

Hybrid insurance on the rise: a new era for long-term care protection

LIMRA/EY US individual life combination LTC survey



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Executive summary

Long-term care (LTC) is a growing concern driven by an aging population and rising health needs. More than half of people turning 65 will need LTC support,¹ but many lack the financial resources or insurance to cover it. Public programs such as Medicare and Medicaid offer limited help. Rising LTC costs, especially for labor, are outpacing inflation. Personal savings, family support or private insurance are often insufficient or hard to access.

The traditional, stand-alone LTC market has faced challenges, with many carriers exiting the market and consumers experiencing significant rate increases on older products. In response, insurers have embraced innovation by shifting from traditional LTC insurance to offering life insurance products with LTC benefits, broadly known as combination LTC products. These hybrid offerings are now the leading private LTC insurance solution, combining financial protection with LTC coverage.² The growing popularity reflects strong market momentum and the potential to meet evolving consumer needs. While business volume continues to rise, insurers are navigating challenges around product complexity, distribution, technology, risk management and regulatory requirements—areas that also present opportunities for differentiation and growth.

This executive summary provides strategic insights from the *LIMRA/EY US 2025 individual life combination LTC survey*. Based on responses from 35 insurance companies and nine executive interviews, the report highlights market dynamics, business strategies, distribution landscape, risk management, technology and operational imperatives shaping the future of combination long-term care insurance. This survey was jointly administered by LIMRA and Ernst & Young LLP (EY US) and is a follow-up to the first *LIMRA/EY US 2018 individual life combination LTC survey* and its report, titled *Combination Products: A One-Stop Solution?*



¹ Houser, Ari, “Most Americans Will Need Long-Term Services and Supports in Their Lifetimes; Many Will Face Economic Hardship as a Result,” ltsschoices.aarp.org, 28 May 2024.

² Combination LTC products also include annuity combination LTC products as well as workplace LTC solutions, but the focus of this research is on the individual life combination LTC market.



Key findings

Market dynamics and consumer demand

Consumer demand for LTC protection remains robust, with 63% of individuals expressing a need for LTC-focused insurance. This demand has accelerated the shift from traditional stand-alone LTC insurance products to hybrid life combination LTC offerings. These products deliver dual value – financial protection and flexibility – resonating strongly with younger generations and caregivers of those with LTC needs.

Business strategy insights

Insurers are executing targeted strategies to meet market needs and diversify portfolios. Chronic illness (CI) riders are integrated into broader life insurance portfolios, while LTC riders and linked benefit products require specialized sales strategies. Strategic levers include competitive product design, expanded distribution, pricing optimization and brand differentiation.

Market segmentation and product innovations

The market continues to focus on mass affluent consumers aged 45-64 with household incomes above \$100,000. However, younger consumers are also showing strong interest, and the middle-income segment remains underpenetrated. Longer premium structures and workplace-distributed products are emerging as viable strategies to unlock this segment. Indexed universal life (IUL) insurance remains the preferred chassis, while variable universal life (VUL) is gaining traction among high-net-worth individuals.

Distribution and consumer engagement

Distribution remains anchored in independent agents, affiliated agents and broker-dealers. Newer carriers rely on LTC-savvy distributors, while experienced players deepen existing relationships. Marketing efforts are distributor centric, but carriers recognize the importance of educating consumers and caregivers who understand the value of LTC planning.



Underwriting

Underwriting protocols have matured significantly since the 2018 survey. Over 60% of carriers now utilize six or more data inputs, including pharmacy checks, cognitive assessments and analytics. These expanded protocols reflect a more sophisticated approach to managing morbidity risk and pricing accuracy.

Despite these advancements, gaps remain. Many carriers lack in-house morbidity underwriting expertise and rely on external vendors or simplified approaches. The industry continues to explore emerging technologies such as artificial intelligence (AI), biomarker testing and digital cognitive tools to enhance risk prediction and streamline processes. Balancing speed-to-issue with thorough risk assessment remains a priority for strategic planning.

Technology

Technology investment is critical to operational efficiency and scalability. Legacy systems pose challenges for administering living benefits, prompting carriers to prioritize front- and middle-office integration. While AI is still in early exploration, it is expected to play a growing role in underwriting, claims automation and customer engagement.

Carriers are taking varied approaches to address infrastructure limitations, including building proprietary systems, purchasing third-party solutions and outsourcing. Claims processing remains largely manual, highlighting the need for scalable infrastructure and automation to support future growth and innovation.

Product development and operation challenges

Combination LTC products are more complex and time intensive to develop than traditional life insurance. Bottlenecks include design, product filing and system updates. A shift toward in-house expertise is underway, driven by the need for better risk management and faster development cycles. However, limitations in technology and modeling continue to hinder progress; therefore, strategic investment in these areas is essential to support innovation, streamline processes and enable scalable growth.

Outlook

Looking ahead, carriers expect that product innovation will be a key differentiator. Policies with longer premium structures and workplace products show promise for expanding access. Legislative developments such as the Washington Cares Act and Well-Being Insurance for Seniors to be at Home Act (WISH Act) may reshape the market, and insurers are well positioned to influence policy through advocacy and collaboration.

Key areas for strategic investment

1. Prioritize product innovation to meet evolving consumer needs and expand market reach.
2. Invest in scalable technology infrastructure to support underwriting, claims and policy administration.
3. Strengthen in-house expertise in morbidity underwriting and actuarial modeling to accelerate product development.
4. Explore partnerships with distributors with strong middle-market connections and strengthen distributor relationships through platform integration, training and support.
5. Enhance consumer education initiatives, particularly targeting caregivers and younger demographics.
6. Engage proactively with policymakers to shape future LTC legislation and promote public-private collaboration.

In summary, the combination LTC market is poised for continued growth. By aligning strategic investments with evolving consumer needs and market dynamics, insurers can lead the transformation of long-term care solutions and deliver sustained value to stakeholders.



Introduction

Companies currently in the market primarily offer three types of combination products:

- Individual life combination LTC
- Annuity combination LTC
- Workplace life combination LTC

While annuity combination LTC products are not covered in this survey, there is a separate supplemental report *LIMRA/EY US 2025 workplace life combination LTC survey*, titled *The next frontier: the evolving workplace life combination LTC market*, that covers workplace life combination LTC products. This report focuses on the following individual life combination LTC products:

01 Chronic illness rider: Insurance with a chronic illness acceleration rider (governed by Section 101(g) of the Internal Revenue Code) provides an advance payment of the death benefit for chronic illness care needs. The chronic illness benefit payout is limited to a maximum of 100% of the death benefit. CI riders may be structured with or without an up-front charge and include the following types:

- a. Up-front charge CI rider is a CI acceleration rider with an upfront charge added to the premium payment, with monthly benefits specified at policy issue.
- b. Discount CI rider is a CI acceleration rider without an up-front charge, with monthly benefits determined at the time of a claim.

02 LTC rider: Insurance with an LTC acceleration rider (governed by Section 7702(b) of the Internal Revenue Code), provides an advance payment of the death benefit for long-term care needs. The LTC benefit payout is limited to a maximum of 100% of the death benefit.

03 LTC linked benefit: Insurance with an LTC acceleration rider and an extension of benefit (EOB) rider (both are governed by Section 7702(b) of the Internal Revenue Code) allows a long-term care benefit payout that may exceed the death benefit.

This report, based on a survey of 35 insurance companies (including 23 that are currently active in the market), focuses primarily on insurers that offer individual life insurance combination products. Additionally, qualitative interviews were conducted with nine of the carriers active in the individual life combination LTC market. Carriers were also surveyed to provide details about the products that they sell. Of the 23 carriers active in the combination market, 18 responded. The research offers a review of the market, business strategy, distribution landscape, risk management and technology as well as identifies the key industry issues, highlight concerns and challenges and provide a future market outlook. This survey was jointly administered by LIMRA and Ernst & Young LLP (EY US) and is a follow-up to the first life combination LTC market survey conducted in 2018, *Combination Products: A One-Stop Solution?*

This current report includes two appendices. Appendix A provides a summary of survey responses as well as selected charts from prior LIMRA surveys. Appendix B summarizes product features of life combination LTC products from several companies offering combination LTC products.

01

Chapter

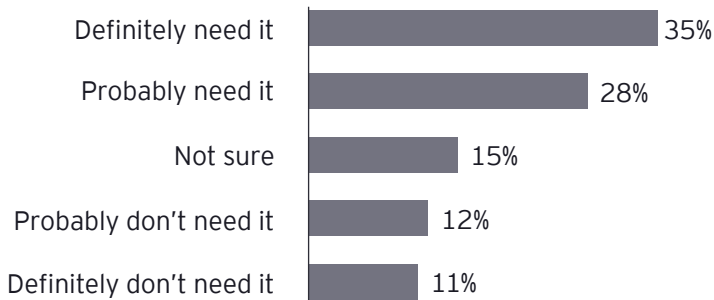
Market snapshot

The need for long-term care protection remains a top concern for consumers. According to LIMRA's *Consumer Perspective on Combination Products 2024* study, 63% of consumers say they definitely or probably need LTC-focused insurance products (see *Figure 1*). As consumers seek solutions to ease the financial burden of LTC events, interest in insurance products that offer such protection continues to grow.

As a result, sales of private LTC life insurance solutions have continued to grow steadily, with momentum shifting from stand-alone to life combination LTC products. These products currently account for most new sales, reflecting their appeal to consumers and their alignment with evolving market needs (see *Figures 2 and 3*).

Figure 1: Consumers recognize the need for LTC insurance

People recognize the need



Source: LIMRA's *Consumer Perspectives on Combination Products 2024*
Totals may not equal 100% due to rounding

Over the past several decades, the LTC insurance market has undergone significant transformation. The traditional stand-alone LTC insurance industry experienced a full cycle of growth and contraction, with over three-quarters of stand-alone LTC carriers exiting the market by 2012 due to profitability challenges.

In response to sustained consumer demand for LTC insurance, insurers have introduced new combination products that integrate LTC benefits with life insurance and annuities. These hybrid solutions offer consumers both protection and financial flexibility, helping to fill the gap left by the exit of traditional stand-alone LTC offerings.

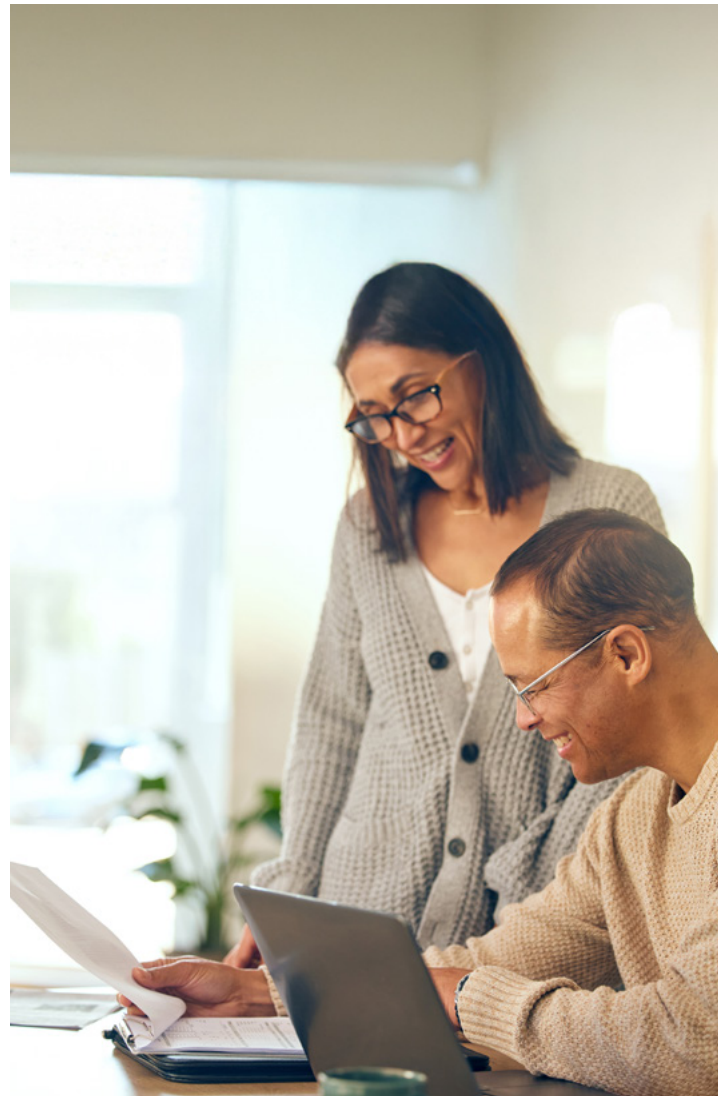
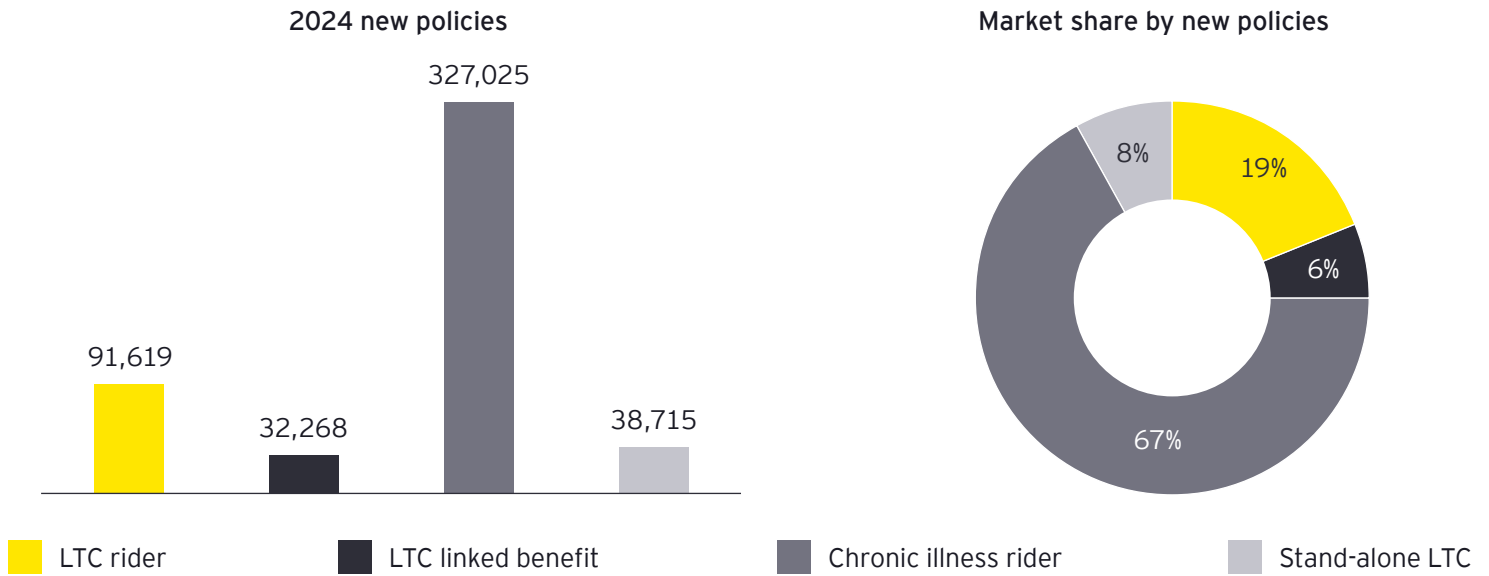


