Find balance in life

CLIENT BROCHURE
Nationwide YourLife® Indexed UL

Nationwide®
Planning for the future may seem stressful these days — especially with so much market uncertainty. But it doesn’t have to be that way.

In addition to protecting your family, Nationwide YourLife® Indexed Universal Life provides a healthy balance of the potential for growth you want and the guaranteed protection from loss you need, enabling you to move forward with confidence.

As your personal situations change (i.e., marriage, birth of a child or job promotion), so will your life insurance needs. Care should be taken to ensure these strategies and products are suitable for your long-term life insurance needs. You should weigh your objectives and time horizon as well as any associated costs before making a purchasing decision. Life insurance has fees and charges associated with it that include costs of insurance that vary with such characteristics of the insured as sex, health and age, and additional charges for riders that customize a policy to fit your individual needs.

Indexed universal life insurance policies are not stock market investments, do not directly participate in any stock or equity investments, and do not receive dividend or capital gains participation. Past index performance is no indication of future crediting rates. Also, be aware that interest crediting fluctuations can lead to the need for additional premium in your policy.
Let's take a closer look.

### What's inside?

1. What is Nationwide YourLife® Indexed UL?  
2. Who could benefit from it?  
3. How does it work?  
4. What sets the index strategies apart?  
5. What are the product details?  
6. Why Nationwide®?  
7. Ready to take action?
What is Nationwide YourLife® Indexed UL?

Nationwide YourLife Indexed UL is a fixed life insurance product that offers you the same core benefits as traditional universal life insurance products, including:

- Permanent death benefit protection
- Income tax-free death benefits
- Tax-deferred cash value growth
- Income tax-free access to cash

Traditional universal life insurance products credit your policy with a fixed interest rate. But Nationwide YourLife Indexed UL uses the performance of market indexes to help calculate the interest credited to your policy without actually investing in the market. This type of strategy gives you the potential for additional cash value accumulation compared to traditional universal life products. Cash value can be used later to meet a variety of income planning needs, such as possibly supplementing your retirement.

With Indexed UL, your money is never actually invested in the market, and you’re protected with a guaranteed minimum interest rate.

Balance your need for safety and opportunity

The information regarding access to cash value assumes the contract qualifies as life insurance under Internal Revenue Code (IRC) Section 7702. Most distributions are taxed on a first-in/first-out basis as long as the contract remains in force and meets the non-MEC (Modified Endowment Contract) definitions of IRC Section 7702A. But if it is a MEC, then any distributions you take from your policy will generally be taxable and subject to a 10% penalty tax if you’re 59½ or younger. If you choose to take loans or partial surrenders, the cash value and the death benefit payable to your beneficiaries will be reduced. Surrender charges may apply for early surrenders and partial surrenders. Surrenders may be subject to income tax.
In addition to offering permanent death benefit protection, the features of Nationwide YourLife Indexed UL make it a good fit for people with a variety of income and planning objectives, including:

**Legacy or estate planning**
The death benefit helps you efficiently pass assets on to loved ones or a favorite charity.

**Supplemental retirement planning**
This product gives you the opportunity for tax-advantaged accumulation, which you can access via policy loans to help supplement your retirement income.

**Supplemental savings**
Get protection with potential for growth to help prepare you for life’s income planning needs, such as educational expenses.

**Long-term care (LTC) and living benefit solutions**
Our indemnity-style long-term care rider\(^1\) pays eligible benefits directly to you and eliminates the hassle of submitting receipts for reimbursement. And the Accelerated Death Benefit rider can help cover expenses for end-of-life care.

**Executive benefits and business planning**
Helps businesses run smoothly with solutions for recruiting, rewarding and retaining key employees and for business continuation.

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\(^1\) This rider is not available on Nationwide® YourLife Executive Indexed UL which is used for corporate-owned and corporate-sponsored cases. Please keep in mind that this rider may not be available in all states, may be known by different names in different states and has an additional charge associated with it. Since it pays out as an acceleration of the death benefit, care should be taken to make sure your life insurance needs continue to be met even if the rider pays out in full. Keep in mind that there is no guarantee the rider will cover the entire amount needed for all long-term care costs as these vary with the needs of each insured.
How does it work?

Life insurance protects your family with money, called a death benefit, if the unexpected should happen. Some life insurance policies, such as universal life, also help you accumulate cash value by crediting your policy with a fixed interest rate set by the insurance company. But a policy with indexed strategies (such as Nationwide YourLife Indexed UL) may provide you with better interest crediting than a fixed rate policy can by helping you take advantage of periods of market growth. This type of strategy credits interest to your policy based on the measured performance of an index or indexes, and is also subject to the following:

- **Participation rate** — the percentage of the index(es) performance you can receive on your policy.
- **Cap rate** — the maximum interest rate your policy can earn.
- **Guaranteed minimum/floor rate** — a guaranteed minimum interest rate, or floor, that protects you from loss regardless of what happens in the market.2

Keep in mind that guarantees are subject to the claims-paying ability of the issuing insurance company.

