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# The Future of Long-Term Care Markets

## The Demand for Long-Term Care

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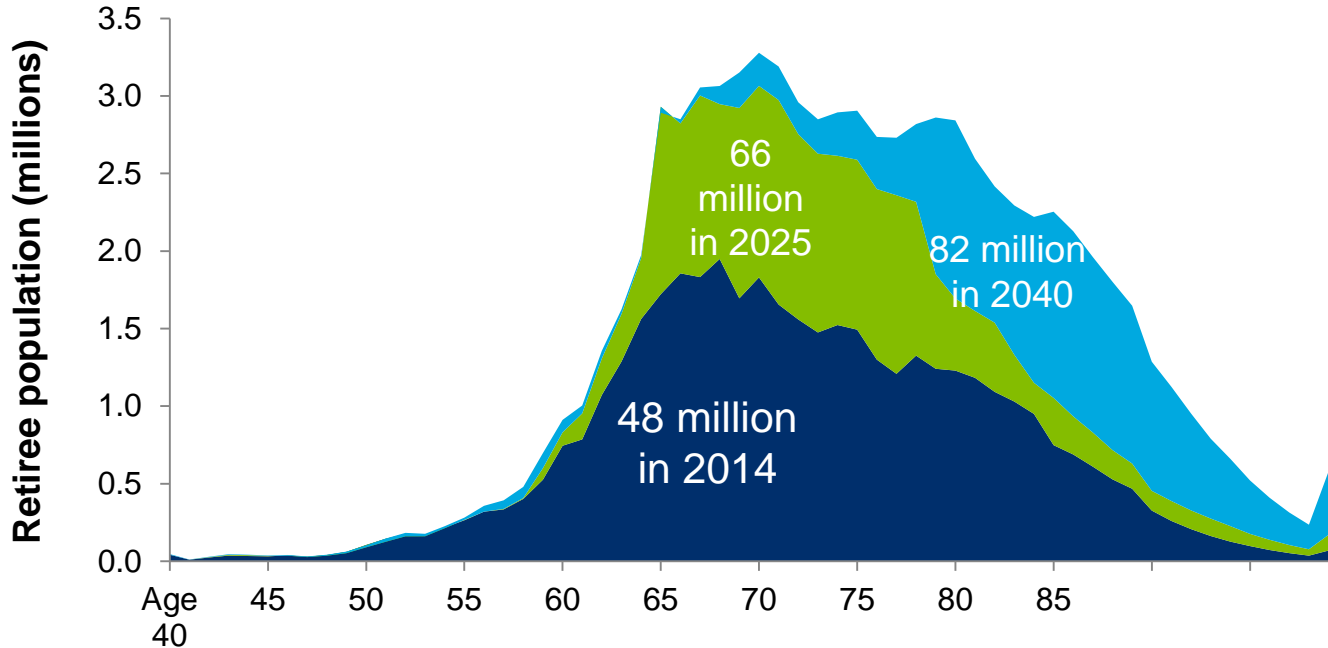


52%

Americans age 65 and over who  
will need long term care services

Source: Department of Health and Human Services

# Projected Number of Retirees in 2025 and 2040



Source: Retirement Income Reference Book, LIMRA Secure Retirement Institute (2015)



