

MILLIMAN REPORT

# 2025 Long-Term Care Insurance Survey

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## Introduction

### OVERVIEW

The *2025 Milliman Long Term Care Insurance Survey* is the 27th consecutive annual review of stand-alone long-term care insurance (LTCI) published by *Broker World* magazine. It analyzes the marketplace, reports sales distributions, and describes available products. We thank insurance company staff for submitting the data and responding to questions promptly.

Unless otherwise indicated, references are solely to U.S. stand-alone LTCI sales, excluding exercised future purchase options (FPOs) or other changes to existing coverage. “Stand-alone” refers to LTCI policies that *do not* include death benefits (other than returning premiums upon death or waiving a surviving spouse’s premiums) or annuity or disability income benefits. Where referenced, “combo” or “combination” products provide LTCI combined with life insurance or annuity coverage. “Linked benefit” policies are combo policies which can allow more than the death benefit or annuity account value to be used for long-term care (LTC).

All references to sales in terms of “premium” refer to “annualized” premium (1 x annual; 2 x semi-annual; 4 x quarterly; 12 x monthly), even if only one monthly premium was received before year-end.

The sections are described below:

- [Section I: Survey Highlights: Stand-alone LTCI](#)
- [Section II: Market Perspective: Insuring LTC Risk Beyond Stand-alone LTCI](#)
- [Section III: This Year’s One-Time Questions](#)
- [Section IV: Claims Data Analysis – Stand-alone LTCI](#)
- [Section V: Statistical Analysis of Stand-alone LTCI Sales](#)
- [Section VI: Underwriting Data Analysis – Stand-alone LTCI](#)

### PRODUCT DISPLAY

The Product Display shows financial ratings, LTCI sales and inforce policies, and generic product details (i.e., we do not include state variations). The row titles contain ‘comments’ which explain the information in that row. Below the Product Display, you will find a list of abbreviations used in the exhibit. However, some features cannot be fully described in limited space; please contact the insurers for more information.

### PREMIUM DISPLAY

The Premium Display shows lifetime annual premiums for each insurer’s most common underwriting class, for issue ages 40, 50, 60, and 70 for single females, single males, and female / male couples (assuming both are the same age), based on \$100 per day (or closest equivalent monthly) benefit, 90-day facility and default home care elimination period (other aspects vary), three-year and five-year benefit periods or \$100,000 and \$200,000 maximum lifetime buckets, with and without Shared Care and with flat benefits or automatic 3% and 5% annual compound benefit increases for life. The exhibit includes comprehensive policies and facility-only policies. Worksite products do not reflect any worksite-specific discount.

### UNDERWRITING CLASS DISPLAY

The Underwriting Class Display shows the premium adjustment (from the Premium Display prices) for each underwriting class and also shows the distribution of issued policies by underwriting class. We sometimes adjust an insurer’s underwriting distribution to provide readers a better expectation of likely results if they submit an application in the coming year and to line up with the prices we display. For example, if the Product Display shows only a new product which has only one underwriting class (hence one price), but the insurer’s data partly or solely reflects an older product with three underwriting classifications, we might choose to show “100%” in their best (only) underwriting class rather than the distribution by class for their older product.

## NOTABLE ENHANCEMENTS / CHANGES FROM PRIOR SURVEY

### Improved navigation and inclusion of individual and worksite results in the same article

To improve readability and user-friendliness, our new report structure includes updated formatting, including a table of contents and links to navigate through the various sections of the report more easily.

We also incorporated worksite sales analysis into this comprehensive report, rather than reporting worksite results separately, as has been done heretofore. In some areas, we compare the worksite (WS) stand-alone market to the total stand-alone market or to the “individual” market (i.e., policies sold outside the worksite).

### Revised treatment of Bankers Life products

Bankers Life (Bankers) has sold LTCI since 1985 and has participated in all past annual LTCI surveys. In addition to LTCI, Bankers has sold short-term care insurance (STCI) products (i.e., products generally with one-year or shorter benefit periods). We exclude STCI from our surveys.

In 2013, Bankers developed their “Fundamental” product for people living in states that did not allow STCI. It used a traditional tax-qualified LTCI chassis but had no benefit period longer than 365 days. Although its one-year benefit period is qualified as traditional LTC, we excluded it from prior surveys due to its marketing, underwriting, and shorter benefit periods.

In September 2023, Bankers added a version with a two-year benefit period (“Fundamental Plus”), which further blurred its difference from products in this survey. After discussions with Bankers to understand how the product is underwritten, we decided to include the Fundamental Plus product in this 2025 survey, but continued to exclude the Fundamental product. As noted in several places in this report, industry distributions change markedly when Fundamental Plus is included.

## CAVEATS AND LIMITATIONS

The results and findings in this report were prepared based on data gathered from participating insurers, LIMRA, industry practitioners, and publicly available data sources. We reviewed data for reasonableness and insurers reviewed their product displays.

We did not audit the data and information provided to develop this report. If the underlying data or information is inaccurate, our results and findings may likewise be inaccurate. Milliman does not certify the information, nor does it guarantee the accuracy or completeness of such information.

Use of information in this report is voluntary and should not be relied upon unless an independent review of its accuracy and completeness has been performed. Milliman does not intend to benefit and assumes no duty or liability to other parties who use this report.

Any reader of this report should possess a certain level of expertise and background in LTC insurance to assist in understanding the significance of the results and findings. The reader should be advised by actuaries and / or other professionals competent in the area of LTC insurance so as to properly interpret the results and findings. This report should be read in its entirety.

## I. Survey Highlights: Stand-alone LTCI

### PARTICIPANTS

Six insurers ([Bankers Life](#), [Knights of Columbus](#), [National Guardian Life](#), [New York Life](#), [Northwestern](#), and [Thrivent](#)) provided broadly to stand-alone sales distributions reported herein, although not necessarily to each table. Total 2024 sales data includes two additional contributors ([LifeSecure](#) and [Mutual of Omaha](#)); some distributions reflect their sales because we know they always include a particular feature (e.g., calendar-day elimination period). The 2024 inforce data includes three additional contributors ([CalPERS](#), LifeSecure, and Mutual of Omaha).

We have a new entrant in the industry and in our survey this year. CareScout Insurance Company is part of [Genworth Financial, Inc.](#); however, CareScout had no sales in 2024 and therefore is only included in the product, premium, and underwriting displays.

National Guardian Life, New York Life, and Northwestern provided broadly to worksite stand-alone sales distributions reported herein. In addition, total 2024 worksite stand-alone sales data includes LifeSecure and inforce worksite stand-alone LTCI data includes LifeSecure and Mutual of Omaha. Our stand-alone LTCI worksite sales reflect nearly the total industry, but our worksite sales *distributions* are skewed reflecting a higher mix of executive carveout programs based on the data provided. The worksite sales distributions should not be interpreted as characteristic of the entire worksite market.

### KEY FINDINGS – ANALYSIS OF 2024 DATA

#### Total Sales

Table 1 includes a summary comparing current-year sales to last year. Please note, 2023 sales are restated from last year's survey, such that both years include Bankers' Fundamental Plus product.

TABLE 1 SURVEY CONTRIBUTORS' TOTAL STAND-ALONE LTCI SALES			
	2024	2023	2024 / 2023
<b>Annualized Premium (in millions, including 10% of single premiums)</b>			
New Sales	\$112.7	\$93.9	20.0%
Exercised FPOs on existing policies	\$40.2	\$38.1	5.5%
<b>Total</b>	<b>\$152.8</b>	<b>\$132.0</b>	<b>15.8%</b>
<b>New Lives</b>	<b>34,480</b>	<b>28,471</b>	<b>21.1%</b>
<b>Average Premium on New Policies</b>	<b>\$3,265</b>	<b>\$3,924</b>	<b>-0.9%</b>

Table 1 demonstrates the impact of including Bankers' Fundamental Plus product. The 15.8% increase in total stand-alone LTCI annualized new premium sales would have been a 0.5% decrease if we had excluded Bankers' Fundamental Plus product from sales in both years. However, the average size premium would have increased 2.2% in 2024 had we excluded that product.

- FPOs increasingly contribute to new stand-alone LTCI sales. In 2024, ignoring Bankers' Fundamental Plus product, FPOs accounted for one-third of new sales. Five years ago (2019), FPOs accounted for 16% of new annualized premiums on stand-alone LTCI. Note, our survey does not report FPOs from insurers which are no longer selling new business, so the premium in Table 1 would understate the total market of all FPOs.
- The 21.1% increase in new insureds would have been a 5.3% decrease if Bankers' Fundamental Plus policy was excluded for both years.
- Four insurers reported stand-alone LTCI sales in the worksite. The number of new worksite policies increased from 1,326 in 2023 to 2,288 in 2024. Note, as shown in Table 14, more than 96% of worksite LTCI sales use products that include life insurance.
- On new policies, Bankers accounted for 29% of new premium. Northwestern was second at 23%, with Mutual of Omaha at 19% and New York Life at 16%. These 4 insurers represent 88% of the market. Including FPO elections, Northwestern accounted for 41% of annualized new premium.

## Inforce Business Changes

Reflecting nine entities' data, the number of inforce insureds dropped 0.6% while annualized premium increased 3.2%. Inforce premium rises due to sales, price increases, and benefit increases (including FPOs), and falls from lapses, reductions in coverage, deaths, and shifts to paid-up status. The number of people with stand-alone coverage increased through 2014, but has decreased annually since then as shown in Table 2 below, except for the 2021 aberration sparked by sales related to the WA Cares Fund private market exemption. However, inforce premium has continued to increase each year due to inforce price increases and higher prices for new policies.