**A hypothetical example of how indexed universal life works**

The sample indexed universal life policy shown below has a 140% participation rate, a 12% cap rate and a 0% floor rate.

![Chart showing the performance of an index and hypothetical examples of crediting interest](chart)

Based on this hypothetical example, your policy would be credited interest in the following way:

- **Example 1**: 8.4% (because of the 140% participation rate — 6% × 140% = 8.4%)
- **Example 2**: 0% (because of the guaranteed 0% floor rate)
- **Example 3**: 12% (because of the hypothetical 12% cap rate)

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2 Please note that policy charges are still deducted monthly and include a flat administrative fee, an expense charge based on face value issued, cost of insurance charges and charges for any riders.
What happens when you make the initial premium payment?

When you make the initial premium payment into your policy, a premium expense charge is deducted. The remaining amount (called the net premium) is then deposited into the fixed interest strategy, where it earns a declared interest rate determined by the insurance company.

The estimated amount of policy charges for the coming year are held in the fixed interest strategy. On the sweep date (currently the 15th of the month), the amount of net premium in excess of this withheld amount will be moved to the indexed interest strategies per your instructions.

When your money is swept into an indexed interest strategy, an index segment is created that lasts one year. Each index segment is subject to its own individual cap, floor and participation rates. And at the end of the segment, called segment maturity, the appropriate interest rate is credited to the cash value in the indexed interest strategy and then redistributed between the fixed interest strategy and indexed interest strategies based on your allocations. Any money removed from an indexed interest strategy segment during an interest crediting period for any reason will not be credited with any index-linked interest.
Nationwide YourLife® Indexed UL offers you the flexibility to choose the indexed interest crediting strategy, or combination of strategies, you feel the most comfortable with.

**Option 1.**

**Monthly average interest crediting strategy** — If you believe that market volatility is likely to continue in the near future

*It lessens the impact of market volatility*

The monthly averaging interest crediting strategy tracks the performance of three indexes — the S&P 500®, NASDAQ-100® and Dow Jones Industrial AverageSM — each month for one year and averages the 12 numbers to determine the percentage of change within each index. Monthly averaging uses more points of measure than annual crediting methods, which can help provide a more representative return — especially helpful during volatile markets.

*And eliminates the guesswork*

With this strategy, you don’t have to worry about selecting the better performing index — it’s done for you! It blends the averages of the three indexes and ranks the performances so the final rate you receive is made up of 50% of the best-performing index, 30% of the second best and 20% of the third best3. There’s no guesswork because you automatically benefit the most from the better-performing indexes.

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3 Nationwide may discontinue any index that becomes unavailable (i.e., is no longer published) or the calculation of which is substantially changed. Nationwide may substitute with a comparable index or may adjust the method of calculating Index Segment Interest.

The illustrations used here contain hypothetical figures and do not represent actual results. Past performance is no guarantee of future performance or of values of indexed life insurance. Cap, floor and participation rates are illustrative in nature, are not guaranteed, are subject to change and may vary.

Different time scenarios will produce varying results which could be less favorable or more favorable depending on the performance of each entity.

Indexed universal life policies are not stock market investments and do not directly participate in any stock or equity investments.
Option 2.
Annual point-to-point interest crediting strategy — If you believe the market will likely experience steady growth

It offers a simplified strategy format
The annual point-to-point strategy simply compares the initial and ending values of the S&P 500® Index over a one-year period to determine the percentage of change in the index. Because it’s not an average, the point-to-point method can potentially result in higher interest credited when markets are stable and experiencing steady growth. However, it relies on only two points of time.

Option 3.
A combination of the strategies — If you would like additional diversification

With Nationwide YourLife Indexed UL, you don’t have to choose only one
You have the ability to allocate your funds however you want between the strategies — even within the same segment period. For example, you could allocate 50% of your funds to the annual point-to-point strategy and the other 50% to monthly averaging.
## Questions

