



# Indexed universal life insurance essentials

Simple solutions with Nationwide®

Investment and insurance products are:

- Not insured by the FDIC or any federal government agency
- Not a deposit or other obligation nor are they guaranteed by the bank or any bank affiliate
- Subject to investment risks, including possible loss of the principal amount invested

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.

Indexed universal life insurance policies are not stock market investments, do not directly participate in any stock or equity investments, and do not receive dividend or capital gains participation. Past performance of an index is no indication of future crediting rates.

As your personal situations change (e.g., marriage, birth of a child or job promotion), so will your life insurance needs.

Take care to ensure this product is suitable for your long-term life insurance needs. You should weigh any associated costs before making a purchase. Life insurance has fees and charges associated with it that vary based upon the policy owner's decisions and the characteristics of the insured including sex, health, age and tobacco usage. Riders that customize a policy to fit individual needs usually carry an additional charge.

While ratings can be objective indicators of an insurance company's financial strength and can provide a relative measure to help select among insurance companies, they are not guarantees of the future financial strength and/or claims-paying ability of a company. The broker/dealer from which a policy is purchased, the insurance agency and any affiliates of those entities make no representations regarding the quality of the analysis conducted by the rating agencies. The rating agencies are not affiliated with the abovementioned entities, nor were they involved in any rating agency's analysis of the insurance companies.

All protections and guarantees are subject to the claims-paying ability of the issuing insurance company.

Nationwide and its representatives do not give legal or tax advice. An attorney or tax advisor should be consulted for answers to specific questions.

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# Nationwide's foundation for shared success

Driven by long-standing core values

We're an award-winning company with a proven track record of reliability and exceptional service.

## VISION

As a member-driven organization, we will be the choice for those seeking an enduring relationship to fulfill their broad protection and financial needs.

## MISSION

We deliver member value by protecting what's most important and building a secure financial future for U.S. consumers and businesses.

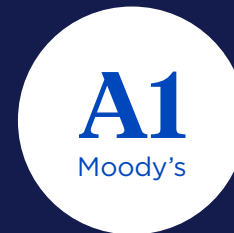
Nearly  
**100**  
years as a  
mutual company

Helping members protect  
what's important since  
**1926**

Top  
**10**  
life insurer  
Based on total premiums, LIMRA  
(Year end 2021).



