

The logo features the letters 'SAX' in a bold, white, sans-serif font. The 'X' is stylized with a dark blue shadow or double-stroke effect, giving it a three-dimensional appearance. The background is a vibrant teal color with a pattern of overlapping, semi-transparent chevron shapes pointing to the right.

**SAX**

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Continue the life you've built,  
*where you've built it*

An asset allocation approach to Long-Term Care Planning



## *Important information*

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 (i.e., marriage, birth of a child or job promotion), so can life insurance and long-term care insurance needs. Care should be taken to ensure 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, tobacco use, health and age; and additional charges for riders that customize a policy to fit individual needs.

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

All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing 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 makes 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. You may receive, tax free, the greater of the HIPA per diem in the year of your claim or your actual qualified LTC expenses incurred. Taxpayers should consult with their tax and legal advisors about their specific situation.

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. There is no guarantee that the rider will cover the entire cost for all of the insured's long-term care, as this may vary with the needs of each insured. Nationwide pays the long-term care benefit to the policyowner; there is no guarantee the policyowner will use the benefit for long-term care expenses if the policy is owned by someone other than the insured.

The Policy this Rider is attached to is non-cancellable. 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.

## *Important information (continued)*

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 may 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.

The Medical Care Component of the Consumer Price Index for All Urban Consumers, Unadjusted (the "Index"), is maintained by the U.S. Bureau of Labor Statistics. Nationwide's use of the Index is not sponsored, endorsed or promoted by the U.S. Bureau of Labor Statistics, the U.S. government, or any of its agencies. Inclusion of the Index in an insurance product is not a recommendation by the U.S. government to buy such a product. Neither the U.S. government nor the U.S. Bureau of Labor Statistics guarantees the adequacy, accuracy, timeliness or the completeness of Nationwide's use of the Index.

The actual rate of inflation in long-term care costs may be different than the experience of the Index.

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

Nationwide, the Nationwide N and Eagle, Nationwide is on your side and Nationwide CareMatters II are service marks of Nationwide Mutual Insurance Company.

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(02/20)

# Spend the future with those who matter most



77%

of people would  
prefer to receive care  
in their own home.<sup>1</sup>

<sup>1</sup>“Long-Term Care Study Among U.S. Adults Ages 50 and Older,” conducted by The Harris Poll on behalf of the Nationwide Retirement Institute (2017). This online survey was conducted from September 13 – 27, 2017, among 1,214 adults ages 50 and older.

# What is long-term care (LTC)?

## Types of care and locations



Informal care



Home health care



Community care

# When do you need LTC?

**Severe  
cognitive  
impairment**

— or —

**When you need  
help with multiple  
(usually 2 or more)  
activities of daily  
living (ADLs)<sup>2</sup>:**

Bathing

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Dressing

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Using the toilet

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Transferring  
(to or from bed or chair)