Figure 2: Sales of combination LTC products represent a larger share of LTC market

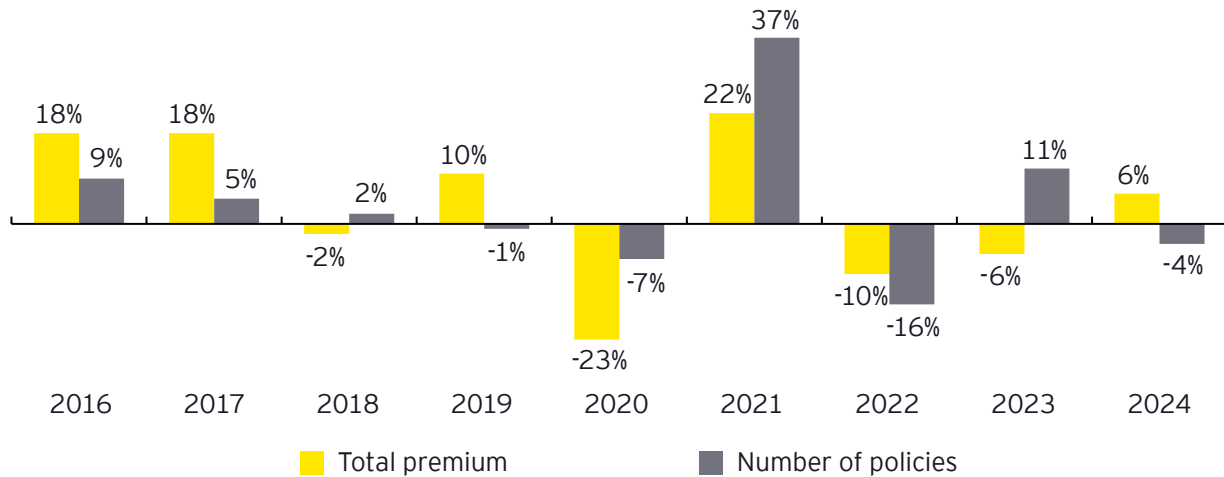
Individual long-term care solutions



Source: LIMRA's 2024 Annual Individual Long-Term Care Sales Survey and 2024 Annual Combination Product Sales and In-Force Survey

Figure 3: Sales of combination LTC products

Combination product sales trends



Source: LIMRA's 2024 Annual Combination Product Sales and In-Force Survey

While individual life combination LTC products continue to dominate the combination LTC market, workplace-distributed combination products are gaining some traction. Meanwhile, although the annuity combination LTC market remains small, several insurers are actively exploring its potential as a growth area.

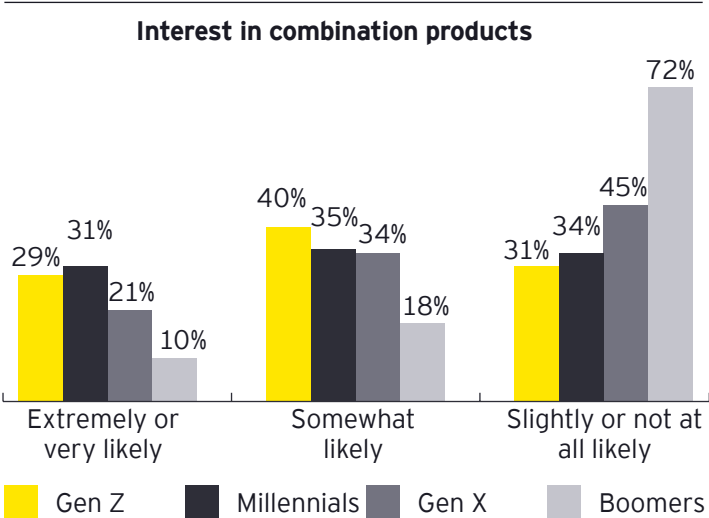
Interest in combination LTC products varies significantly by generation (see Figure 4). Gen Z and millennials show the strongest interest in combination LTC products, followed by Gen X, while baby boomers express the least enthusiasm.

For younger generations, the appeal lies in both:

- Protection against future LTC needs for themselves or aging relatives
- The opportunity for asset growth and accumulation through hybrid insurance vehicles

Personal experiences also play a role. Individuals who have served as primary caregivers for family members are significantly more likely to purchase combination products (see Figure 5).

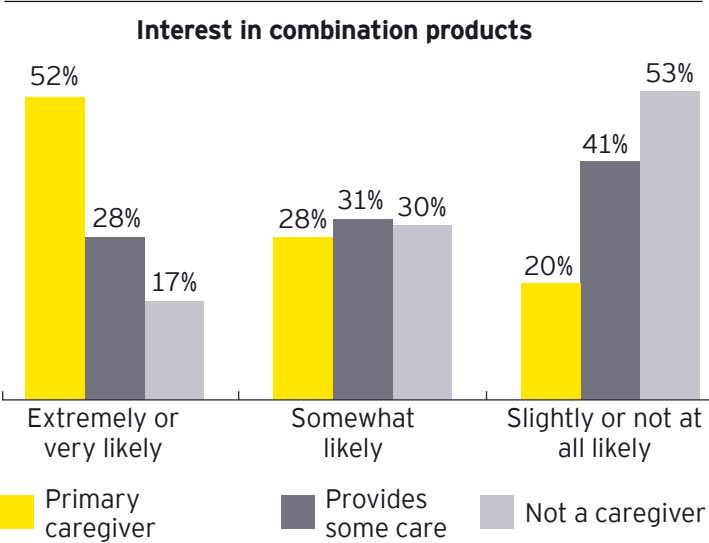
Figure 4: Younger generations are the most interested in combination products



Source: LIMRA's Consumer Perspectives on Combination Products 2024



Figure 5: Primary caregivers are the most interested in combination products



Source: LIMRA's Consumer Perspectives on Combination Products 2024

The evolving landscape of LTC insurance is being shaped by a combination of external pressures and internal industry responses. Various forces are driving increased demand for combination LTC products. On the external fronts, macroeconomic conditions, shifting regulatory and legislative frameworks, and the emergence of state and federal public programs and the limitations of non-insurance solutions (e.g., self-funding) have made a broader range of customers more aware of the need for long-term care coverage offered by insurance companies.

Internally, insurers are responding with strategic shifts that prioritize innovation and adaptability. Investments in product design, operational capabilities and pricing enhancements have led to offerings that better align with consumer expectations. These developments have improved the accessibility and flexibility of LTC solutions.

02

Chapter

Business drivers and strategy



The sharp decline in the stand-alone LTC market has prompted insurers to re-evaluate their product strategies. Many have identified compelling business reasons to enter or expand in the combination LTC product space, but the primary motivation of fulfilling a market need remains consistent with the 2018 survey. Some carriers have also introduced combination LTC products to round out their product portfolio, offering a more comprehensive suite of solutions (see *Figure 6*).

In addition, as the combination LTC product market space grows and matures, distributors are also gaining more confidence with selling these types of products, and carriers have decided to enter the market space based on their advisors' request. Some distributors prefer combination products with CI riders, which require less training than a stand-alone LTC product or a life product with an LTC rider. In contrast, distributors with prior experience in selling stand-alone LTC may be more willing to sell a combination product with an LTC rider.

Figure 6: Insurers recognize many business drivers to offer combination LTC products

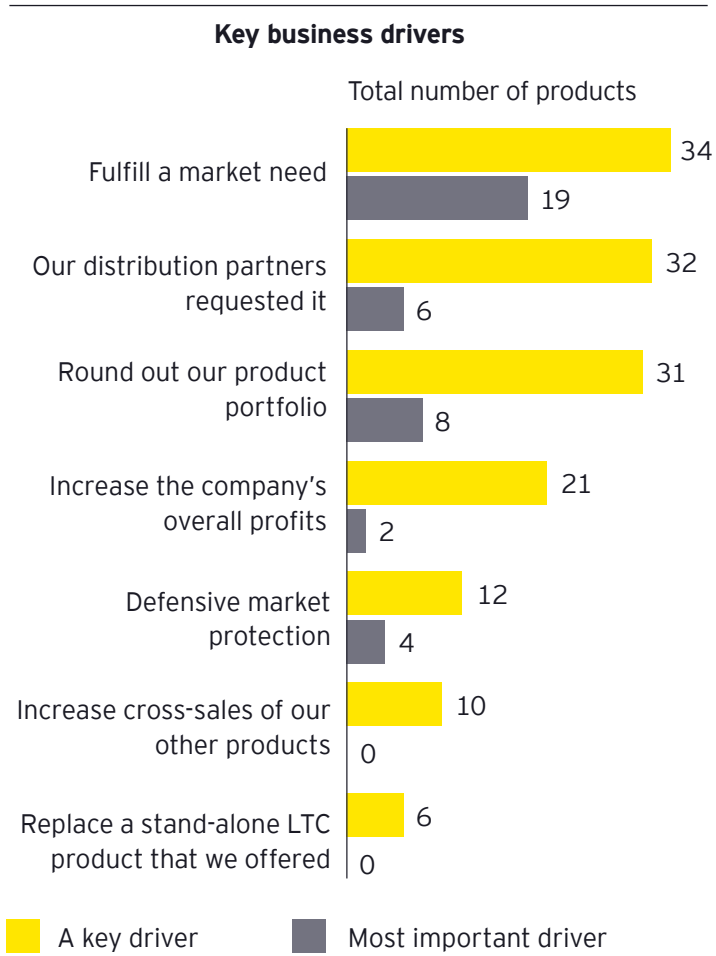
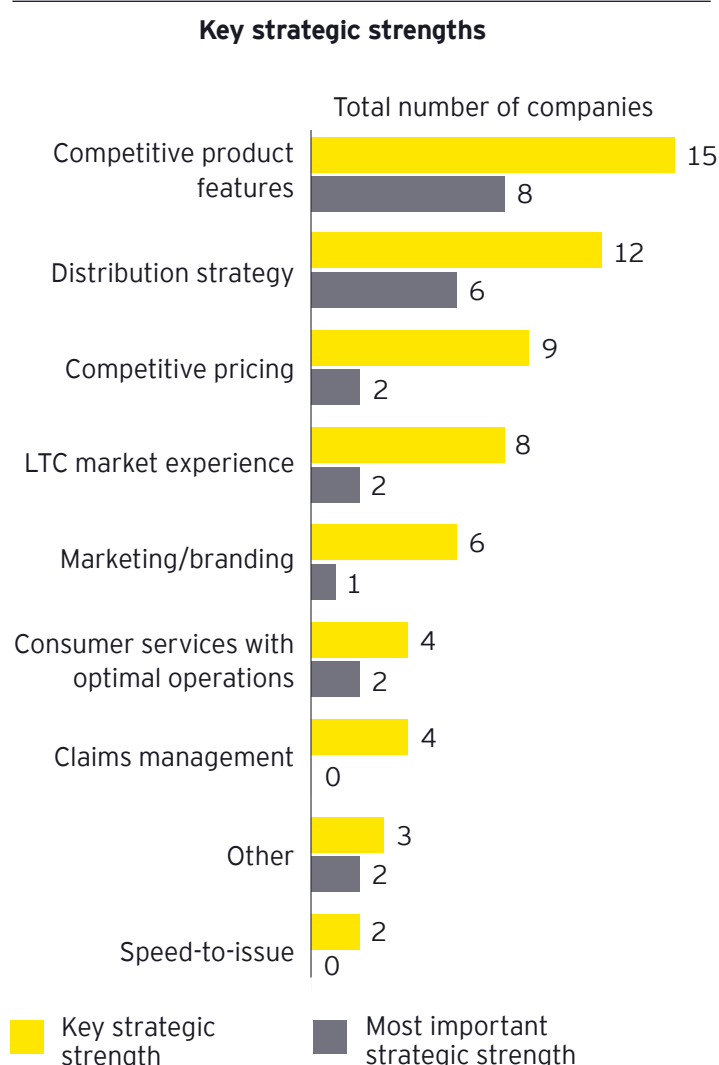


Figure 7: Insurers are embracing different strategies to compete in the combination LTC market



Across the combination LTC industry, carriers are employing a range of strategic levers to compete effectively:

- Designing competitive product features to align with evolving consumer needs.
- Expanding into new distribution channels or strengthening existing partnerships by geography, advisor type or consumer segment.
- Addressing affordability concerns through pricing competitiveness while maintaining profitability.
- Leveraging existing market brand, reputation and LTC experience.

As seen in *Figure 7*, companies focus on what they consider most important for their business based on their own overall enterprise goals, inherent strengths, branding and positioning, internal capabilities, stakeholders' interests, and external factors.

Some carriers work closely with distribution partners to tailor product features and track consumer trends:

- Several insurers have begun offering longer premium periods to reduce up-front costs and improve accessibility and affordability. However, many of these recurring, longer-pay premiums are still out of reach for middle-market consumers, suggesting that further innovation is needed. Some companies are currently seeing sales among the middle market with smaller face amounts and premiums.
- Consumers are exploring more investment-based product structures due to increasing care costs. Indexed universal life remains a popular product chassis due to strong stock market performance and principal protection. In contrast, variable universal life, which lacks principal protection, presents a more uncertain proposition during economic volatility. However, VUL may appeal to high-net-worth individuals with greater risk tolerance. Notably, more carriers are offering VUL products today compared to 2018.
- Both mass affluent and middle-market consumers value clear, guaranteed benefits such as indemnity-style payouts, as well as premium stability and straightforward product structures. These preferences highlight the importance of designing products that not only meet financial constraints but also communicate value clearly.

Other carriers with more experience in the LTC market continue to leverage their existing brand with distributors as a key competitive advantage. While not a top key strategic strength, this still may pose additional barriers to entry for companies that don't have deep LTC experience.

Sales and business strategies also vary by the type of rider offered on a combination product. For chronic illness riders, which are seen as a "nice-to-have" add-on, distribution and business strategies follow the company's broader life portfolio strategy. On the other hand, for LTC riders or LTC linked benefit products, distribution partners focus more on LTC sales with a dedicated LTC lead sales target.