received: 10/17/02  
affirmed: 12/22/21



received: 3/10/09  
affirmed: 5/27/20



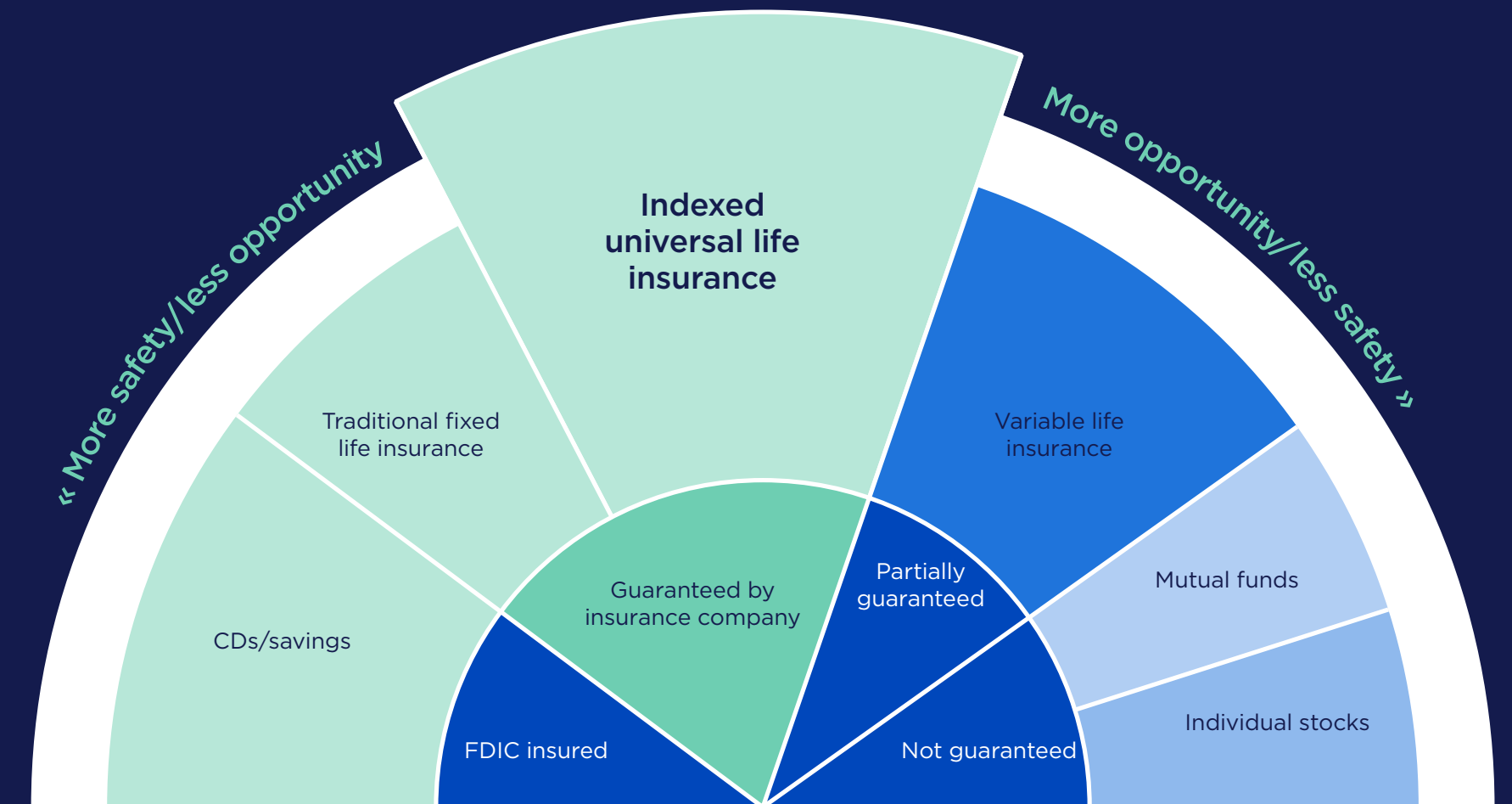
received: 12/22/08  
affirmed: 5/7/21

These ratings and rankings reflect rating agency assessment of the financial strength and claims-paying ability of Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company. They are not intended to reflect the investment experience or financial strength of any variable account, which is subject to market risk. Because the dates are updated only when there's a change in the rating, the dates above reflect the most recent ratings we have received. They are subject to change at any time.

Understanding indexed universal life

# Balance your need for both safety and opportunity


Do you need life insurance but think your funds may be better off in other investments?



Understanding indexed universal life

# Three layers of tax protection

Life insurance can be a powerful addition to your financial plan, especially for retirement income. The tax advantages are important to consider, as life insurance can provide:



Income tax-free  
death benefits

Tax-deferred  
accumulation

Tax-free  
income

# Understanding indexed universal life insurance

IUL can help build confidence with:

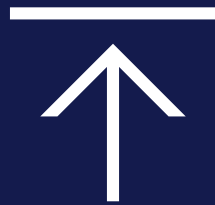
- Guaranteed death benefit protection
- Upside growth potential with downside protection



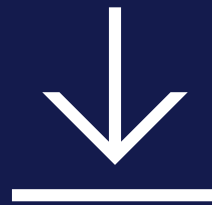
# The role of life insurance in a financial picture



Some life insurance policies, such as indexed universal life, **help you accumulate cash value by crediting your policy** with a fixed interest rate set by the insurance company — **and options that use the performance of a market index, such as the S&P 500<sup>\*</sup>**. IUL is fixed life insurance, not a security. Policy funds are never invested in the stock market.



Cap rate



Guaranteed  
minimum/floor rate



Participation rate

Please note that policy charges are still deducted monthly and include a flat administrative fee, an expense charge based on face value issued, cost of insurance charges and charges for any riders.

Understanding indexed universal life

# Who benefits?

An Indexed universal life insurance policy can help meet many needs.



Legacy or  
estate planning



Supplemental  
retirement planning



Supplemental  
savings



Long-term care and  
living benefit solutions

The information regarding access to cash value assumes the contract qualifies as life insurance under Internal Revenue Code (IRC) Section 7702. Most distributions are taxed on a first-in/first-out basis as long as the contract remains in force and meets the non-MEC (modified endowment contract) definitions of IRC Section 7702A. But if it is a MEC, then any distributions you take from your policy will generally be taxable and subject to a 10% additional tax if you're 59½ or younger.

