# Nationwide Summit[SM] Fixed Indexed Annuity

## DISCLOSURE SUMMARY

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Nationwide Life and Annuity Insurance Company ("Nationwide") thanks you for your interest in the Nationwide Summit[SM] Fixed Indexed Annuity ("Nationwide Summit"). This disclosure summary reviews the features of Nationwide Summit and is not intended to be a full description of the fixed indexed annuity. For a complete explanation of the terms, refer to the Nationwide Summit brochure and contract package, once received. Your signature is required at the bottom of page 7 of this summary to let Nationwide know that you have read this summary and understand the fixed indexed annuity you are purchasing.

**This product is designed and intended for a long term investment strategy and has limitations and restrictions, such as contingent deferred sales charges ("CDSC")[1] and, if applicable in your state, a Market Value Adjustment ("MVA") during the CDSC period, both of which will be discussed in this disclosure summary.**

**What is Nationwide Summit?**
Nationwide Summit is a single purchase payment deferred fixed indexed annuity[2] with an indexed crediting feature designed for principal preservation and the opportunity for long-term accumulation of your retirement savings. Nationwide Summit is an insurance product and is not a direct investment in the stock market that requires a prospectus.

**Are there purchase payment limits?**
Nationwide requires a minimum purchase payment of $25,000 for both qualified and non-qualified contracts. Purchase payments equal to or in excess of $1,000,000 require Nationwide's prior approval and acceptance. Once the initial purchase payment is made, no additional purchase payments can be added to the contract.

**How does Nationwide Summit work?**
Nationwide Summit allows you to allocate your money to a Fixed Account and/or Index Account. The Fixed Account credits interest daily based on a guaranteed interest rate. An Index Account may credit earnings based on the performance of an index by comparing the value of the index at the beginning of an index term with the value of the index at the end of the index term. The performance of an index is subject to an index cap which is described in more detail later in this document. The Index Account is offered by endorsement to the contract which describes to the terms and conditions of the Index Account.

**How is interest credited by the Fixed Account?**
Amounts allocated to the Fixed Account earn interest at a fixed interest rate. The fixed interest rate is an annualized rate – the effective yield of interest over a one-year period. Interest is credited to the contract on a daily basis. As a result, the credited interest rate is compounded daily to achieve the stated effective yield.

The fixed interest rates change periodically and are determined at the sole discretion of Nationwide. However, once you allocate an amount to the Fixed Account the fixed interest rate in effect at that time

[1] In CA, CDSC is called a surrender charge.
[2] Annuities are not insured by the FDIC or any federal government agency; deposits of or guaranteed by any bank or credit union, or a provision or condition of any bank or credit union activity. Some annuities involve investment risk and may lose value.

is guaranteed until the end of the fixed interest term, which is a one year period of time. In addition, Nationwide guarantees that the fixed interest rate will be at least equal to 1% for the life of the contract.

**How are earnings credited by an Index Account?**
The amount of earnings that an Index Account may credit, if any, will depend on the performance of the index(es) that you chose and on the applicable index cap. To determine the performance of an index, Nationwide will compare the value of the index on the first day of an index term with the value of the index on the last day of an index term. The following formula is used to calculate the performance of an index:

$$\left[ \frac{(A-B)}{B} \right] \times 100\%$$

where:

A = the index value on the last day of an index term
B = the index value on the first day of an index term

If the value of the index increases over the index term, Nationwide will compare the value of the increase to the index cap that is in effect for that index term. The lesser of the two values will then be multiplied by the contract value that is allocated to the index on the last day of the term to determine your earnings. Earnings are then credited to the Index Account at the end of the index term. If the value of the index decreases over the index term, no earnings are credited to the Index Account at the end of the term. In no event will a decrease in the value of an index result in a decrease of your contract value.

**The following hypothetical examples show how earnings are calculated at the end of an index term. The examples are not based on a specific index or index cap. The numbers used are for demonstration purposes only.**

The first example shows the calculation when the performance of an index is less than the index cap.

