

# Help Younger Clients Understand the Need for an LTC Rider

Thinking about one’s long-term care needs isn’t a fun topic. But when armed with the facts, that discussion can be easier to have with your clients.

- 70% of people over age 65 will require chronic care at some point.<sup>1</sup>
- The average care duration is three years.<sup>1</sup>
- 20% of these individuals will require care for longer than five years.<sup>1</sup>
- Based on national average costs, people can expect to pay \$125,273 per year for a private room in a nursing home.<sup>2</sup>

## So, What’s Holding Your Clients Back?

Some may not realize they need long-term care coverage until they’ve experienced a parent or grandparent depleting their assets to pay for long-term care services. They may have also needed to rely on family members for care due to the costs.

Younger individuals might have a hard time making the purchase because they cannot yet see themselves in this scenario. They may be thinking:

- If I purchase long-term care coverage now, will I be paying for it longer than I need to?
- If I purchase, will I have spent money on something I may never need?

And by failing to plan, these clients face a bigger risk – the possibility of developing a condition that prevents them from qualifying for coverage once they’re ready to purchase it.

<sup>1</sup>Source: <https://www.aaltci.org/long-term-care-insurance/learning-center/home-health-care.php>

<sup>2</sup>Source: Mutual of Omaha’s Cost of Care Study, conducted by Illumifin, 2024, released March 2025.



## Case Study

- Bob purchases a \$500,000 Life Protection Advantage IUL policy.
- He also purchases an LTC rider, and for his rider benefits he selects:
  - A cumulative LTC benefit of \$500,000, giving him access to his life insurance death benefit if he needs LTC services.
  - A monthly LTC benefit of 2%, which gives him up to \$10,000 (2% of \$500,000) to reimburse LTC expenses.

Now that Bob has purchased his life insurance policy with an LTC rider, let’s examine a few hypothetical scenarios of how that rider might be put to use later in life, and how his death benefit could be distributed to his beneficiaries:

Scenario	LTC Rider Benefit	Death Benefit
Bob dies at age 50	\$0 LTC Rider benefits accessed	Beneficiaries receive full death benefit of \$500,000
Bob dies at age 60	\$0 LTC Rider benefits accessed	Beneficiaries receive full death benefit of \$500,000
Bob needs LTC services at age 60	He uses 2 years of maximum LTC benefit before he dies, totaling \$240,000	Beneficiaries receive remaining \$260,000 of death benefit
Bob needs LTC services at age 70	He uses the full \$500,000 of LTC Rider benefits	Beneficiaries receive \$0 death benefit, all benefits exhausted with LTC payouts

Plus, in the scenarios where Bob did need to access his LTC benefits, he was able to protect a large portion of his estate by not having to dip into his personal assets to pay for care.

*When you talk to younger clients about life insurance, be sure they understand the importance of planning ahead for long-term care services. The younger and healthier they are, the more affordable it is to put a plan in place.*

Learn more at [MutualofOmaha.com/ltc-rider](https://MutualofOmaha.com/ltc-rider)