55% of Americans are concerned with paying for long term care services

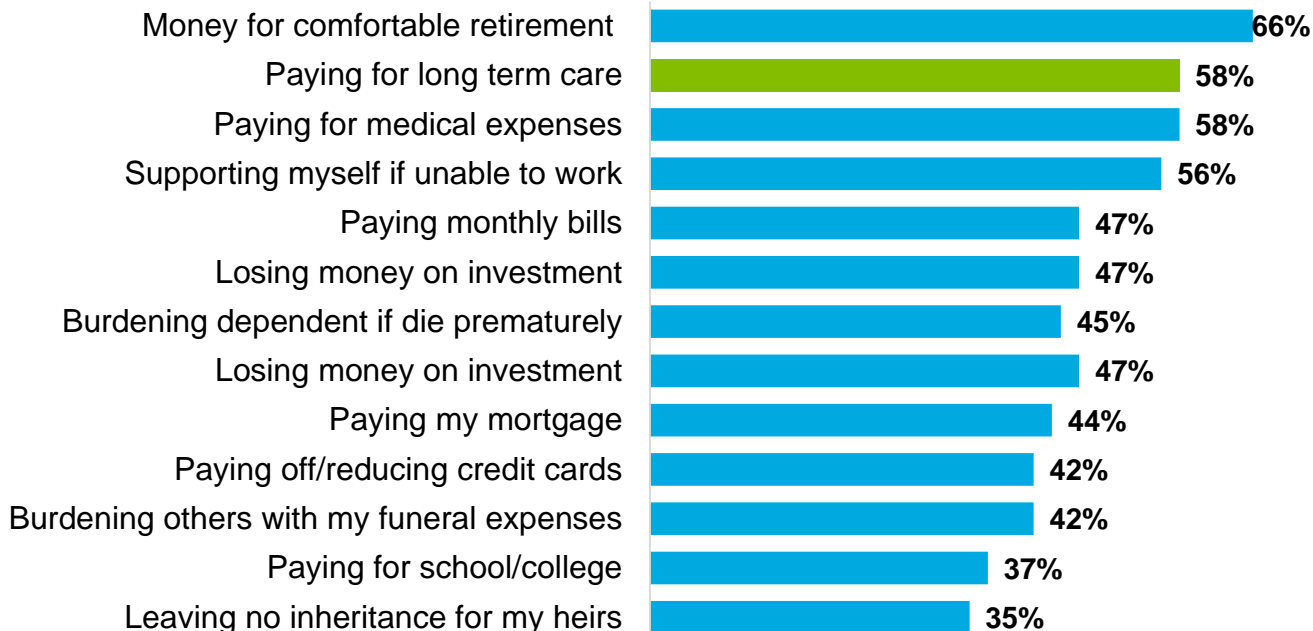
Source: 2016 Insurance Barometer Study, LIMRA and Life Happens

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# Paying for long term care costs are one of Americans' top financial concerns

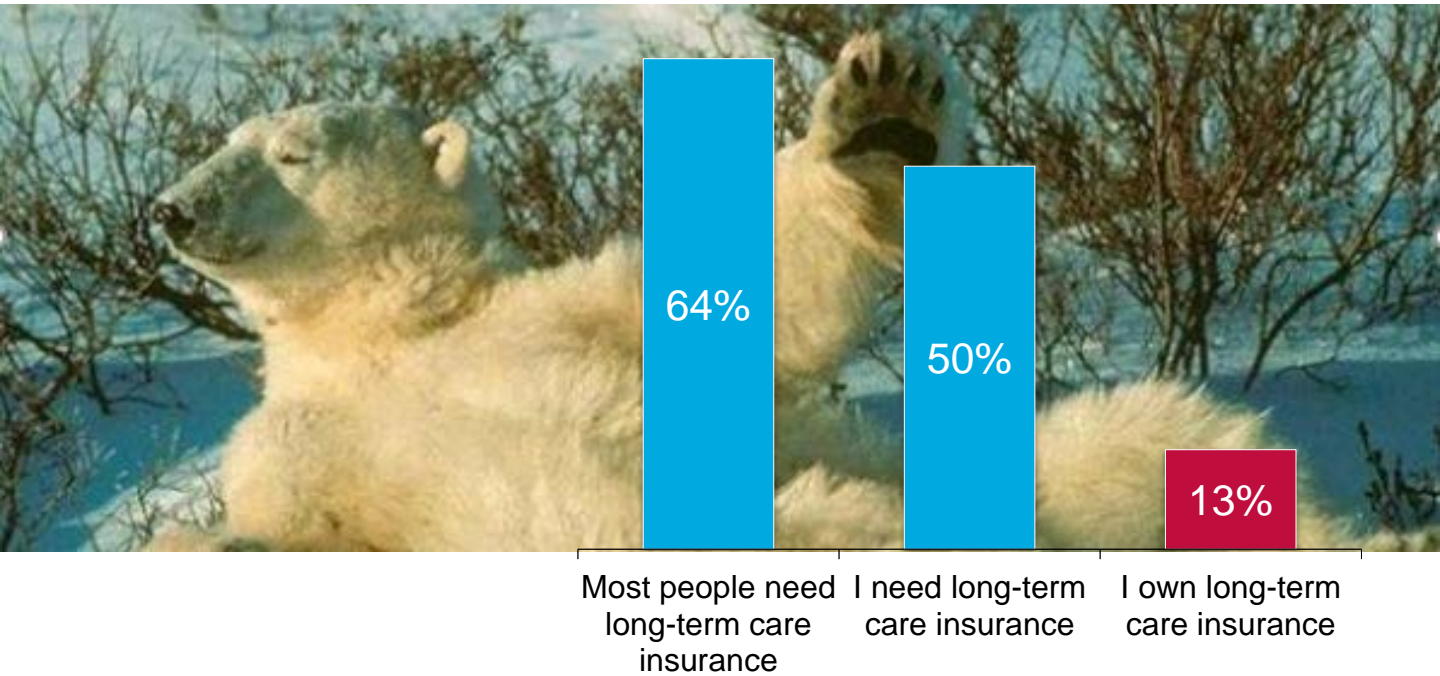
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Source: 2016 Insurance Barometer Study, LIMRA and Life Happens