03

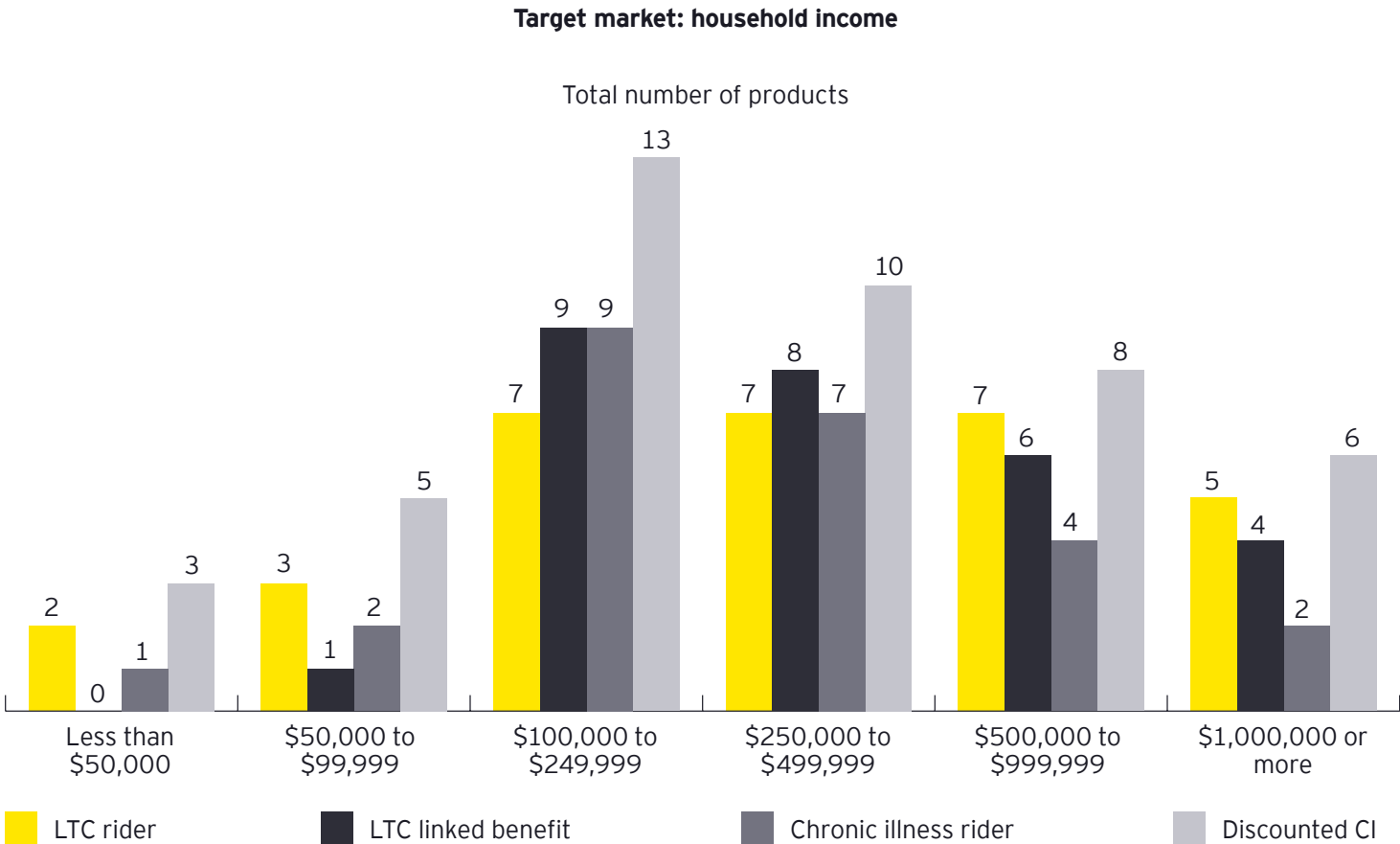
Chapter

Market segmentation

While there is consumer interest among caregivers and millennials regardless of income, the combination LTC product market focuses primarily on the mass affluent consumer segment, consistent with the stand-alone LTC market. Most offerings target households exceeding \$100,000 of annual income (see *Figure 8*), leaving few products designed for those earning below that threshold.

Some carriers with base life policies that already resonate with middle-income households and/or carriers with distribution partners who maintain strong relationships within the middle-income market have had better success in targeting this segment.

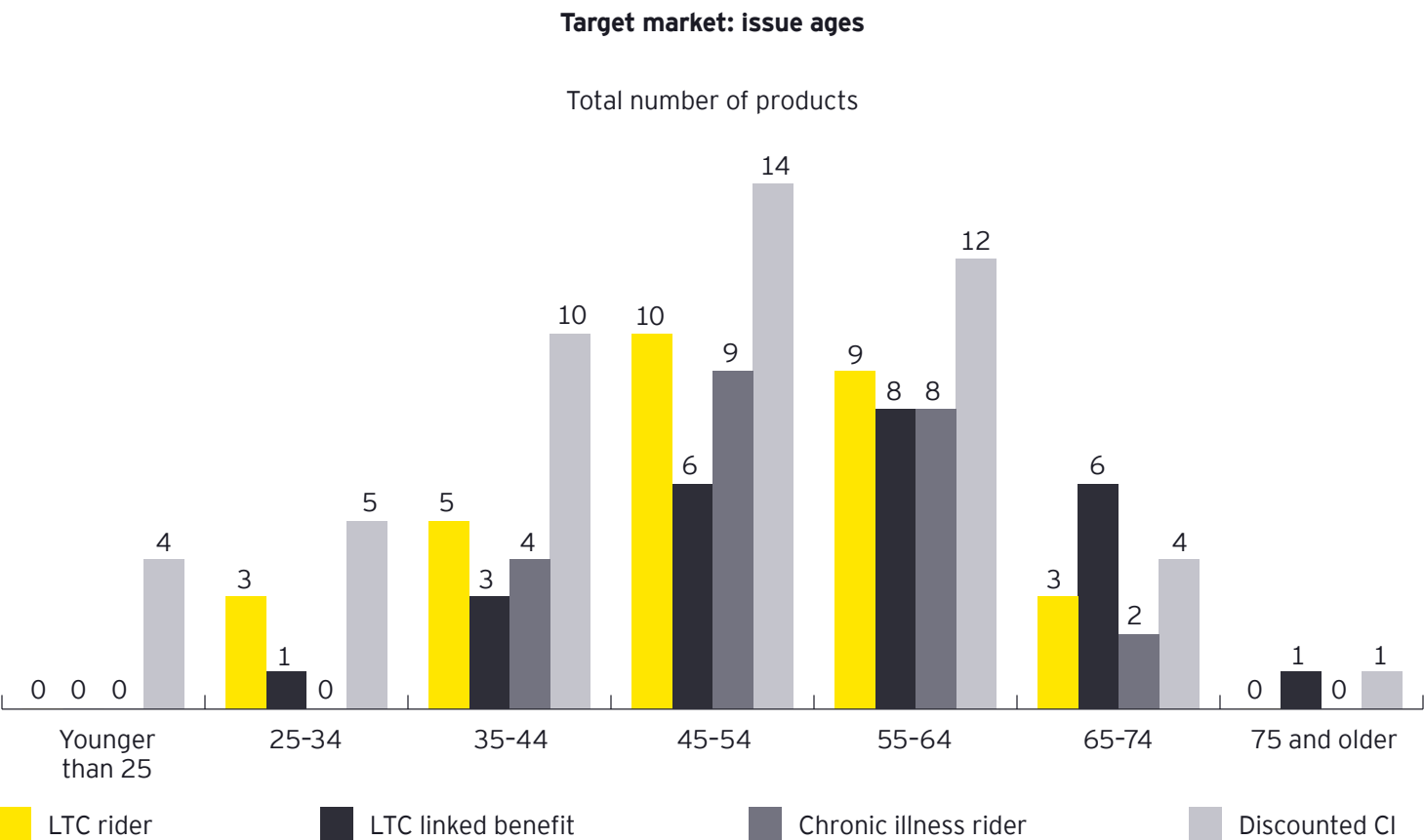
Figure 8: Combination LTC products are primarily targeted at mass affluent consumers with household income greater than \$100,000



From an age perspective, insurers are concentrating on consumers between ages 35 and 64, with the 45-64 bracket being the most actively targeted (see Figure 9). This aligns with the life stage when people typically enter their prime earning years and accumulate more savings,

making combination LTC products more financially affordable. Though younger generations appear to show more interest in combination products as discussed earlier, few may currently be able to meet the higher income levels targeted by insurers.

Figure 9: Combination LTC products are primarily targeted at consumers between the ages 45 to 64



04

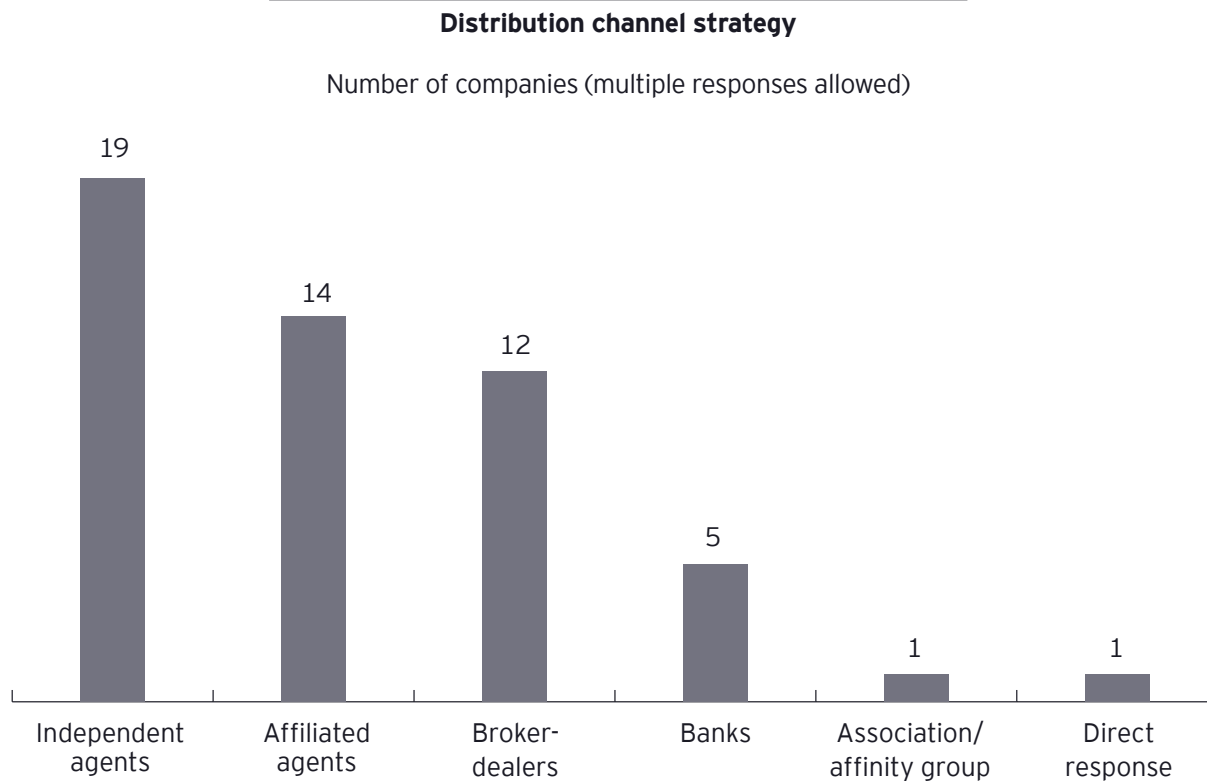
Chapter

Carrier distribution strategies

The distribution landscape for combination LTC products has remained largely unchanged since the 2018 LIMRA/EY US study. Independent agents, affiliated agents and broker-dealers continue to be the primary channels (see *Figure 10*). While it may appear that insurance carriers use banks in a limited role in distribution, the view is incomplete. This reflects only the direct relationship

between the insurance carrier and the distributor and does not consider the interdependencies within and between all the distribution channels. For example, a broker-dealer may have relationships with thousands of banks and independent agents, creating relationships that extend a carrier's reach far beyond what the data alone suggests.

Figure 10: Independent and affiliated agents and broker-dealers remain the primary distribution channels for combination LTC products



Distribution priorities vary significantly, depending largely on carriers' experience in the combination LTC market. Newer carriers (i.e., those with less than 20 years of experience) typically rely on distributors with LTC expertise and strong customer relationships. Experienced carriers (i.e., those with more than 20 years of experience) focus on expanding their reach by deepening relationships with existing partners and entering new networks and channels (see *Figure 11*).

The type of combination product shapes distribution and marketing strategies:

- Chronic illness riders are often viewed as “nice-to-have” add-ons to life insurance products. Distribution strategies for these riders typically follow the company's broader life portfolio approach.
- LTC riders and linked benefit products, on the other hand, are marketed as stand-alone long-term care protection solutions. These products often have dedicated business strategies and sales targets, reflecting their distinct value proposition.

Figure 11: Distribution strategies vary based on carriers' experience and market presence

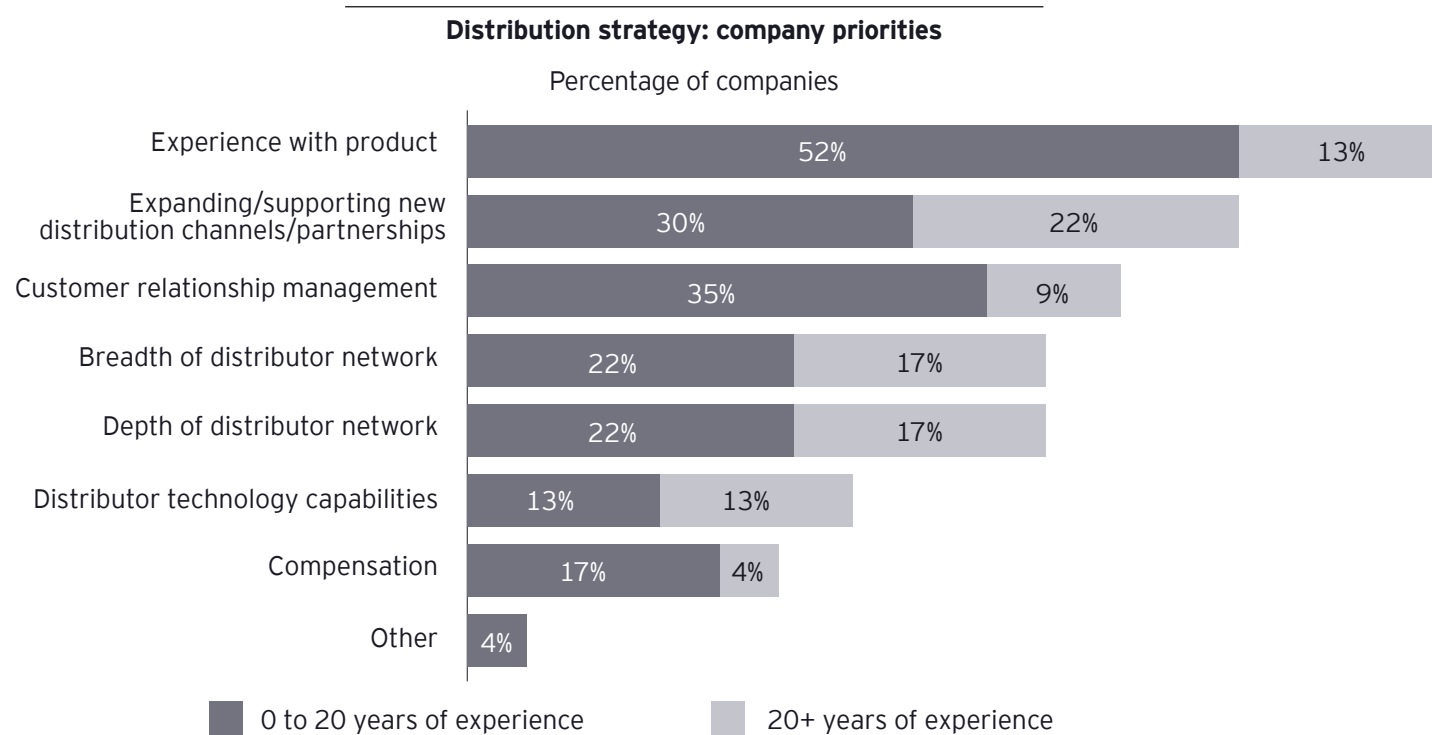
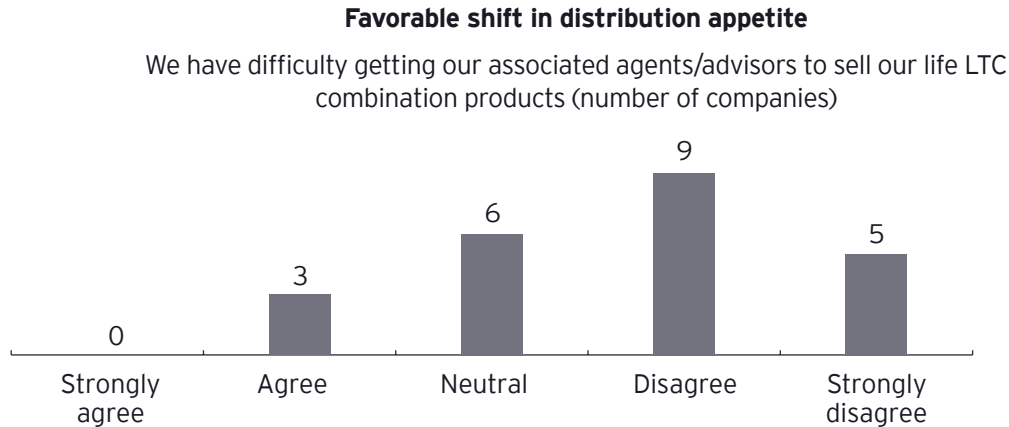


Figure 12: There has been a favorable shift in distribution appetite



Since the 2018 survey, distributors have become more comfortable selling combination LTC products. In fact, 60% of survey respondents indicated that their distribution partners embrace these offerings (see *Figure 12*). Carriers have also found that marketing combination products to distribution partners is generally more effective than targeting consumers directly, a distribution dynamic that's similar to life insurance.