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Caring for incontinence

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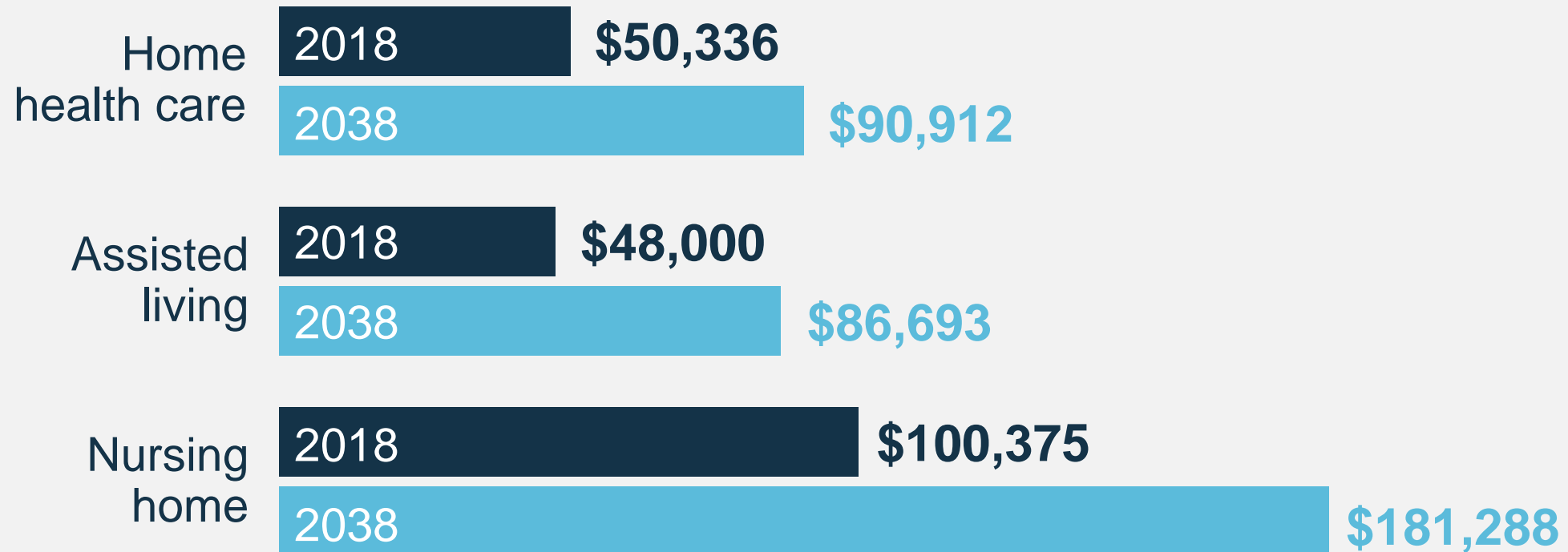
Eating

<sup>2</sup>“What is long-term care?” U.S. Department of Health and Human Services, <https://longtermcare.acl.gov/the-basics/what-is-long-term-care.html> (October 10, 2017).



# Costs associated with LTC

**Costs are expected to increase substantially in the next 20 years<sup>3</sup>**



All amounts paid annually

<sup>3</sup> Cost of Care Survey tool, Genworth, <https://www.genworth.com/aging-and-you/finances/cost-of-care.html> (June 2018).

# Misconceptions about LTC



## *Health insurance*

Does not cover long-term care expenses



## *Medicare*

May cover a portion of long-term care costs, but only up to 100 days; requires a three consecutive-day stay in a hospital under treatment, as well as other qualifiers



## *Medicaid*

Covers long-term care expenses for individuals with countable assets of \$2,000 or less (varies by state); care may be limited to a nursing home

### ***None of these cover:***

*Assisted living facilities*

*Many home health care costs*

*Adult day care services*

# Plan now for more options later



## Some things to consider:

Do you have the financial resources to help you stay in your own home?

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How would you like your family to be involved in your care?

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What impact will providing care for you have on your family?

# Ways to help pay for LTC



Life insurance  
policies with a rider



Linked-benefit  
policies



Stand-alone  
policies

# How LTC benefits are paid

Reimbursement	Cash indemnity <sup>4</sup>
Bills and receipts must be submitted every month	No need to submit monthly bills or receipts once your claim is approved
Each month, you must wait to see what services qualify; the insurance company sends a check for only what's covered	You may elect to receive up to 100% of your available monthly cash benefit
Services not covered under your policy will need to be paid for as out-of-pocket expenses	You can use your monthly cash benefit without restrictions from the insurance company
	Unused monthly benefits can be saved in a personal checking or savings account for use in the future <sup>5</sup>



**Nationwide CareMatters II  
is a  
cash indemnity plan.**

<sup>4</sup> Benefits may be taxable under certain circumstances. Please consult your tax advisor.

<sup>5</sup> Benefit planning decisions can be complex and have consequences. Please consult your LTC benefit planning advisor.