TABLE 2 CHANGE IN NUMBER OF INFORCE POLICIES AND PREMIUM BY YEAR										
YEAR	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Premium	3.2%	0.2%	3.5%	6.7%	1.9%	10.0%	1.9%	6.0%	2.9%	2.4%
Lives	-0.6%	-2.8%	-1.4%	3.6%	-0.9%	<-1%	-1.1%	-5.1%	-0.3%	-0.2%

## Other Findings

We highlight below other observations from our sales, claims, and underwriting analyses.

### Claim Highlights

- Collectively, our seven participants paid 5.3% more in claims in 2024 than in 2023. For comparison, the stand-alone LTCI industry incurred \$16.9 billion in claims in 2024 based on companies' statutory annual filings, a 4.8% increase over 2023, which raises the running total of incurred claims since 1991 to \$229.0 billion (\$196.0 billion from our prior year's article plus 2023 claims of \$16.1 billion and 2024 claims of \$16.9 billion).
- Our participants' potential exposure to LTCI claims is approximately 195 times their monthly premium revenue.
- Of home care and adult day care claims, 89% relate to care provided by licensed home care agencies, 8% relate to independent providers, 1.2% relate to informal caregivers 1.2% relate to family caregivers, only 0.4% relate to adult day care.
- Nursing homes accounted for the smallest percentage of claims in the history of our survey (24.0% of the number of claims paid and 29.5% of the claim dollars).

### Sales Highlights

- In 2024, 75.5% of applications produced inforce policies. Even without Bankers' Fundamental Plus product, 62.8% were placed, the highest result since 2012.
- Partly due to a change in insurers providing data, the percentage of policies sold with FPOs (future purchase option, a guaranteed or a non-guaranteed board-approved option, under specified conditions, to purchase additional coverage without demonstrating good health) jumped to 66.2% of individual stand-alone sales and 71.8% of worksite stand-alone sales. The FPO election rate rose to 85.7%, in line with the same insurers in the past.
- Considering such FPOs and other increased coverage provisions, we project a maximum benefit at age 80 of \$369 / day for an average 60-year-old purchaser in 2024, which is equivalent to an average 3.6% compounded benefit increase between 2024 and 2044.
- Although stand-alone worksite annualized premium doubled from 2023 to 2024, the worksite combo market remains significantly larger – the worksite combo market produced 125 times as many new coverages and 24 times as much annualized premium on 2024 new sales.
- The California Task Force consideration of a state mandatory LTCI program did not stimulate a significant increase in LTCI sales.

## II. Market Perspective: Insuring LTC Risk Beyond Stand-alone LTCI

The stand-alone LTCI market has generally stabilized in terms of pricing and competition. As shown in the Policy Display, no insurer has changed pricing on a currently sold stand-alone LTCI product since 2021, and no policy issued after 2016 has had an inforce price increase. The number of carriers offering LTCI has generally remained stable in recent years as well, with the exception of CareScout / Genworth reentering the market.

While stand-alone LTCI continues to be an approach for mitigating LTC risk through insurance, other solutions continue to emerge and expand, including:

- Life insurance with LTCI features
- Annuities with LTCI features
- Short Term Care insurance
- Critical Illness insurance
- Social insurance

Below we share some thoughts and background on each of these approaches.

### LIFE INSURANCE WITH LTCI FEATURES

The following eleven insurers contributed to our combination sales data: [AFLAC](#), [Allstate](#), [Chubb](#), [John Hancock](#), [Mass Mutual](#), [Mutual of Omaha](#), [Nationwide](#), [New York Life](#), [Northwestern Mutual](#), [Securian](#), and [Trustmark](#). Both combo insurers contributing for the first time (Allstate and Chubb) focus on the worksite market; AFLAC, Mass Mutual, and Trustmark also reported worksite combo sales.

There are several different types of life insurance policies with LTC-related provisions.

- “Chronic Illness Acceleration” represents features which qualify under §101(g). They are prohibited to be marketed as LTCI, hence do not require brokers to be LTCI-certified. A portion of the death benefit (on some products, 100%) can be used for LTC-related expenses, generally on a cash-indemnity basis. On some policies, the insurer pays the accelerated death benefit reduced by premiums and interest the insurer anticipates it would have received between acceleration and death and by an administrative charge.
- “LTCI Acceleration” features under §7702(B) can be marketed as LTCI and require brokers to be LTCI-certified. They allow a portion of the death benefit (usually 1% to 4% per month, generally up to 100% of the death benefit) to be used for LTC.
- “Linked-Benefit” features allow more than the death benefit to be used for LTC, in one (or both) of two ways. First, they might include automatic annual (simple or compound) increases to the maximum monthly benefit, where the additional benefits may (or may not) reduce the death benefit. Second, they may continue LTC benefits even after the death benefit has been used up. Nearly all linked-benefit purchasers (98.2% in 2022 according to [LIMRA](#)) chose either benefit increases or extension of benefits or both. These can be filed under either §101(g) or §7702(B).
- Many life insurance policies also have terminal illness provisions (allow the death benefit to be obtained if the insured is expected to live fewer than, generally, six months) or critical illness provisions (see below).

As explained in the Statistical Analysis section, linked benefit products have largely displaced traditional stand-alone LTCI policies in the worksite, because the linked benefit products offer guaranteed issue (particularly attractive for older employees) and life insurance (particularly attractive for younger employees).

Although our survey covers essentially the entire stand-alone LTCI market, the eleven insurers contributing linked benefit and accelerated death benefit (ADB, either §7702(B) or ADB §101(g)) sales are a smaller percentage of the combo market, hence may not be characteristic of the full market. As shown in Table 3, these insurers sold \$924 million of annualized premium (compared to \$153 million of stand-alone LTCI), 6% more than in 2023. They issued 441,068 coverages (compared to 34,480 stand-alone policies), 17% more than in 2023. Most (71%) of the business was §101(g) coverages, two-thirds of which was in the individual market. The individual market linked-benefit policies had the highest average premium (\$9,504), as they provided LTC protection fairly comparable to the stand-alone policies which had an average premium of \$3,265. Most (64%) of the combo coverages were sold in the worksite, but only 26% of the premium, as the worksite combo market had an \$835 average annual premium compared to an average of \$4,153 in the individual market. Individual sales were larger, to an older age distribution, and more likely to be 10-year-pay. We do not get statistical breakdowns for combo sales.

**TABLE 3**  
**PARTICIPANTS' LIFE INSURANCE POLICIES WITH LTCI FEATURES, 2024 SALES**

	ANNUALIZED PREMIUM*		NUMBER OF POLICIES		INCREASE OVER 2023**		AVERAGE PREMIUM***		% OF PREM WS / TOTAL
					Premium	Policies	Individual	Worksite	
	Total	\$924		441,068		5.9%	17.1%	\$4,153	\$835
<b>Split by type:</b>									
Linked Benefit	\$178	19%	31,838	7%	29.7%	90.9%	\$9,504	\$696	6%
ADB §7702(B)	\$232	25%	95,175	22%	-6.7%	15.5%	\$5,229	\$790	21%
ADB §101(g)	\$514	56%	314,056	71%	-5.2%	12.0%	\$3,179	\$857	35%

\*In millions, including 10% of single premiums.

\*\*We have only 2024 sales for one insurer, so it is excluded in these percentages.

\*\*\*Ignores single premium policies (worksite has no single premium).

LIMRA shared broader information about the 2023 combined life / LTCI market (See Table 4). Despite being a year earlier, LIMRA's data has three times as much new 2023 premium sold as our contributors had in 2024. But LIMRA has only 6% more coverages sold, because our survey has a higher mix of executive carveout programs (with higher average premium) relative to LIMRA's numbers.

Among individual sales compared to LIMRA's 2023 totals, our participants' 2023 issued coverages comprised 61% of Linked-Benefit, 37% of ADB §7702B, and 29% of ADB §101g. Our 2024 data differs from LIMRA's 2023 data primarily because it has a lot more worksite sales and includes much less individual discounted ADB policies.

**TABLE 4**  
**LIFE INSURANCE POLICIES WITH LTCI FEATURES, LIMRA'S 2023 DATA**

	ANNUALIZED PREMIUM*		NUMBER OF POLICIES		INCREASE OVER 2022		AVERAGE PREMIUM
					Premium	Policies	Individual
	Total	\$2,862		468,731		-4%	11%
<b>Split by type:</b>							
Linked Benefit	\$289	10%	27,528	6%	7%	6%	\$10,487
ADB §7702(B)	\$549	19%	98,988	21%	3%	-3%	\$5,546
ADB §101(g)	\$2,024	71%	342,215	73%	-7%	16%	\$5,915

\*In millions, including 10% of single premiums.

Linked benefit and other combination products are attractive to consumers because if the insured never has an LTC-related claim, their beneficiary will receive a death benefit. They also are more likely than stand-alone LTCI to have indemnity benefits and guaranteed premiums.

Such policies generally cost more than stand-alone LTCI if there is comparable LTCI coverage at older attained ages (such as age 85). However, the price difference is shrinking because higher interest rates and competition are driving linked-benefit prices lower while stand-alone LTCI new business prices have remained stable or increased in recent years, especially for one-of-a-couple sales. Because of their benefit increase features, stand-alone and linked-benefit products typically provide more LTC protection at older attained ages than policies which provide LTCI only through an accelerated (possibly discounted) death benefit.