The Long-Term Care Rider is available at an additional charge. While bills and receipts do not need to be submitted each month to receive monthly LTC benefits, they may be needed in the beginning to help establish the claim. Keep in mind that, as an acceleration of the death benefit, the rider payout will reduce both the death benefit and cash surrender value. Make sure life insurance needs will be met, even if the rider pays out in full. 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 long-term care benefits 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.



## Understanding indexed universal life

# More benefits of IUL

### Options to customize and manage your policy

- Optional riders to customize your policy to fit your needs<sup>1</sup>
- Convenient services such as online statements and Automated Income Monitor
- No contribution limitations (MEC)<sup>2</sup>

Thanks to IUL's flexibility, policy withdrawals and loans can help cover:

- Higher education expenses
- Wedding costs
- Special interests and obligations

Because the insured owns the policy, he or she has total control over how the money comes out of the policy, when it comes out of the policy and what the income is used for.

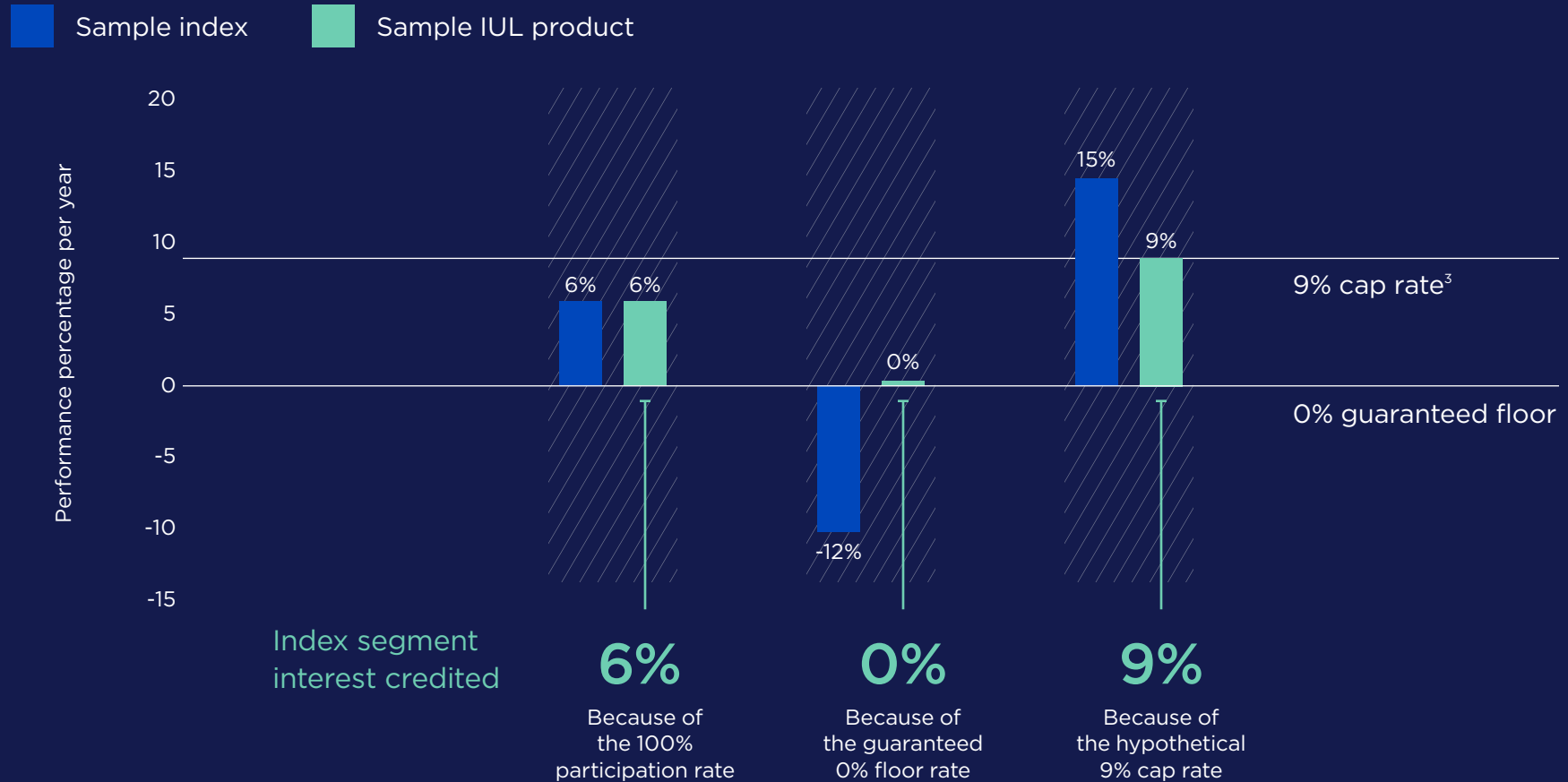
<sup>1</sup> Riders' availability varies by state, and they may be known by other names; they may include additional charges.

