Nationwide® Financial

Your Health Care Cost Assessment

A personalized estimate of retirement health care costs to help you plan for the future

Long-term care expense estimate
Designed for John Q Client and Jane Q Client
Monday, March 18, 2013

Prepared by Sample Producer
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SAMPLE
LTC Estimate

The information collected on the Personalized Health Care Cost Assessment will be kept confidential and used to provide an estimate of a client's potential long-term care costs in retirement. The estimate is based on a client's specific financial situation and goals, as well as their current overall health condition. The client's financial situation and health conditions may change over time and this may affect their future changes. Please keep in mind that the estimates resulting from this fact finder are for hypothetical purposes only and are not guaranteed.

For more information on how Nationwide Financial® protects your personal information, visit our online privacy policy at http://www.nationwide.com/privacy-security.jsp.

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

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FOR FINANCIAL PROFESSIONALS

Help clients start planning for retirement health care costs

With the Nationwide Health Care Cost Assessment, you can help clients get a personalized estimate of their retirement health care costs. With this estimate, you can work with clients to create a financial plan to prepare for these expected costs.

Four steps to start planning with the Nationwide Health Care Cost Assessment

1. **Get familiar with the assessment report:** This sample assessment can help you understand what estimates clients see and how it can help you start a planning discussion with your clients
2. **Download a health care cost fact finder:** Ask clients to complete the form and return it to you. You can download a blank fact finder at nationwidefinancial.com/healthcare
3. **Submit your clients' completed fact finder:** Send it to the Nationwide Financial Income Planning Desk by fax 855-256-4220 or email IPLNDESK@nationwide.com
4. **Schedule time to share the assessment:** Use the assessment report you receive as a launching pad to discussing retirement health care needs and planning options for these expenses

Get your own health care cost estimate

It's a good idea for two reasons. First, you can familiarize yourself with the fact finder and the final assessment report before you use it with clients. Second, you can see what your own estimated health care costs in retirement can be and plan accordingly for yourself.

To start your own personalized estimate, call the Nationwide Financial Income Planning Desk at 1-877-245-0763 or visit nationwidefinancial.com/healthcare.

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Important Information about This Report

This report provides a general guideline to help you fund your long-term care. This report is provided for educational purposes only and you should not rely on it as the primary basis for your insurance, investment, financial, retirement or tax planning decisions. Life expectancy is estimated based on the single most serious health condition provided.

Limitation of this Report: The algorithms used in developing the Personalized Health Care Cost Assessment evaluate an individual's health and create health and financial assumptions for future long-term care needs. Your current and future decisions and actions should not depend on, or be based solely on, the results generated by this report. It is important that you periodically monitor their retirement income and expense strategy throughout retirement.

The Personalized Health Care Cost Assessment is dependent upon the quality and accuracy of the data furnished by you or unaffiliated third parties, including information about your health status as well as certain assumptions as to future inflation rates and future health care costs.

The accuracy or applicability of the tool's results to your circumstances is not guaranteed. We encourage you to talk to an investment professional about your situation. This tool is not an offer, representation or warranty by Nationwide or any of its affiliated companies and does not describe any specific products or services they offer. We are not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by this tool. Costs of investing have not been taken into consideration. Withdrawals from qualified plans that are taken prior to age 59½ may be subject to a 10% penalty tax.

Federal income tax laws are complex and subject to change. The information in this brochure is based on current interpretations of the law and is not guaranteed. Neither Nationwide nor its representatives give financial, legal or tax advice. Please consult your attorney or tax advisor for answers to specific questions.

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This material should be regarded as educational information on health care only and is not intended to provide specific health care advice. If you have questions regarding your particular situation, please contact your health care, legal or tax advisors. While Financial Advisors may discuss health care costs as part of a client's retirement plan, Financial Advisors may not provide specific advice on health care coverage options.

About This Report

Based on your responses to the fact finder, this report provides expenses associated with the category of health care services required by individuals who have been certified as chronically ill due to the inability to fully execute activities of daily living or suffering from cognitive impairment; it can be provided by a variety of agencies in outpatient settings as well as on an inpatient basis. The three types of long-term care and respective usage based on claims filed are home health care (49%), assisted living (24%) and nursing home care (27%).[1]

[1]The 2011 Sourcebook for Long-term Care Insurance Information – AALTCI 2011, U.S. Census Bureau.