## ANNUITIES WITH LTCI FEATURES

Annuities with LTCI features include several types:

- Linked-benefit annuities allow more than the annuity account value to be paid for LTCI and require that the broker be LTCI-certified. This can be accomplished either by:
  - Spreading the annuity value over a fixed number of months (e.g., 36 months), then continuing the payments for a longer period of time (can be indefinitely as long as qualified care is needed).

- Spreading the annuity value over a fixed number of months (e.g., 36 months) and adding an additional layer of monthly benefit for LTCI during that [36 month] period.
- Some other annuities increase their payout under some LTC situations (perhaps only if LTC is already needed at the time of annuitization). However, that doubling (for example) of the benefit may end when the annuity account value is exhausted.
- Many annuities will waive surrender charges for withdrawals while in a nursing home.

### SHORT TERM CARE INSURANCE

Short Term Care insurance (“STCI”) is excluded from our survey because it has a maximum benefit period of one-year (often less, which does not satisfy the legal definition of LTCI) and often includes some benefits not available with LTCI, such as hospital indemnity. However, because STC often covers LTC needs without requiring 90-day certification, is less expensive, and offered with more relaxed underwriting, STC is increasingly used as an alternative or supplement to LTCI.

Although we do not include STC, we do include LTCI policies with short benefit periods. With the inclusion of Bankers Fundamental Plus product, one-year (30.4%) and two-year (16.3%) benefit period policies combined to represent 46.7% of the sales in this survey.

### CRITICAL ILLNESS INSURANCE

Critical illness policies typically pay specified benefits (not reimbursement) for specific conditions (such as Alzheimer’s, stroke, cancer, heart attack, paralysis, coma, etc.), sometimes including home care or facility care. They are not considered to be LTCI and do not require brokers to be LTCI-certified.

### SOCIAL INSURANCE

New social insurance LTC programs continue to be studied at the state and federal level following the enactment of the [WA Cares Fund](#) in 2019. To keep up with activity, we include updates in our quarterly newsletter [Long-Term Care Focus: Q2 2025](#). Some recent developments include:

- Massachusetts: Milliman completed a feasibility [study](#) for the Massachusetts Executive Office of Health and Human Services (EOHHS) on potential LTC financing solutions for the state of Massachusetts. The results were presented and discussed during “Financing Long-Term Care in Massachusetts: Release of the MA Long-Term Care Actuarial Study,” a public [webinar](#) on June 10, 2025. Current legislation (H.792 and S.476) proposes establishing a special commission to further explore a statewide long-term services and supports (LTSS) program.
- Washington: In May 2025, [SB 5291](#) was enacted, introducing several changes to the WA Cares Fund. The new law sets standards for supplemental LTC insurance policies, permits individuals who previously opted out to rescind their exemption, makes inflation protection automatic, and launches a pilot program to provide early benefits to a select group before July 2026.
- WISH Act: Congressman Suozzi (D-NY) reintroduced the [WISH Act](#) in May 2025 with Congressman Moolenaar (R-MI). The proposal would establish a federal LTSS program offering a catastrophic benefit—up to \$4,000 per month after a waiting period of one to five years. Details on program financing have not yet been specified.

In prior surveys, we monitored sales in California to examine if the discussion of proposed social insurance has an impact on LTCI sales. Table 5 shows the updated percentage of national sales which occurred in California from 2015 to 2024 to review the impact on sales due to discussion of a statewide public LTCI program<sup>1,2</sup> in 2023.<sup>3</sup>

<sup>1</sup> Giese, C., Cunningham, J., Gunnlaugsson, A. et al. (September 9, 2020). Long-Term Services and Supports Feasibility Study\_Milliman Report. Retrieved April 19, 2024, from <https://www.dhcs.ca.gov/formsandpubs/Documents/Legislative%20Reports/Long-Term-Services-and-Supports-Feasibility-Study-Final-Report.pdf>.

<sup>2</sup> California Assembly Bill 567: Oliver Wyman Actuarial Report (December 15, 2023). Retrieved April 19, 2024, from <https://www.insurance.ca.gov/0500-about-us/03-appointments/upload/CaAB567OliverWymanActuarialReport2023.pdf>.

<sup>3</sup> <https://legiscan.com/CA/text/AB567/id/2831261#:~:text=California%20Assembly%20Bill%20567>

If the study stimulated sales, we might expect California's market share to increase in 2023, especially by number of lives, as people could be more likely to buy private LTCI if the new program had a private market exemption. Table 5 does not appear to exhibit any conclusive trends around market share in 2023 (i.e., 2023 does not have a higher percentage of lives compared to all other calendar years, as would be evidenced if there was a sales spike in 2023).

<b>TABLE 5 CALIFORNIA MARKET SHARE OF STAND-ALONE LTCI BY YEAR*</b>						
<b>YEAR</b>	<b>2024**</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2015-2019</b>
Premium	11.2%	10.4%	10.8%	9.0%	10.6%	11.3%
Lives	12.8%	11.4%	11.1%	5.9%***	10.7%	11.0%

\* Based on insurers providing jurisdictional details to these surveys.

\*\*Excluding Bankers Fundamental Plus product.

\*\*\*Influenced by high sales in Washington in 2021.

### III. This Year's One-Time Questions

As part of our survey each year, we typically ask a handful of limited, one-time questions in addition to collecting insurers' information and data. We develop the questions based on areas of expressed interest by insurers and general "hot topics" at industry conferences. For this year's survey, we asked one-time questions related to the following topics:

- Distribution of home and community care claims by "provider" type
- Automatic and credit card billing practices
- Wellness programs for those not on claim
- Involvement in government / public LTC programs
- Use of generative artificial intelligence (Gen AI)

#### DISTRIBUTION OF HOME AND COMMUNITY CARE CLAIMS BY "PROVIDER" TYPE

Five entities broke down \$288 million of home and community care claims to show the distribution among various types of "providers." Such distributions vary significantly among insurers (as demonstrated by the differences between the average and highest percentages as shown in Table 6), so our data is not fully representative of the industry. Home care agencies emerged as the largest provider, while adult day care accounted for no more than 0.8% of home care claims for any entity.

TABLE 6 DISTRIBUTION OF HOME AND COMMUNITY CARE CLAIMS		
	DISTRIBUTION	HIGHEST PERCENTAGE AMONG THE 5 CONTRIBUTORS
Home Care Agencies	89.2%	99.7%
Independent Professionals	8.1%	19.5%
Family Members	1.2%	5.5%
Informal Caregivers	1.2%	5.5%
Adult Day Care	0.4%	0.8%
Other	0.002%	0.01%

#### AUTOMATIC AND CREDIT CARD BILLING PRACTICES

*For which premium frequencies do you allow automatic deduction (PAC / ACH) from individual checking or credit union accounts? Additionally, under what circumstances do you allow credit card payments?*

Eleven entities shared practices regarding billing from checking accounts and credit unions and acceptance of credit card payments as shown in Table 7. They all permit monthly automatic billing from checking accounts. Six of the 11 allow such billing for all frequencies and five of 11 allow credit union billing for all frequencies. Two noted that they can bill other bank accounts with a routing and account number. In the worksite market, nearly all billing is by payroll deduction.

Only two of 11 allow credit cards, with one not allowing credit cards for monthly billing. Those two companies allow credit cards identically for initial and subsequent payments.

TABLE 7 PERCENTAGE OF ENTITIES PERMITTING AUTOMATIC AND CREDIT CARD BILLING BY FREQUENCY				
	ANNUAL	SEMI-ANNUAL	QUARTERLY	MONTHLY
Checking Account	55%	55%	55%	100%
Other Bank Accounts	18%	18%	18%	18%
Credit Union	45%	45%	45%	91%
Credit Cards	18%	18%	18%	9%

## WELLNESS PROGRAMS FOR THOSE NOT ON CLAIM

What LTC wellness or claim intervention initiatives have you implemented? Do you reflect any of your findings (of savings, efficiencies, etc.) in pricing or valuation calculations?

One participant cited [The Helper Bees Aging-in-Place Marketplace](#). Another cited [Assured Allies' AgeAssured program](#). A third cited [CareScout Resources](#). Some insurers noted that they have programs for claimants. These efforts are all too new to have demonstrated a potential impact on pricing or reserves (the amounts set aside by insurers to pay future claims).

## INVOLVEMENT IN SOCIAL INSURANCE LTC PROGRAMS

Since January 1, 2023, have you worked with any states or the federal government as interested stakeholders to help inform policy around public long-term care insurance programs (e.g., WISH Act)?

Two insurers indicated direct active involvement with state and federal government representatives to discuss possible public LTCI programs. One cited the WA Cares Program and one cited working with agencies such as The American Council for Life Insurance ([ACLI](#)) and [Finseca](#) with the states. Both cited working with Representative Tom Suozzi (D, NY) regarding his proposed [WISH Act](#). A third insurer indicated that it has participated in ACLI phone calls.

## USE OF GENERATIVE ARTIFICIAL INTELLIGENCE (GEN AI)

Have you begun to incorporate Gen AI into your underwriting, claims administration, or other sales / management processes?

The responses (from 10 entities) are shown below. One insurer captured the situation by stating "It's hard to not say "Yes" to all the categories," but only one insurer identified a current use (marketing) and only seven entities indicated an area of potential AI use. We seem to be on the verge of an explosion in using AI, but timing is unclear.