<sup>2</sup> This is subject to MEC rules. Most distributions are taxed on a first-in/first-out basis as long as the contract remains in force and meets the non-MEC (modified endowment contract) definitions of IRC Section 7702A. But if it is a MEC, then any distributions you take from your policy will generally be taxable and subject to a 10% penalty tax if you're 59½ or younger.

## Understanding indexed universal life

# A hypothetical example of how IUL works

The sample IUL policy shown below has a 100% participation rate, a 9% cap rate and a 0% floor rate.

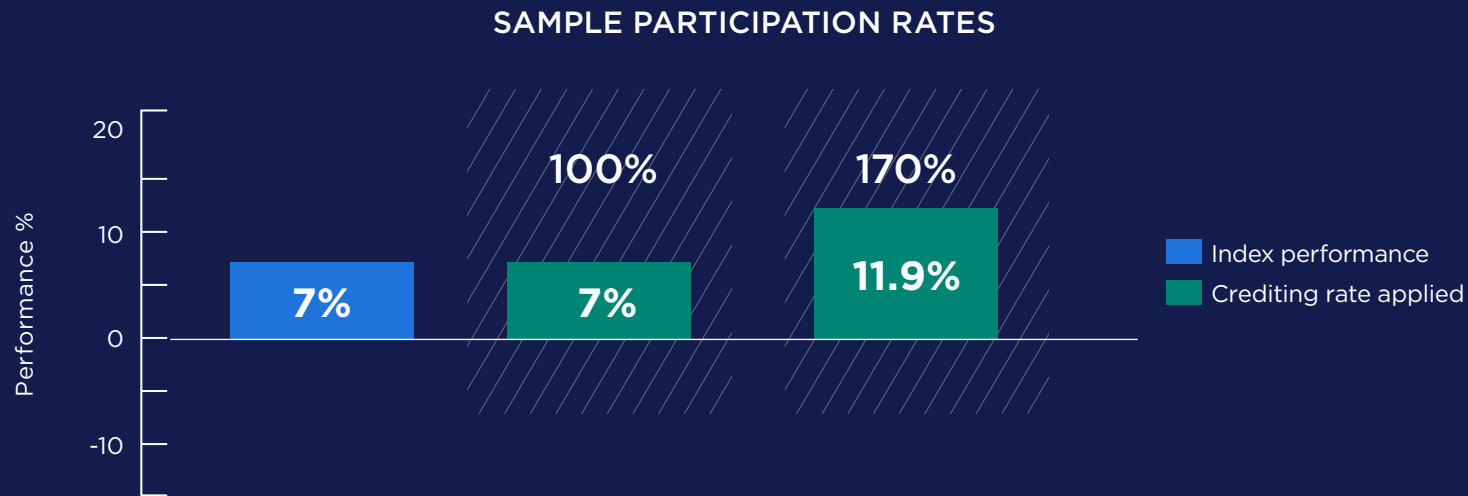


<sup>3</sup> Uncapped indexed interest strategies are available. Some apply a spread rate instead of a cap rate.

Know your options

# Understanding participation rates

A participation rate is simply the rate at which index gains are multiplied to help calculate the index segment interest earned.



The illustrations used here contain hypothetical figures and do not represent actual results. Past performance is no guarantee of future performance. Participation and floor rates are illustrative in nature, may vary and are subject to the values guaranteed in the policy at issue. The guaranteed values are subject to change for future issues of the product. Different time scenarios will produce varying results, which could be less or more favorable depending on the performance of each reference index. Indexed UL policies are not stock market investments and do not directly participate in any stock or equity investments.