# Majority of consumers understand the value of long term care insurance but few buy

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Source: 2015 Insurance Barometer Study, LIMRA and Life Happens



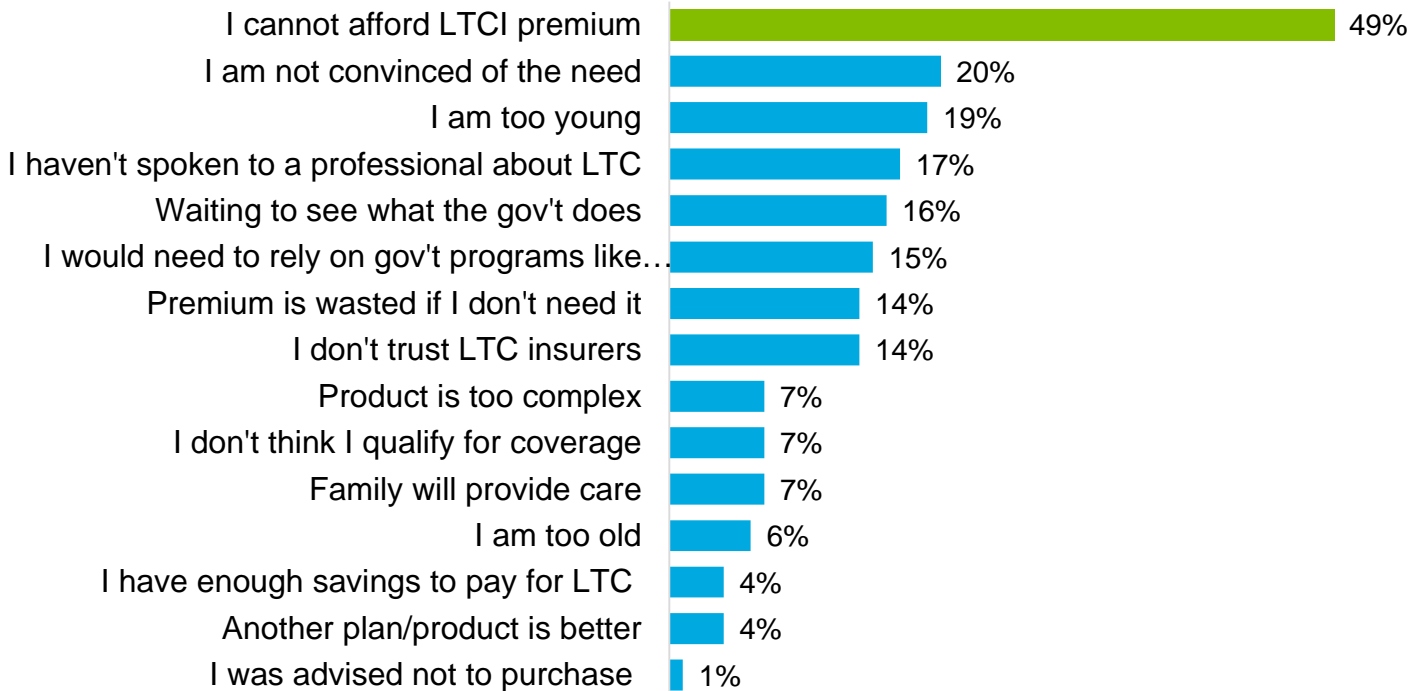
# Millennials and Gen X are more concerned about paying for long term care than older generations

