

# A cost-effective option for couples seeking LTC coverage

Many couples who are interested in securing long-term care (LTC) coverage could be concerned about the costs.



While every couple is unique, CareMatters Together<sup>SM</sup> might offer a compelling solution that provides them with the ability to use their long-term care benefit with greater flexibility. That's because it is a cash indemnity benefit and a shared pool of long-term care benefits that can be split between them however they feel is most appropriate.

For some couples, separate CareMatters<sup>®</sup> II policies are the right option. On the next page, there are ways to help your clients find a solution that meets their needs.

## Cash indemnity

All Nationwide LTC solutions pay cash indemnity LTC benefits. This means that the benefit can be spent with no restrictions from Nationwide<sup>®</sup>, whether it's for traditional care services, informal care or options developed in the future. With a linked-benefit product, the premium, long-term care benefits and death benefits are all guaranteed.

# Finding solutions that align with your clients' needs

## Solutions overview

Nationwide offers two linked-benefit options:



**Nationwide CareMatters Together<sup>SM</sup>** — shared LTC benefit pool for two lives



**Nationwide CareMatters<sup>®</sup> II** — LTC protection for a single life

Selecting which of these options to show to clients should be based on their planning needs. There are some situations which a couple will benefit from separate policies. In others, a single CareMatters Together policy to cover both people might make more sense.

## Choosing a policy based on planning needs

Discuss your clients' situation with them before suggesting a solution. Here are some things to ask about.

1. Are they looking for coverage for two that is potentially more cost effective?
2. Is it important for them to get some coverage in place, even if they're not sure right now how much they might need?
3. Do either or both of your clients feel strongly that they want to have a specific amount of benefit that is just for them?
4. Is keeping assets and benefits separate something that's needed or important? For example, in the case of second marriages or blended families?
5. Is a death benefit on the first to pass away needed?
6. Is life insurance protection more important for one of them as the primary earner?

## Factors to consider

Selecting between CareMatters Together and CareMatters II should be based on a variety of factors and there is no single formula for picking the right solution. Based on the questions above, here are some factors and considerations that might help determine which solution is right for a couple.

### CareMatters Together, if they're seeking:

- Coverage for both but are unsure how much to purchase for each person
- Potentially more affordable coverage for two people
- The ability to use the remaining benefit available when one person passes away
- One pool of benefits that they can flexibly use between them

### CareMatters II, if they're seeking:

- A specific amount of coverage or benefit duration for one or both
- The maximum amount of coverage available for one or both
- A death benefit for the first to pass away<sup>1</sup>
- To keep assets and benefits separate
- Different policy features for each person (different inflation, benefit amount and duration)

<sup>1</sup> Remember, CareMatters Together pays the death benefit upon the second to pass away.

# Find out how CareMatters Together and CareMatters II compare

## Compare one joint policy against two separate policies



Let's look at similar coverage for a couple like Mike and Judy, who are 60 and 57, respectively. To keep the comparison simple, let's assume they want to get the equivalent of 8 years of coverage between the two of them.

	CareMatters Together	CareMatters II
<b>Benefit period</b>	96 monthly benefit payments they can split as needed (96 months equals 8 years)	2 policies with 4 years of coverage
<b>Monthly LTC benefit</b>	\$2,500 per insured	\$2,500 per insured
<b>Total LTC benefit available</b>	\$240,000 shared pool	Mike: \$120,000 + Judy: \$120,000
<b>Annual premium (10 years)</b>	\$5,074.22	Mike: \$3,661.40 + Judy: \$3,399.37
<b>Total premium per year (can also be paid monthly)</b>	\$5,074.22	\$7,060.77

This is a hypothetical example and assumes that all premiums are fully paid on time and that no loans or withdrawals have been taken out of the policy. Other assumptions: maximum LTC refund of premium option on CareMatters II; no inflation protection option; both insureds are in the preferred rating class for CareMatters Together.

## For clients on a budget

CareMatters Together has a joint life structure, which helps make the cost of coverage accessible to even more households. In the example below, the minimum LTC benefit required is \$1,500 a month.<sup>2</sup> While this might not cover 100% of someone's long-term care expenses, it can provide a source of funds to help slow the depletion of all the savings they've worked so hard to accumulate.



Let's look at another couple, Paul and Diane, both 50. They are looking to create a supplemental source of funds to pay for LTC needs. They decide to use a CareMatters Together policy with 72 monthly LTC benefit payments starting at \$1,500 a month.

	CareMatters Together				
	None		3% compound inflation for 20 years		
<b>Inflation option</b>					This is a hypothetical example and assumes that all premiums are paid fully and on time and that no loans or withdrawals have been taken out of the policy. Both insureds are in the preferred rating class. Premiums are waived when on claim.
<b>Premium schedule</b>	Pay to age 100	20 years	Pay to age 100	20 years	
<b>Monthly premium</b>	\$86.97	\$109.23	\$127.88	\$165.00	
<b>LTC benefit at age 80</b>	\$1,500.00	\$1,500.00	\$2,709.00	\$2,709.00	

You can use these numbers as a starting point for a conversation with your clients who might be more cost averse. Once they are comfortable, you can have more discussions about the amount of LTC coverage they feel is appropriate for them. CareMatters Together helps bring the benefits of cash-indemnity, long-term care coverage to more families, helping them preserve their quality of life and independence.

<sup>2</sup> The minimum LTC benefit varies by state.



To learn more about the benefits that **Nationwide CareMatters®** has to offer your clients, please call us today at:

**Life Insurance Solutions Center: 1-800-321-6064**

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



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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 Together is a cash indemnity product that pays LTC benefits when one or both of the insured persons are 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 policyowner 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. Clients 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 net surrender value of the policy. Additionally, loans and withdrawals will also reduce both the net surrender value 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 insureds' long-term care, as this may vary with the needs of each insured. One of the insureds may exhaust the entire long-term care benefit. Nationwide pays the long-term care benefit to the policyowner; there is no guarantee that the policyowner will use the benefit for long-term care expenses if the policy is owned by someone other than the insured.

The policy that this rider is attached to is noncancelable. This means that the policyowner has the right, subject to the terms of the policy, to continue the policy, provided they pay the scheduled premium on time. Nationwide cannot change any of the terms of the policy on its own and cannot change the scheduled premium.

CareMatters Together 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 Nationwide.

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

CareMatters Together might not be available in some states. Please contact Nationwide to determine product availability in your state.

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

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