Nationwide®
is on your side

Death benefit guide

Help protect those who matter most

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

ANNUITY
A contract issued by a life insurance company; it can help you accumulate assets for retirement income

ANNUITIZATION
The process of converting an annuity investment into a series of periodic income payments. Annuities may be annuitized regularly, over a long or short time period or, in some cases, in one single payment

SURRENDER
A full or partial withdrawal from your annuity

Variable annuities offer unique opportunities

Nationwide® offers annuity products and features with a broad range of options that allow you to customize an investment to fit your individual needs. Before we look at the various options, we want to be sure you understand how annuities work, what their potential benefits are and all the other important details as you make your investment decisions.

What is a variable annuity and how does it work?

A variable **annuity** is a contract you buy from an insurance company to help you accumulate assets for retirement. It's called "variable" because its value will fluctuate based on the performance of the underlying investment options you and your financial professional pick.

It is important to note when discussing the guarantees with variable annuities that the guarantees are based on the contract terms and conditions and are also subject to the claims-paying ability of Nationwide Life Insurance Company. These guarantees don't apply to any variable accounts, which are subject to investment risk (including the possible loss of your principal).

Variable annuity values will fluctuate based on the performance of the investment options elected, which are subject to investment risk (including the possible loss of principal).

Variable annuities offer:

- Lifetime income — Provides you with a stream of income either through annuitization or systematic withdrawals
- Investment choices — Offer access to a wide range of professionally managed underlying investment options
- Living benefits — Offer guarantees that provide protection, such as accumulation or guaranteed income
- Death benefits — Offer guarantees that your beneficiary will receive a level of protection from investment loss
- Tax deferral — Allows you to accrue gains within the variable annuity that are not taxed until you make a withdrawal; your investment has the potential to accumulate faster than taxable investments earning the same rate of return

Optional riders are available

Variable annuities may offer optional benefits, called riders, for an additional cost. Riders let you add the features that are most important to you.

You get what you pay for

Depending on the features you select for your annuity, the fees and charges will vary. They may include mortality and expense risk fees, administrative fees, contract fees and the expense of your investment options.

More important information

Variable annuities do have some limitations. For example, because they're designed for long-term investing, you may be charged penalties if you take your money out early. And if you take withdrawals before you're age 59½, you may have to pay a 10% federal tax in addition to ordinary income taxes.

Withdrawals may be subject to ordinary income taxes. They may trigger early surrender charges and reduce your death benefit and contract value.

Craft a plan for when you're gone

You've worked hard over the years to build a life for yourself and your family. And you want to make sure that your loved ones may be able to continue that lifestyle even after you're gone. The death benefits that often accompany variable annuities can help remove some of the guesswork of planning for your family's future and help you make a lasting impression on your beneficiaries.

How death benefits can help

When you pass away, your death benefit can serve as a partial replacement for the financial support you may have been providing so that your loved ones do not endure financial crisis.

- Your death benefit can help pay final expenses, such as burial costs, estate-planning costs, debts and medical expenses so that your loved ones will not be unexpectedly burdened
- Your death benefit can help you support causes that hold special meaning for you by naming a charity or organization as your beneficiary

Variable annuity death benefits give you the opportunity to pass your assets along to your beneficiaries while avoiding the time-consuming and costly probate process. Some annuities offer optional death benefits, available for an additional cost, that give you the opportunity to capture and lock in investment gains for your beneficiaries.

These features and optional riders can give your investment protection against volatility and potentially increase the value of the variable annuity for your beneficiaries. This could be especially important if you pass away when the markets and your contract value are down.

You should review the optional death benefit features and talk with your financial professional to understand which benefit may make the most sense for you. Based on your selection, your beneficiary will receive a payment after your death that will, at a minimum, equal your contract value, less adjustments for **surrenders**.

Note: All death benefits are only available prior to **annuitization**.

Nationwide offers two unique options that may help you plan for what's best for you and your family: our Spousal Protection Death Benefit and the Enhanced Surrender Value for Terminal Illness features.

ANNUITANT
The person whose life is insured by an annuity

CONTRACT VALUE
The value of the contract; it does not reflect contingent deferred sales charges

PURCHASE PAYMENT
The money paid into an annuity

Return of Premium Death Benefit

This death benefit comes with no additional charge. If the **annuitant** dies before taking regular income payments through annuitization, the beneficiary will receive the greater of:

- The **contract value** as of the date we receive all required paperwork in good order
- Or the total of all **purchase payments** made to the annuity, less adjustments for surrenders

How it works

Jim bought a Nationwide variable annuity for $100,000 and named his daughter, Beth, as the primary beneficiary.