Despite growing distributor interest, several challenges persist. Distributors prefer carriers to be present on their chosen platforms, requiring carriers to invest in platform integration, training, onboarding and ongoing support for external wholesalers and advisors. The setup involves substantial time, labor, training and financial resources. It also complicates product updates and innovations as rollouts must be implemented on multiple platforms.

Carriers perceive a notable disconnect between company and distributor priorities. While carriers perceive compensation as a top concern for distributors, carriers themselves rank it much lower among their strategic priorities. This disconnect underscores the importance of aligning expectations to foster stronger, mutually beneficial relationships.

Other challenges include:

- Combination LTC products require more training and education than standard life products. To address this, carriers are exploring simplified product designs with fewer complex features to make them easier for advisors to sell.
- Speed-to-issue remains a concern among field agents, with most products taking two to four weeks to issue after application.
- Carriers often prioritize marketing their brand over educating consumers about LTC needs. This reflects a broader industry dynamic where distributors are seen as the primary customer, similar to life insurance distribution.
- Creating consumer awareness remains difficult, especially when individuals have not had direct caregiving experiences. As one carrier noted, "How do you create the awareness without having (had) to take care of mom or dad?"



05 Chapter

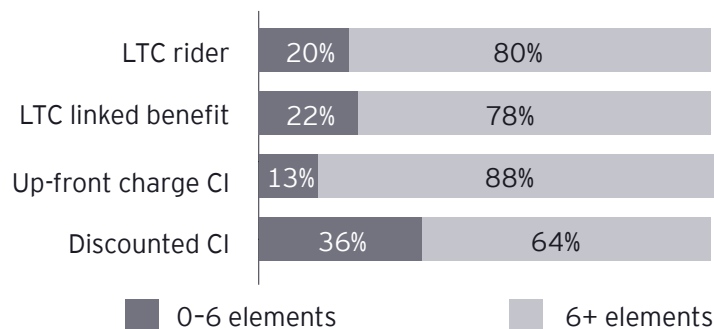
Underwriting

Companies have largely stabilized their underwriting protocols and procedures for combination LTC products. Informed by the poor morbidity experienced by the stand-alone LTC industry, rather than eliminating underwriting protocols, carriers have refined their processes. They have also expanded the protocols to include a broader range of data elements. More than 60% of carriers now use six or more underwriting inputs, such as pharmacy checks, Medical Information Bureau data, attending physician statements, cognitive assessments, online/telephone interviews and data analytics (see *Table 1 and Figure 13*). This is a noticeable improvement when compared to the last survey, where fewer than 45% of carriers used six or more underwriting inputs for combination products.

Figure 13: Carriers now use more underwriting elements than in the past

Underwriting elements: elements used by companies

Percentage of each product category



Totals may not equal 100% due to rounding

Table 1: Number of underwriting elements used for each product

Underwriting elements: using now

Percentage of each product category*

Element	LTC rider	LTC linked benefit	Up-front charge CI	Discounted CI
Pharma checks	100%	100%	100%	73%
Medical Information Bureau	100%	100%	100%	73%
Attending-physician statements	90%	78%	88%	64%
Cognitive assessments	89%	89%	75%	45%
Paramedical exams	89%	38%	86%	60%
Online/telephone interviews	88%	100%	100%	64%
Motor vehicle reports	67%	88%	71%	73%
Personal financial supplement	56%	50%	57%	55%
Data analytics	56%	13%	57%	30%
Public data sources	33%	13%	29%	30%
Face-to-face assessment	25%	13%	43%	20%
Element (plan to use in future)	LTC rider	LTC linked benefit	Up-front charge CI	Discounted CI
Data analytics	22%	38%	29%	10%

*Percentages are expressed based on the responses received.

When using cognitive tests, LTC linked benefit products tend to use similar tests as stand-alone LTC products, including the Enhanced Mental Skills Test (EMST) or the Minnesota Cognitive Acuity Screen (MCAS). Less rigorous tests, such as the clock drawing test or Timed Up & Go (TUG), tend to be used on CI riders, although some also use the Mini-Mental State Examination (MMSE). There is also an increased interest in exploring tools to catch early decline risks, especially in high-age applicants, such as the Montreal Cognitive Assessment.

As the volume and duration of in-force business grow, companies are looking to leverage their own internal experience data rather than relying solely on public sources. For some carriers, however, their own internal experience data is limited. Many are investing in the integration of underwriting and other front-office business processes.

Carriers noted that the impact of underwriting selection on pricing is smaller compared to stand-alone LTC products. For carriers, the mortality risk of the life insurance base policy provides a natural hedge to the morbidity risk of the LTC and CI benefits.

Despite progress, several gaps remain in underwriting capabilities across the industry.

Some companies have entered the combination LTC market with strong life (mortality) underwriting expertise but lack sufficient experience in underwriting morbidity risks. Whether using third-party administrators (TPAs) or in-house teams, these carriers must invest in building out data architecture, process flows and screening criteria for morbidity components. They will also need to invest in underwriter training given the pool of staff with experience in both life and living benefits is limited. As an alternative, several companies are also using an external vendor for underwriting due to insufficiency of in-house capability.

The lack of morbidity expertise has contributed to the increased offering of CI riders: The industry perceives the severity of morbidity risk for CI riders as much lower than that for LTC, so companies can better use their in-house expertise for underwriting mortality risk. In addition, given that annuities are not typically underwritten, carriers have been hesitant to offer combination products with annuities as the chassis.

Speed-to-issue is becoming a growing priority driven by distribution partners' expectations. Some carriers have implemented simplified underwriting to accelerate the process. However, a balance must be maintained; while streamlined approaches can improve turnaround times, certain consumers will still require full underwriting to ensure appropriate risk management.

Looking to the future, carriers are actively exploring emerging technologies to enhance underwriting accuracy and efficiency. These include:

- Artificial intelligence and machine learning models for cognitive risk prediction
- Genetic and biomarker testing for dementia
- Digital cognitive testing for early detection
- Neuroimaging and wearable tech for cognitive health monitoring
- Behavior and speech analysis for cognitive risk profiling

Tools in these categories will become increasingly important as companies accumulate more experience data and the duration of in-force business grows.



06 Chapter

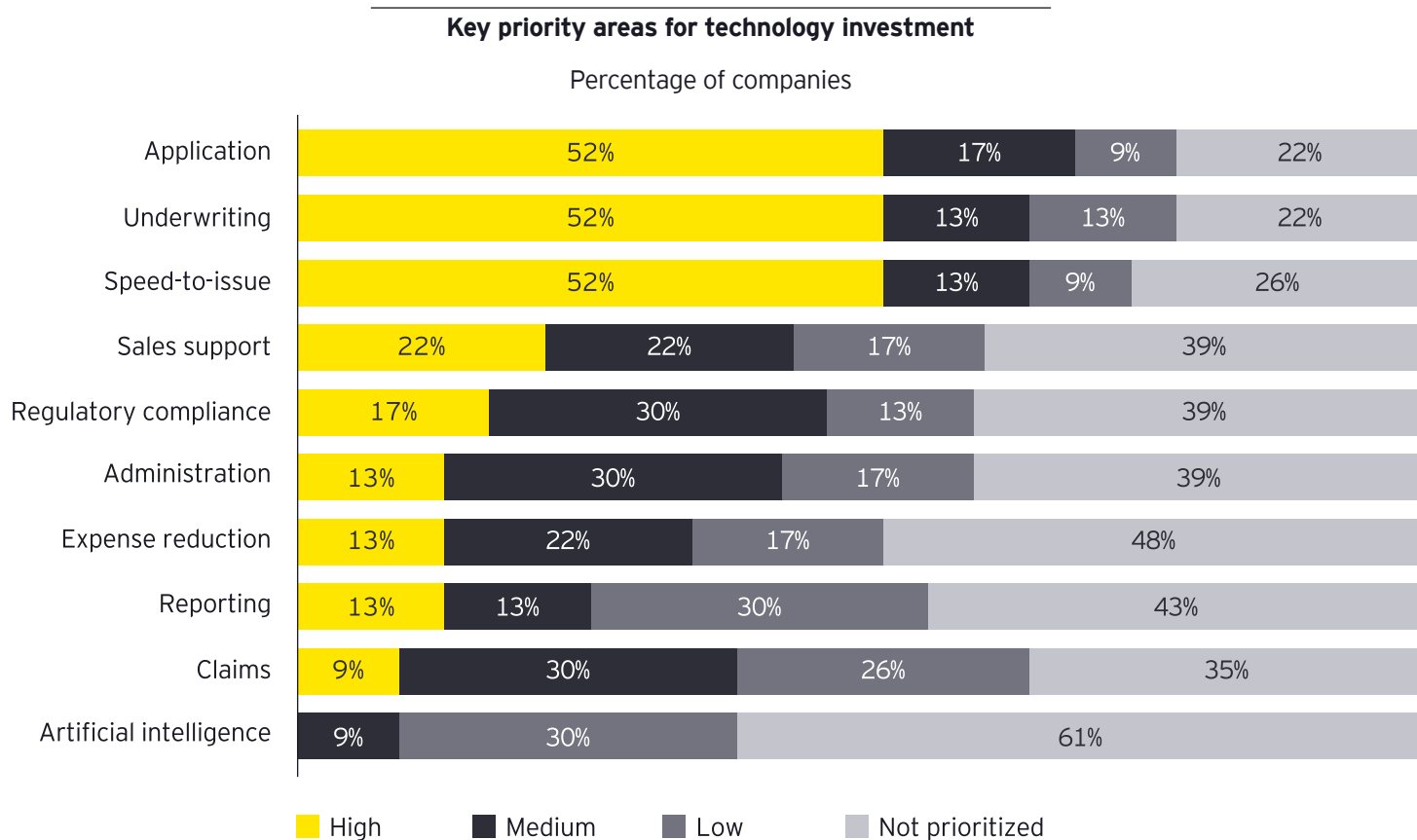
Technology



As combination LTC offerings remain a relatively new suite of products in the industry, carriers are working to optimize technology and systems across both front- and back-office operations. Existing life insurance policy administration and claims systems were designed to administer and pay death benefits, not a living benefit, leaving a gap in infrastructure to fully support combination LTC products. Administrative, claims, underwriting and actuarial platforms are often insufficient, and integration with distribution partners' systems adds further complexity.

There are many competing priorities in terms of technology investment. The cost of overhauling legacy systems is difficult to justify for a single product line, especially when those systems support a broader product portfolio. Despite this, companies believe that it is a strategic priority to invest in technology to streamline front- and middle-office activities, including application, underwriting and speed-to-issue (see *Figure 14*). Sales support ranks fourth among investment priorities, signaling a growing recognition of the need to empower sales teams with better tools.

Figure 14: Carriers are prioritizing day-one activities in their technology investments



These investments are largely focused on systems integration to automate workflows and digitize record-keeping. According to the study, 61% of respondents are focusing integration efforts on application, underwriting and policy issuance. This reflects the industry’s current emphasis on customer and distributor-facing operations (see *Figure 15*). However, there is still a lot of work to be done as only 18% of respondents report fully integrated end-to-end processes, while 23% say none of their processes are integrated.

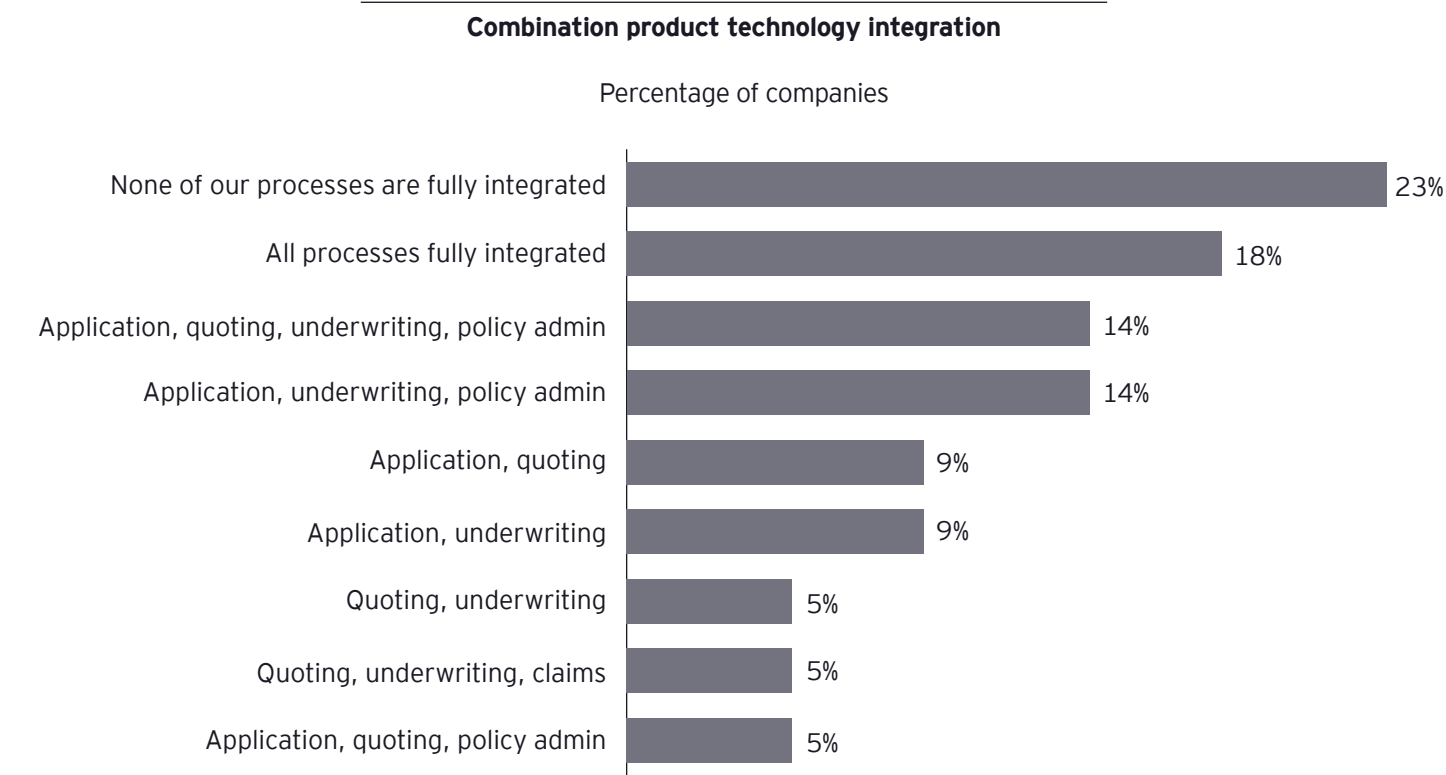
Carriers are taking varied approaches to address legacy policy administrative systems limitations. Some are building proprietary systems, others are buying third-party solutions, and many are outsourcing to manage costs and complexity (see *Table 2*). Claims processing remains particularly constrained, with many companies

lacking the scale to automate and instead relying on manual workflows. Though manual workarounds may currently work, as claims levels are relatively low, these legacy systems and manual processes continue to pose risks to the scalability and efficiency of the administration of combination products.