Know your options

# Index options for growth potential

For indexed universal life insurance, market indices are used as references to determine the interest crediting rate.<sup>4</sup> Policy funds are never invested in the market.

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## **S&P 500® Index**

A stock market index based on 500 large companies listed on the New York Stock Exchange (NYSE) or Nasdaq.

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## **Multi-Index Monthly Average Index**

An index that diversifies your allocations across 3 indices: The S&P 500®, Nasdaq-100® and Dow Jones Industrial Average®.

The performances of each index is tracked every month then averaged at the end of 1 year. The best-performing index counts for 50% of the total average rate, the second-best counts for 30% and the third-best counts for 20%.

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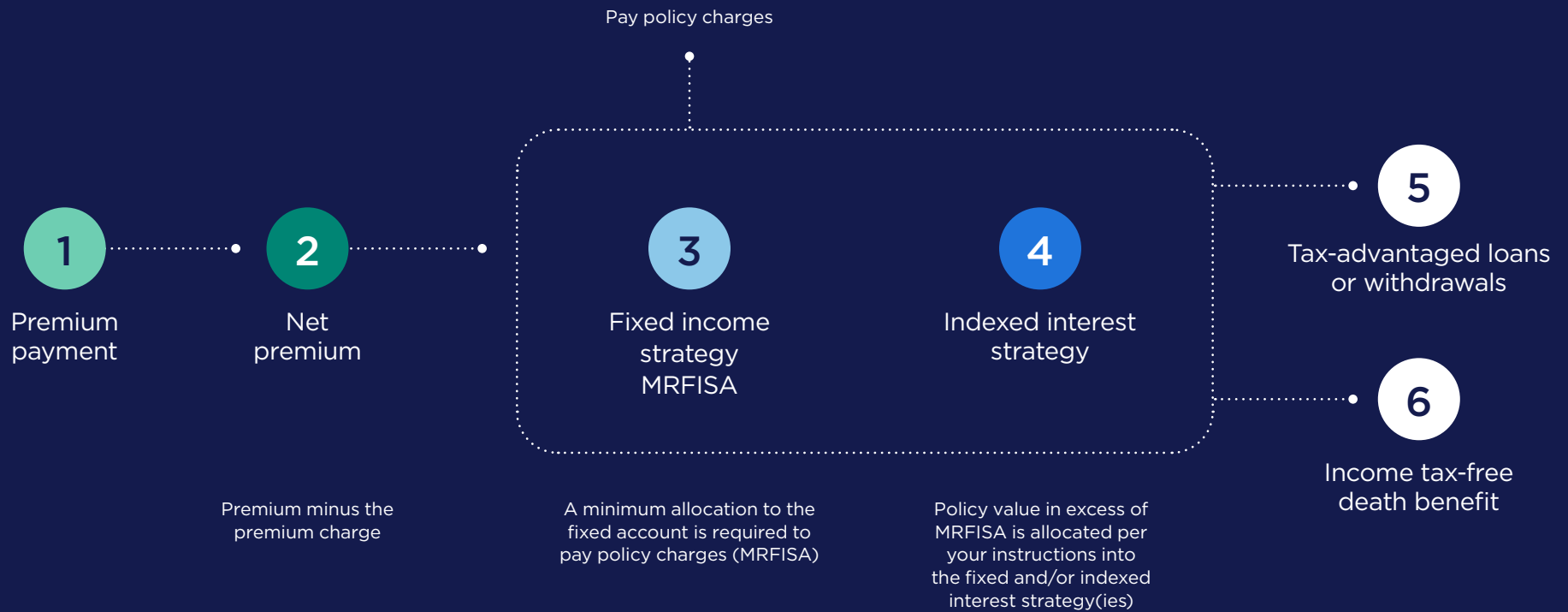
## **Volatility control strategies Index**

An index that applies a specific methodology to evaluate, select and rebalance various types of investments with the goal of minimizing fluctuation in performance and thus the crediting rate applied to your policy.

<sup>4</sup> The consistency of interest crediting with strategies based on volatility control indices is not guaranteed; the indices tend to have limited upside performance potential as well as downside.

