



## **Growth of Hybrid Long-Term Care Insurance Products**

# What Are Hybrid Long-Term Care Products?

Hybrid long-term care (LTC) products combine traditional life insurance or annuities with long-term care coverage. These policies address consumer concerns about “use it or lose it” in standalone LTC insurance: if you don’t need long-term care, your beneficiary still receives a death benefit.

## Trends Fueling Growth

- **Market Share Surge:** Hybrid LTC policies now account for approximately 85% of new LTC-

related policy sales in the United States—a dramatic rise from less than 25% a decade ago. This growth has outpaced the sale of traditional LTC insurance by a wide margin as more carriers have introduced new hybrid products.

- **Consumer Preferences:** Many consumers are drawn to the dual-benefit structure—receiving either LTC benefits during their lifetime or a death benefit for their heirs. The inflexibility and rising premiums of standalone LTC

policies have driven many to seek hybrids.

- **Stable Premiums:** Hybrid policies typically offer guaranteed level premiums, which won't increase over time—unlike traditional LTC policies where rate hikes have become common.

- **Flexible Payment Options:** Insurers offer single-pay, limited-pay (e.g., 5- or 10-year) plans, or annual-pay-for-life options. This makes it easier for consumers to select a plan that matches their financial situation.

- **Broader Acceptance:** Hybrid LTC policies usually have more flexible underwriting standards, making it easier for older or less healthy applicants to qualify compared to traditional LTC insurance.

# Notable Product Features

Feature	Hybrid LTC Products	Traditional LTC Insurance
Death Benefit	Yes	No
Premium Guarantee	Locked/No Increases	Not guaranteed
Cash Value	Yes, can be surrendered	None
Payment Choices	Lump sum or limited years	Lifetime annual premiums
Benefit Type	Cash or reimbursement	Primarily reimbursement
Tax Benefits	Yes (if tax-qualified)	Yes (if tax-qualified)

## Market Statistics

- In the U.S., sales of hybrid LTC products have more than doubled since 2015, with over 450,000 hybrid policies sold annually.
- Hybrid LTCI policies now represent over 25% of all new individual life insurance policy sales in the U.S..

- Insurers such as Nationwide and OneAmerica lead the way with innovative, flexible hybrid LTC solutions that integrate substantial long-term care benefits, guaranteed death benefits, and premium stability.

## Why Hybrid LTC Products Are Dominating

- **Cost Stability:** Unchanging premiums are crucial for retirees on fixed incomes.

- **Policy Flexibility:** Policyholders can receive care at home, in assisted living, or in



skilled nursing facilities, often with cash indemnity payouts for maximum freedom.

- Dual-purpose Security: Heirs benefit financially even if LTC coverage is not used.

### Considerations for Consumers

- Hybrid LTC products tend to cost more upfront but can be more cost-effective in the long run due to their multi-use benefits and stable premium structure.

- Ideal for individuals aged 50–65, who can leverage

maximum benefits for both LTC and life insurance coverage.

## Conclusion

Hybrid long-term care insurance products have rapidly become the dominant choice for Americans seeking protection against future care expenses. Their surge is driven by consumer desire for flexibility, predictability, and value—making them a cornerstone of modern retirement and estate planning

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CHUCK@POWER10FINANCIAL.COM  
941.777.4901  
POWER10FINANCIAL.COM

