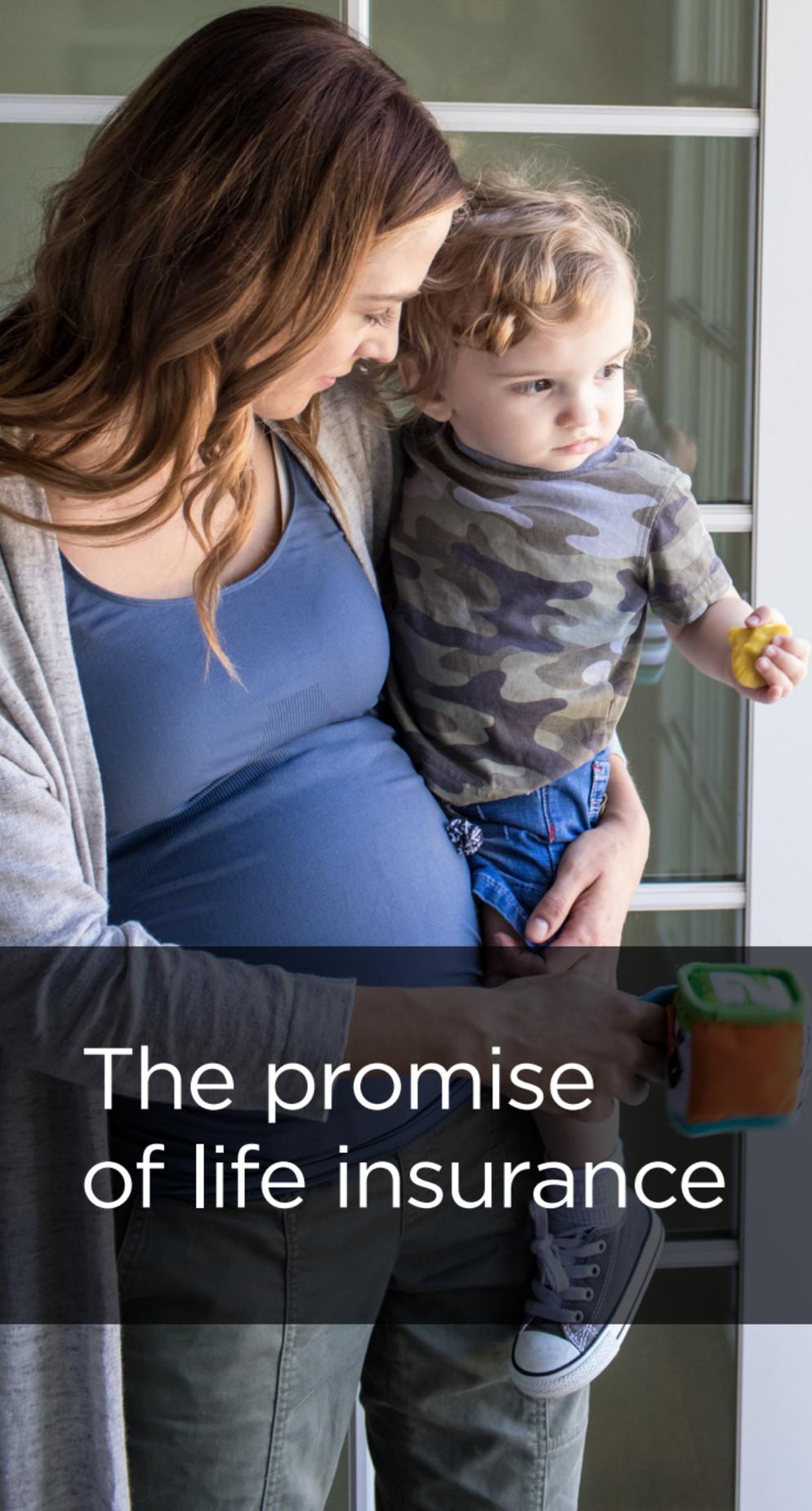




Nationwide®
is on your side

Whole life
insurance

Quick reference



The promise
of life insurance

Keep your promise

As a spouse or parent, you've made a commitment to take care of and provide for your family. If you've built your own business, you want to do the same for your company, too. But who will take care of your family or business if something happens to you? Life insurance can help you keep that promise and make sure your family or business stays financially sound, even after you're gone.