**Assumptions**

| | |
|---|---|
| **Index Value on the First Day of the Index Term** | 2,000 |
| **Index Value on the Last Day of the Index Term** | 2,080 |
| **Contract Value Allocated to Index on Last Day of Index Term** | $100,000 |
| **Index Cap** | 5% |

**The Math**

| | |
|---|---|
| **Change in Value of the Index (using the formula described above)** | $\frac{2,080 - 2,000}{2,000}$ X 100% = 4% |
| **Compare the Change in Value of the Index with the Index Cap and Use the Lesser of the Two** | Since the change in value of the index is 4%, and the index cap is 5%, use 4% |
| **Multiply 4% by the Contract Value on the Last Day of the Index Term** | $100,000 X 4% = $4,000 |
| **The earnings for the Index Term would be $4,000** | |

The second example shows the calculation when the performance of an index is greater than the index cap.

**Assumptions**

| | |
|---|---|
| **Index Value on the First Day of the Index Term** | 2,000 |
| **Index Value on the Last Day of the Index Term** | 2,200 |
| **Contract Value Allocated to Index on Last Day of Index Term** | $100,000 |
| **Index Cap** | 5% |

**The Math**

| | |
|---|---|
| **Change in Value of the Index (using the formula described above)** | $\frac{2,200 - 2,000}{2,000}$ X 100% = 10% |
| **Compare the Change in Value of the Index with the Index Cap and Use the Lesser of the Two** | Since the change in value of the index is 10%, and the index cap is 5%, use 5% |
| **Multiply 5% by the Contract Value on the Last Day of the Index Term** | $100,000 X 5% = $5,000 |
| **The earnings for the Index Term would be $5,000** | |

**What is an Index Term?**
An index term is a specific period of time used to measure the change in the value of an index and in which a declared index cap is applicable. The index term is one year. The initial index term begins on the date the contract is issued and ends on the first contract anniversary. The second index term begins on the first contract anniversary and ends on the second contract anniversary, and so on.

**What is an Index Cap?**
An index cap is the maximum percentage limit imposed on the performance of an index during an index term. An index cap may limit the amount of earnings by "capping" the performance of an index at a certain percentage.

Each available index has its own index cap. Index caps are declared periodically and are determined at the sole discretion of Nationwide. An index cap that will be in effect during a subsequent index term may be higher or lower than the index cap that was in effect when you purchased your contract. However, an index cap will not be less than 3% during your CDSC period, and will not be less than 2% for any year thereafter.

**Is it possible to forfeit earnings in an Index Account?**
Yes. Amounts must be allocated to the Index Account for an entire index term to be credited any earnings. If any amount is withdrawn from an Index Account prior to the end of an index term, for any reason, the amount of earnings that may have been attributable to the amount withdrawn will be forfeited. This includes withdrawals taken when Nationwide waives or reduces the CDSC, withdrawals taken under a systematic withdrawal program, and amounts paid out as a death benefit.

**What happens to the contract value if an index decreases?**
Nationwide Summit guarantees that your purchase payment and any earnings credited to your contract can never be lost as a result of an index or indexes declining in value. Please note that past performance of an index or indexes is no guarantee of future earnings or values of your contract.

**What other important information should I know about the Index Account and the indexes?**
While the values of the contract may be affected by an external index, the contract does not directly participate in any stock or equity investments. Also, Nationwide reserves the right to add or remove any index subject to any applicable regulatory approvals.

In addition, after the CDSC period, Nationwide reserves the right to stop offering an Index Account as an option and to offer only the Fixed Account.

**Can I transfer money between the Fixed Account and the available indexes?**
Yes. Prior to each contract anniversary (which coincides with the beginning of a new index term and fixed interest term), Nationwide will provide you with the current fixed interest rate, the available indexes and the applicable index caps for the upcoming index term. You can then notify Nationwide prior to your contract anniversary if you wish to transfer any money between the Fixed Account and any available indexes in the Index Account. Transfers can only occur once per year on your contract anniversary.

**What if I need to withdraw all or some of my money?**
Should the need arise, you are always entitled to access your money by sending Nationwide a written request.

However, since amounts must be allocated to an Index Account for the entire index term to be credited any earnings, a withdrawal from an Index Account may result in you forfeiting earnings that you may have otherwise earned had you not withdrawn your money.