**TABLE 8**  
**NUMBER OF ENTITIES USING OR ANTICIPATING USING ARTIFICIAL INTELLIGENCE**  
**IN THE FOLLOWING WAYS**

AREA OF USE	CURRENTLY USING	CURRENTLY CONSIDERING	ENVISION POSSIBLE FUTURE USE	TOTAL # OF ENTITIES EXPRESSING INTEREST
Call Center	0	2	5	7
Claims Adjudication	1	0	4	5
Claims Audit	0	0	5	5
Claims investigation	0	0	5	5
Claims Payment	0	0	4	4
Filing forms for approval	0	0	2	2
Human Resources	0	0	5	5
Inforce Price Increases	0	0	2	2
Marketing	1	1	5	7
Monitoring Sales Distribution	0	0	4	4
Policy Issue	0	2	3	5
Printing	0	0	3	3
Processing Policy Changes	0	1	4	5
Recruiting Distribution	0	0	3	3
Sales	0	1	6	7
Underwriting Assessment	0	2	5	7
Underwriting Ordering	0	1	5	6
Other	0	1 (group quote requests)	1	2

## IV. Claims Data Analysis – Stand-alone LTCI

Seven participants collectively paid 5.3% more in claims in 2024 than in 2023. As some companies are not able to provide complete detailed data, some statistics reported below are more robust than others.

- The seven entities combined individual and multi-life (not group) and group claim payments were 5.3% higher than in 2023, based upon 0.9% more claimants, resulting in a 4.4% increase in the average individual and multi-life claim payment.
- The LTCI industry has paid out benefits to policyholders far greater than indicated in the following statistics, because most claims are paid by insurers that do not currently sell LTCI.

Our survey claims represent about 10% of claims paid by the industry. LTCI claims paid by insurers no longer selling LTCI may differ significantly from the following statistics as their claimants are more likely to have facility-only coverage, be older, and / or have other different policy or demographic characteristics.

### REPORTED CLAIMS – TOTAL AND BY SITUS

Table 9 shows the total dollar and number of reported individual and multi-life LTCI claims. Table 10 shows the percentage paid by type of venue. In both tables, “since inception” means since the insurer first started selling LTCI or as far back as they can report these results (for example, they may have changed claims administration systems and not be able to go all the way back to when they first processed claims).

Table 10 shows that nursing homes accounted for the lowest percentage of claims and claims dollars ever in 2024. Home care and adult day care (collectively “HC” in Table 10) continue to account for the highest percentage of claims (41.2%) but 31.2% of claim dollars.

Trends can be obscured because different insurers may report claims data over the years and insurers refine how they report data. For example, we learned in 2021 that one insurer previously assigned all a claimant’s benefits based on the venue in the claimant’s first month of claim, which implies the shift from NH to assisted living facility (ALF) since 2020 is greater than the table indicates.

In the distribution based on number of claims, a person who received care in more than one venue is counted once for each venue, but not double-counted in the total line. Our statistics indicate that about 30% of claimants use multiple types of venues during the course of the claim. The percentage grows closer to 40% limiting to individuals starting their claim at home, adult day care, or ALF.

TABLE 9 DOLLAR AND NUMBER OF INDIVIDUAL AND MULTI-LIFE PAID CLAIMS BY YEAR						
	2024	2023	2022	2021	2020	SINCE INCEPTION
Dollar Amount of Claims (in millions)	\$1,577**	\$1,653	\$1,514	\$1,440	\$1,490	\$20,842
Number of Claimants	42,077**	46,203	45,361	45,552	47,128	277,580*

\* An insurer reported roughly 20% of our total claim dollars since inception but was unable to provide their number of claimants since inception.

\*\* One insurer did not contribute data in 2024. The companies which contributed data experienced a 5.3% increase in total claims and a 0.9% increase in the number of claims paid.

**TABLE 10**  
**PERCENTAGE OF PAID INDIVIDUAL AND MULTI-LIFE LTCI CLAIMS BY NURSING HOME, ASSISTED LIVING FACILITIES, AND HOME CARE VENUES**

CLAIM \$	SINCE INCEPTION	2024	2023	2022	2021	2020	2019	2018	2017	2016
NH	45.4%	29.5%	29.8%	30.3%	35.2%	33.2%	42.6%	31.7%	32.1%	37.4%
ALF	21.9%	39.3%	40.0%	36.7%	31.8%	36.0%	30.4%	35.0%	35.3%	31.2%
HC	32.8%	31.2%	30.3%	33.0%	33.0%	30.9%	27.0%	33.3%	32.6%	31.4%
Claim #										
NH	46.1%*	24.0%	26.0%	25.4%	33.5%	30.3%	41.0%	30.1%	30.7%	37.0%
ALF	16.7%*	34.8%	35.3%	32.9%	25.2%	29.5%	22.8%	29.3%	29.4%	25.4%
HC	37.2%*	41.2%	38.7%	41.8%	41.3%	40.2%	36.2%	40.6%	39.9%	37.6%

\*These distributions reflect one fewer carrier than the other "since inception" distributions.

Six carriers reported the number of open individual claims at year-end. About 70% of the claims paid in any year are still open at year-end.

### REPORTED CLAIMS – AVERAGE CLAIM SIZE

Table 11 shows average size individual claims since inception: that is, including older claims and reflecting all years of payment. Consistently across insurers, the average home care claim is close to the average facility claim, unless the insurer has a lot of claims from policies with a home care maximum that is half of the facility maximum. The average ALF claim is about 75% of the average NH claim for some insurers and about 160% for other insurers.

ALF average claim size stands out as high each year, probably because:

- ALF claims appear to have a longer duration compared with other venues.
- Nursing home costs are most likely to exceed the policy daily / monthly maximum, hence nursing home claims are most likely to understate actual cost of care.
- People who maximize the use of their maximum monthly benefits can generally spend as much in an ALF as in a nursing home.
- Although some surveys report that on average ALFs cost about half as much as nursing homes, ALFs may have an extra charge for a memory unit or for levels of assistance that align more closely with nursing home care.

Several insurers extend ALF coverage to policies which originally did not include ALF coverage, providing policyholders with significant flexibility at the time of claim but contributing to the insurers' need for rate increases.

The following factors contribute to a large range of average claim by insurer (see Table 11):

- Different markets (by affluence; worksite vs. individual; geography, etc.)
- Demographic differences (gender; issue age; age of their block of business)
- Distribution by benefit period, benefit increase feature, shared care, and elimination period. (One carrier has a higher average home care claim than average facility claim, because people who added the home care rider were more likely to add compound benefit increases.)
- Distribution by facility-only policies vs. 50% home care vs. 100% home care vs. home care only.
- Differences in the ways insurers report claims.

**TABLE 11**  
**AVERAGE INDIVIDUAL CLAIM SIZE SINCE INCEPTION**

TYPE	ALL PARTICIPANTS	LOWEST INSURER AVERAGE	HIGHEST INSURER AVERAGE
Total claim, all venues combined	\$60,744	\$41,036	\$125,197
Nursing Facility	\$48,579	\$40,182	\$102,098
Assisted Living Facility	\$64,689	\$31,060	\$107,813
Home Care	\$43,434	\$34,754	\$71,331

The following factors cause our average claim sizes to likely be understated in Table 11:

1. Approximately 19% of inception-to-date individual claims are still open and our data does not include reserve estimates for future payments on open claims.
2. People who recover, then go on claim again, are counted as multiple insureds, rather than adding their various claims together.

Besides being understated, the average claims data may not reflect the full value of LTCI benefits because the many small claims drive down the average claim. For most people who need care for one year or longer, LTCI provides significant financial yield. Even those who have small claims (or no claims) benefit from having been protected against adverse results, so the amount of protection, as well as average claim, is important.

### CLAIM EXPOSURE

Seven insurers provided current individual monthly LTCI claim exposure (note: the data reflects only *initial* monthly maximum for two insurers). As shown in Table 12, this figure is 27.8 times their corresponding monthly LTCI premium income and 41.1 times their 2023 LTCI monthly paid claims. Treating endless (lifetime benefit periods) as a 15-year benefit period, their average inforce benefit period is 7.0 years, ignoring Shared Care. With annual exposure 27.8 times annual premium and an average benefit period of 7.0 years, we estimate total exposure is 195 times annual premium.

**TABLE 12**  
**INDIVIDUAL LTCI CLAIM EXPOSURE**

Monthly exposure (7 insurers' total, in millions)	\$5,401
Monthly exposure / monthly premium	27.8
Monthly exposure / 2023 monthly claims	41.1
Average inforce benefit period (years)*	7.0
Ratio of total exposure to annual premium*	195

\* Assumes 15 years for weighting lifetime benefit periods for illustration

The current average individual maximum monthly maximum benefit for claimants seems to be in the \$5,200 to \$8,700 range (one company reported \$4,600 but that does not include increases.)

Nursing home (NH) claims are more likely to use the policy's maximum daily / monthly benefit than ALF claims because ALF daily / monthly costs are generally lower and because policies sometimes have lower maximums for ALFs. ALF claims correspondingly are more likely to use the policy maximum than are adult day care and home care claims.

### INDEPENDENT THIRD-PARTY REVIEW

Independent Third-Party Review (IR; passed by the NAIC in 2009) has been adopted in all states except perhaps AZ, CA, CT, DC, DE, FL, IN, ND, NJ, NY, and SC, but some jurisdictions have not set up the required panel of independent reviewer organizations (IROs). We found on-line LTCI IRO lists for LA, MT, and SD.

If an insurer concludes that a claimant is not chronically ill, the insurer must inform the claimant of his / her right to appeal to IR. The decision of the IRO is binding on the insurer, but the consumer still can pursue legal action.