Be sure to choose a product that meets long-term life insurance needs, especially if personal situations change — for example, marriage, birth of a child or job promotion. Weigh the costs of the policy, and understand that life insurance has fees and charges that vary with sex, health, age and tobacco use. Riders that customize your policy to fit your individual needs usually carry additional charges, may not be available in certain states and may be known by different names. Protections and guarantees are subject to the claims-paying ability of the issuing insurance company.

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

Do I really need life insurance?

The answer is probably yes. Take a look at these questions:

- Do you have loved ones you'd like to protect from financial burdens if something happens to you?
- If you own a business, would you like to provide options so it can keep its doors open?
- Do you have a favorite charity or organization you'd like to help?

Did you answer yes to any or all of these questions? If so, it's probably a good idea to make life insurance a part of your financial planning.

Life insurance provides funds to help:

- Cover final expenses
- Pay off debts
- Allow your family to meet daily living expenses, such as mortgage or rent, groceries and utilities
- Provide an education for your children or a retirement for your spouse
- Donate to a favorite charity

Business owners may want to consider life insurance to:

- Reward key employees
- Establish a supplemental retirement plan
- Provide funds to help the transfer of the business to the next owner

As you can see, there are many ways the proceeds provided by life insurance can help you continue to keep promises to your loved ones.

How much life insurance do I need?

That's a good question! Your needs for life insurance are as unique as you are. However, there are three common methods for determining this amount:

- 1** The rule of thumb method suggests your life insurance coverage should be five to seven times your annual gross income.
- 2** The expense calculation method has you add up an emergency fund, any personal debts, mortgage or rent payments, income replacement, funeral expenses and funds to pay for education to determine your life insurance need.
- 3** The income replacement method helps you determine how much of your annual income your family will need to maintain its current standard of living (the average is 70%). You want enough life insurance so that the proceeds, if invested at a reasonable interest rate of 4%, would generate the needed income.

Be sure to work closely with your insurance professional to determine your needs and which method may work best for you.

What is permanent life insurance?

Whole life is the most common type of permanent life insurance. With whole life insurance, your premium payments remain the same over the life of the policy. You can choose how often you'd like to make premium payments, too — annually, semiannually, quarterly or monthly. Some whole life policies can be paid up after a certain number of years. And because your policy earns a fixed rate of interest, it's easy to predict the growth of your policy's cash value over time.

Whole life insurance is designed for the long term, so before purchasing, be sure to think about your ability to make premium payments consistently over the life of the policy.

Why should I consider whole life?

Whole life has certain advantages that may make it a useful financial protection tool for you and the ones you care about most. With its guarantees and other advantages, whole life can provide financial protection for the future.

What can you expect from a whole life policy?

Access to the cash value

If you own a whole life policy, you can typically take a loan from your policy's cash value. How does a policy loan work?

- No qualification is necessary — your policy's cash value is used as collateral
- The loan must be repaid with a moderate amount of interest
- If any of the loan amount or interest is unpaid at the time of your death, it will be subtracted from the proceeds your beneficiaries receive

It may happen that you need to cancel or, as the insurance company will call it, “surrender” your policy. If you do so, you'll receive the policy's cash value. Because whole life insurance is designed to be a long-term solution, if you surrender the policy in the first few years, the cash value you receive could be small.

Tax advantages

Whole life insurance, like other permanent life insurance policies, has certain tax advantages:

- The policy's cash value grows tax deferred — there's no annual tax due on gains
- Death benefits are generally federal and state income tax free to your beneficiaries

Please keep in mind that federal income tax laws are complex and subject to change. The information in this brochure is based on current understanding of the law and is not guaranteed. Nationwide® and its representatives do not give legal or tax advice, so it's a good idea to talk to your legal or tax advisor about any specific questions you have.

Optional features

Whole life insurance also offers optional features that can help you customize your policy to further meet your needs. Some of these optional features include the:

- Spouse Insurance Rider, which allows you to insure your spouse on the same policy
- Children's Term Insurance Rider, which allows you to insure all of your children on the same policy

Your insurance professional can explain the optional features offered on the policy you're considering. These features are available for an additional charge and may not be available in all states.



Work with your insurance professional to see how a whole life policy can help you keep your promise to your family or business.



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