In addition, your withdrawals may be subject to taxes (including a 10% early withdrawal federal tax penalty if you are under age $59^1/_2$) and, if made during your CDSC period, may be subject to a CDSC and an MVA. In selected states, an MVA may adjust the withdrawal amount payable, up or down, depending upon the interest rate conditions at the time of distribution as compared to interest rate conditions at the time your contract was issued.

**What if I need to surrender my Nationwide Summit contract?**
There may be substantial penalties for early surrenders. During the CDSC period, a CDSC is applied at the time of the surrender and is calculated by multiplying the applicable percentage shown in the table below by the amounts withdrawn in a given contract year in excess of the free withdrawal amount.

| Completed Contract Years | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7+ |
|---|---|---|---|---|---|---|---|---|
| CDSC Percentage | 9% | 8% | 7% | 6% | 5% | 4% | 3% | 0% |

If you decide to surrender your contract, Nationwide will pay you the contract's surrender value. If you surrender the contract before the end of the CDSC period, you may receive less than your original purchase payment. The surrender value is equal to the greater of: 1) the contract value less the sum of any applicable CDSC and premium taxes, plus any applicable MVA; or 2) the Minimum Guaranteed Contract Value.

The Minimum Guaranteed Contract Value is the minimum value that Nationwide is obligated to provide you upon full surrender of the contract, or upon payment of the death benefit, in accordance with state law.

CDSC, and MVA if applicable, will not apply to the following withdrawals:

- Free withdrawals
  You have access to a portion of the money in your fixed indexed annuity, called free withdrawals, without incurring CDSC, and MVA if applicable. Your free withdrawal amount for each year is 10% of the contract value on the first day of the contract year. The free withdrawal amount for each contract year is non-cumulative.

- Required Minimum Distribution ("RMD")
  If you have a qualified contract, Required Minimum Distributions attributable to your contract will be calculated under Internal Revenue Code Sections 401, 403, 408, 408A, 457 and current IRS rules regarding minimum distributions. If the RMD amount for this contract is greater than the free withdrawal amount, Nationwide will increase the free withdrawal amount for that contract year to equal the RMD amount.

- Long-term care and terminal illness or injury[3] event

[3] Not available in all states and long-term care may be referred to as confinement.

For long-term care event and terminal illness or injury events, Nationwide will increase the remaining free withdrawal amount so that all withdrawals after the occurrence of the event are free withdrawals (no CDSC or MVA applies).

To qualify, the contract owner and annuitant must be the same person and must be no older than 80 on the contract issue date. A long-term care event requires that the first contract anniversary has passed and the contract owner has been confined to a long-term care facility or hospital for a continuous 90-day period that began after the date the contract was issued. A terminal illness or injury event requires that the first contract anniversary has passed and the annuitant must be diagnosed after the date the contract was issued by a physician who certifies that the annuitant is expected to live less than twelve months from the diagnosis.

Long-term care event and terminal illness or injury events are not available in all states. See your contract for additional information and conditions for these benefits.

It is important to note that amounts withdrawn in excess of these amounts are subject to CDSC, and MVA if applicable.

**What happens on the contract's annuity commencement date[4] (when my fixed indexed annuity matures)?**
On the contract's annuity commencement date, the entire value of your contract must be distributed either in a lump sum or in the form of annuity payments. If annuity payments are elected (i.e., annuitize the contract), there may be a number of payout options from which to select. No CDSC is applicable upon annuitization. Annuitization is irrevocable and the contract will no longer be able to participate in the Fixed Account or an Index Account, and you no longer will have access to any additional withdrawals.

**What happens if the annuitant dies while the contract is still in effect?**
In general, if you are the sole owner and annuitant, upon your death the beneficiaries named on your contract will be entitled to the death benefit. The death benefit payable is equal to the contract value.

The contract allows you to elect the death benefit with joint option ("Joint Option"). The Joint Option allows the contract owner to name a co-annuitant. Upon the death of either the annuitant or co-annuitant, the surviving annuitant may elect to continue the contract, and CDSC, and MVA if applicable, will be waived for the remainder of the life of the contract.