# Hybrid Policies

Designed for



*Familiarity*



*Choice*



*Flexibility*

# Cash Indemnity Hybrid Policies

## **Familiarity** – *Care where you're most comfortable*



Home sweet home<sup>6</sup>



Premium and benefits  
you'll always recognize<sup>7</sup>



A guaranteed  
death benefit<sup>6</sup>

<sup>6</sup> Under certain circumstances, benefits may be taxable. Please consult a tax advisor.

<sup>7</sup> This assumes all premium payments have been made as scheduled at policy issue and no loans or partial withdrawals are taken.

# Hybrid Policy

## Choice



Multiple payment options

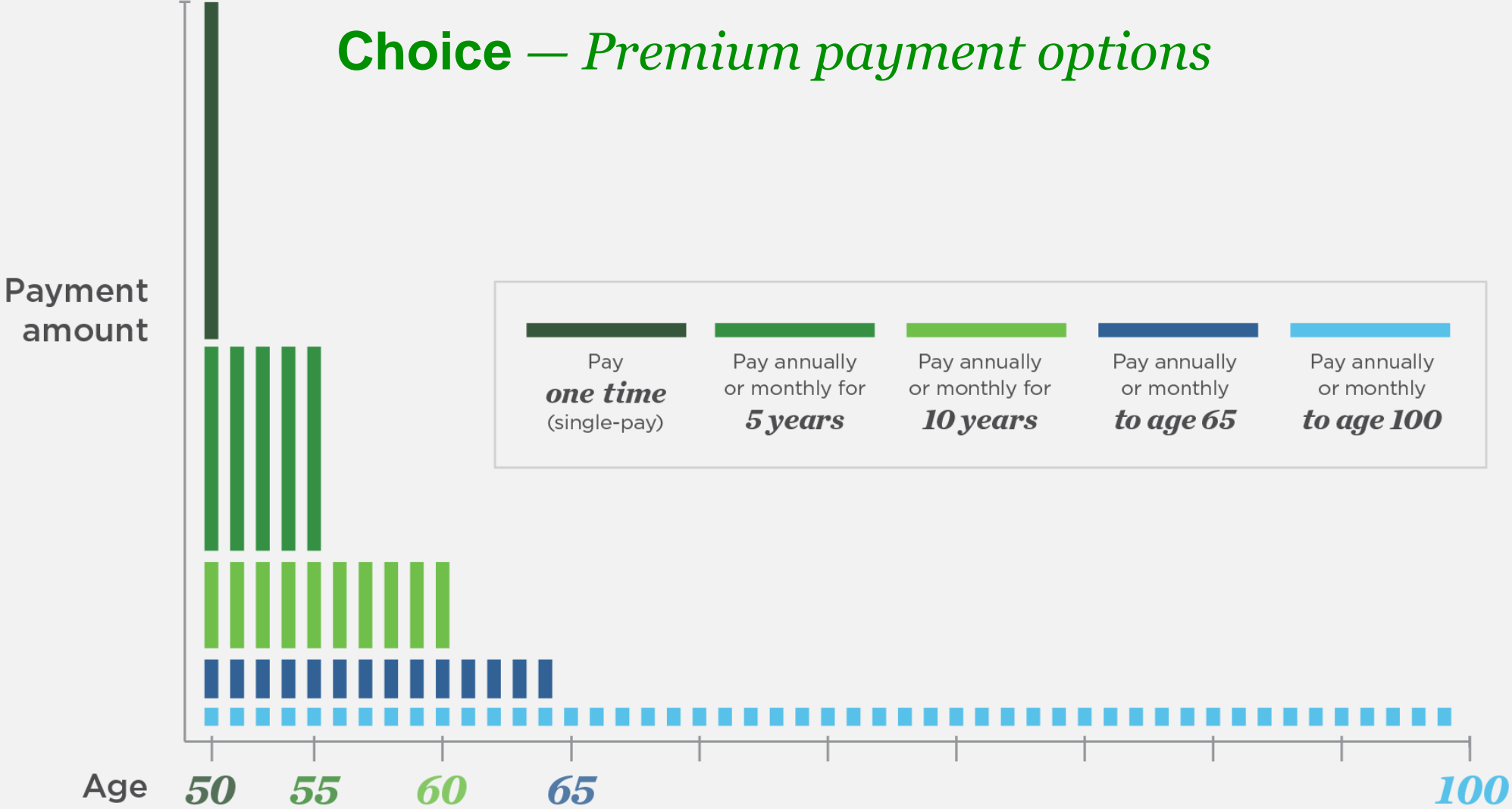


Inflation protection options



