



Nationwide[®]
is on your side

Variable universal
life insurance

Quick reference



You want it all.

Need more from your life insurance?

You need life insurance protection for your family, retirement investments for yourself, and your preschooler will be off to college before you can say “tuition.”

So, how many products will it take to meet all of your goals? Maybe just one: variable universal life insurance.

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 objectives, time horizon and risk tolerance, as well as any associated costs, before investing. Market volatility can lead to the need for additional premium in the policy. Variable life insurance has fees and charges that include underlying fund expenses and costs that vary with sex, health, age and tobacco use. Riders that customize a policy to fit individual needs usually carry an additional charge.

This isn't your father's life insurance

Variable universal life (VUL) insurance is a life insurance product with investment features. It's designed to help you protect the future of your family with life insurance and, at the same time, give you access to professionally managed investments that can help you save for retirement.

VUL insurance also gives you the opportunity to use the policy for planned financial needs, such as:

- Educational funding
- Estate planning
- Business continuation

All withdrawals from a life insurance policy need to be planned for and funded in advance. Taking money from your policy immediately reduces both the cash value and the death benefit payable, and it can cause the need for more premium to be paid into the policy in the future. Take care to ensure that your future life insurance needs will be met if you take cash from the policy.

Protections and guarantees are subject to the claims-paying ability of the issuing life insurance company.

More than your average death benefit

In addition to insurance protection and supplemental retirement benefits, a VUL policy can provide a number of tax-advantaged¹ opportunities, including:

Income tax-free death benefits to your beneficiaries — if properly structured, death benefits may also be excluded from your taxable estate

Tax-deferred accumulation — earnings can grow income tax free, which allows them to accumulate faster

Nontaxable transfers — make transfers between multiple investment options² at no additional charge and without tax consequences

Tax-free access to cash — have access to cash through policy loans or partial withdrawals without paying income tax³

¹ Nationwide and its representatives do not give legal or tax advice. An attorney or tax advisor should be consulted for answers to specific questions.

² Keep in mind that investing involves market risk, including the possible loss of principal. The underlying investment options are not publicly traded and cannot be purchased directly by the general public.

³ Assumes the contract qualifies as life insurance under section 7702 of the Internal Revenue Code (IRC) and is not a modified endowment contract (MEC) under section 7702A. Most distributions are taxed on a first-in/first-out basis as long as the contract meets non-MEC definitions under section 7702A. Loans and partial withdrawals from a MEC will generally be taxable, and, if taken prior to age 59½, may be subject to a 10% early withdrawal federal tax penalty.

Flexible and customizable

A VUL policy not only offers you life insurance protection and tax advantages, it also allows you to implement recognized investment strategies and to customize your policy with optional features.

- Strategies to help you build your investments and better manage investment risk (keep in mind these strategies do not assure a profit or protect against loss in a declining market)
 - Asset allocation
 - Asset rebalancing
 - Dollar cost averaging
- Flexible death benefits and flexible premiums that can accommodate your changing needs (increasing the death benefit generally requires additional underwriting)
- Customization to meet your individual needs, through the use of optional riders (available at an additional cost)

Are two better than one?

You can also purchase a type of VUL called survivorship variable universal life insurance that insures two people. This type of insurance may be useful in an estate planning situation when the death benefit isn't needed until the second insured dies. It may also be available to you if either insured could not qualify for an individual policy due to health reasons.

What does it cost?

When you sit down with your insurance or investment professional, he or she will show you an illustration of the policy's costs and benefits. From your premium and cash value, insurance companies deduct some industry-standard fees that cover the cost of insurance, taxes and other expenses. These fees can include:

Premium charge — taken directly from the premium; this is generally made of sales expenses, state and local taxes, and federal tax expenses

Administrative charge — the cost associated with the maintenance of the policy

Mortality and expense risk charge — used to offset the risk of insuring you

Cost of insurance — deducted monthly and based on your individual characteristics and other factors

Fund management fees — based on the funds you select within your policy; they cover the management of those funds

Monthly per-thousand charge — assessed monthly on the base policy amount; this charge is based on age, sex and underwriting classification

Surrender charge — varies, but usually is a declining charge associated with the early termination of the policy

Points to keep in mind

If you have a need, you may be eligible to take a loan or partial withdrawal from your policy's cash value. But before you do, consider the following:

- Loans and partial withdrawals reduce the cash value and any death benefit payable to your beneficiary
- If your policy lapses with an outstanding loan, it will be treated as a distribution and some or all of the amount may be taxable
- Not all riders and features are available in all states

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.



Get more out of your life insurance.

Contact your investment professional to see if variable universal life is right for you.



Nationwide[®]
is on your side

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

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

Nationwide, Nationwide is on your side and the Nationwide N and Eagle are service marks of Nationwide Mutual Insurance Company. © 2002 - 2018 Nationwide

NFM-1867AO.11 (05/18)