**Are there any tax consequences if I surrender my contract?**
Nationwide Summit offers the opportunity for your money to grow on a tax deferred basis. Thus, any taxes payable on the earnings or interest credited to your contract are deferred until you take withdrawals or surrender your contract. If you take withdrawals or surrender you may be subject to federal and state income taxes. In addition to income tax, you may be subject to a 10% early withdrawal federal tax penalty if you take withdrawals or surrender your fixed indexed annuity contract before age $59^1/_2$. Please consult your qualified tax advisor or attorney regarding the applicability of this information to your specific situation. Neither Nationwide nor its insurance professionals offer legal or tax advice.

**What other important information regarding CDSC and tax benefits should I know?**
If this fixed indexed annuity is being purchased to replace an existing life insurance policy or fixed indexed annuity contract, you should compare the two products carefully. You should consider any CDSC that may be incurred on the surrender of the existing policy or contract. You should also consider that you will begin a new CDSC period when you purchase your Nationwide Summit contract. The aspect of tax-deferred accumulation offers no additional value if the fixed indexed annuity is used to fund an IRA or employer sponsored qualified plan (such as a 401(k) plan), because such plans already benefit from tax deferral. Also, you should realize that if the owner of the fixed indexed

[4] The first contract anniversary on or after the oldest annuitant reaches age 100. It cannot be changed unless state law prohibits such a restriction.

annuity contract is not a natural person (such as certain types of trusts), the earnings credited to the contract may be subject to current taxation.

**What if I decide I do not want my fixed indexed annuity contract after it is delivered?**
It's important to understand the benefits and limitations of your contract. The contract includes a free look period that gives you a set number of days to review the fixed indexed annuity after you buy it, during which you may return the contract and receive your purchase payment back. Please contact Nationwide to obtain the free-look period for your issue state.

**How is my insurance or investment professional compensated?**
Nationwide pays the agent for selling this fixed indexed annuity to you. The commission is not deducted from the purchase payment you invest, but it is a cost to Nationwide that is factored into the financial terms and conditions of the contract.

**RETURN THIS PAGE WITH THE APPLICANT'S ORIGINAL SIGNATURE TO THE HOME OFFICE AND LEAVE A COPY OF THE ENTIRE DISCLOSURE SUMMARY (PAGES 1-8) WITH THE APPLICANT.**

**Applicant acknowledgement**

By signing below, I acknowledge that I have received and read, or have been read, the Nationwide Summit[SM] Fixed Indexed Annuity disclosure summary in its entirety, pages 1 through 8, and understand its contents. I have also received and reviewed the Nationwide Summit rate sheet.

I acknowledge that I have discussed my financial status, tax status, current insurance products and investments (including my investments' objectives) with my insurance or investment professional and believe that the fixed indexed annuity meets my financial objectives.

I have received a copy of the Nationwide Summit brochure and any additional materials used in connection with the sale of this fixed indexed annuity.

I understand that I am applying for a fixed indexed annuity, which is not a registered security and that while the values of the contract may be affected by an external index, the contract does not directly participate in any stock or equity investments.

Other than the Minimum Guaranteed Contract Value guarantee, there are no guarantees, promises, or warranties.

Nationwide may change the contract to comply with federal or state laws and regulations. If a change occurs, Nationwide will notify me in writing.

Any illustrated values shown to me are not guarantees, promises, or warranties.

All contractual guarantees are backed by Nationwide and are subject to Nationwide's claims paying ability.

Tear out here

**This product is designed and intended for a long term investment strategy and has limitations and restrictions, such as CDSC and an MVA if applicable in my state, during the CDSC period, both of which were discussed in this disclosure summary.**

Contract Owner/Applicant Name (please print) ______________________________

Contract Owner/Applicant Signature ______________________________

Social Security No. ______________ Phone ______________ Date ____________

Joint Owner/Applicant Name (please print) ______________________________

Joint Owner/Applicant Signature ______________________________

Social Security No. ______________ Phone ______________ Date ____________

**Insurance or investment professional confirmation**
By signing below, I acknowledge that I have reviewed this disclosure summary with the applicant. I certify that a copy of this summary has been provided to the applicant. I have not made any statements that differ from what is stated in this summary and no promises or assurances have been made about the future value of any non-guaranteed elements of the fixed indexed annuity.

Insurance or Investment Professional Name (please print)________________________________________

Insurance or Investment Professional Signature________________________________________________

Insurance or Investment Professional Number ____________________________ Date ________________

Tear out here

Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company
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