The [Product Display](#) shows that most participants extend IR beyond statutory requirements (e.g., to policies issued prior to the effective date of IR). Some insurers hire IROs to provide another set of eyes as part of the insurer's internal appeal process. Few claims go to IR. Some insurers say they have never had a request for IR. We are not aware of regulators who track IR results, but Steve LaPierre, President of LTCI Independent Eligibility Review Specialists (an IRO) estimated that they upheld the insurer's decision about 95 percent of the time between 2020-2023. The LTCI industry's IR experience suggests that insurers, overall, are paying claims appropriately. For comparison, studies of IR relative to acute health claims<sup>4</sup> indicate that IR upheld fewer than half the insurers' denials (recognizing that acute health insurance and LTCI claims are denied for different reasons).

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<sup>4</sup> <https://www.nationalnursesunited.org/press/60-80-insurance-denials-overturned-or-reversed-when-taken-independent-medical-review-new-data#:~:text=60%2D80%25%20of%20Insurance%20Denials.New%20Data%20%7C%20National%20Nurses%20United; Pennsylvania overturns 50% of health insurance denials - WHY?; Claims Denials and Appeals in ACA Marketplace Plans in 2023 | KFF>

## V. Statistical Analysis of Stand-alone LTCI Sales

Bankers Life, Knights of Columbus, National Guardian, New York Life, Northwestern and Thrivent contributed significant background stand-alone LTCI sales data, but some participants were unable to contribute data for all the metrics. LifeSecure and Mutual of Omaha provided only total stand-alone sales, not distributions.

Sales characteristics vary significantly among insurers based on market differences (individual vs. worksite, affluence, gender and age distribution, etc.). Year-to-year variations in policy feature distributions may reflect industry trends but may also reflect changes in participants, participant practices and designs, participant or worksite market shares, etc. This year's distributions are affected by the inclusion of Bankers Life's Fundamental Plus product and the unavailability of sales distributions from Mutual of Omaha. The sales in 2021 exhibit major variance from historical results due to Washington State sales.

### MARKET SHARE BY CARRIER

Bankers and Northwestern combined accounted for more than half of the annualized premium on new policies in 2024 (see Table 13). With Mutual of Omaha and New York Life, they totaled 88% of annualized premium on new policies. Including FPOs on policies issued in the past, Northwestern had twice as much new annualized premium as any other insurer.

Rank	Carrier	2024 TOTAL SALES		2023 TOTAL SALES		2024 WS SALES	2023 WS SALES
		Excluded	Included	Excluded	Included	Excluded	Excluded
1	Bankers Life	\$32.7	\$32.7	\$11.3	\$11.3		
2	Northwestern	\$26.2	\$66.2	\$24.1	\$57.8	\$0.4	\$0.1
3	Mutual of Omaha	\$21.4	\$21.4	\$24.2	\$24.6		
4	New York Life	\$18.3	\$19.5	\$17.9	\$19.2	\$3.8	\$1.6
5	Thrivent	\$7.3	\$9.1	\$7.4	\$9.1		
6	National Guardian	\$4.8	\$4.8	\$5.4	\$5.4	\$0.1	\$0.3
7	Knights of Columbus	\$1.0	\$2.0	\$1.6	\$2.6		
8	LifeSecure	\$0.7	\$0.7	\$1.4	\$1.6	\$0.7	\$0.6
	<b>Total</b>	<b>\$112.8</b>	<b>\$152.4</b>	<b>\$82.8</b>	<b>\$120.9</b>	<b>\$5.0</b>	<b>\$2.7</b>

### WORKSITE MARKET SALES

Worksite new annualized premium on stand-alone LTCI policies more than doubled from 2023 with New York Life producing about 90% of the business, as shown in Table 13. When adding in new worksite premium from FPOs on older policies, the new premium increases from \$5.0 million (Table 13) to \$9.7 million (Table 14).

The stand-alone worksite business in our survey is mostly executive carve-out programs that provide robust coverage. One- or two-couple executive carve-out sales may not qualify for a multi-life discount with some insurers, hence may not be labeled as worksite sales in submissions to our survey.

Table 14 indicates that 96% of the worksite premium and 99% of the worksite coverages related to LTCI are sold on coverages that include life insurance. The average size stand-alone premium is five times the average combo premium even though the combo coverages add a death benefit. The stand-alone premiums are generally higher because of higher monthly maximums, compound inflation benefits, and older age distribution.

The linked-benefit worksite business is mostly voluntary group coverage which is generally less robust than individual coverage. Core / Buy-Up programs (the employer pays for a small amount and employees can buy more) are

uncommon; they have particularly young age distributions and modest coverage because a lot of employees do not buy-up and are less likely to insure spouses.

TABLE 14 WORKSITE SALES: STAND-ALONE VS. COMBO		
	WORKSITE ANNUALIZED PREMIUM	WORKSITE NUMBER OF COVERAGES
Stand-Alone (includes FPOs)	\$9,689,537	2,288
Combo	\$237,292,596	284,314
% Combo	96.1%	99.2%

Our participants' (insurers which provided sales distributions) average annual premium on new worksite policies was \$2,364; contributors that provided sales, but not distributions, had an average premium of \$1,475 (still higher than the \$835 average combo worksite premium). The difference in average premium makes clear that our sales distributions do not reflect the insurers focusing on the group voluntary and core / buy-up markets.

Table 15 summarizes the percentage of stand-alone sales occurring at the worksite. As shown in Table 15, the percentage of stand-alone LTCI premium coming from the worksite increased (even though 2024 now includes Bankers' Fundamental Plus product, which has no worksite business).

TABLE 15 PERCENTAGE OF STAND-ALONE SALES OCCURRING AT THE WORKSITE (INCLUDING FPO)									
WORKSITE	2024	2023	2022	2021	2020	2019	2018	2017	2016
% of premium	6.3%	5.9%	7.0%	30.1%	13.2%	13.4%	9.2%	13.9%	13.5%
% of policies	6.6%	5.4%	8.0%	62.7%	21.0%	21.0%	15.0%	22.0%	22.0%

## AFFINITY MARKET SALES

Affinity group sales (non-employers such as associations) in 2024 as percentage of the total dropped significantly as shown in Table 16. However, we expect this drop is largely because the insurer with the most affinity business did not provide statistical distributions; and Bankers' Fundamental Plus product increased the "denominator" for individual sales.

TABLE 16 PERCENTAGE OF SALES OCCURRING THROUGH AFFINITY GROUPS									
AFFINITY GROUPS	2024	2023	2022	2021	2020	2019	2018	2017	2016
% Of Premium	1.6%	5.4%	5.0%	4.2%	6.0%	5.9%	6.2%	6.8%	5.1%
% Of Policies	1.4%	7.2%	7.6%	3.3%	8.1%	8.5%	7.8%	7.3%	6.1%

## MARKET PENETRATION BY AGE

Table 17 displays the age distribution of adults 18+ in the United States population compared to the age distribution of purchasers in the Total market and the age distribution of workers ages 18+ compared to the age distribution of purchasers in the WS market. If the percentage of sales in a particular age group is higher than the percentage of population in that age group, we can conclude that LTCI is more appealing to that age group, the industry gets in front of that age group more, and / or more of the applicants in that age group qualify for coverage. In general, the industry appears most effective with ages 50-69 (and additionally in WS for ages 40 to 49).

**TABLE 17**  
**DISTRIBUTION OF SALES VS. PROSPECTS**

Age Band	TOTAL MARKET		WS MARKET	
	2023 Adult Population 20 to 79*	2024 Sales	2024 Employed Population**	2024 Sales
18 to 29	20.1%	1.3%	23.3%	6.1%
30 to 39	17.6	3.5	22.2	16.5
40 to 49	15.9	9.6	21.1	24.7
50 to 59	15.8	27.2	18.1	31.9
60 to 69	15.4	44.1	12.2	18.0
70 to 79	15.3	14.3	3.0	2.8

\*Approximated from <https://www.statista.com/statistics/241488/population-of-the-us-by-sex-and-age/>

\*\*Approximated based on data from <https://www.bls.gov/cps/cpsaat18b.htm>

### MARKET PENETRATION AND DISTRIBUTION BY JURISDICTION

For each U.S. jurisdiction (i.e., state and the District of Columbia), Table 18 shows the distribution by number of stand-alone LTCI sales (percent of policies and annualized premium) and the average premium per insured; note, for purposes of Table 18, premiums include FPOs and 100% of single premiums. Table 18 also summarizes the percentage of policies which qualified under state Partnership programs. To help illustrate market share, the distributions can be compared against the distribution of the nation's population between 20 and 79 by jurisdiction. The industry may have growth opportunities in jurisdictions where the population distribution is higher than the distribution by number of policies.

For more information about Partnership policies see [State Long-Term Care Insurance Partnerships](#).