	Age Group			
	Millennials	Gen X	Boomers	Seniors
Money for a comfortable retirement	78%	76%	58%	39%
Paying for long-term care services	62	62	55	50
Paying for medical expenses	70	62	52	35
Supporting myself if disabled and unable to work	70	68	45	22
Paying monthly bills	66	54	32	21
Losing money on my investments	53	46	41	44
Burdening dependents if I die prematurely	63	54	27	21
Paying my mortgage or rent	66	49	27	13

Source: 2016 Insurance Barometer Study, LIMRA and Life Happens

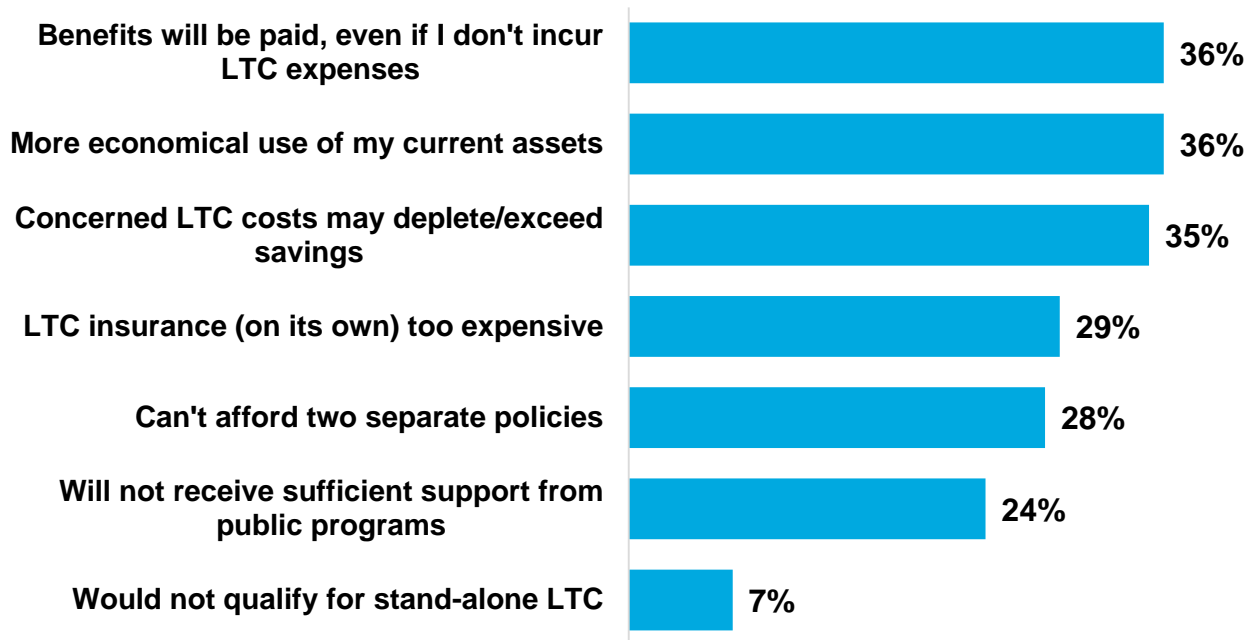
# Cost is top reason people don't buy long term care insurance