Jim never took a withdrawal from his contract and passed away several years later.

When the required paperwork was submitted, Jim's contract value was $135,000. Because the contract value was higher than the amount of total purchase payments, Beth received $135,000.

If, for example, the contract value had fallen below $100,000, Beth would still have received $100,000, which is the return of premium.

Contract value

$135,000

Total purchase payments

$100,000

This example is hypothetical. It does not reflect the performance of any investment. If the owner takes a withdrawal, the death benefit and contract value will be reduced.

Spousal Protection Death Benefit Feature

When added to your variable annuity, the Spousal Protection Death Benefit Feature helps you and your spouse provide for each other regardless of who passes away first, even if only one spouse owns the contract. This could be especially important if you or your spouse pass away at a time when the markets and your contract value are down.

Details on Nationwide's spousal protection

- It's available at no additional cost on Nationwide Destination® Series 2.0 variable annuities
- Surrender charges are waived when the first spouse passes away
- The surviving spouse has the flexibility to choose between:
  - Continuing the contract with no tax consequences at the death benefit amount and naming a new beneficiary
  - Or taking a lump-sum distribution with no penalties[1]
- It's available on qualified (IRA) or nonqualified investments

How is spousal protection unique for IRAs?

Nationwide® variable annuities are annuitant-driven, giving them more **flexibility. That's important because IRAs can have only one account owner with a death benefit that's paid to the contract beneficiary.** With spousal protection, an IRA account owner can be named annuitant and their spouse co-annuitant; both can be named a beneficiary. As a result, the death benefit will go to the surviving spouse, no matter which spouse passes away first.

Nationwide is the only provider who offers this on IRAs.

Some details about requirements for spousal protection to work:

- One spouse must be named annuitant, the other must be named co-annuitant, and both spouses must be named as beneficiaries; maximum issue ages may vary based on the death benefit elected
- No other person may be named as contract owner, annuitant, co-annuitant or beneficiary

[1] Taxes may be applicable.

How the Nationwide Spousal Protection Death Benefit Feature works

Death benefit:
Return of premium death benefit with spousal protection

Life-changing event:
Thomas passes away in year 3

Contract setup for spousal protection	Jean	Thomas
Contract owner	X	
Co-annuitant	X	X
Primary beneficiary	X	X

Jean purchases a **Nationwide Destination® Series 2.0 variable annuity**

Thomas is **NOT** named co-annuitant and spousal protection is **NOT** activated

Year 2:
The account value drops due to poor market performance

Year 3:
Thomas passes away and surrender charges **remain in effect**

- No death benefit is paid
- The contract remains in effect and the value fluctuates with the market
- Jean names her daughter, Sarah, as the new beneficiary

Jean purchases a **Nationwide Destination® Series 2.0 variable annuity**

Thomas **IS** named co-annuitant and spousal protection **IS** activated

Year 2:
The account value drops due to poor market performance

Year 3:
Thomas passes away and surrender charges **are waived**

Jean can take a lump-sum payout of the death benefit — the amount paid into the annuity (taxes may apply)

OR

Jean can continue her contract as the owner-annuitant with the contract value adjusted up to the death benefit amount

Jean names her daughter, **Sarah**, as the new beneficiary

Year 5: Jean passes away

The account value drops due to poor market performance	**Sarah receives the return of premium death benefit value**

This example is hypothetical. It does not reflect the performance of any investment. If the owner takes a withdrawal, the death benefit and contract value will be reduced. Please see a product prospectus for details.

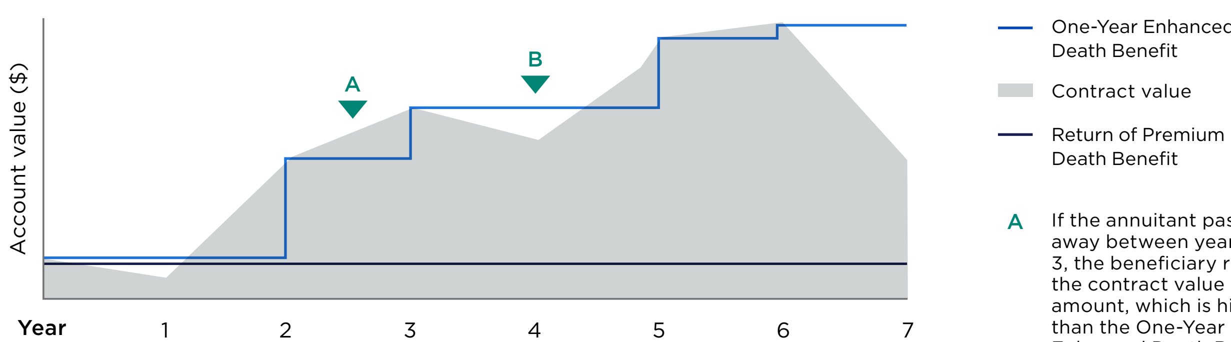
One-Year Enhanced Death Benefit Option

This death benefit option is available for an additional cost of 0.20%. If the annuitant passes away, the beneficiary will receive the greater of:

- The contract value of the annuity at the time we receive all required paperwork in good order
- The total purchase payments made to the annuity, less adjustments or amounts surrendered
- The highest contract value on any contract anniversary prior to the annuitant's 86th birthday, less an adjustment for amounts subsequently withdrawn, plus purchase payments received after the contract anniversary

By locking in the death benefit at the highest annual contract anniversary, you may be able to increase the value of the death benefit for your beneficiaries, even if the market and your contract value are down when you pass away.

How it works



A If the annuitant passes away between years 2 and 3, the beneficiary receives the contract value amount, which is higher than the One-Year Enhanced Death Benefit.

B If the annuitant passes away in year 4, the beneficiary receives the One-Year Enhanced Death Benefit amount because it is higher than the contract value.

This example is for illustrative purposes only and is not intended to predict future investment results. Principal value and investment return will fluctuate, and the account value, upon surrender, may be less than the initial premium. This benefit is not limited to 7 years; this was simply the time period chosen to illustrate how the death benefit works.

One-Month Enhanced Death Benefit Option

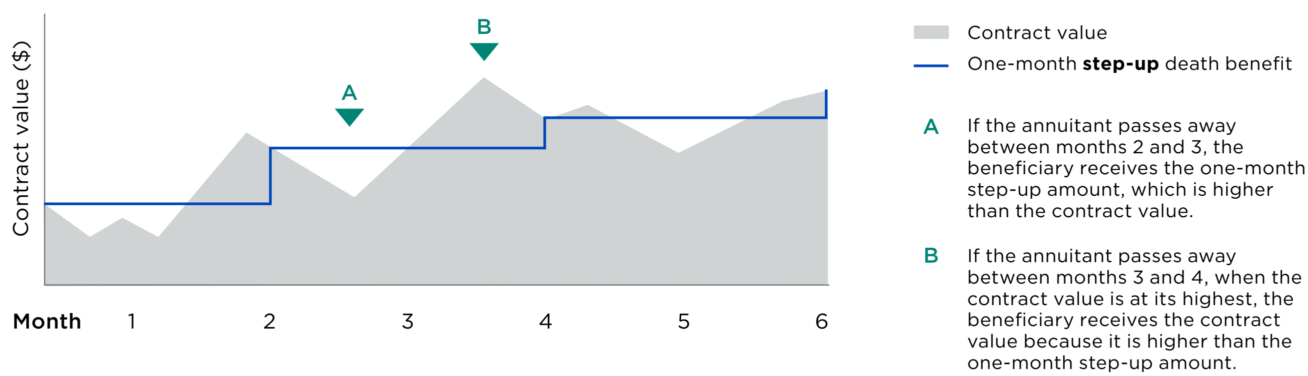
This death benefit is available for an additional cost of 0.35%. If the annuitant dies, the beneficiary will receive the greater of:

- The contract value of the annuity at the time we receive all required paperwork in good order
- The total purchase payments made to the annuity, less adjustments for amounts surrendered
- The highest contract value on any monthly contract anniversary prior to the annuitant's 81st birthday, less an adjustment for amounts subsequently withdrawn, plus purchase payments received after that contract anniversary

Availability may vary by state. This option is not available in New York.

By locking in the death benefit at the highest monthly contract anniversary, you have a dozen opportunities every year to increase the value of the death benefit for your beneficiaries, even if the market and your contract value are down when you pass away.

How it works



This example is for illustrative purposes only and is not intended to predict future investment results. Principal value and investment return will fluctuate, and the account value, upon surrender, may be less than the initial premium. This benefit is not limited to 6 months; this was simply the time period chosen to illustrate how the death benefit works.