While AI is currently a lower-ranked investment area, it is in the exploration phase. Given the rapid pace of AI development, carriers anticipate its role will expand in the near future, particularly in areas like underwriting/claims automation and customer engagement.

As carriers prepare for future growth, strategic technology investments will be essential to support innovation, streamline operations and meet evolving market demands.

Figure 15: For most carriers, there is only limited integration for combination LTC processes



Totals may not equal 100% due to rounding

Table 2: Types of technology used in the administration of life combination LTC product*

Number of companies

Process	Purchase or build		Legacy or other system		Outsourced
	Purchase	Build	Legacy	Other	Yes
Policy administration	12	9	7	10	3
Application	11	9	5	11	3
Underwriting – rules engine	11	9	7	11	3
Policy issuance	11	10	7	9	2
Underwriting – workbench	10	9	7	9	3
Claims	8	11	7	4	5

*Not all companies responded to every subquestion within this table. Also, the “Purchase or build” and “Outsourced” questions for each process are not mutually exclusive. Some companies indicated that they purchased a system for a process but also outsourced particular task(s).



07

Chapter

Product development process

Developing combination LTC products continues to be more complex and time-sensitive than non-combination life offerings. More than half of the carriers surveyed indicated that the product development process is moderately or significantly longer for combination LTC products (see *Figure 16*) across the various rider types.

The extended timeline reflects the additional layers of complexity involved in designing, filing and implementing these products. Survey respondents identified three primary areas that contribute most to delays in the product development cycle: product filing, product design and system updates implementation (see *Figure 17*).



Figure 16: Combination LTC products take longer to launch

Length of combination product development vs. non-combination

Percentage of products

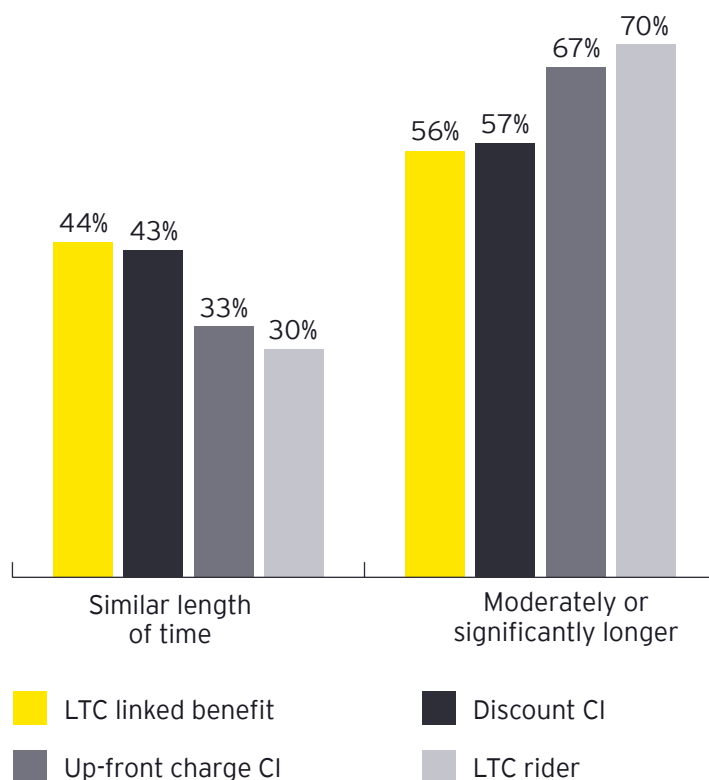
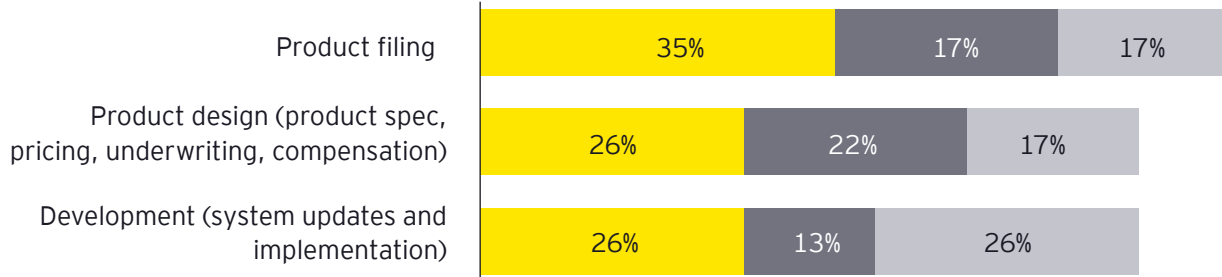


Figure 17: Product filing, design and system updates/implementation are the main bottlenecks to the development timeline

Top three longest processes in product development

Percentage of companies



Most time-consuming



Next most time-consuming



Third most time-consuming

In the 2018 survey, a few companies indicated that they relied mostly on external consultants for product development activities. In contrast, based on our interviews, there is a shift toward investing in in-house staff, while still leveraging external expertise. The shift is driven by several strategic considerations:

- Building internal risk management capabilities.
- Supporting business scale and growth, which justifies and supports additional staff and expenses.
- Accelerating product development timelines by balancing in-house and external expertise.



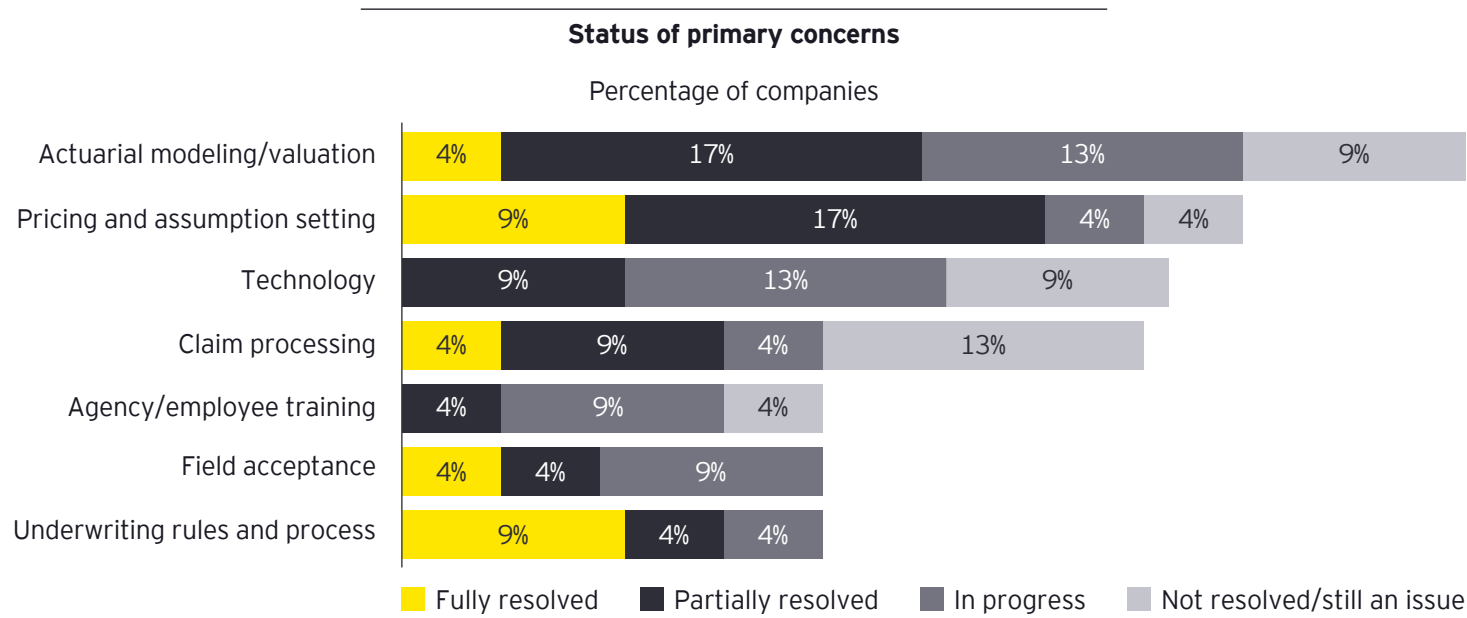
Despite these investments, many carriers continue to express concern about limited in-house capabilities, particularly in areas related to technology infrastructure and product-specific knowledge. Most carriers rely on legacy systems that lack the flexibility and functionality needed to support combination LTC products. Standard industry software packages available today lack the ability to model the complexity of these combination LTC products.

Beyond system limitations, combination LTC products require a holistic understanding of:

- Regulatory frameworks such as principle-based reserving (PBR)
- Accounting standards
- Pricing and risk management

These requirements add further complexity to the modeling and implementation process, reinforcing the need for a technology breakthrough (see *Figure 18*).

Figure 18: Carriers’ main challenges and concerns about their product development process are rooted in technology and in-house knowledge



08 Chapter

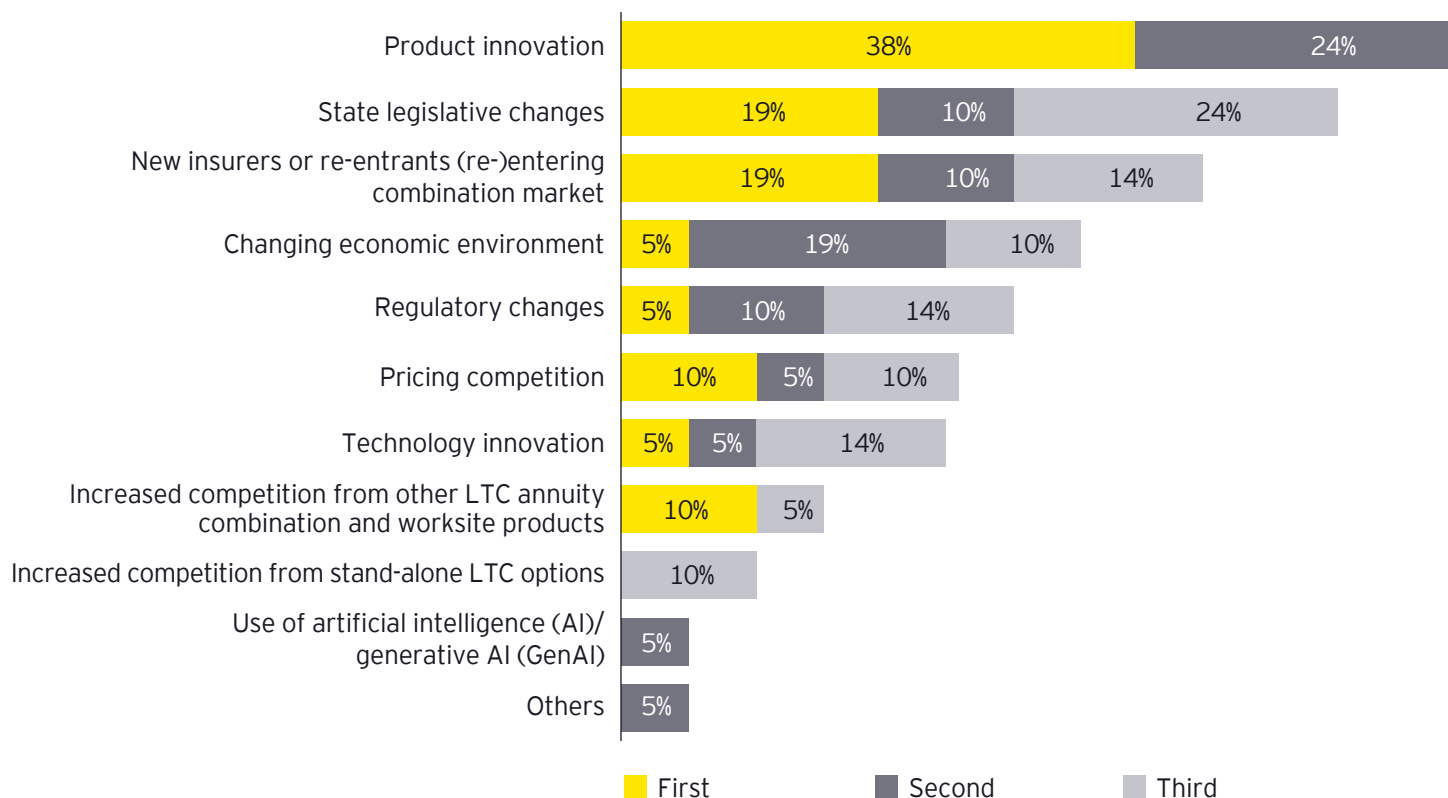
Outlook

Looking ahead, carriers anticipate several key factors to shape the future of the combination LTC insurance market. These include the pace and nature of product innovation, potential legislative and regulatory changes, the emergence of new market entrants or re-entrants, and broader economic and environmental conditions (see *Figure 19*).

Figure 19: Carriers expect a range of changes to influence the industry's future outlook

Expected changes in the industry (rank the top three)

Percentage of companies



*Percentages are expressed based on the responses received (21).