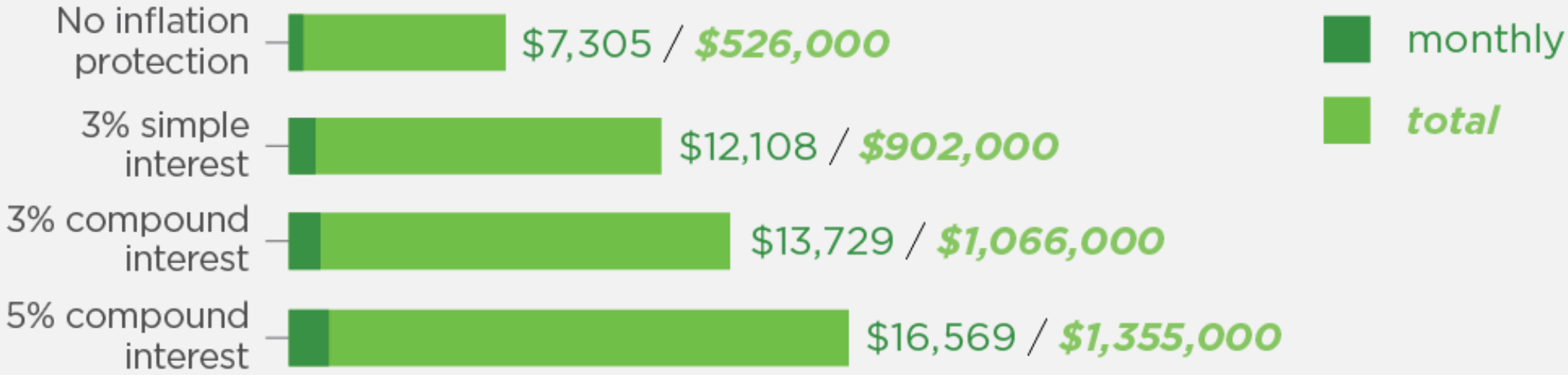
# Hybrid Policy

## Choice – Premium payment options



# Nationwide CareMatters® II

## Choice – Inflation protection options<sup>8</sup>

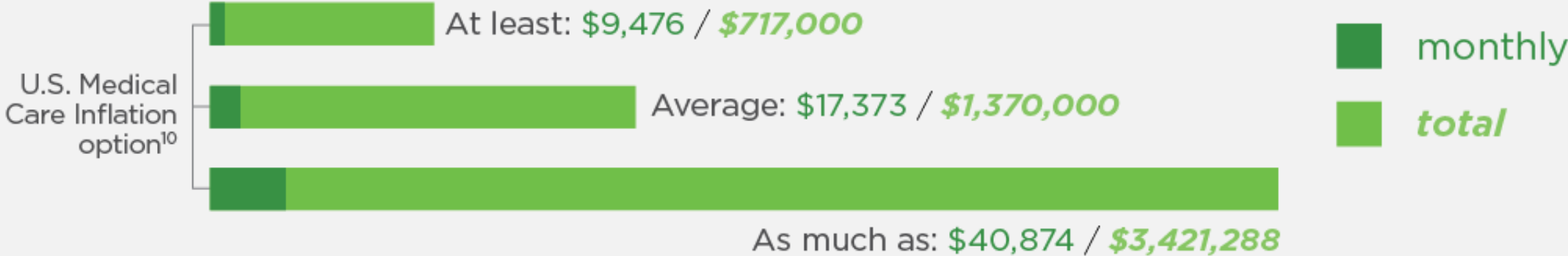


Monthly and total long-term care benefits amounts at age 80

<sup>8</sup> This is a hypothetical example of a policy underwritten on a 42-year old male with Nontobacco Couple rating and a 6-year benefit period. Total benefit amount is based on a long-term care claim beginning at age 80 with monthly pay to age 100 and Minimum Refund of Premium with option. For more detailed information regarding Refund of Premium options, please consult your financial professional.

