Nationwide CareMatters® II

Nationwide® is on your side

Frequently asked questions

What is the difference between cash indemnity and reimbursement policies?

Cash indemnity policies provide a monthly check for the amount you elect up to the maximum amount of long-term care (LTC) benefit you qualify for, even if your expenses are less or you are not paying a caregiver, because it is not based on actual expenses incurred. No bills, receipts or any other type of monthly paperwork is required once a claim is approved, unlike reimbursement policies. Nationwide CareMatters® II is a cash indemnity policy.

Reimbursement policies require the submission of bills and receipts each month for LTC costs incurred. These policies specify which types of LTC expenses are covered, and you (or the facility) will be reimbursed only for the exact amount of qualifying expenses up to the maximum benefit amount.

Are there any limits on how I can spend my monthly LTC benefit?

No. Once you qualify for benefits, payments (up to the maximum amount you qualify for) are sent each month to the policyowner. Nationwide® places no restrictions on how LTC benefit payments are used. Under certain circumstances, benefits may be taxable. Please consult a tax advisor.

Do I have to take the maximum LTC benefit amount?

No. You may take less than the maximum monthly LTC benefit amount that you qualify for in your policy. Taking less money can help extend the length of time your benefit is available. However, if inflation protection is elected, the maximum monthly LTC benefit amount must be requested in order to receive the inflation protection benefit. Please be aware that a minimum allowable amount also applies to what you may request each month. Benefit planning decisions can be complex and have consequences. Please consult your LTC benefit planning advisor.[1]

Will there still be a death benefit if I start using LTC benefits?

Yes. Your beneficiaries will receive either the policy death benefit reduced by the LTC benefits paid or the minimum death benefit, whichever is greater. The death benefit may be reduced by LTC benefits paid, outstanding loans, unpaid monthly deductions and partial surrenders.

[1] The available lifetime maximum LTC benefit amount is the maximum monthly LTC benefit dollar amount paid over the total benefit period in years you select at issue. The maximum monthly benefit available is the sum of the benefits paid by the LTC Rider, the LTC Extension of Benefits Rider and any Inflation Protection Rider option selected at issue.

How does inflation protection affect my policy?

Inflation protection, if elected, will provide an additional amount to your maximum monthly LTC benefit. The additional benefit provided by electing inflation protection helps offset rising LTC costs. Benefits provided by inflation protection are in addition to the total LTC benefits and maximum monthly LTC benefit available. The benefit amount requested each month will be paid first from the Long-Term Care Rider or Long-Term Care Extension of Benefits (LTCEB) Rider up to the maximum monthly LTC benefit and then from the Inflation Protection Rider up to the maximum monthly inflation benefit. Inflation benefits not taken in a given month will not be available in future months.

Can the policy lapse while I am collecting LTC benefits?

While the insured is receiving LTC benefits, your policy will not lapse. However, if you are in the premium payment period and scheduled premium is not paid, then the policy will be converted to reduced paid-up insurance and the monthly LTC benefit will be reduced. Note that if you elected the pay to age 100 premium payment option, the portion of the premium that pays for long-term care (i.e., LTC Rider, LTCEB Rider, Inflation Protection Rider) will be waived while LTC benefits are being paid. Please refer to the premium summary page for premium detail.

If there is policy indebtedness, as soon as you are no longer receiving LTC benefits, you may have to make sufficient loan repayment to prevent your policy from lapsing.

Can I use my CareMatters benefits for more than one LTC claim?

Yes. If you receive benefits for an LTC claim and then recover, you may use any remaining available LTC benefits for future LTC claims. Future claims do not have to be related to the original claim. Each claim must meet the eligibility requirements of the LTC Rider or LTCEB Rider. You may use your LTC benefits multiple times until they are exhausted.

How would inflation protection work once I recover and am no longer on claim?

Upon recovering from a claim, your remaining available LTC benefits will continue to increase annually following the inflation protection option you selected when you purchased your policy.

What is HIPAA?

HIPAA stands for the Health Insurance Portability and Accountability Act. HIPAA establishes a per diem amount. The HIPAA per diem amount usually increases each year. For 2024, it is $410 per day (or $12,300 in a 30-day month).

How much of my LTC benefit will be tax free?

The amount of tax-free LTC benefits you can receive across all policies in a given year is the greater of:

- The HIPAA per diem amount for that year, or
- The actual qualified long-term care expenses incurred

Do I have access to my cash value?

Yes. Loans and partial surrenders are allowed on this policy. However, loans and partial surrenders will decrease the death and LTC benefits. No loans or partial surrenders are permitted while LTC benefits are being paid. The policy may also be surrendered at any time for its net surrender value, which can be seen in the tabular detail of the sales proposal.

Why is the death benefit higher at issue?

The Internal Revenue Code requires a minimum death benefit relative to the policy's cash value based on your age. This requirement can result in a minimum required death benefit greater than that produced by the elected specified amount and is why the net death benefit may be higher in some years. Please refer to the tabular detail for specific values in a given year.

How do I qualify for LTC benefits?

The following things must happen in order for you to qualify for monthly LTC benefits:

1. A U.S.-licensed health care practitioner must certify the insured as:

    a. requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment, and/or

    b. being unable to perform, without substantial assistance from another individual, two or more of the activities of daily living for at least 90 days due to a loss of functional capacity; the activities of daily living are bathing, continence, dressing, eating, toileting and transferring

2. Upon filing a claim, a plan of care must be created describing the LTC services needed for treatment (whether formal or informal); the plan of care and condition(s) in item 1 must be recertified at least once annually by a U.S.-licensed health care practitioner.

When will I start receiving my LTC benefits?

1. There is a 90-calendar-day elimination period beginning immediately after the date you're certified as chronically ill and start receiving LTC services.
2. Once the 90-calendar-day elimination period has been met, LTC benefits for the first 90 days will be paid along with LTC benefits for month four.
3. Upon meeting the elimination period, it is satisfied for the life of the policy in the event you have more than one LTC claim.

Is special pricing available if both my spouse and I buy a policy?

Individuals who are married or in a legally recognized domestic partnership or civil union receive a lower rate that will result in a larger pool of LTC benefits for the same cost or the same pool of LTC benefits at a lower cost, depending on which is requested. This rate is applied if one or both spouses purchase a policy.

Can I pool benefits with my spouse or transfer benefits?

No. Each spouse must purchase his or her own policy, and no benefits can be transferred between policies.

What if I use only some of my LTC benefits?

Your beneficiaries will receive either the remaining policy death benefit not used for LTC benefits or the minimum death benefit, whichever is greater.

Are any expenses excluded from coverage?

Nationwide places no restrictions on how the benefits are spent.

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This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

All guarantees and benefits of the insurance policy are backed by Nationwide Life and Annuity 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 make 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 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. Taxpayers should consult with their tax and legal advisors about their specific situation.

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

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 value of the policy. Additionally, loans and withdrawals will also reduce both the cash 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. Costs for long-term care vary by person, and there is no guarantee that the rider will cover all long-term care costs. Nationwide pays the long-term care benefit to the policyowner. If the insured is not the policyowner, there is no guarantee that benefits will be used to pay for long-term care.

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 (e.g., marriage, birth of a child or job promotion), so can life insurance and long-term care insurance needs. Care should be taken to ensure that 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 vary based on characteristics of the insured such as sex, health, age and tobacco use; 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 insurance 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 might 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.

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