Carriers expect product innovation to be a critical differentiator in the evolving LTC landscape. They indicated that currently most new features are life insurance driven or ancillary benefits such as care coordination and wellness services. The entry of new

players and the introduction of fresh product offerings could stimulate innovation and expand consumer choice. Momentum is building around workplace and annuity combination LTC products. The annuity LTC market currently has two active carriers, two with new products

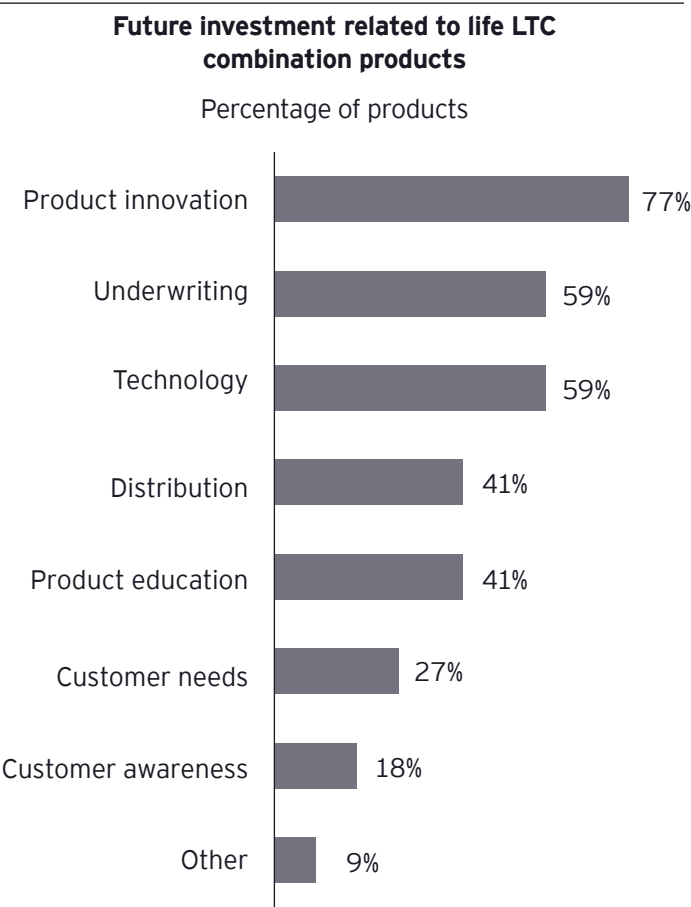
and a couple more actively exploring as of the date of this report. Annuity LTC offerings will require annuity carriers to adapt to morbidity underwriting and overcome distribution challenges.

Companies also expect limited competition from stand-alone LTC products. Although stand-alone market share is declining, two carriers revealed they are launching new stand-alone LTC products in 2025, signaling continued interest and potential for innovation in this space.

Regarding regulation, carriers are more focused on state legislation rather than federal regulatory change. There has been some activity at the state level following the Washington Cares Act, mostly around tax incentives and stand-alone rate increase limitations. The WISH Act, introduced earlier in 2025, represents the most significant activity at the federal level. If implemented, it would set up a trust fund that consumers could access for home care funding assistance. Despite this activity, most of the proposed legislation has not been approved, although it still remains an area for carriers to watch closely.

While product innovation was the top response (see Figure 20), companies identified many other areas for future investment related to overcoming some of the technology, in-house knowledge and operational challenges previously discussed. Promoting consumer awareness of LTC needs is also a priority for some.

Figure 20: Carriers' future investments in LTC combination products span many business functions



Conclusion

The LIMRA/EY US 2025 individual life combination LTC survey affirms the continuing growth and relevance of combination LTC products in meeting evolving consumer needs. Carriers are responding to demographic shifts, changing consumer expectations and market pressure with targeted investment in product innovation, technology, distribution and consumer education. While challenges remain – particularly around affordability, underwriting, actuarial modeling and infrastructure – the industry is making measurable progress in expanding access, developing talent and improving operational efficiency.

As demographic shifts and financial planning priorities reshape the market, combination LTC products are well positioned to deliver value. Sustained collaboration among carriers, distributors and policymakers will be key to unlocking future growth and advancing long-term care solutions.

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Appendix A.

2025 life combination LTC product survey

Technical supplement



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Section 01

Extracts from related LIMRA surveys

Changing landscape and meeting market demands

Table 1: Individual long-term care solutions

Product	2024 new policies	Market share by new policies
LTC rider*	91,619	19%
LTC linked benefit*	32,268	6%
CI rider*	327,025	67%
ILTCi (individual stand-alone LTC)	38,715	8%

*These are all life LTC combination products.
Source: LIMRA's 2024 Annual Individual Long-Term Care Sales Survey and 2024 Annual Combination Product Sales and In-Force Survey

Table 2: Combination product sales trends

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total premium growth	18%	18%	-2%	10%	-23%	22%	-10%	-6%	6%
Policy growth	9%	5%	2%	-1%	-7%	37%	-16%	11%	-4%

Source: LIMRA's 2024 Annual Combination Product Sales and In-Force Survey

Table 3: Sales by product line (market share)

	Term life	Indexed universal life	Traditional universal life	Variable universal life	Whole life
Policies	22%	47%	7%	8%	16%
Premium	3%	45%	19%	14%	19%
Face amount	35%	43%	3%	10%	9%

Source: LIMRA's 2024 Annual Combination Product Sales and In-Force Survey

Table 4: Workplace long-term care solutions

Current solutions

	Companies offering
LTC rider	6
LTC linked benefit	5
Stand-alone LTC	1
CI rider	1

Source: LIMRA's *Addressing LTC Needs 2024*

Table 5: People recognize the need

	Participant selection
Definitely need it	35%
Probably need it	28%
Not sure	15%
Probably don't need it	12%
Definitely don't need it	11%

Source: LIMRA's *Consumer Perspectives on Combination Products 2024*

Table 6: Interest in buying life combination products pt. 1

	2019	2020	2021	2024
Extremely or very likely	17%	23%	26%	21%
Somewhat likely	36%	45%	36%	29%
Slightly or not at all likely	48%	32%	38%	50%

Source: LIMRA's *Consumer Perspectives on Combination Products 2024*

Table 7: Interest in buying life combination products pt. 2

	Gen Z	Millennials	Gen X	Baby boomers
Extremely or very likely	29%	31%	21%	10%
Somewhat likely	40%	35%	34%	18%
Slightly or not at all likely	31%	34%	45%	72%

Source: LIMRA's *Consumer Perspectives on Combination Products 2024*



Table 8: Interest in buying life combination products pt. 3

	Primary caregiver	Provides some care	Not a caregiver
Extremely or very likely	52%	28%	17%
Somewhat likely	28%	31%	30%
Slightly or not at all likely	20%	41%	53%

Source: LIMRA's Consumer Perspectives on Combination Products 2024

Table 9: Why people are interested

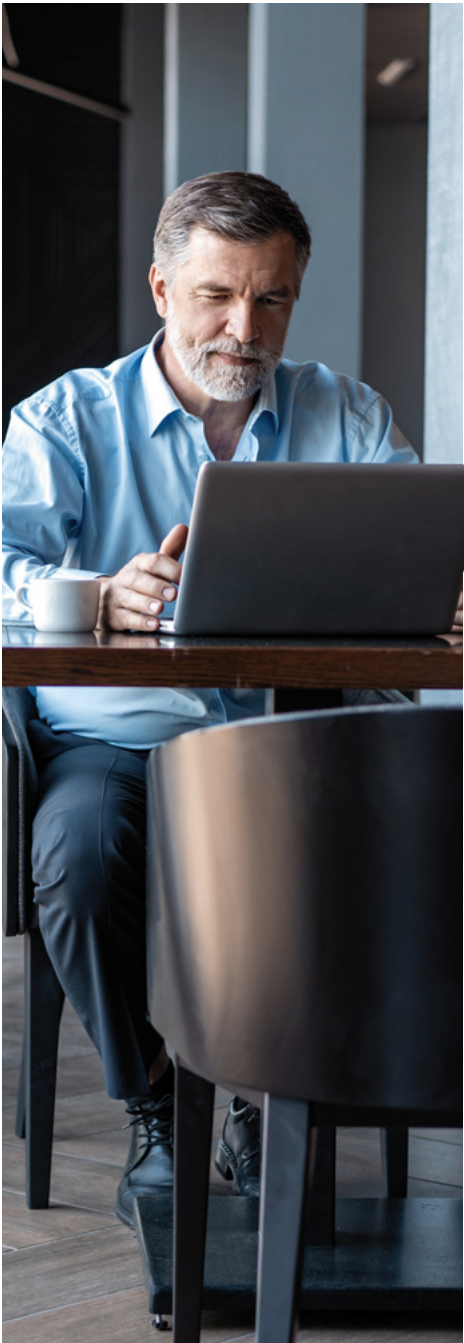
	Participant selection
Financial security and peace of mind	31%
Health/age-related needs and risks	29%
It is appealing, interesting, makes sense	28%
Secure family's financial future/ease burden	20%
Covers both life and LTC	11%
Cost-effective/good value	8%
Other	6%
Easy/convenient	2%

Source: LIMRA's Consumer Perspectives on Combination Products 2024

Table 10: Why people are not interested

	Participant selection
Too expensive/poor value	26%
Don't need it	24%
Need more information	15%
Don't like the idea	8%
Self-insured	7%
Too old/young	6%
Would not qualify	1%
Unreliable, do not trust	1%

Source: LIMRA's Consumer Perspectives on Combination Products 2024



Section 02

Survey responses

Overview

This survey is conducted to track the evolution of the life combination LTC market. The 2025 installment, which is the second such survey conducted by LIMRA and EY US, provides insights on business strategies, product development, risk management, technology, distribution landscape and market outlook.

Methodology

LIMRA and EY US surveyed 35 insurance companies to determine if they were active in the combination LTC market. Twenty-three companies responded that they were currently active in the life combination LTC market, and the results herein are based on responses from these companies. The remaining 12 companies indicated they were not active and had no plans to enter the market.

Definitions

Discounted CI	Life with chronic illness acceleration rider without an up-front charge (governed by Section 101(g) of the Internal Revenue Code)
Up-front charge CI	Life with chronic illness acceleration rider with an up-front charge (governed by Section 101(g) of the Internal Revenue Code)
LTC rider	Life/LTC combination product with long-term care acceleration rider (governed by Section 7702(b) of the Internal Revenue Code)
LTC linked benefit	Life/LTC combination product with long-term care acceleration rider and extension of benefit rider (governed by Section 7702(b) of the Internal Revenue Code)

Notes

Some questions result in multiple responses by companies, and in some instances, total responses will exceed the total number of companies surveyed.

Business and product strategy

Table 11: Years in the market

	Number of companies
0-5 years	0
5-10 years	3
10-20 years	13
20-30 years	5
30+ years	2



Table 12: Type of life combination products offered

	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
Number of products	14	10	9	9

Table 13: Versions of life combination products offered

(Number of products)

Number of versions	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
1 version	9	7	4	8
2 versions	2	3	3	1
3+ versions	3	0	2	0

Table 14: Key business drivers

(Number of products)

	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
Round out product portfolio	9	8	7	7
Distribution partners requested it	10	9	7	6
Increase company's overall profits	4	4	8	5
Increase cross-sales of other products	3	2	2	3
Defensive market protection	7	2	2	1
Fulfill market need	9	8	9	8
Replace stand-alone LTC product	1	2	1	2

Table 15: Most important business driver
(Number of products)

	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
Round out product portfolio	1	3	1	3
Distribution partners requested it	3	2	1	0
Increase company's overall profits	0	0	2	0
Increase cross-sales of other products	0	0	0	0
Defensive market protection	4	0	0	0
Fulfill market need	5	4	5	5
Replace stand-alone LTC product	0	0	0	0

Table 16: Key strategic strengths

Number of companies	Number of companies
Competitive product features	15
Distribution strategy	12
Competitive pricing	9
LTC market experience	8
Marketing/branding	6
Consumer services with optimal operations	4
Claims management	4
Other	3
Speed-to-issue	2
Consumer services with optimal technology	0

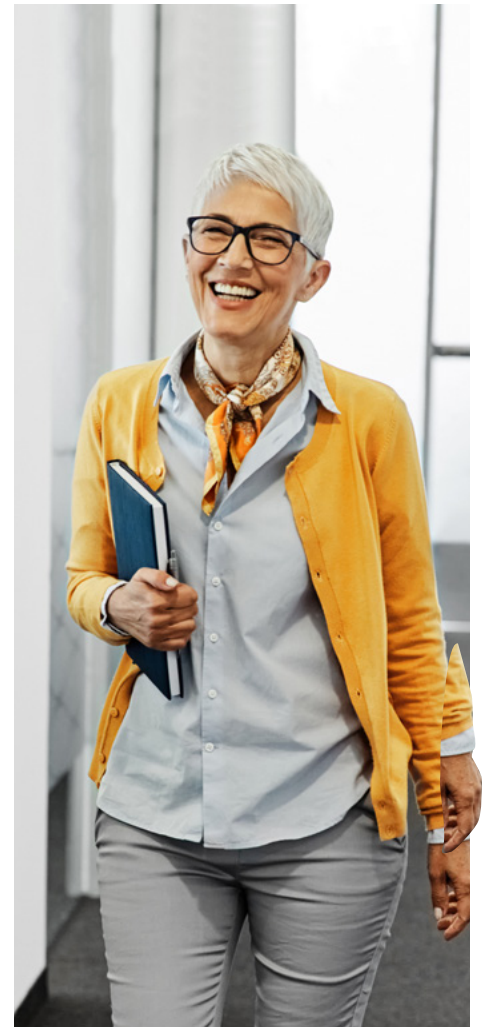


Table 17: Most important strategic strength

	Number of companies
Competitive product features	8
Distribution strategy	6
Competitive pricing	2
LTC market experience	2
Marketing/branding	2
Consumer services with optimal operations	2
Claims management	1
Other	0
Speed-to-issue	0
Consumer services with optimal technology	0

Target markets and distribution strategy

Table 18a: Target market segments – face amount size

(Number of products)

	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
Less than \$50,000	2	1	2	1
\$50,000 to \$99,999	5	1	3	2
\$100,000 to \$249,999	8	7	9	6
\$250,000 to \$499,999	8	7	7	5
\$500,000 to \$999,999	8	7	4	6
\$1,000,000 or more	7	5	1	3

Table 18b: Target market segments – household income bracket

(Number of products)

	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
Less than \$50,000	3	2	0	1
\$50,000 to \$99,999	5	3	1	2
\$100,000 to \$249,999	13	7	9	9
\$250,000 to \$499,999	10	7	8	7
\$500,000 to \$999,999	8	7	6	4
\$1,000,000 or more	6	5	4	2

Table 18c: Target market segments – issue ages
(Number of products)

	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
Younger than 25	4	0	0	0
25-34	5	3	1	0
35-44	10	5	3	4
45-54	14	10	6	9
55-64	12	9	8	8
65-74	4	3	6	2
75 and older	1	0	1	0

Table 19: Distribution channels used to sell your life LTC combination product

	Number of companies
Independent agents/brokers (including brokerage general agent (BGA)/independent marketing office (IMO))	19
Affiliated/captive agents	14
Broker-dealers	12
Banks and savings (financial) institutions	5
Association/affinity group	1
Direct response	1



Table 20: Effort to provide sales support activities for life LTC combination product compared to similar life-only product
(Number of companies)