**TABLE 18**  
**MARKET SHARE, PARTNERSHIP PERCENTAGE AND AVERAGE PREMIUMS BY JURISDICTION**

JURISDICTION	POPULATION DISTRIBUTION Ages 20 to 79	DISTRIBUTION BY		% QUALIFIED For Partnership	AVERAGE PREMIUM INCLUDING FPOS AND FULL SINGLE PREMIUM	
		Number of Policies	Premium		Total	Partnership
Alabama	1.5%	0.6%	0.7%	20.1%	\$5,139.29	\$3,829.03
Alaska	0.2%	0.1%	0.1%	0.0%	\$5,008.13	
Arizona	2.2%	1.2%	1.2%	39.1%	\$4,916.26	\$6,288.26
Arkansas	0.9%	0.8%	0.8%	19.5%	\$4,514.11	\$5,707.61
California	11.5%	7.7%	8.4%	0.0%	\$5,085.68	
Colorado	1.8%	1.6%	1.8%	32.7%	\$5,192.62	\$5,110.70
Connecticut	1.1%	1.5%	1.6%	0.0%	\$4,942.90	
District of Columbia	0.2%	0.2%	0.2%	0.0%	\$4,826.74	
Delaware	0.3%	0.2%	0.2%	17.2%	\$4,254.30	\$4,464.19
Florida	6.8%	7.0%	5.7%	20.0%	\$3,800.33	\$3,969.00
Georgia	3.2%	2.2%	2.4%	43.5%	\$5,010.28	\$5,896.17
Hawaii	0.4%	0.6%	0.5%	0.0%	\$3,542.03	
Idaho	0.6%	0.6%	0.7%	27.3%	\$5,177.34	\$5,543.61
Illinois	3.7%	4.8%	6.2%	25.7%	\$6,026.78	\$5,402.07
Indiana	2.0%	2.5%	2.3%	2.2%	\$4,361.52	\$4,345.00
Iowa	0.9%	6.0%	6.0%	48.7%	\$4,619.13	\$5,781.95

**TABLE 18**  
**MARKET SHARE, PARTNERSHIP PERCENTAGE AND AVERAGE PREMIUMS BY JURISDICTION**

JURISDICTION	POPULATION DISTRIBUTION	DISTRIBUTION BY		% QUALIFIED	AVERAGE PREMIUM INCLUDING FPOS AND FULL SINGLE PREMIUM	
		Number of Policies	Premium		For Partnership	Total
Kansas	0.8%	2.7%	2.1%	35.3%	\$3,677.07	\$4,739.14
Kentucky	1.3%	1.2%	0.9%	20.2%	\$3,668.27	\$6,870.04
Louisiana	1.3%	1.0%	1.0%	31.3%	\$4,581.23	\$6,733.14
Maine	0.4%	0.3%	0.2%	13.2%	\$4,140.79	\$4,881.78
Maryland	1.8%	1.5%	1.6%	29.5%	\$5,079.68	\$4,002.57
Massachusetts	2.1%	1.8%	2.6%	0.0%	\$6,509.52	
Michigan	3.0%	2.2%	1.7%	23.5%	\$3,615.51	\$3,716.26
Minnesota	1.7%	3.5%	3.4%	62.2%	\$4,453.43	\$5,257.07
Mississippi	0.9%	0.4%	0.5%	0.0%	\$5,973.75	
Missouri	1.8%	3.2%	2.8%	19.6%	\$4,135.87	\$5,537.02
Montana	0.3%	0.5%	0.4%	31.5%	\$3,763.96	\$4,294.08
Nebraska	0.6%	1.6%	1.6%	47.9%	\$4,596.42	\$6,018.41
Nevada	1.0%	0.7%	0.6%	44.7%	\$3,873.18	\$4,236.62
New Hampshire	0.4%	0.4%	0.4%	24.4%	\$4,479.23	\$3,690.45
New Jersey	2.8%	2.8%	2.4%	15.4%	\$3,958.01	\$5,343.11
New Mexico	0.6%	0.3%	0.4%	12.8%	\$6,205.18	\$4,358.84
New York	5.9%	4.5%	5.8%	0.0%	\$6,025.40	
North Carolina	3.2%	4.2%	3.9%	37.6%	\$4,326.59	\$6,417.17
North Dakota	0.2%	0.7%	0.6%	62.0%	\$4,296.13	\$4,653.20
Ohio	3.5%	2.8%	3.0%	55.1%	\$4,949.35	\$6,113.57
Oklahoma	1.2%	0.7%	0.7%	35.3%	\$4,638.05	\$6,987.64
Oregon	1.3%	0.8%	1.1%	51.8%	\$6,650.21	\$8,533.18
Pennsylvania	3.9%	2.6%	2.7%	19.6%	\$4,802.45	\$4,534.44
Puerto Rico	1.0%	0.0%	0.0%	0.0%	\$874.83	
Rhode Island	0.3%	0.5%	0.4%	28.2%	\$4,361.46	\$6,855.65
South Carolina	1.6%	1.5%	1.3%	35.3%	\$4,141.82	\$5,935.71
South Dakota	0.3%	1.0%	1.4%	51.1%	\$6,506.58	\$7,089.57
Tennessee	2.1%	1.8%	1.8%	38.6%	\$4,700.81	\$6,851.20
Texas	8.8%	7.4%	6.2%	19.7%	\$3,888.70	\$3,912.12
Utah	0.9%	0.3%	0.4%	0.0%	\$5,462.42	
Vermont	0.2%	0.1%	0.1%	0.0%	\$5,381.62	
Virginia	2.6%	2.7%	2.6%	30.6%	\$4,568.10	\$6,437.06
Washington	2.4%	2.6%	2.3%	27.2%	\$4,134.90	\$4,578.07
West Virginia	0.5%	0.7%	0.4%	8.8%	\$2,853.16	\$3,063.89
Wisconsin	1.8%	3.2%	3.5%	62.8%	\$5,023.45	\$5,697.89
Wyoming	0.2%	0.1%	0.2%	30.8%	\$5,350.37	\$10,871.57
<b>Total</b>		100.0%	100.0%	26.9%	\$4,654.18	\$5,499.52

Participants reported Partnership sales in 41 states, all Partnership-authorized states except CA, CT and NY. Only one insurer sells Partnership in IN; that insurer issued Partnership policies in 41 states. One insurer issues no Partnership policies.

Overall, 26.9% of policies qualified for Partnership, but 33.5% (38.9% excluding Bankers' Fundamental Plus product) of policies qualified for Partnership in the "DRA" states (i.e., states that adopted simplified and more standardized Partnership regulations under the Deficit Reduction Act of 2005). Excluding Bankers' Fundamental Plus product, 80% of Minnesota's policies and 74% of Wisconsin's policies qualified for Partnership (the states with the highest percentage), while five DRA states had fewer than 20% qualify.

#### **AVERAGE ANNUALIZED PREMIUM PER SALE**

To determine the average annualized premium for new sales, we exclude FPOs and single premium policies, except if noted otherwise. For average premiums inforce, we include FPOs and paid-up policies. Where data permits, we calculate an average premium for a buying unit; if two partners buy simultaneously, they constitute a single buying unit. An average premium per buying unit can help brokers anticipate potential sales.

For the first time, we're publishing the combined average premium per insured reflecting both our stand-alone and combo contributors: \$2,081 (see Table 19).

Stand-Alone individual average premiums are 20% lower than combo individual premiums. The stand-alone policies lack a death benefit but likely provide stronger future LTCI benefits (for example, a higher percentage of stand-alone products have compound benefit increases.)

Stand-alone worksite premiums are much higher than combo worksite premiums because the stand-alone business involves more executive carve-out business and more compounding.

Individual average premiums are higher than worksite average premiums for both stand-alone and combo.

The inclusion of Bankers' Fundamental Plus product significantly impacted the average premium per buying unit because a lot of those buyers are single. To a lesser extent, it reduced the average premium per insured.

The difference between the average premium per buying unit and per insured is larger in the individual market because the individual market has more couples who both buy.

TABLE 19									
AVERAGE ANNUALIZED PREMIUM (EXCLUDES FPO EXCEPT FOR IF)									
AVERAGE PREMIUM PER	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>TOTAL MARKET (INDIVIDUAL AND WORKSITE MARKETS COMBINED; COMBO AND STAND-ALONE COMBINED)</b>									
Insured*	\$2,081								
<b>TOTAL STAND-ALONE MARKET (INDIVIDUAL AND WORKSITE MARKETS COMBINED)</b>									
Insured	\$3,265	\$3,375	\$3,281	\$1,939	\$2,706	\$2,551	\$2,507	\$2,698	\$2,411
Buying Unit	\$3,885	\$4,616	\$4,481	\$2,675	\$3,847	\$3,608	\$3,566	\$3,808	\$3,407
<b>TOTAL COMBO (INDIVIDUAL AND WORKSITE MARKETS COMBINED)</b>									
Insured*	\$1,988								
<b>INDIVIDUAL STAND-ALONE MARKET</b>									
Insured	\$3,342	\$3,417	\$3,425	\$2,004	\$2,919	\$2,787	\$2,528	\$2,800	\$2,600
Buying Unit	\$3,933	\$4,684	\$4,689	\$2,769	\$4,170	\$3,936	\$3,620	\$3,963	\$3,713
<b>INDIVIDUAL COMBO LIFE / LTCI MARKET</b>									
Insured*	\$4,153								
<b>WORKSITE STAND-ALONE MARKET</b>									
Insured	\$2,175	\$2,014	\$2,253	\$721	\$1,681	\$1,680			
Buying Unit	\$2,701	\$2,942	\$3,320	\$1,326	\$2,260	\$2,712			
<b>WORKSITE COMBO MARKET</b>									
Insured*	\$835								
<b>INFORCE TOTAL STAND-ALONE MARKET (INDIVIDUAL AND WORKSITE MARKETS COMBINED, INCLUDES FPOS)</b>									
Insured	\$2,758	\$2,727	\$2,647	\$2,481	\$2,309	\$2,426	\$2,220	\$2,106	\$2,116
<b>INFORCE INDIVIDUAL STAND-ALONE MARKET (INCLUDES FPOS)</b>									
Insured	\$2,810								
<b>INFORCE WORKSITE STAND-ALONE MARKET (INCLUDES FPOS)</b>									
Insured	\$2,160								

\*Combo sales count joint policies as one insured.

## ISSUE AGE DISTRIBUTION

The average issue age (Table 20 would have dropped to 56.1 but rose to 59.7 because of Bankers' Fundamental Plus product. Note: one survey participant has a minimum issue age of 40, one will not issue below 30, and one will not issue below 25.