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Client Facts

	John Q Client	Jane Q Client
Age/Gender:	Male, Age 60	Female, Age 60
Retirement Age:	65	65
Life Expectancy:	80	90
State:	OH	OH
Current Health		
High blood pressure:	No	No
High cholesterol:	No	No
Type 1 diabetes:	No	No
Type 2 diabetes:	No	No
Cardiovascular disease:	No	No
Cancer:	Diagnosed 5 years ago	No
Multiple Sclerosis:	No	No
Lifestyle & health history		
Tobacco user:	No	No
Regular exercise schedule:	Yes	Yes
Healthy diet:	Yes	Yes
Cardiovascular/Diabetes family history:	No	No
Dependency on cane, walker, or wheelchair:	No	No

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Long-term Care Expense Detail

The costs estimated in this section are specifically for the purposes of providing funding for long-term care expenses. Long-term care begins after one demonstrates the inability to perform at least 2 out of 6 Activities of Daily Living (ADLs) -or- has cognitive impairment, which includes such conditions as Dementia and Alzheimer's.

John Q Client

The following shows long-term care summary and cost information for John Q Client in OH, metro region Columbus. Projected amounts are expressed as future dollars.

		Nursing Home Care	Assisted Living Facility	✓ Home Health Care
Average Length of Stay		296 days (beginning in 2033)	382 days (beginning in 2032)	205 days (beginning in 2033)
Annual Cost Today		$73,000	$50,076	$43,998
Projected Inflation Rate[1]		3.1% - 4.6%	0.2% - 6.9%	0.0% - 1.3%
Projected Annual Cost at Claim	Range:	$134,114 - $180,510	$52,233 - $178,457	$43,998 - $56,765
	Average:	$157,229	$106,260	$53,136
Projected Total Cost	Range:	$108,687 - $146,286	$54,744 - $198,985	$24,694 - $31,860
	Average:	$127,419	$115,425	$29,823

✓ Home Health Care	Based on your health conditions and historical statistical data, you may want to consider **Home Health Care** versus other types of care.

Jane Q Client

The following shows long-term care summary and cost information for Jane Q Client in OH, metro region Columbus. Projected amounts are expressed as future dollars.

		✓ Nursing Home Care	Assisted Living Facility	Home Health Care
Average Length of Stay		857 days (beginning in 2041)	1108 days (beginning in 2040)	482 days (beginning in 2042)
Annual Cost Today		$73,000	$50,076	$43,998
Projected Inflation Rate[1]		3.1% - 4.6%	0.2% - 6.9%	0.0% - 1.3%
Projected Annual Cost at Claim	Range:	$171,055 - $259,282	$53,169 - $304,729	$43,998 - $63,661
	Average:	$213,705	$145,864	$57,845
Projected Total Cost	Range:	$417,363 - $644,939	$161,999 - $1,056,812	$58,062 - $84,826
	Average:	$526,824	$478,794	$76,883

✓ Skilled Nursing Facility	Based on your health conditions and historical statistical data, you may want to consider **Skilled Nursing Facility** versus other types of care.

[1]The inflation rates assumed in this report are based on publically available cost of care surveys from 2007 to 2011. Actual experience will be different from the average. The actual future inflation rates will be different from historical rates. The assumed inflation rates continue to be reviewed as data becomes available. The lowest and highest observations in the historical data do not represent the minimum or maximum possible future inflation rates. Future inflation may be higher or lower.

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Terms & Definitions

Activities of Daily Living (ADLs) — Everyday functions and activities individuals usually do without help. ADL functions include bathing, continence, dressing, eating, toileting and transferring.

Assisted Living Facility — A residential living arrangement that provides individualized personal care and health services for people who require assistance with activities of daily living. The types and sizes of facilities vary; they can range from a small home to a large apartment-style complex. They also vary in the levels of care and services that can be provided. Assisted living facilities offer a way to keep a relatively independent lifestyle for people who don't need the level of care provided by nursing homes.

Cancer — Also called malignancy, is characterized by an abnormal growth of cells. There are more than 100 types of cancer, including breast cancer, skin cancer, lung cancer, colon cancer, prostate cancer, and lymphoma. Cancer symptoms vary widely based on the type of cancer.