<table>
<thead>
<tr>
<th>Questions</th>
<th>Answers</th>
</tr>
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<tbody>
<tr>
<td>How long will my coverage last?</td>
<td>Provides coverage to age 120.</td>
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<tr>
<td>How does the policy’s death benefit guarantee work?</td>
<td>Nationwide YourLife Indexed UL policy comes with a 20-year death benefit guarantee on the base policy (reduced for issue ages 56 and above) &lt;br&gt; <strong>Issue ages 0 - 70:</strong> Minimum of 20 years or 75 – issue age &lt;br&gt; <strong>Issue ages 70+:</strong> 5 years  &lt;br&gt; For more protection, you can purchase the Extended Death Benefit Guarantee rider, which allows you to choose:  &lt;br&gt; • The time period protection will last from policy year 21 to attained age 120, earlier for issue ages 56 and above  &lt;br&gt; • And the amount of protection, from 50% to 100% of the base policy death benefit amount  &lt;br&gt; Note: Keep in mind that minimum premiums are required to receive the extended death benefit guarantee.</td>
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<td>What charges or fees are associated with Nationwide YourLife Indexed UL?</td>
<td>When you sit down with your insurance professional, he or she will show you a personalized illustration of what you’ll pay based on your needs and the coverage structure you elect. This amount is called the premium. Included in this amount are policy charges that cover such things as: &lt;br&gt; • Cost of insurance protection &lt;br&gt; • Administrative charges and sales expenses &lt;br&gt; • Taxes &lt;br&gt; • Cost of riders or additional benefits &lt;br&gt; • Other fees</td>
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<td>Is there a fee if I surrender my policy?</td>
<td>If you surrender your policy during the first 15 policy years (10 years for issue ages 70+), a surrender charge is deducted from your policy’s cash value. The longer you keep your policy, the smaller the charge. If the policy was purchased through an employer, reduced surrender charges may apply.</td>
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<td>How can I access the cash value in my policy?</td>
<td>Your premium (minus policy charges, plus interest) can provide you with cash value, which is available for loans and partial withdrawals. Unpaid loans will reduce the death benefit payable, and if the policy lapses with a loan outstanding, it will be treated as a distribution and may be subject to income tax. Partial withdrawals usually reduce the death benefit payable and may be subject to income tax.</td>
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<tr>
<td>What reference indexes are used?</td>
<td>Monthly average strategy &lt;br&gt; S&amp;P 500® Index &lt;br&gt; NASDAQ-100® &lt;br&gt; Dow Jones Industrial AverageSM &lt;br&gt; Annual point-to-point strategy &lt;br&gt; S&amp;P 500® Index</td>
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4 All references to loans assume that the contract remains in force and qualifies as life insurance under Section 7702 of the Internal Revenue Code and is not a modified endowment contract (MEC) under Section 7702(A). Loans from a MEC will generally be taxable and, if taken prior to age 59½, may be subject to a 10% tax penalty.
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<tr>
<td>Can I request transfers from the fixed interest strategy?</td>
<td>Yes, you may request one transfer from the fixed interest strategy during any 12-month period. Please note that transfers won’t occur until the next segment is created. Premium and segment maturity allocation changes between the fixed and indexed interest strategies can be made at any time.</td>
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</table>
| Are there any features available to help customize the policy? (Riders may have an additional cost, may be known by different names in different states and may not be available in all states.) | Accelerated Death Benefit rider — allows you to receive some of the death benefit early if diagnosed with a terminal illness  
Accidental Death Benefit rider — provides additional coverage in the case of a death due to accident  
Additional Term Insurance rider — provides additional coverage in the form of term insurance which increases the amount of total coverage at an overall lower cost  
Children’s Insurance rider — term coverage for all your children, even the ones to come later on in life  
Conditional Return of Premium rider — helps you enhance the early cash surrender values of the policy  
Extended Death Benefit Guarantee rider — see death benefit guarantee section on previous page for details  
Long-term care rider — accelerates your death benefit to help pay for long-term care expenses  
Overloan Lapse Protection rider — helps to protect heavily loaned policies from lapsing  
Owner-directed settlement options — allow you to select available settlement options for the policy’s beneficiaries  
Premium Waiver rider — credits a monthly premium to your policy in case you become disabled  
Spouse Insurance rider — term coverage for your spouse  
Waiver of Monthly Deductions rider — pays all monthly deductions if you become disabled (but does not pay the full premium amount) |
Nationwide has dedicated itself not only to providing quality products and services, but to taking the steps necessary to ensure we’ll be around when you need us — today and in the future.

Get to know us better.

A WELL-RECOGNIZED BRAND

WE TAKE A LONG-TERM VIEW that’s not focused on enhancing stock prices

DIVERSE CHANNELS of distribution

A QUALITY investment portfolio

More than 80 YEARS of experience

More than 14% of insurance companies that only share with us

Life insurance & annuities Banking Mutual funds Property & casualty insurance

Risk management competencies

MIDWESTERN roots and a CONSERVATIVE heritage

MUTUALLY OWNED working together to pursue a genuine, constant purpose — protecting our customers

If you’ve made the decision that Nationwide YourLife Indexed UL is right for you, the “underwriting” process begins. This simply means we begin the paperwork on the policy.

Your insurance professional will have some forms for you to sign and may need to ask you a few medical questions. Depending on the amount of insurance applied for, a medical professional may contact you to schedule a quick checkup, including height, weight and other basic medical information. The checkup is often done in your own home.

After the application is approved, you will receive the policy. You might want to file this with your other important documents and notify your beneficiaries. Then, by paying your premiums, you can be sure you’ve protected what matters most in life.
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