**TABLE 20**  
**SALES BY ISSUE AGE (ALL STAND-ALONE BUSINESS, INCLUDING WORKSITE)**

AGE BAND	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
18 to 29	1.3%	2.1%	1.5%	1.2%	5.4%	0.9%	1.2%	1.9%**	2.1%	2.1%
30 to 34	1.4	2.4	1.7	1.9	7.4	1.3	1.4	2.1	2.1	2.3
35 to 39	2.1	3.4	2.7	2.7	8.2	1.9	1.7	2.4	2.4*	3.0
40 to 44	3.7	5.0	4.1	4.2	10.1	3.1	3.0	3.7	3.4*	4.2
45 to 49	5.8	7.9	6.9	6.6	10.7	6.4	6.5	7.2	7.4	8.4
50 to 54	10.8	15.1	14.4	14.3	13.8	14.1	14.3	14.8	14.9	16.2
55 to 59	16.5	22.9	23.1	23.7	17.4	25.9	25.4	25.5	24.2*	24.7*
60 to 64	23.8	22.3	25.7	25.8	16.1	27.8	26.9	24.7	25.2	23.2
65 to 69	20.2	13.8	14.8	14.3	8.3	14.0	14.9	13.1	13.7	12.3
70 to 74	9.9	4.3	4.4	4.3	2.3	3.9	3.9	3.9	3.8	2.9
Over 74	4.5	0.9	0.8	0.8	0.4	0.7	0.7	0.7	0.8	0.7
<b>Average Age</b>	<b>59.7</b>	<b>56.1</b>	<b>57.1</b>	<b>57.1</b>	<b>50.6</b>	<b>57.7</b>	<b>57.7</b>	<b>56.6</b>	<b>56.7</b>	<b>55.8</b>

\*Includes Bankers Fundamental Plus Product

\*\*Prior to 2019, we adjusted the asterisked cells so the total would be 100%. Beginning in 2019, results might not add to 100% because of rounding.

Worksite policies have a much younger issue age distribution, as shown in Table 21. The average worksite issue age increased 2.6 years in 2024, so the average difference in issue age between the non-worksite market (60.5) and the worksite market rose to 11.3, as shown in Table 22.

**TABLE 21**  
**SALES BY ISSUE AGE (STAND-ALONE WORKSITE BUSINESS)**

AGE BAND	2024	2023	2022
18 to 29	6.1%	8.7%	9.4%
30 to 39	16.5	23.4	24.2
40 to 49	24.7	34.9	36.0
50 to 59	31.9	20.7	18.7
60 to 69	18.0	3.2	1.2
Over 70	2.8	0.0	0.0
Average Issue Age	49.2	46.6	46.0

**TABLE 22**  
**DIFFERENCE IN AVERAGE ISSUE AGE BY YEAR (NON-WORKSITE MARKET -WORKSITE MARKET)**

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
11.3	10.8	11.5	12.0	15.9	12.7	15.4	9.5	5.3	5.9	7.5

## BENEFIT PERIOD DISTRIBUTION

Average benefit period (Table 23) dropped because of Bankers' Fundamental Plus product. With that product included, nearly half (46.7%) of the sales have a 2-year benefit period or shorter, causing the average benefit period to decrease to 2.81 years in 2024 from 3.71 years in 2023.

**TABLE 23  
SALES BY BENEFIT PERIOD**

<b>BENEFIT PERIOD</b>	<b>2024*</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<2	30.4%	0.4%	1.1%	1.0%	2.0%	0.7%	0.6%	0.8%	1.1%	1.0%
2	16.3	11.1	9.7	9.5	21.2	8.7	8.3	11.7	12.7	9.2
3	33.2	55.1	54.5	54.7	55.7	52.9	52.1	50.0	49.0	42.2
4	2.2	3.6	7.9	9.3	5.4	11.2	11.1	10.1	10.0	13.3
5	4.4	7.4	10.3	10.4	7.1	12.1	12.0	11.4	10.9	11.6
6	12.0	20.0	14.2	12.9	7.4	11.9	13.9	13.7	14.0	16.6
7	0.6	1.0	0.9	0.9	0.4	0.8	0.6	0.6	0.5	0.5
8	0.2	0.3	0.4	0.3	0.1	0.4	0.3	0.3	0.4	4.5
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.6	1.0	1.0	0.9	0.5	1.2	1.1	1.4	1.4	1.1
> 10 (Not LT)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lifetime (LT)	0.1	0.1	0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.0
<b>Average BP (without LT)</b>	<b>2.81</b>	<b>3.79</b>	<b>3.71</b>	<b>3.69</b>	<b>3.23</b>	<b>3.75</b>	<b>3.79</b>	<b>3.74</b>	<b>3.73</b>	<b>4.07</b>

\* Includes Bankers Fundamental Plus Product.

For the second straight year, the average worksite benefit period was longer than the average benefit period in the total market, but without Bankers' Fundamental Plus product, the total market average benefit period would have been higher (3.84).

**TABLE 24  
WORKSITE STAND-ALONE LTCI SALES  
BY BENEFIT PERIOD**

<b>BENEFIT PERIOD</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<2	0.0%	0.0%	0.3%
2	19.8	9.0	18.2
3	55.9	58.7	58.3
4	1.3	1.9	1.8
5	5.9	7.2	3.6
6	14.4	21.3	16.3
7	2.7	1.9	1.3
8	0	0	0.9
> 7 (Not LT)	0	0	0
Lifetime (LT)	0	0	0
<b>Average BP (without LT)</b>	<b>3.47</b>	<b>3.79</b>	<b>3.44</b>

### INITIAL MONTHLY MAXIMUM BENEFIT DISTRIBUTION

With monthly or weekly determination, low-expense days preserve more coverage to use for high-expense days, offering more flexibility for insureds. Three insurers offer only daily determination; one insurer offers a choice; and the other insurers automatically have monthly (or weekly) determination. Without Bankers Fundamental included, 73.2% of 2024 issues had monthly determination. With Bankers Fundamental included, that dropped to 50.0%.

**TABLE 25**  
**PERCENT WITH MONTHLY DETERMINATION**

	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>OF ALL POLICIES</b>	50.0%	73.2%	78.7%	78.0%	73.0%	83.0%	83.2%	77.8%	77.9%	81.0%

\* Includes Bankers Fundamental Plus Product.

More small policies (below \$3,000 initial monthly maximum) were sold than in 2023, but a record portion (10.8%) had an initial monthly maximum of \$9,000 or more, so the average initial maximum monthly benefit set a new record high at \$5,428.

**TABLE 26**  
**SALES BY MAXIMUM MONTHLY BENEFIT AT ISSUE**

<b>MAXIMUM MONTHLY BENEFIT</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016
Less than \$3,000	8.5%	7.6%	7.5%	24.7%	8.2%	9.0%	12.6%	14.0%	13.2%
\$3,000 to \$4,499	25.4	27.9	30.4	39.0	31.2	31.5	29.4	31.1	32.3
\$4,500 to \$5,999	22.8	28.6	29.9	17.9	32.3	30.0	29.9	26.6	24.1
\$6,000 to \$7,499	22.9	20.5	18.7	11.4	17.3	18.0	17.8	18.1	18.4
\$7,500 to \$8,999	9.6	7.5	6.6	3.5	5.4	5.7	5.5	5.0	6.1
\$9,000 or more	10.8	7.8	6.8	3.6	5.7	5.7	4.8	5.2	5.9*
<b>Average Maximum Monthly Benefit</b>	<b>\$5,428</b>	<b>\$5,168</b>	<b>\$5,028</b>	<b>\$4,045</b>	<b>\$4,888</b>	<b>\$4,882</b>	<b>\$4,763</b>	<b>\$4,703</b>	<b>\$4,776</b>

\*Prior to 2019, we adjusted the asterisked cells so the total would be 100% Beginning in 2019, results might not add to 100% because of rounding.

As shown in Table 27, worksite sales grew in the \$3,000 to \$4,500 range, as well as in the \$9,000+ cell.

**TABLE 27**  
**WORKSITE INITIAL MAXIMUM MONTHLY BENEFIT**

<b>MAXIMUM MONTHLY BENEFIT</b>	2024	2023	2022
Less than \$100 / day and less than \$3,000 / month	13.4%	16.6%	22.6%
\$3,000 to \$4,499	31.0	25.8	33.9
\$4,500 to \$5,999	19.0	21.2	18.3
\$6,000 to \$7,499	20.4	20.5	14.7
\$7,500 to \$8,999	5.5	7.3	5.8
\$9,000 and above	10.7	8.6	4.7
Average	\$5,033	\$4,979	\$4,353

## BENEFIT INCREASE FEATURES DISTRIBUTION AND IMPACT

Driven by a change in participating insurers, Table 28 shows that Future Purchase Options (FPOs) rose to 2/3 of the products sold. The worksite market (Table 29) had less change.

"Indexed Level Premium" policies are priced to have a level premium, but the benefit increase is tied to an index, such as the consumer price index (CPI).