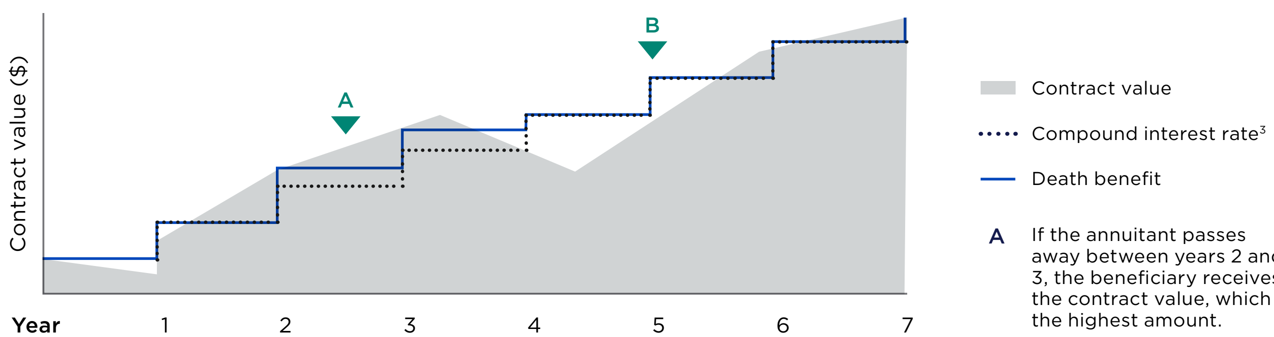
Combination Enhanced Death Benefit Option

This death benefit is available for an additional cost of 0.65%. If the annuitant passes away, the beneficiary will receive the greater of:

- The contract value of the annuity at the time we receive all required paperwork in good order
- The total for all purchase payments made to the annuity, less adjustments for amounts surrendered
- The highest contract value on any contract anniversary prior to the annuitant's 81st birthday
- Adjusted purchase payments[2] accumulated at a compound interest rate of 3.0% (maximum benefit 200%) until the most recent contract anniversary prior to your 81st birthday subject to meeting the fixed account allocation restrictions
- This optional death benefit is available for annuitants only through age 70; may not be available in all states; not available in New York and Washington

By locking in the death benefit at the highest annual contract anniversary or the purchase payments with accumulated compound interest, you may be able to leave your beneficiaries with some guarantees, even if the market and your contract value are down when you pass away.

How it works



A If the annuitant passes away between years 2 and 3, the beneficiary receives the contract value, which is the highest amount.

B If the annuitant passes away between years 5 and 6, the beneficiary receives either the value of the compound interest rate (higher in the first half of the year) or the contract value (higher in the second half).

This example is for illustrative purposes only and is not intended to predict future investment results. Principal value and investment return will fluctuate, and account value, upon surrender, may be less than initial premium. This benefit is not limited to 7 years; this was simply the time period chosen to illustrate how the death benefit works.

[2] Adjusted purchase payments equal total purchase payments less subsequent withdrawals, plus purchase payments received after the contract anniversary.

[3] The client will receive the greater of the interest rate on the application signing date or the contract issue date. The interest rate does not change once the contract is issued. Refer to the prospectus for the current interest rate.

Beneficiary Protector® II

This death benefit is available for an additional cost on some Nationwide variable annuities. Beneficiary Protector® II was designed to help your beneficiaries with any expenses they may face when they inherit the annuity. When the annuitant dies, we will add a percentage of the contract earnings to the contract value.

This percentage is age-based, as shown in the following table:

Annuitant's age at contract signing	Amount added at annuitant's death
Up to **70** years old	**40%** of adjusted contract earnings
71-75 years old	**25%** of adjusted contract earnings

The amount of earnings payable is capped at 200% of all purchase payments greater than 12 months old. The annuitant age limit varies depending on the contract. Please see the prospectus for details. The product may not be available in all states and is not available in New York.[4]

How it works

At age 65, Mary bought a Nationwide variable annuity for $100,000. With this annuity, she purchased Beneficiary Protector II. She named her son, Edward, as the primary beneficiary. Over the years, her contract value fluctuated. When Mary passed away 6 years later, her contract value had grown to $130,000.

Mary purchased the One-Year Enhanced Death Benefit rider at issue to protect her gains as the market fluctuated. The One-Year Enhanced rider locks in the highest anniversary value until Mary reaches her 86th birthday. On the most recent contract anniversary, the contract value hit $145,000 and this value was locked in for death benefit purposes. So upon her passing, Edward would receive $145,000 as the death benefit.

And because Mary purchased the Beneficiary Protector II with her variable annuity before she was 71, an additional 40% of the adjusted contract earnings is added to the locked-in death benefit of $145,000. Because the contract value had grown from $100,000 to $130,000, upon Mary's passing, 40% of the $30,000 gain is calculated to get an earnings enhancement of $12,000. So the total death benefit paid to Edward would be $157,000, even though the contract value was only $130,000.

