

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.¹
- The average care duration is three years.¹
- 20% of these individuals will require care for longer than five years.¹
- Based on national average costs, people can expect to pay \$125,273 per year for a private room in a nursing home.²

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.

¹Source: <https://www.aaltci.org/long-term-care-insurance/learning-center/home-health-care.php>
²Source: 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