# Hybrid Policy

## Choice — Inflation protection options<sup>9</sup> (continued)



Monthly and total long-term care benefits amounts at age 80

<sup>9</sup> This is a hypothetical example of a policy underwritten on a 42-year old male with Nontobacco Couple rating and a 6-year benefit period. Total benefit amount is based on a long-term care claim beginning at age 80 with monthly pay to age 100 and Minimum Refund of Premium with option. For more detailed information regarding Refund of Premium options, please consult your financial professional.

<sup>10</sup> Under this option, the Maximum Monthly LTC Inflation Protection Rider Benefit Amount is based on the greater of the fixed 2% LTC Roll-Up Benefit ("At least") and the experience of the **Medical Care Component of the Consumer Price Index for All Urban Consumers, Unadjusted** (subject to a floor rate of 0% and a cap rate of 6% ("as much as")). The average assumes a 3.64% average based on a 30-year lookback on the index ("Average").

# Hybrid Policy

## Flexibility



Choose the care and services that are right for you<sup>11,12</sup>



If you never need care, your heirs receive a death benefit<sup>13</sup>



Your asset remains liquid<sup>14</sup>



Eliminate monthly paperwork<sup>15</sup>

<sup>11</sup> Benefits may be taxable under certain circumstances. Consult your tax advisor.

<sup>12</sup> With respect to family care, the plan of care prepared by your U.S.-licensed health care practitioner must state that care from family or other informal caregivers is appropriate.

<sup>13</sup> The death benefit may be reduced by outstanding loans, unpaid monthly deductions and partial surrenders.

<sup>14</sup> This feature is subject to a vesting schedule and the benefit options selected.

<sup>15</sup> The insured must continue to meet LTC claims requirements.