	Significantly less	Somewhat less	About the same	Somewhat more	Significantly more	Not applicable (do not provide)
Product training and education	1	1	8	10	1	2
Sales concept training and support	1	2	10	8	0	2
Wholesaler support	1	1	10	6	1	4
Marketing support	1	1	10	4	4	3

Table 21: Difficulty getting agents/advisors to sell life LTC combination products

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number of companies	0	3	6	9	5

Table 22: Top priorities when considering distribution channels/partnerships

	Number of companies
Experience with product	15
Expanding/supporting new distribution channels/partnerships	12
Customer relationship management	10
Breadth of distribution network	9
Depth of distribution network	9
Distribution technology capabilities	6
Compensation	5
Other	1

Table 23: What insurers believe are the top priorities of distribution channels/partnerships

	Number of companies
Ease of doing business	22
Compensation	13
Product and marketing support	11
Technology capabilities	8
Education and marketing materials	8
Having access to flexible product packages	6
Other	2

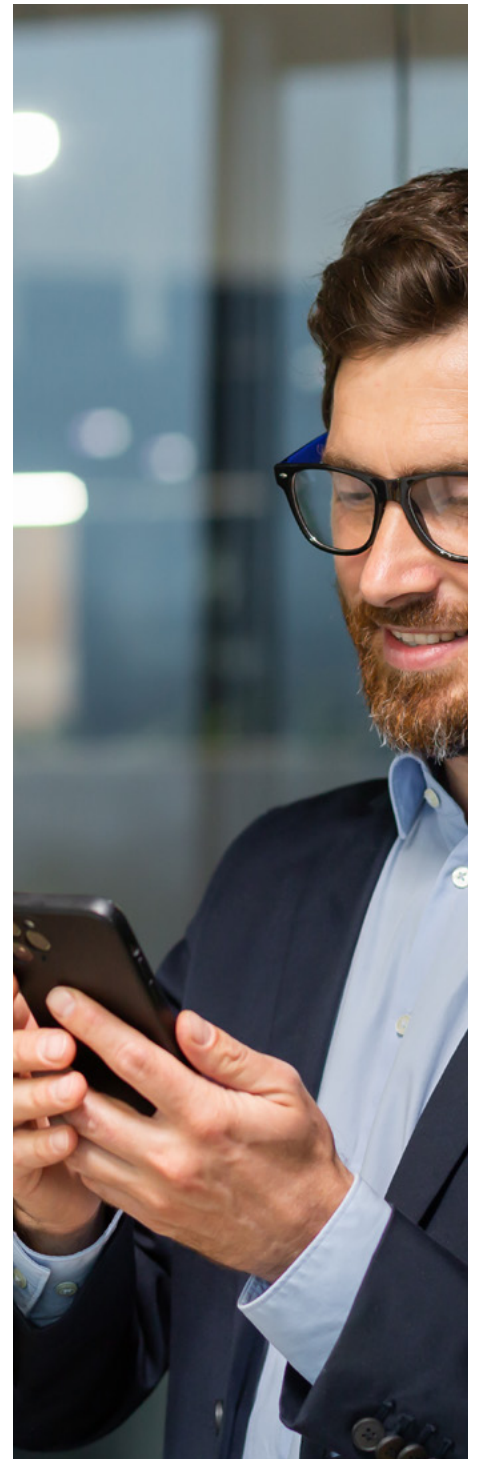


Table 24: Type of application used in underwriting of life LTC combination products

(Number of products)

	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
Base and LTC combined	2	2	4	1
Base plus LTC/CI supplemental application	2	8	5	6
No additional application used	10	0	0	2

Table 25: Methods of submitting applications for life LTC combination products

(Number of products)

	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
Paper	12	9	7	7
Email	3	3	2	2
TeleApp	3	3	5	3
E-app: proprietary platform	6	3	4	3
E-app: third-party platform	12	7	7	7
Other	0	1	1	0

Table 26a: Underwriting elements used for life LTC combination products – LTC rider*

(Number of companies)

	Using now	Do not use	Plan to use in future
Attending physician statements	9	1	0
Pharma checks	9	0	0
Medical Information Bureau (MIB)	9	0	0
Paramedical exams	8	1	0
Cognitive assessments	8	1	0
Online/telephone interviews	7	1	0
Motor vehicle reports	6	3	0
Personal financial supplement	5	4	0
Data analytics	5	2	2
Public data sources	3	6	0
Face-to-face assessment	2	6	0
Other	1	0	0

*Not all companies responded to every underwriting element within this table.

Table 26b: Underwriting elements used for life LTC combination products – LTC linked benefit*

(Number of companies)

	Using now	Do not use	Plan to use in future
Cognitive assessments	8	1	0
Pharma checks	8	0	0
Medical Information Bureau (MIB)	8	0	0
Online/telephone interviews	8	0	0
Attending-physician statements	7	2	0
Motor vehicle reports	7	1	0
Personal financial supplement	4	4	0
Paramedical exams	3	5	0
Face-to-face assessment	1	7	0
Public data sources	1	7	0
Data analytics	1	4	3
Other	1	1	0

*Not all companies responded to every underwriting element within this table.

Table 26c: Underwriting elements used for life LTC combination products – up-front charge CI*

(Number of companies)

	Using now	Do not use	Plan to use in future
Attending-physician statements	7	1	0
Pharma checks	7	0	0
Medical Information Bureau (MIB)	7	0	0
Online/telephone interviews	7	0	0
Cognitive assessments	6	2	0
Paramedical exams	6	1	0
Motor vehicle reports	5	2	0
Personal financial supplement	4	3	0
Data analytics	4	1	2
Face-to-face assessment	3	4	0
Public data sources	2	5	0
Other	0	1	0

*Not all companies responded to every underwriting element within this table.

Table 26d: Underwriting elements used for life LTC combination products – discounted CI*
(Number of companies)

	Using now	Do not use	Plan to use in future
Pharma checks	8	3	0
Medical Information Bureau (MIB)	8	3	0
Motor vehicle reports	8	3	0
Attending-physician statements	7	4	0
Online/telephone interviews	7	4	0
Personal financial supplement	6	5	0
Paramedical exams	6	4	0
Cognitive assessments	5	6	0
Public data sources	3	7	0
Data analytics	3	6	1
Face-to-face assessment	2	8	0
Other	2	3	0

*Not all companies responded to every underwriting element within this table.



Product development and operational friction

Table 27: Development process of life LTC combination products compared to similar life products without LTC riders
(Number of products)

	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
Significantly shorter	0	0	0	0
Moderately shorter	0	0	0	0
Similar length of time	6	3	4	3
Moderately longer	7	6	5	6
Significantly longer	1	1	0	0

Table 28: Top three processes that take the most time in life LTC combination product development
(Number of products)

	Most time-consuming	Second most time-consuming	Third most time-consuming
Product filing	8	5	4
Product design (spec, pricing, underwriting)	6	5	4
Development (system updates)	6	3	6
Development of business procedures	2	3	5
Product ideation	0	3	2
Product analysis (concept, feasibility, priority)	1	2	1
Legal and compliance	0	2	1
Test market	0	0	0
Launch	0	0	0

Table 29: Timeline of a life LTC combination product starting from receiving application to policy issuance*
(Number of products)

	Discounted CI	LTC rider	LTC linked benefit	Up-front charge CI
Less than 1 week	1	0	0	0
1-2 weeks	3	1	3	0
2-3 weeks	3	3	4	5
3-4 weeks	5	3	0	4
4 weeks or more	2	3	2	0

*One company had two responses for this question to distinguish between separate products .

Technology innovation

Table 30: Types of technology used in the administration of life LTC combination product*

(Number of companies)

Process	Purchase or build		Legacy or other system		Outsourced
	Purchase	Build	Legacy	Other	Yes
Policy administration	12	9	7	10	3
Application	11	9	5	11	3
Underwriting – rules engine	11	9	7	11	3
Policy issuance	11	10	7	9	2
Underwriting – workbench	10	9	7	9	3
Claims	8	11	7	4	5

*Not all companies responded to every subquestion within this table. Also, the “Purchase or build” and “Outsourced” questions for each process are not mutually exclusive. Some companies indicated that they purchased a system for a process but also outsourced particular task(s).

Table 31: Processes related to life LTC combination products that are supported by fully integrated technologies*

	Number of companies
None of our processes are fully integrated	5
All processes fully integrated	4
Application, underwriting, policy admin	3
Application, quoting, underwriting, policy admin	3
Application, underwriting	2
Application, quoting	2
Application, quoting, policy admin	1
Quoting, underwriting, claims	1
Quoting, underwriting	1

*One company did not respond to this survey question.



Table 32: Processes related to life LTC combination products that are supported by partially integrated technologies*

	Number of companies
None of our processes are partially integrated	6
Application, quoting, underwriting, policy admin, claims	2
Quoting, claims	1
Application, policy admin	1
Application, policy admin, claims	1
Application, quoting, underwriting, policy admin	1
Underwriting, policy admin, claims	1

*Many companies did not respond to this survey question.



Table 33: Key areas of prioritization (high, medium, low) for technology investment
(Number of companies)

	High	Medium	Low	Not prioritized
Application	12	4	2	5
Speed-to-issue	12	3	2	6
Underwriting	12	3	3	5
Sales support	5	5	4	9
Regulatory compliance	4	7	3	9
Administration	3	7	4	9
Expense reduction	3	5	4	11
Reporting	3	3	7	10
Claims	2	7	6	8
Artificial intelligence	0	2	7	14

Table 34: Current and future plans for AI/GenAI use cases in the life LTC combination product value chain
(Number of companies)

	Currently use*	Considering AI	Do not plan to use	Currently doing a pilot/trial of AI for research
Distribution	0	4	13	1
Underwriting	2	5	9	2
Application	0	3	12	1
Policy issue/enrollment	0	3	13	1
Policy administration	0	4	12	1
Claims management	0	4	11	2
Actuarial processes	2	2	12	1
Financial reporting processes	0	3	13	1
Other	0	0	3	2

*Of the companies that are currently using AI in these processes, use cases include automating and accelerating the process or validating and analyzing data.

Risk management

Table 35: Primary challenges in offering life LTC combination products

	Number of companies
Actuarial modeling/valuation	10
Pricing and assumption setting	8
Claim processing	7
Technology	7
Underwriting rules and process	4
Agency/employee training	4
Field acceptance	4
Compliance	3
Policy administration	3
Other	3
Distribution risk	1
Financial or tax reporting	0



Table 36: Status of key challenges in offering life LTC combination products
(Number of companies)

	Fully resolved	Partially resolved	In progress	Not resolved/ still an issue
Actuarial modeling/valuation	1	4	3	2
Pricing and assumption setting	2	4	1	1
Claim processing	1	2	1	3
Technology	0	2	3	2
Underwriting rules and process	2	1	1	0
Agency/employee training	0	1	2	1
Field acceptance	1	1	2	0
Compliance	1	1	1	0
Policy administration	0	0	3	0
Others	1	1	0	1
Distribution risk	0	1	0	0
Financial or tax reporting	0	0	0	0

Table 37: Measuring profit performance of life LTC combination products

	Number of companies
Does not track profit separately	15
Tracks acceleration rider profit separately	6
Tracks extension profit separately	3

*One company had two responses for this question; tracks both acceleration rider profit and extension profit separately.

Table 38: Pricing life LTC combination riders from a profitability perspective

	Number of companies
Additional profit	15
Profit neutral	8



Opportunities and future outlook

Table 39: Comparing growth of life LTC combination products to other life insurance products' CAGR

	Number of companies
Similar	16
Moderately below	3
Moderately above	3
Too early to measure	1
Significantly below	0
Significantly above	0

Table 40: Life LTC combination product growth vs. planned expectations

	Number of companies
In line with plan	15
Moderately below plan	4
Moderately above plan	4
Significantly below plan	0
Significantly above plan	0
Too early to measure	0

Table 41: Future investment priorities for life LTC combination products

	Number of companies
Product innovation	17
Technology	13
Underwriting	13
Product education	9
Distribution	9
Customer needs	6
Customer awareness	4
Other	2



Table 42: Top three emerging trends impacting the life LTC combination industry
(Number of companies)

	First	Second	Third
Product innovation	8	5	0
State legislative changes	4	2	5
New insurers or re-entrants (re-)entering combination market	4	2	3
Changing economic environment	1	4	2
Regulatory changes	1	2	3
Pricing competition	2	1	2
Technology innovation	1	1	3
Increased competition from other LTC annuity combination and worksite products	0	2	1
Increased competition from stand-alone LTC options	0	0	2
Use of AI/GenAI	0	1	0
Others	0	1	0
Shift in target market	0	0	0
Expanded distribution channels	0	0	0

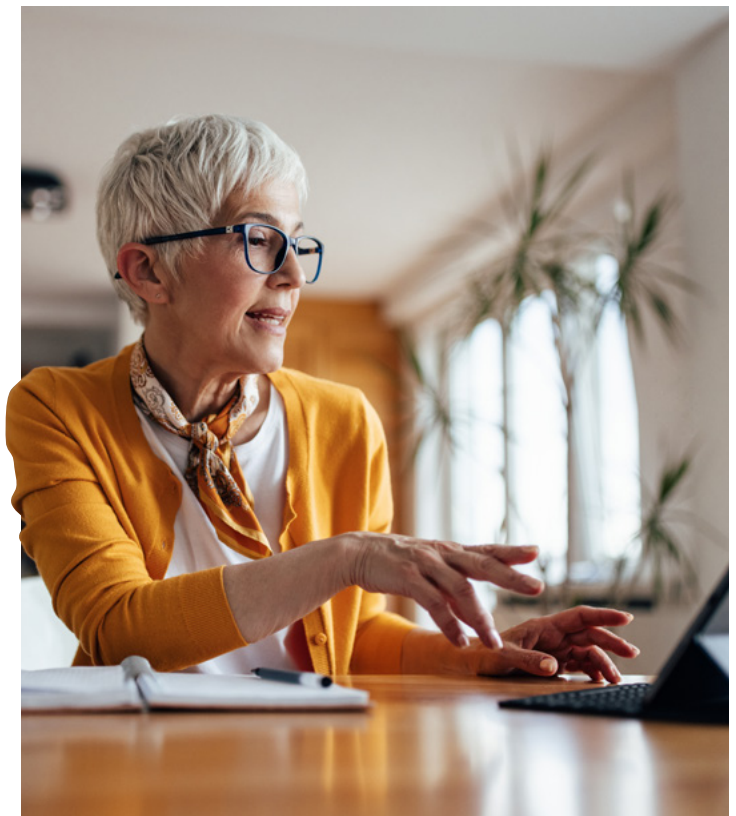
*Two companies did not respond to any of the subquestions within this table.

Table 43: Companies that plan to launch a new life LTC combination product within 12 months

	Number of companies
No	19
Yes	4

Table 44: Considerations for life LTC combination products market entry

	Number of companies
Considered, but chose not to enter	7
Have not considered	5
Were in the market previously but decided to exit	0





Appendix B. Product information

Overview

The following is a summary of product features based on 49 combination LTC products offered by 18 insurance carriers active in the combination LTC market.