Contract value

$130,000

Contract earnings

$30,000

Amount added

40% x $30,000 = $12,000

This example is hypothetical. It does not reflect the performance of any investment, nor does it take into account any charges or fees. If the owner takes a withdrawal, the death benefit and cash value will be reduced.

[4] The product will not provide a benefit if there are no earnings in connection with the payment of the death benefit proceeds.

Special features

Enhanced Surrender Value for Terminal Illness

This feature is available at no additional cost and can be exercised with any of the death benefit options listed in this brochure. With it, owner-annuitants who are diagnosed with a terminal illness may receive an amount equal to their full death benefit value prior to passing away. We created the Enhanced Surrender Value for Terminal Illness Feature to provide you and your loved ones with more options and flexibility as you make decisions about health care, legacy planning and final expenses.

- Owner-annuitants submit a form, signed by them and their doctor, stating that they (or their spouse/co-annuitant on joint contracts) have been diagnosed with a condition expected to result in death within 12 months
- Nationwide terminates the annuity and pays the owner an amount equal to the death benefit available on the date the form was presented in good order
- Exercising this option prior to age 59½ may result in a 10% federal tax penalty; earnings may be subject to income taxes
- On contracts with the Spousal Protection Death Benefit, owners can exercise this feature if they or their spouse are diagnosed with a terminal illness
- This feature is available after the first contract year; it may not be available in all states and is not available in New York

How it works

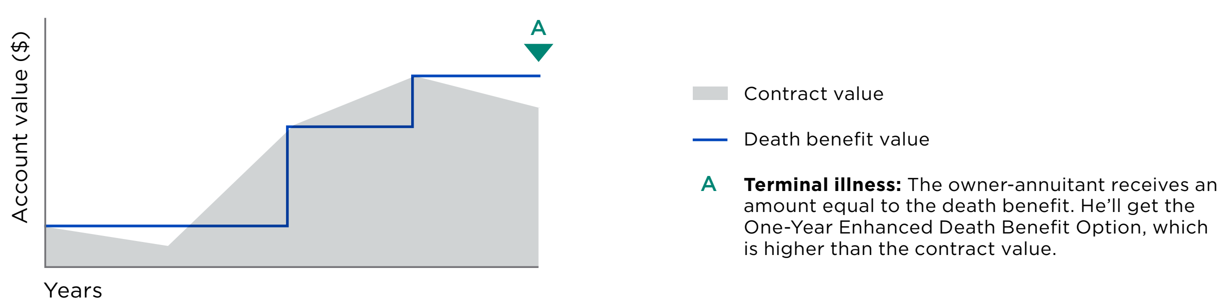
A few years ago, Robert bought a Nationwide variable annuity with a One-Year Enhanced Death Benefit Option.

Robert recently received a very tough diagnosis from his doctor and has been told he has less than a year to live.

His first concern was his family's financial security. Between his life insurance, savings and other retirement investments, he's confident in their financial future.

Robert decided to take advantage of the Enhanced Surrender Value for Terminal Illness Feature on his annuity and use the money to pay medical bills.

Even though the market and his contract value were down when he submitted the form, he will receive the higher death benefit amount. Because he had the One-Year Enhanced Death Benefit Option, his death benefit was locked in at the highest annual contract anniversary.



This example is for illustrative purposes only and is not intended to predict future investment results. Principal value and investment return will fluctuate, and the account value, upon surrender, may be less than the initial premium. The One-Year Enhanced Death Benefit is an optional rider available for an additional charge.

Start planning for the future now.

Death benefits available with Nationwide Destination Series 2.0 variable annuities offer the opportunity to take care of those who matter most to you — even after you're gone.

Discuss these death benefits with your financial professional today.

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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.

Variable products are sold by prospectus. Carefully consider the investment objectives, risks, charges and expenses. The product and underlying fund prospectuses contain this and other important information. Investors should read them carefully before investing. To request a copy, go to nationwide.com/prospectus or call 1-800-848-6331.

If you annuitize a nonqualified annuity, a portion of your payment will be considered a return of premium and will not be subject to ordinary income tax. The amount that is taxable will be determined at the time you elect to annuitize the policy.

All annuity contract and rider guarantees, including optional benefits and any fixed subaccount crediting rates or annuity payout rates, are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Not all optional features are available in all states or in combination with other features.

Products are issued by Nationwide Life Insurance Company, Columbus, Ohio. The general distributor is Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio.

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