Cardiovascular Disease — Disease affecting the heart or blood vessels. Some conditions that fall under the umbrella of cardiovascular disease are aneurysm, angina, arrhythmia, cardiomyopathy, congenital cardiovascular defects, congenital heart disease, congestive heart failure, heart attack, diseases of pulmonary circulation, endocarditis, rheumatic fever, stroke, heart valve disease, diseases of the circulatory system.

Chronic Illness— A chronically ill individual is a person who has been certified by a licensed health care practitioner as being unable to perform, without assistance, at least two activities of daily living (ADLs) for at least 90 days - or - has been certified to have cognitive impairment.

Cognitive Impairment— Requires substantial supervision due to a deficiency in a person's short- or long-term memory; orientation as to person, place and time; deductive or abstract reasoning; or judgment as it relates to safety awareness.

Dependency on cane, walker, or wheelchair —A disability of physical function that requires dependency on devices such as a wheelchair, cane, crutches or walker to maintain mobility.

High Blood Pressure — (Hypertension) Blood pressure readings are measured in millimeters of mercury (mmHg) and usually given as two numbers — for example, 120 over 80 (written as 120/80 mmHg). One or both of these numbers can be too high. The top number is your systolic pressure. It is considered high if it is over 140 most of the time. It is considered normal if it is below 120 most of the time. The bottom number is your diastolic pressure. It is considered high if it is over 90 most of the time. It is considered normal if it is below 80 most of the time.

High Cholesterol — is the presence of high levels of cholesterol in the blood. It is not a disease but a metabolic derangement that can be secondary to many diseases and can contribute to many forms of disease, most notably cardiovascular disease. Primarily caused by diet and family history high cholesterol is defined as a measurement greater than 200 mg/dL. LDL cholesterol levels greater than 130 mg/dL and HDL cholesterol levels less than 60 mg/dL are considered high.

Home Health Care — Services for nursing care or occupational, physical, respiratory or speech therapy. Also included are medical, social worker, home health aide, and homemaker services.

Life Expectancy — The age which is calculated either actuarially or manually to estimate medical costs to.

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Multiple Sclerosis — Multiple sclerosis is a nerve disorder that occurs when the insulating layer surrounding neurons in the brain and spinal cord are destroyed. The disease is a chronic autoimmune disorder that affects the movements, sensations, as well as body functions. Myelin, a part of the brain, helps in passing electrical signals between the brain and the other parts of the body. Thus when this part is destroyed the brain functioning is less efficient.

Nursing Home — A licensed facility that provides general nursing care to those who are chronically ill or unable to take care of daily living needs. May also be referred to as a Long-Term Care Facility.

Skilled Care — Daily nursing and rehabilitative care that can be performed only by, or under the supervision of, skilled medical personnel. This care is usually needed 24 hours a day, must be ordered by a physician, and must follow a plan of care. Individuals usually get skilled care in a nursing home but may also receive it in other places.

Type 1 Diabetes — aka juvenile diabetes or insulin-dependent diabetes which is a chronic condition in which the pancreas produces little or no insulin, a hormone needed to allow sugar (glucose) to enter cells to produce energy. Various factors may contribute to type 1 diabetes, including genetics and exposure to certain viruses. Although type 1 diabetes typically appears during adolescence, it can develop at any age.

Type 2 Diabetes — (formerly called non-insulin dependent diabetes mellitus (NIDDM), or adult-onset diabetes) is a disorder that is characterized by high blood glucose in the context of insulin resistance and relative insulin deficiency.

Your privacy is important to us.

You may be concerned about sharing your personal health information with us. You can be assured we take your need for privacy very seriously.

When you complete the fact finder for the Health Care Cost Assessment, your personal health information will be kept confidential and will only be used to determine your health care cost estimate. Most importantly, you can feel confident that all personal information you share with us will be treated with the utmost respect for your privacy and need for confidentiality.

- We will not share your personal data with Nationwide affiliates or third-party vendors for any purpose, including for marketing additional products or services.
- We use physical and technical safeguards to protect personal information.
- Access to personal information is limited to those with a business-need to know.
- We comply with all data security laws.

Finally, all information shared with us is subject to the Nationwide corporate privacy policy. You can learn more about this policy online at nationwide.com/privacy-security.jsp.

Thank you for the trust you have placed in Nationwide.

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