



Nationwide®
is on your side

Life insurance

Quick reference



Nationwide®

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

Products issued by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company. The general distributor for variable products is Nationwide Investment Services Corporation, member FINRA.

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Protecting
what matters
most in life

The confidence of knowing you've prepared

As difficult as it is to think about, the unexpected can change everything. Life insurance can help make sure your loved ones have the quality of life you want for them, even after you're gone. Some products also have features that can give you more financial flexibility during your lifetime.

As you read through this brochure, please keep in mind that protections and guarantees are subject to the claims-paying ability of the issuing life insurance company.

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.



Why Nationwide®

Nationwide has a special, long-term relationship with agriculture

- Nationwide began in 1926 as the Farm Bureau Mutual Insurance Company; Ohio Farm Bureau leaders created it to provide automobile insurance at lower rates for Ohio farmers, who drove less and had fewer accidents than city residents
- Nationwide is the leading insurer of farms and agricultural cooperatives in the United States
- Nationwide remains committed to serving the agricultural community:
 - Nationwide's board of directors includes a substantial number of farmers and agricultural cooperative leaders
 - Nationwide's board maintains the Nationwide Board Council, which is an advisory group of agricultural and cooperative industry leaders organizations, including those that foster future leadership like 4-H and Future Farmers of America



Talk to your insurance professional today about protecting your family with life insurance.

How life insurance works

When an insured person passes away, life insurance pays a death benefit to that person's beneficiary. This money can be used to:

- Cover final expenses, such as funeral costs, taxes or debts
- Replace financial or other support that the insured person contributed
- Provide an inheritance or fund a foundation, endowment or charitable gift

The two basic types of life insurance

Term life and permanent life both pay an income tax-free death benefit.

Permanent life: provides lifelong coverage as long as you pay the premiums

Term life: provides protection over a specific period of time

Term life: more protection for a lower premium

Term life insurance provides coverage for a specific time period, normally 10, 15, 20 or 30 years. It pays a death benefit if the insured person dies within that term. This means you can choose a term life policy to cover you only when you need extra financial protection — until the mortgage is paid off, for example, or until your youngest child is age 21.

Term life is one of the least expensive ways to buy life insurance, with premiums that stay level for the policy's term. If you opt to renew your coverage at the end of the term, the premium normally increases at that time. Your insurer may require evidence of your good health before approving the renewal.

Although term life insurance doesn't build cash value, some companies offer policies that can be converted to permanent life without a medical exam. Ask your insurance professional about conversion privileges.

Variable universal life: market-based investment potential

Most variable universal life (VUL) insurance policies offer the same flexible premium features, tax advantages and the opportunity for access to cash values as universal life. Most VULs do not have a guaranteed death benefit, but some offer riders that guarantee the death benefit for an additional cost.

Variable universal life is unique in combining permanent life insurance protection with the ability to invest in underlying investments. VUL offers opportunities for investors who are comfortable with market risk:

- The potential for market-driven growth
- Deferred income tax on earnings
- The option of maximum funding for even greater potential growth

As you consider this option, remember that the underlying investment choices offered by VUL policies are subject to market risk, including possible loss of principal. The underlying investment options are not publicly traded and cannot be purchased directly by the general public. The cost of a VUL policy includes expenses associated with these underlying funds.

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 or call 1-800-848-6331.

Universal life: flexibility to cope with changes

Universal life (UL) insurance provides a guaranteed death benefit (if certain premium levels are met), tax advantages and the ability to take loans and partial withdrawals. It also has more flexibility than whole life, with features that let it adapt to changes in the financial marketplace and your personal circumstances:

- Interest-sensitive growth
- Growth potential based on the insurance company's portfolio of investments
- Flexible premium payments and death benefits as long as specified policy minimums are met
- Guaranteed death benefit for some policies

Permanent life: features that offer flexibility

Permanent life insurance policies can have a cash value that has the potential to increase over time. It's a financial resource you can use during your lifetime by borrowing from the policy and using its cash value as collateral.¹ Some permanent life policies allow a wash loan after a certain number of years.

This means that your life insurance policy can be a source for extra income, college tuition or a down payment on a home. Just keep in mind that these uses should be planned in advance whenever possible and that some life insurance policies can be over-funded with these expenses in mind. You should still have a separate emergency fund for unexpected situations and ensure your life insurance needs continue to be met throughout your lifetime.

If you take a loan from your policy, you're not required to repay what you borrow. However, accessing these funds will immediately reduce both the cash value and death benefit of your policy, and could lead to the need for you to pay additional premiums in the future to keep your policy in force. Also, if the policy lapses with a loan outstanding, loan amounts are treated as distributions and may be subject to income tax.

¹ Throughout this guide, the discussion of loans and withdrawals assumes that the contract qualifies as life insurance under Section 7702 of the Internal Revenue Code 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 surrenders from a MEC will generally be taxable, and if taken prior to age 59½, may be subject to a 10% tax penalty. Surrender charges may apply to partial surrenders.

Speaking of taxes, permanent life typically receives favorable tax treatment:

- Income tax is deferred on any growth in the cash value
- As with term life, the death benefit is income tax free to your beneficiary
- When policy ownership is properly structured, you may be able to exclude the death benefit from your taxable estate

We recommend consulting your attorney or tax advisor for answers to specific questions, since Nationwide® and its representatives do not give legal or tax advice.



Three variations of permanent life

Permanent life insurance comes in several forms to suit different goals, financial circumstances and levels of risk tolerance. Your investment representative will help you choose the kind that best suits your situation: whole life, universal life or variable universal life.

Some types of permanent life insurance offer survivorship benefits. With this type of insurance, two people are insured and the death benefit is paid at the time of the second insured person's death.

Whole life: simplicity and long-term protection

The premiums for whole life insurance stay the same over the life of the policy. Other features add to its appeal for conservative clients:

- A guaranteed death benefit
- Tax advantages
- Guaranteed cash value with conservative accumulation
- Long-term protection
- Loan provisions
- The potential for dividends with some policies