## Reasons Consumers Don't Buy LTCI



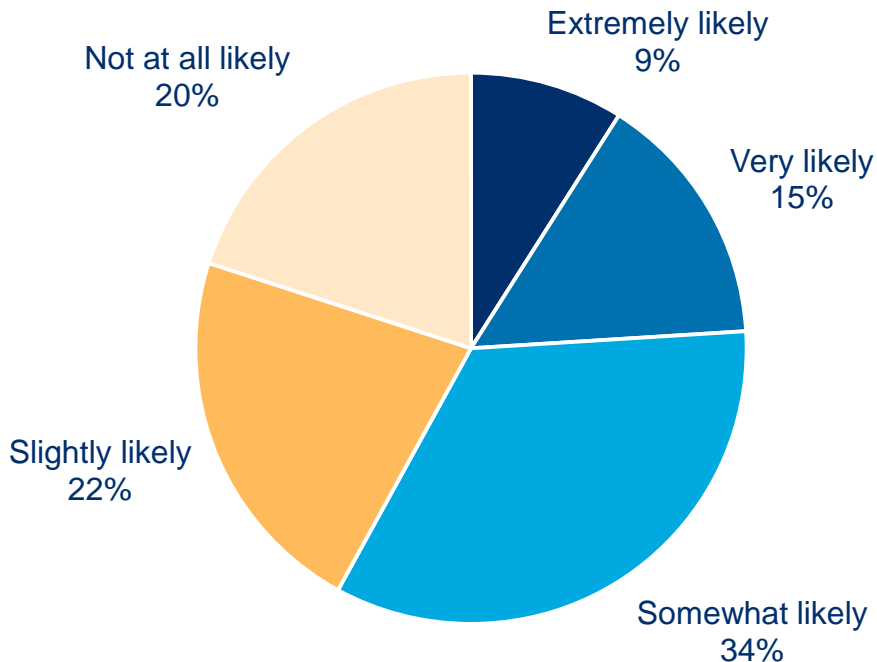


# Reasons Consumers Would Consider Life/LTC Combos



Source: 2016 Insurance Barometer Study, LIMRA and Life Happens

# Consumer Likelihood of Choosing Combination Life/LTC Insurance

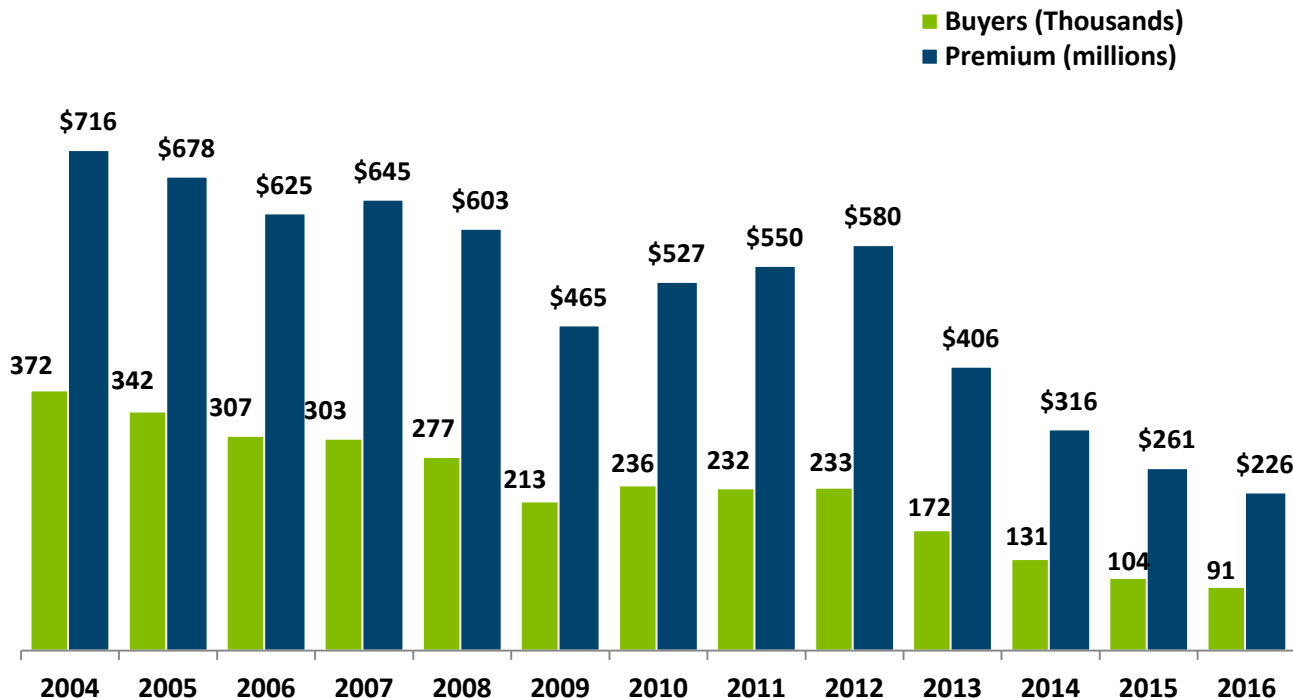


40 percent Millennials said they would be interest in a combination life/LTCI product