Know your options

# How your policy works



Know your options

# Your options for potential growth

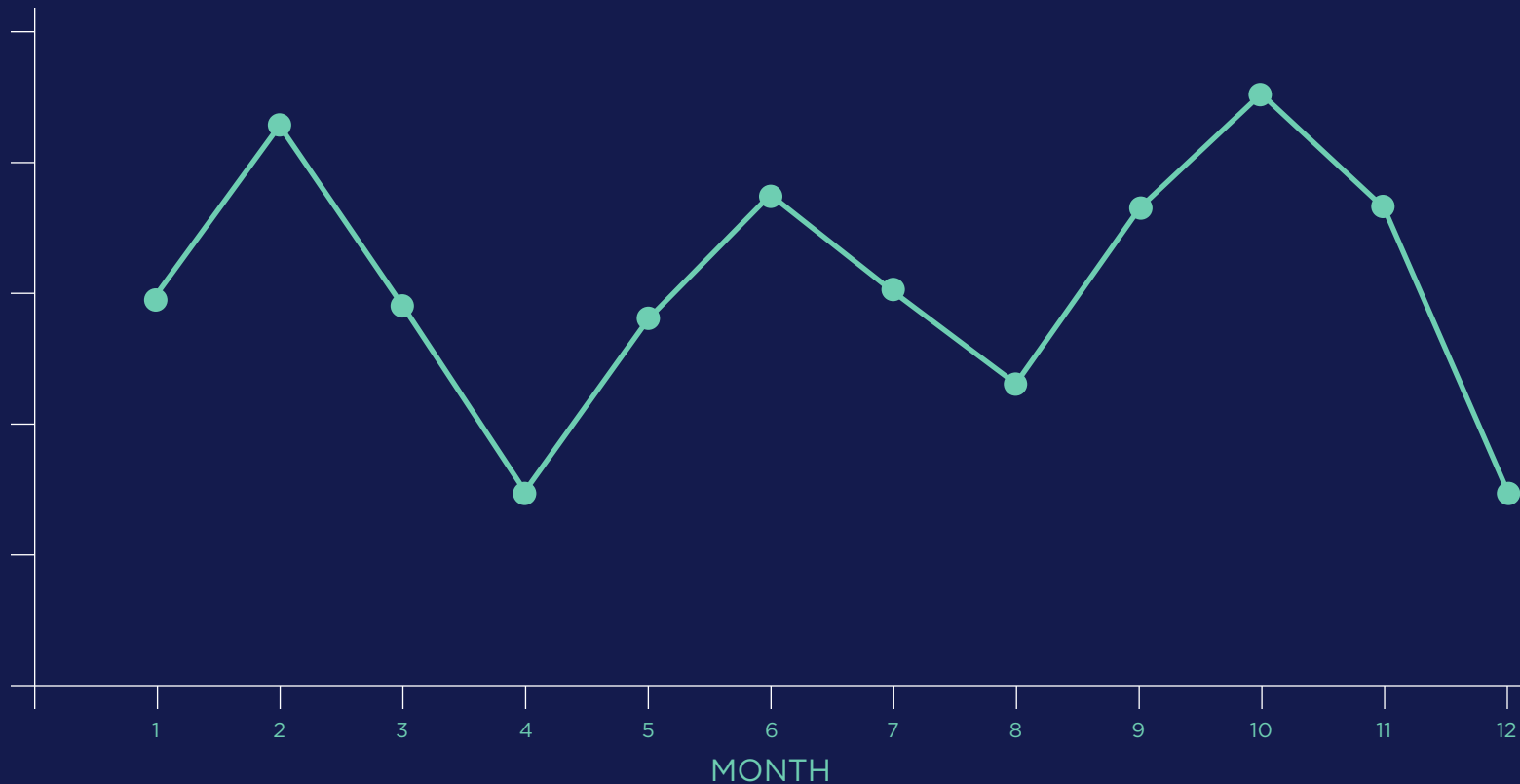
- Indexed interest strategies using an **annual point-to-point** approach
- Uses **two points** in the calculation of the index performance: initial and ending values



Know your options

# Another option for potential growth

- Indexed interest strategies using a **monthly average approach**
- **An average of all 12 months** for each index is used to calculate the index performance
- This helps reduce the risk of one point in time adversely impacting a crediting rate





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Ask your financial professional  
how an IUL policy from  
Nationwide can benefit you.

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