



Navigating the Future of Long-Term Care: The Rise of Life with Long-Term Care Insurance

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In the realm of employee benefits, the landscape is ever-evolving, reflecting the changing needs and preferences of the workforce. Among the array of options, Life with Long-Term Care Insurance, often referred to as hybrid insurance, has emerged as a distinctive and increasingly popular choice. This innovative blend combines the benefits of long-term care insurance with the security of permanent life insurance, offering a holistic solution that resonates with the modern workforce.

Rising Demand and Shifting Landscape

According to the 21st Annual U.S. Employee Benefit Trends Study by MetLife, a remarkable 63% of surveyed employees view life insurance as an indispensable benefit. Within the portfolio of EOI, this sentiment is echoed, with 63% of clients embracing the life with long-term care insurance plan. This hybrid insurance product has not only gained significant traction but has also emerged as one of the fastest-growing plans year-over-year. This upward trajectory can be attributed to its unique blend of long-term care coverage and permanent life insurance benefits.

Legislative Catalyst: The Washington Cares Act

One of the main drivers increasing awareness of long-term care has been the Washington Cares Act in which the state of Washington implemented the first public Long-Term Care (LTC) program funded through an additional payroll tax for all working residents – the WA Cares Fund. To date, no other state has implemented a similar program, however many have conducted feasibility studies and introduced legislation. The expectation in the market is that other states, over the next several years, will follow Washington's lead.

63%

*the percentage of EOI clients
that offer Life with Long-
Term Care Insurance*



Addressing the Looming Need for Long-Term Care

The U.S. Department of Health and Human Services has projected that nearly 70% of 65-year-olds will need some form of long-term care during their lifetimes. As the aging population expands, the demand for medical and personal care services, whether at home or in a facility, grows exponentially. The average duration of care is estimated at three years, with 20% of individuals requiring assistance for five years or more. Astonishingly, despite this impending need, only 7% of U.S. adults over 50 possess long-term care insurance, according to the American Association for long-term care insurance.

Influential Demographics and Buying Patterns

The decision to invest in long-term care insurance is profoundly influenced by a range of demographic factors. Age, gender, marital status, income level, health status, family history, cultural background, educational attainment, and geographic location converge to shape an individual's approach to this critical coverage.

Age:

Older individuals, approaching retirement age, often contemplate long-term care insurance as awareness of potential care needs grows. Conversely, younger individuals might opt for coverage to secure lower premiums and safeguard against unforeseen health events.

Gender:

Both men and women seek long-term care insurance, but the longer life expectancies of women make them more likely candidates for such coverage. For women, the prospect of future caregiving needs weighs heavily on purchasing decisions, as they strive to ensure financial preparedness and alleviate potential burdens on loved ones.

Marital Status:

Married individuals view long-term care insurance as a means to shield their spouse's financial security should one partner necessitate care. Singles, too, recognize its value, leveraging insurance to guarantee coverage without a spouse as a support system.



Influential Demographics and Buying Patterns (continued)

Income:

Higher-income individuals are more likely able to afford long-term care insurance premiums and see it as a way to protect their assets. Lower-income individuals might prioritize other financial needs and rely on government assistance programs for long-term care.

Health Status:

Individuals in optimal health seize the opportunity to acquire long-term care insurance while qualifying for lower premiums. Those with pre-existing health conditions, however, might encounter challenges in securing coverage or face heightened premium rates.

Family History:

A family history of chronic conditions or long-term care needs might prompt individuals to consider purchasing insurance to lessen potential future costs.

Cultural and Ethnic Background:

Cultural attitudes towards caregiving and long-term care significantly shape purchasing choices. While some cultures emphasize familial caregiving, others view insurance as a means to alleviate potential caregiving burdens, reflecting distinct societal norms.

Awareness and Education:

A heightened awareness of the costs and complexities associated with long-term care fuels increased interest among educated individuals, who recognize insurance as an integral component of comprehensive financial planning.

Geographic Location:

Varied regional long-term care costs and service availability exert influence, driving residents of high-cost care regions to prioritize insurance coverage.





Empowering the Future

Life with Long-Term Care Insurance emerges as a transformative solution in the landscape of employee benefits. In contrast to the historically expensive and elusive nature of long-term care coverage, this hybrid plan presents a pivotal shift. It empowers policyholders by protecting assets, instilling peace of mind, and offering the autonomy to select preferred care options. By integrating such plans into a company's benefits package, affordability is enhanced, and coverage is assured within defined limits.

Crucially, the journey towards embracing Life with Long-Term Care Insurance hinges on awareness and education. Through strategic plan designs, competitive price points, and personalized communication strategies, employees gain a clearer comprehension of the benefits at their disposal. This approach paves the way for broader participation, ensuring that this advantageous benefit becomes an integral element of holistic financial planning.

