset the risk of future medical care inflation. Benefits may increase based on any positive change in medical care inflation up to 6% per year and are locked-in every three years prior to receiving LTC benefits.

Nationwide CareMatters II monthly LTC benefit growth



Hypothetical Assumptions: Growth of a \$10,000 monthly benefit for a policy issued 12/31/00 with no benefits claimed. Past index change is no indication of or guarantee of future changes. The actual rate of inflation in long-term care costs may be different.

Increasing benefits during care

Once you begin receiving long-term care benefits, your benefits may continue to increase by any positive annual change in medical care inflation up to 6% per year. Any future LTC benefit increases are locked-in annually on the policy anniversary instead of every three years.



Talk with your financial professional about how Nationwide CareMatters® II and the U.S. Medical Care Inflation option can help protect you from rising medical costs



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All guarantees and benefits of the insurance policy are backed by 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 representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Nationwide CareMatters II is a cash indemnity product that pays LTC benefits when the insured person is certified to have a qualifying condition and a need for LTC services. Bills and receipts showing actual expenses do not have to be submitted for payment of benefits once a claim has been approved. Each year, the policy owner can receive, tax free, the greater of the HIPAA per diem amount or actual LTC costs incurred. However, benefits may be taxable under certain circumstances. You may receive, tax free, the greater of the HIPAA per diem in the year of your claim or your actual qualified LTC expenses incurred. Taxpayers should consult with their tax and legal advisors about their specific situation.

Keep in mind that the payment of long-term care rider benefits, as an acceleration of the death benefit, 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 long-term care, as this may vary with the needs of each insured. Nationwide pays the long-term care benefit to the policy owner; there is no guarantee the policy owner will use the benefit for long-term care expenses if the policy is owned by someone other than the insured.

When choosing a product, make sure that life insurance and long-term care insurance needs are met. CareMatters II 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 long-term care 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 CareMatters II. Life insurance, and long-term care 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.

CareMatters II has exclusions, limitations, reductions of benefits and terms under which the product may be continued in force or discontinued. For more details on cost and coverage options, contact your insurance professional.

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

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

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

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.

The Medical Care Component of the Consumer Price Index for All Urban Consumers, Unadjusted (the "Index"), is maintained by the U.S. Bureau of Labor Statistics. Nationwide's use of the Index is not sponsored, endorsed or promoted by the U.S. Bureau of Labor Statistics, The U.S. government, or any of its agencies. Inclusion of the Index in an insurance product is not a recommendation by the U.S. government to buy such a product. Neither the U.S. government nor the U.S. Bureau of Labor Statistics guarantees the adequacy, accuracy, timeliness or the completeness of Nationwide's use of the Index. The actual rate of inflation in long-term care costs may be different than the experience of the Index.

Products are issued by Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

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