Source: 2016 Insurance Barometer Study, LIMRA and Life Happens

# Sales Trends

# Individual LTCI new sales have declined over the past decade

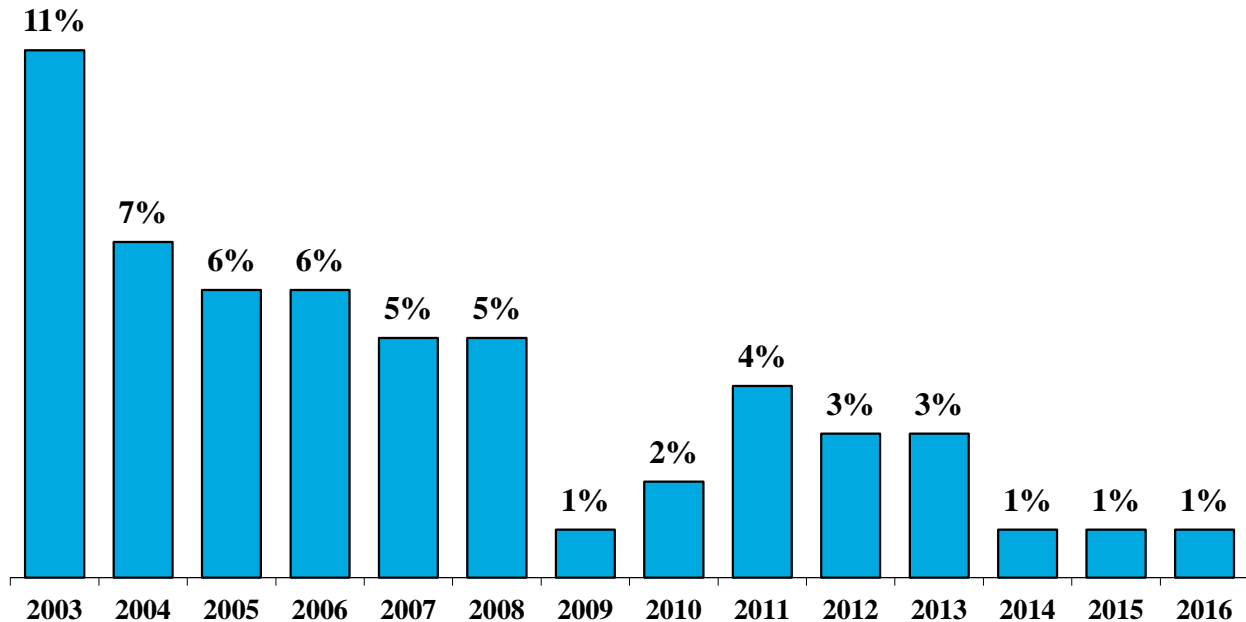


Source: LIMRA LTCI Sales and In force surveys, LIMRA estimates

# Trends in Individual Long-Term Care Insurance

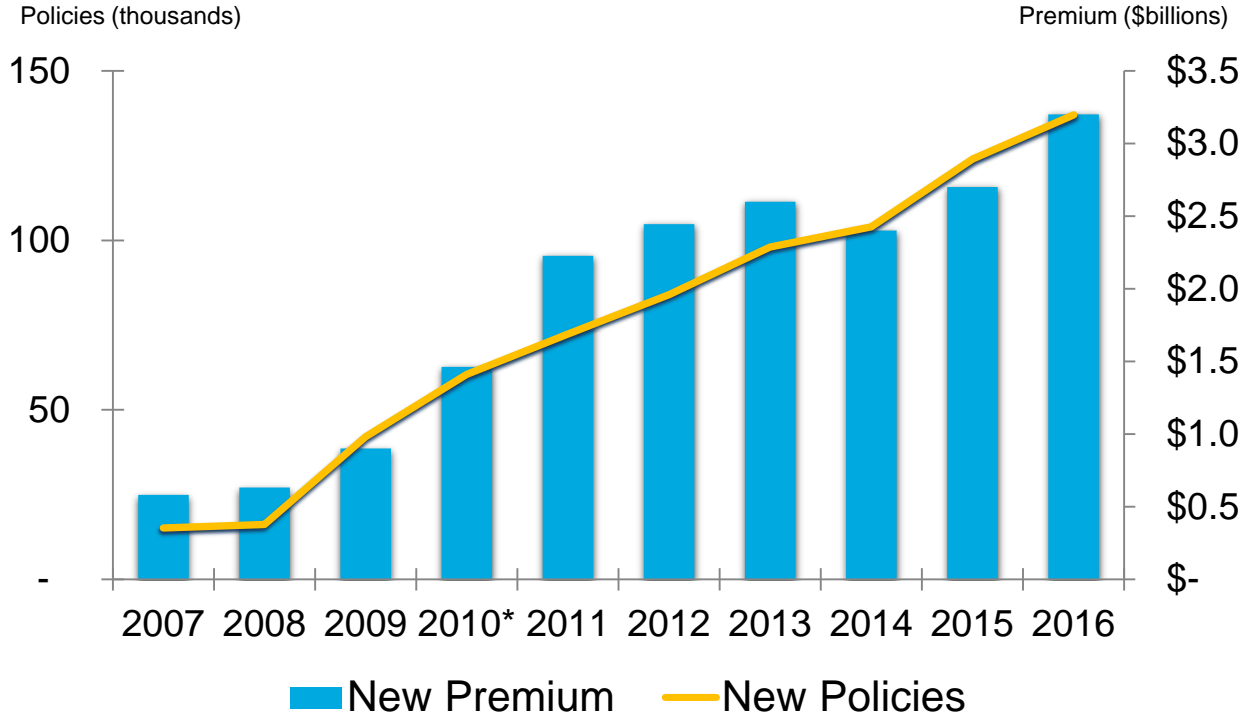
## Change in Total Premium (in force policies)

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Source: LIMRA LTCI Sales and In force surveys

# Life-LTC Combination Products



Premium shown is Total Premium (Recurring + Single Premium).

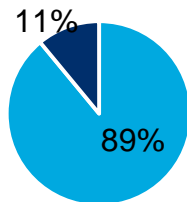
\* 2010 First year to include Life-Chronic Illness riders.

Source: LIMRA's 2016 Life-Combination Sales Survey

# Life-LTC Combination Products

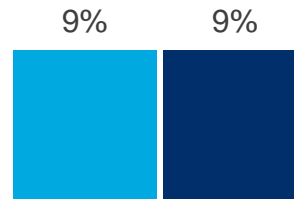
## 2016 New Policy Market Share and Growth