Definitions

Discounted CI*	Life with chronic illness acceleration rider without an up-front charge (governed by Section 101(g) of the Internal Revenue Code)
Up-front charge CI*	Life with chronic illness acceleration rider with an up-front charge (governed by Section 101(g) of the Internal Revenue Code)
LTC rider	Life/LTC combination product with long-term care acceleration rider (governed by Section 7702(b) of the Internal Revenue Code)
LTC linked benefit	Life/LTC combination product with long-term care acceleration rider and extension of benefit rider (governed by Section 7702(b) of the Internal Revenue Code)

*Note that following results do not differentiate by the type of CI product.

Section 01

General product details

Total companies represented in the survey: 18

Total products in the survey: 49

Launch dates: 2005-25

1. Products in aggregate

	CI	LTC rider	LTC linked benefit	Total
Total number of products	30	7	12	49

2. Premium funding options*

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
5	0	1	6	7
10	1	1	8	10
15	1	0	4	5
20	1	0	1	2
25	1	0	0	1
30	0	0	0	0
Single	1	1	8	10
Flexible	7	1	0	8
Age 95**	1	1	1	3
Age 65	0	1	1	2
Lifetime	0	0	0	0
Varies	5	1	0	6
Total	18	7	29	54

*One product may have more than one funding option available, so totals will differ.

**This could be annual, monthly, etc.

3. LTC issue ages

	LTC rider		LTC linked benefit	
	Minimum issue age	Maximum issue age	Minimum issue age	Maximum issue age
Range	0-30	75-85	30-40	69-80
Median	19 years	79 years	40 years	75 years

4. CI issue ages

	Minimum issue age	Maximum issue age
Range	0-20	65-85
Median	0 years	80 years

5. LTC face amount ranges

	LTC rider		LTC linked benefit	
	Minimum face amount	Maximum face amount	Minimum face amount	Maximum face amount
Range	\$25,000-\$111,600	\$300,000-\$2,500,000	\$24,000-\$111,600	\$500,000-\$1,000,000
Median	\$100,000	\$1,000,000	\$50,000	\$720,000

6. CI face amount ranges

	Minimum face amount	Maximum face amount
Range	\$5,000-\$125,000	\$270,000-\$100,000,000
Median	\$100,000	\$5,000,000

7. Maximum benefit as a percentage of life face amount*

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
100%	10	4	3	17
90%	2	0	0	2
80%	0	0	0	0
75%	2	0	0	2
Other	4	2	2	8
Total	18	6	5	29

*Not all products had a response.

8. Commission affected by presence of acceleration rider

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
No	11	5	6	22
Yes	10	2	4	16
Not applicable	9	0	2	11
Total	30	7	11	49

9. Product chassis*

(Number of products, multiple responses allowed)

	CI	LTC rider	LTC linked benefit	Total
Indexed universal life	10	5	2	17
Fixed universal life	10	1	5	16
Whole life	6	0	4	10
Variable universal life	2	1	1	4
Term	3	0	0	3
Other	0	0	0	0
Total	31	7	12	50

*Not all products had a response.

Section 02

Accelerated benefit rider (ABR) details

1. ABR optional or included

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Optional	17	7	0	24
Included	9	0	9	18
No response	4	0	0	4
Total	30	7	9	46

2. ABR premium/charge classification

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Guaranteed renewable	12	2	0	14
Noncancelable	5	0	6	11
Fixed LTC premium	0	0	1	1
No response	13	5	2	20
Total	30	7	9	46



3. ABR benefit funding*

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
1%	0	3	0	3
2%	4	6	0	10
3%	2	2	0	4
4%	7	5	0	12
5%	1	0	0	1
Lump sum	6	0	0	6
Total	20	16	0	36

*One product may have more than one benefit funding option available, so totals will differ. Not all products had a response.

4. Available ABR periods

Range	1 to 10 years
Median	2 years



5. ABR calculation and payout methodology

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Monthly rider charges	5	5	1	11
Separately identified premiums	4	0	6	10
Discounted death benefit	7	0	0	7
Policy lien approach	4	0	0	4
Other	3	0	0	3
No response	7	2	2	11
Total	30	7	9	46

6. ABR funding structure*

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Multiple premiums	7	0	5	12
Level charge cost of insurance (COI)	1	4	1	6
Yearly renewable term (YRT) COI	2	2	0	4
Single premium	0	0	4	4
Other	1	0	0	1
Total	11	6	10	27

*One product may have more than one funding structure option available, so totals will differ. Not all products had a response.

7. ABR discounts

(Number of products)

	Total
Couples discount	7
No response	39
Total	46



8. Elements impacting ABR charge/premium

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Issue age/attained age	6	5	7	18
Gender	6	5	7	18
Underwriting class	6	4	6	16
ABR percentage	1	4	0	5
Face amount	2	0	3	5
Premium paying period	2	0	1	3
Annual IRS per diem	2	0	0	2
Policy year/duration	1	1	0	2
Benefit period	1	0	0	1
Tobacco	0	0	0	0
Total	27	19	24	70

Section 03

Extension of benefits (EOB) rider details

1. EOB rider optional or included
(Number of products)

	LTC linked benefit
Optional	7
Included	5
No response	0
Total	12

2. Available EOB rider periods

Range	2 to 8 years
Median	2 years

3. Available ABR/EOB benefit period combinations

Range	2 to 5 years
Median	2 years



4. EOB rider premium/charge classification

(Number of products)

	LTC linked benefit
Noncancelable	8
Guaranteed renewable	3
Fixed LTC premium	1
EOB not applicable	0
Total	12

5. EOB rider premium/charge funding

(Number of products)

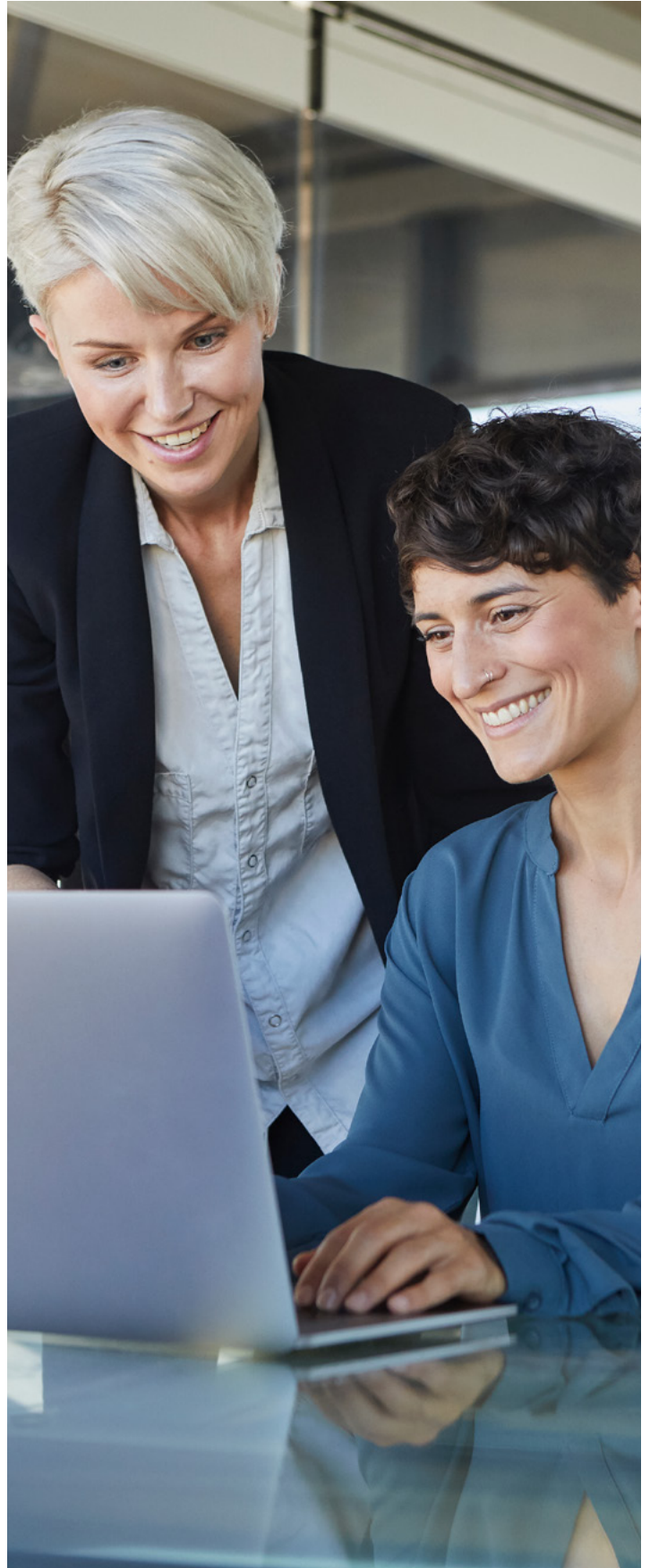
	LTC linked benefit
Separately identified premium	8
Monthly rider charge	3
Annual rider charge	1
EOB not applicable	0
Total	12

6. EOB rider benefit funding structure

(Number of products)

	LTC linked benefit
Multiple premium	7
Single premium	6
Level charge COI	3
YRT COI	0
EOB not applicable	0
Total*	16

*One product may have more than one funding structure option available, so totals will differ.



7. Elements impacting EOB rider charge/premium
(Number of products)

	LTC linked benefit
Issue age	10
Gender	9
Benefit period	8
Underwriting class	7
Face amount	6
Inflation election	4
Attained age	1
Joint status	0
Total	45

8. EOB rider discounts
(Number of products)

	LTC linked benefit
Couples discount	7
No discount	3
No response	2
EOB not applicable	0
Total	12



Section 04

Other benefits/features

1. Waiver of rider premium/charges while on claim

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Not available	20	1	4	25
Included	4	6	6	16
Optional	6	0	2	8
Total	30	7	12	49

2. Waiver of underlying life premium while on claim

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Not available	16	3	4	23
Optional	10	3	2	15
Included	4	1	6	11
Total	30	7	12	49

3. Inflation rider

(Number of products)

	LTC linked benefit
Not available	0
Optional	11
Included	1
Total	12



4. Inflation benefit options (multiple responses allowed)

(Number of products)

	LTC linked benefit
Benefit not available	0
5% compound	12
3% compound	7
3% simple	3
Other	0
Total	22

5. Does inflation benefit apply to lifetime CI/LTC benefit?

(Number of products)

	LTC linked benefit
Not applicable	0
No	3
Yes	9
Total	12

6. Does inflation benefit apply to remaining CI/LTC benefit?

(Number of products)

	LTC linked benefit
Not applicable	0
No	3
Yes	9
Total	12



7. Inflation benefit funding

(Number of products)

	LTC linked benefit
Not applicable	0
Separately identified premium	4
Monthly rider charge	4
Other	4
Total	12

8. Availability of additional benefits

(Number of products)

	CI			LTC rider			LTC linked benefit		
Benefit	Included	Not available	Optional	Included	Not available	Optional	Included	Not available	Optional
CI/LTC nonforfeiture benefit	3	27	0	0	7	0	10	0	2
Terminal illness	18	7	5	3	4	0	11	1	0
Return of premium	0	28	2	0	7	0	7	2	3
International coverage benefit	2	28	0	2	5	0	9	3	0
Shared care	0	30	0	0	7	0	3	9	0
Restoration of benefits	0	30	0	0	7	0	1	11	0
Joint life benefit	0	30	0	0	7	0	3	9	0
Other benefits or features	5	25	0	0	7	0	7	5	0

Section 05

Benefit details

1. Benefit trigger

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Section 7702(b) definition	7	3	10	20
2 of 6 activities of daily living (ADLs) or some cognition impairment	8	0	2	10
Section 101(g)	6	0	0	6
Not available	9	4	0	13
Total	30	7	12	49

2. Elimination period measurement

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Days	10	5	9	24
Not available	19	1	0	20
Weeks	1	0	1	2
Zero	0	0	2	2
Months	0	1	0	1
Total	30	7	12	49

3. Length of elimination periods by site of care

(Number of products)

	0 days	12 weeks	90 days	Not available	Total
Home health care	3	2	23	21	49
Home hospice	7	2	18	22	49
Care coordination	9	0	14	26	49
Caregiver training	11	2	13	23	49
Durable medical equipment	7	2	14	26	49
Home modification	8	2	13	26	49
Adult day care	3	2	23	21	49
Nursing home	3	2	23	21	49
Assisted living facility	3	2	23	21	49
Hospice facility	7	2	18	22	49
Respite	7	2	14	26	49
International benefit	3	0	10	36	49
Elimination period - other	2	0	2	45	49

4. Exclusion periods

(Number of products)

	CI
Not available	20
6 months	0
12 months	6
24 months	4
Total	30



5. LTC/CI benefit payment type

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Indemnity	7	2	6	15
Reimbursement	2	4	7	13
Not available	11	1	0	12
Lump sum	8	0	0	8
Cash	3	0	1	4
Periodic payment	3	0	0	3
Total	34	7	14	55

6. Lifetime LTC/CI benefit amount

(Number of products)

	CI
Not available	20
\$1.5m-\$3.0m	6
Lump sum payment	4
Max. (98% of face amount, \$1m)	0
Total	30



7. LTC/CI benefit payment options

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Not available	17	1	1	19
Monthly	3	1	7	11
Up to the IRS maximum	6	1	0	7
Maximum monthly is \$50,000	0	4	0	4
Lump sum payment	3	0	0	3
Varies based on age, premium, etc.	0	0	3	3
Lifetime benefit divided by number of months	0	0	1	1
Annual	1	0	0	1
Total	30	7	12	49

8. Nursing home maximum

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Not available	21	3	6	30
Up to the IRS maximum	6	0	0	6
100% of maximum monthly	1	3	1	5
40% of death benefit	2	0	0	2
\$50,000	0	1	0	1
Maximum LTC benefit \$1.5m or \$1.75m	0	0	1	1
No maximum	0	0	4	4
Total	30	7	12	49

9. Assisted living/home healthcare – percentage of nursing home benefit

(Number of products)

	100%	Other	Not applicable	Total
Assisted living	19	1	29	49
Home healthcare	20	0	29	49

10. Separate benefit maximums*

(Number of products)

	LTC linked benefit
Not available	9
21 days or 5% of monthly maximum benefit	2
36 months	0
\$5,000/lifetime maximum	1
Total	12

*Separate benefits include durable medical equipment (DME), home modification, respite, etc.



11. Residual death benefit

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Not applicable	25	3	2	30
2%	0	0	1	1
5%	0	0	2	2
10%	2	0	4	6
20%	0	0	1	1
Life benefit less reimbursements from LTC rider	0	3	1	4
Other*	3	1	1	5
Total	30	7	12	49

*Four answered "5,000," and one answered "Yes."

12. Exclusions

(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Not applicable	12	6	2	20
Suicide/intentionally self-inflicted injury	8	1	7	16
Alcohol/drug	1	1	7	9
Felony	1	1	5	7
Immediate family	1	1	5	7
War	0	1	5	6
No advance for CI in first 24 months	4	0	0	4
Government benefit or entitlement	4	0	0	4
Active duty	0	1	2	3
Aviation	0	1	0	1
Total	31	13	33	77

13. Section 7702 test
(Number of products)

	CI	LTC rider	LTC linked benefit	Total
Not applicable	20	5	0	25
Cash value accumulation test	1	1	11	13
Both	4	1	1	6
Guidelines premium test	5	0	0	5
Total	30	7	12	49



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