# Hybrid Policy

**Linked benefit** — *it's built on a life insurance policy, which means:*



Your benefit is available immediately and is guaranteed by Nationwide®



The LTC benefit is generally tax free<sup>16</sup>



There is a tax-free death benefit for your beneficiaries

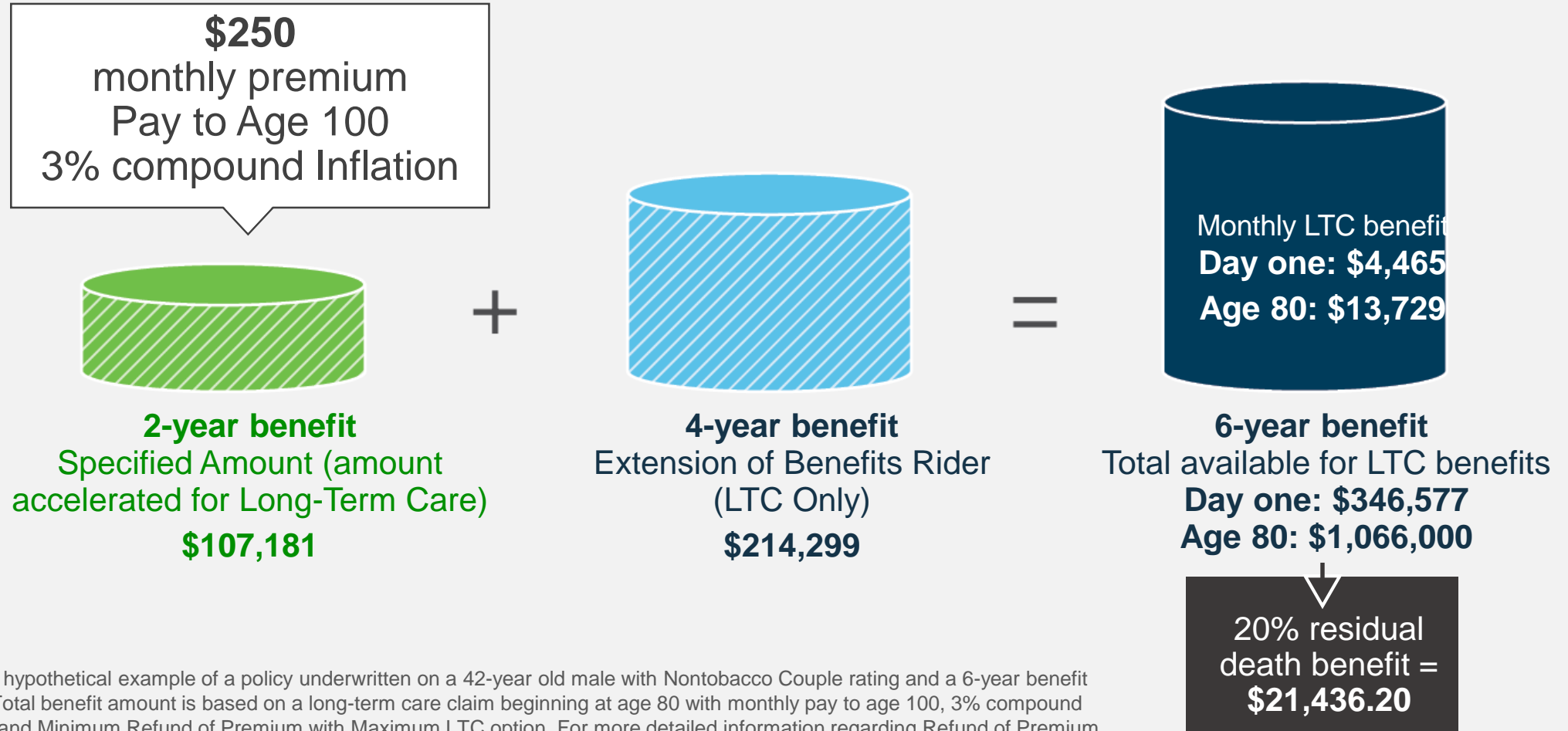


The policy builds up a cash value, which you can access<sup>17</sup>

<sup>16</sup> HIPAA specifies that the daily rate is \$370 (\$11,100 a month) in 2019, and it is indexed to inflation.

<sup>17</sup> However, doing so will reduce your future LTC benefit and the death benefit of the policy. The amount and availability is based on contract options selected.

# How It Works



This is a hypothetical example of a policy underwritten on a 42-year old male with Nontobacco Couple rating and a 6-year benefit period. Total benefit amount is based on a long-term care claim beginning at age 80 with monthly pay to age 100, 3% compound inflation and Minimum Refund of Premium with Maximum LTC option. For more detailed information regarding Refund of Premium options, please consult your financial professional.

# Care Coordination

*Designed to help provide referrals when you need help with the following<sup>18</sup>:*

Tools to allow your family to  
coordinate care

Caregiver support

Home care and housing options

Assisted living or nursing homes

Adult day care

Memory and Alzheimer's care

Meal and nutrition services

Safety and adaptive equipment

Transportation

<sup>18</sup> The company that currently provides professional consultation services through the Nationwide Care Guide Network is a member of The National Association of Geriatric Care Managers. This service provider is not affiliated with Nationwide Life and Annuity Insurance Company or its subsidiaries. The service provider and the Nationwide Care Guide Network may be changed or discontinued at any time.

*Next steps*



Talk with your insurance or  
investment professional today.







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# MORE RESOURCES

## Upcoming Webinars

**Thursday, November 5 @ 10 AM**

*Recovery Update: In-Depth Overview of the PPP Forgiveness Application*

**Tuesday, November 10 @ 10 AM**

*The Year of the Pandemic: Insights from the Frontlines*

Visit **Sax's COVID-19 Resource Center** found on **SAXWA.COM** to register for webinars and for on-going information and resources.