Market Share

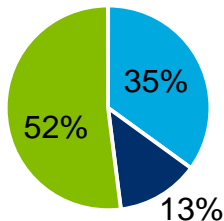


- Recurring Premium
- Single Premium

Growth Rates

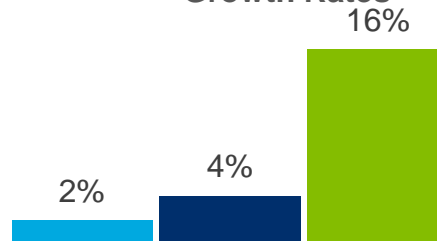


Market Share



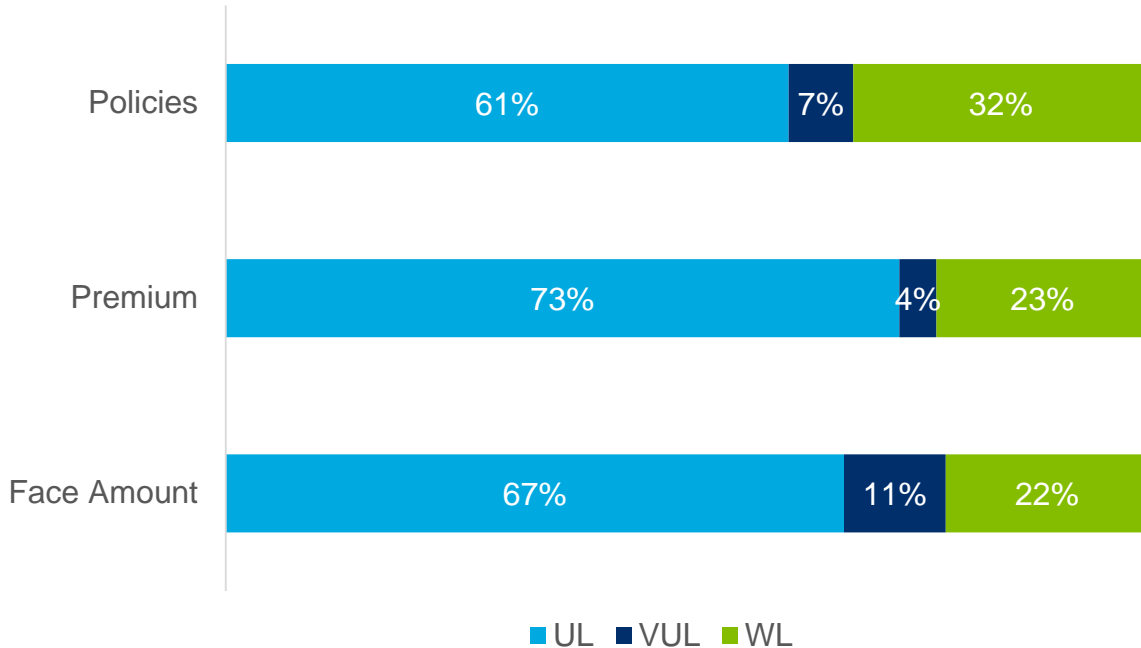
- LTC-Acceleration
- LTC-Extension
- CI-Acceleration

Growth Rates



# Life-LTC Combination Products

## Market Share by Product

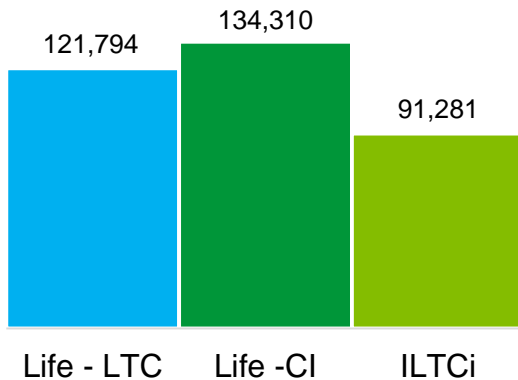




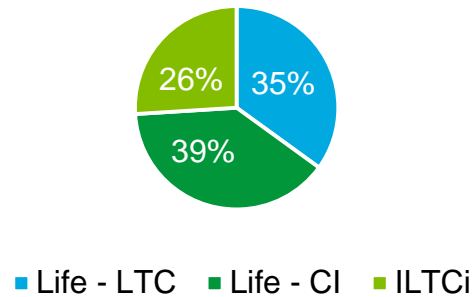
# Individual Long Term Care Solutions

- Sales for 2016 are estimated at over \$3.8 billion and over 340,000 new lives for the LTC Solutions market. Life combination products account for the majority of new lives covered.

## 2016 New Lives



## Market Share by New Lives





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