



New Trends in Long-Term Care Insurance: 2025 Update

Introduction

The long-term care insurance (LTCI) landscape is evolving rapidly in 2025, bringing both challenges and innovations for consumers and providers.

Demographic shifts, technological advancements, and regulatory initiatives are shaping how Americans plan for and access long-term care coverage.

Key Trends Affecting Long-Term Care Insurance

1. Rising Premiums and Cost Pressures

- Premium increases continue to be a top concern, driven by higher claims, inflation, and expanding needs due to an aging population.

- Policyholders are urged to review their options carefully as rate hikes change the affordability landscape for traditional LTCI.

2. Growth of Hybrid and Combination Products

- Hybrid policies—which bundle life insurance or annuities with long-term care benefits—are

surging in popularity, outpacing new sales of traditional standalone LTCI policies.

- These products offer more flexibility, guaranteed premiums, and benefits for beneficiaries if long-term care is not needed, addressing the “use it or lose it” concern inherent to standalone LTCI policies.

- Short-term care (STC) insurance, providing up to 12 months of coverage, is also on the rise as a cost-effective alternative for some consumers.

3. State-Led LTC Insurance

Programs and Regulatory Change

- Several states are piloting or discussing state-mandated long-term care insurance programs, inspired by Washington State's pioneering model.
- Proposals aim to expand LTC coverage through employer mandates and public-private partnerships—potentially reshaping the regulatory landscape and increasing consumer options.

4. Technological Advancements Reshaping Insurance and Care

- AI and machine learning are modernizing underwriting, making risk assessment more accurate and creating personalized policies based on health data and lifestyle factors.

- Digital platforms and apps allow customers to manage their policies, file claims, and receive support online, streamlining the traditionally cumbersome insurance process.

- Wearable tech and remote monitoring enable continuous health tracking, which can inform insurers and facilitate earlier interventions, possibly lowering claims.

- Telehealth and remote care options are becoming integral to LTCI coverage; however, many existing policies are slow to adapt to and fully cover these innovative services.

5. Enhanced Consumer Education and Sales Channels

- Independent agents and online marketplaces are providing consumers with broader access to LTCI options, allowing easier comparison shopping and personalized recommendations.

- Increased transparency around premium increases and policy options is improving, albeit unevenly, as insurers respond to consumer demand for clarity.

6. Emphasis on Aging in Place and Expanded Coverage

- There is a growing trend in policies that support aging in

place, offering benefits for in-home care and community-based services rather than just facility-based care.

- This shift reflects retirees' preferences and is driving insurers to adapt policy offerings and benefit structures accordingly.

Looking Ahead: Opportunities and Challenges

The LTCI market in 2025 is defined by both higher costs and expanded, more flexible coverage options. As technology continues

to reshape care delivery and insurers innovate to meet changing consumer needs, stakeholders must remain vigilant about regulatory changes and proactive in consumer education. Policyholders and those considering LTCI should:

- Explore hybrid and combination products for more tailored solutions.
- Stay informed about state-led initiatives that might impact costs or eligibility.

- Take advantage of digital tools for better policy management and support.
 - As the population ages and care needs grow, adapting to these major trends will be essential to securing effective long-term care protection.
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