**TABLE 28**  
**SALES BY BENEFIT INCREASE TYPE**

TYPE	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
4.5+% Compound for Life	5.1%	2.7%	2.2%	2.4%	1.4%	1.7%	1.7%	2.0%	1.5%	2.3%
4% Compound	0.1	0.2	0.5	0.6	0.3	0.6	0.6	0.4	NA	NA
3.5% Compound	0.0	0.0	0.1	0.1	0.1	0.3	0.3	0.2	0.3	0.9
3% Compound	15.6	17.4	23.5	25.1	21.4	31.7	32.7	20.9	23.2**	23.0
2% Compound	1.0	1.7	3.3	3.2	2.5	3.6	2.9	1.6	1.6	NA
1% Compound	0.6	1.0	2.0	2.3	1.5	1.7	1.6	0.5	NA	NA
Other Compound	0.0	0.0	8.1	9.2	5.1	9.1	8.7	19.5	19.1	12.6
Simple	1.3	2.1	1.5	1.3	1.2	1.6	1.0	1.7	0.2	0.6
Age-Adjusted	0.0	0.0	0.5	0.3	0.3	0.2	0.2	0.5	0.2	4.0
Indexed for Life Level Premium	0.6	0.9	0.3	0.0	0.2	0.3	0.3	0.4	0.4	0.7
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	4.7**
<b>Total benefit increase features other than FPO</b>	<b>24.3</b>	26.0	<b>41.9</b>	<b>44.6</b>	<b>34.0</b>	<b>50.8</b>	<b>50.0</b>	<b>47.7</b>	<b>47.6</b>	<b>49.9</b>
FPO: Fixed	48.5	28.9	21.9	20.7	19.6	18.3	20.4	26.2**	27.5	31.5
FPO: Indexed	17.7	29.4	16.6	16.3	22.1	16.3	13.5	10.6	5.1	4.5
<b>Total FPO</b>	<b>66.2</b>	58.3	<b>38.4</b>	<b>37.0</b>	<b>41.7</b>	<b>34.6</b>	<b>33.9</b>	<b>36.7</b>	<b>32.6</b>	<b>35.9</b>
<b>No Benefit Increases</b>	<b>9.5</b>	15.7	<b>19.7</b>	<b>18.4</b>	<b>24.3</b>	<b>14.6</b>	<b>16.1</b>	<b>15.5</b>	<b>19.8</b>	<b>15.2</b>

\* Includes Bankers Fundamental Plus Product.

\*\*Prior to 2019, we adjusted the asterisked cells so the total would be 100%. Beginning in 2019, results might not add to 100% because of rounding.

**TABLE 29**  
**WORKSITE SALES BY BENEFIT INCREASE TYPE**

TYPE	2024	2023	2022
4.5+% Compound for Life (Compound ABI)	1.6%	1.6%	1.2%
4% compound	0.0	0.0	0.0
3.5% Compound	0.0	0.0	0.0
3% Compound	5.7	9.2	7.9
2% Compound	0.1	0.4	0.3
1% Compound	0.0	0.0	0.0
Other Compound	0.0	0.0	0.0
Simple	3.7	3.5	2.6
Age-adjusted	0.0	0.0	0.0
Indexed for Life Level Premium / CPI	3.7	1.0	0.0
Other	0.0	0.0	0.0
<b>Total benefit increase features other than FPO</b>	<b>14.7</b>	<b>15.7</b>	<b>12.0</b>
FPO: Fixed	14.2	32.0	18.9
FPO: Indexed	57.6	35.0	44.0
<b>Total FPO</b>	<b>71.8</b>	<b>66.9</b>	<b>62.8</b>
<b>No Benefit Increases</b>	<b>13.5</b>	<b>17.4</b>	<b>24.2</b>

Because a person's LTCI coverage in their elder years is critical, we estimate the amount of coverage an average buyer would have at age 80. We project the age 80 maximum daily benefit by increasing that year's average initial maximum daily benefit (MDB) from the average issue age to age 80, according to that year's distribution of benefit increase features, using current future purchase option (FPO) election rates and a 5% per year offer for fixed FPOs. Table 30 shows the projected maximum benefit in 2044 (at age 80) for our 2024 average 60-year-old purchaser (\$369 / day; equivalent to 3.6% compounding) and corresponding results for prior years. The strong 2024 results depend upon high FPO election rates continuing. A similar calculation for the worksite market produces a \$619 / day maximum at age 80 (not until the year 2055, at which time LTC costs would be much higher).

To compare the eventual purchasing power of each year's average purchase, we use the same methodology to estimate the maximum daily benefit in 2046, also shown in Table 30. The total 2024 market projected 2046 benefit is \$397 and the worksite projected 2046 benefit is \$415 .

TABLE 30 PROJECTED MAXIMUM DAILY BENEFITS (MDB) FOR AVERAGE SALE									
	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Average Issue Age:</b>	60	57	57	51	58	58	57	57	56
<b>Calendar Year of Age 80:</b>	2044	2046	2045	2050	2042	2041	2041	2040	2040
<b>Age 80 MDB:</b>	\$369	\$334	\$310	\$292	\$305	\$306	\$313	\$272	\$281
<b>Effective average compound %:</b>	3.6%	2.9%	2.7%	2.7%	2.9%	2.9%	3.0%	2.2%	2.4%
<b>Year 2046 MDB:</b>	\$399	\$334	\$319	\$259	\$345	\$358	\$369	\$311	\$330

A more refined evaluation of future need is to project how many hours per day of home care could be purchased at age 80 based on different inflation rates. Using the median cost for home health aides according to Genworth's 2024 Cost of Care Survey (\$34 / hour), the average individual and worksite initial maximum daily benefits of \$182 and \$168 would cover 5.3 and 4.9 hours of such care per day at issue, as shown in Table 31.

The number of future covered home care hours per day depends upon the inflation rate for home care cost between now (age 49 for the worksite market and 60 for the individual market) and when care is needed (we assume age 80) and the projected LTCI daily maximum at age 80.

Table 31 shows calculations for three different assumptions relative to benefit increase features:

- The first line presumes that no benefit increases occur (either sold without any benefit increase feature or no FPOs were exercised).
- The second line reflects distribution of benefit increase features shown in Table 29 for worksite cases and the corresponding distribution for the individual market, assuming that 40% of FPOs are elected (intended to be indicative of "positive" election FPOs, in which the increase occurs only if the client elects it) and provide 5% compounding.
- The third line is like the second line except it assumes 90% of FPOs are elected (intended to be indicative of "negative" election FPOs, in which the increase occurs unless the client rejects it). It also assumes the FPOs reflect 5% compounding.

Table 31 quantifies expected results:

1. Without benefit increases, purchasing power deteriorates significantly, particularly for the worksite purchaser as younger buyers have more years of future inflation prior to claim onset. For example, with a flat benefit, the number of covered hours of home care drops from 4.9 at issue to 2.0 at age 80 for the average 2024 worksite purchaser if there is 3% inflation.
2. Higher FPO election rates allow the purchase of more home care hours at age 80.
3. If the cost of home care inflates slowly, the number of covered home care hours can increase over time.

**TABLE 31  
PROJECTED NUMBER OF HOME CARE HOURS COVERED AT AGE 80**

HOME CARE HOURS AT ISSUE		PROJECTED NON-PROFESSIONAL HOME CARE HOURS / DAY COVERED AT AGE 80					
		Home Care Inflation Rate:	2%	3%	4%	5%	6%
		Benefit Increase Assumption					
Individual	5.3	No benefit increases	3.6	3.0	2.4	2.0	1.7
	5.3	Composite of actual benefit increases with 40% FPO election rate	6.2	5.1	4.2	3.4	2.9
	5.3	Composite of actual benefit increases with 90% FPO election rate	8.1	6.7	5.5	4.5	3.8
Worksite	4.9	No benefit increases	2.7	2.0	1.5	1.1	0.8
	4.9	Composite of actual benefit increases with 40% FPO election rate	6.4	4.7	3.5	2.6	1.9
	4.9	Composite of actual benefit increases with 90% FPO election rate	9.8	7.2	5.4	4.0	3.0

The above table underscores the importance of considering future purchasing power when buying LTCI. Note:

- Individual results vary significantly based on issue age, initial maximum monthly benefit, and benefit increase feature, as well as the inflation rate and the age at which the need for care occurs.
- The actual inflation rate to age 80 is not likely to be the same for today's 49-year-olds as for today's 60-year-olds. From 2004-2024, Genworth's studies show the following compound growth rates: private room in a nursing home (3.4%), assisted living facility (4.6%), home health aide (2.7%), and home care homemaker (3.5%).
- Table 31 does not reflect the cost of professional home care or facility care. According to the 2024 Genworth study, the median nursing home private room cost is \$350 / day, comparable to 10.3 hours of non-professional home care.
- In Table 31, we assumed the FPO election rate does not vary by age, size of policy or market and that everyone buys a home care benefit equal to the average facility benefit.

FPOs (Table 32) can play an important role in maintaining insureds' purchasing power. In 2024, 85.7% of FPOs were elected, in-line with these insurers' prior experience. The high election rate is particularly noteworthy as the cost increases each year due to larger coverage increases each year, increasing unit prices due to age, and possibly rate increases.

Negative-election FPOs activate automatically unless the client rejects them. Positive-election FPOs activate only if the client initiates a timely request. The high election rate reflects the effectiveness of annual (as opposed to triennial) negative-election provisions (particularly those which can be lost prospectively if not currently exercised) and indicate how dedicated LTCI policyholders are in keeping their coverage up to date. (One participant had an election rate of 19%, which must reflect a positive-election FPO.)

**TABLE 32  
FUTURE PURCHASE OPTION ELECTION RATES**

YEAR:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Election Rate:</b>	85.7%	86.3%	69.9%	78.2%	81.8%	81.5%	76.9%	34.7%	32.8%	33.9%	27.8%

Note: The difference between 2019 and 2018 was attributable to an insurer which contributed FPO data starting in 2019. It issues negative election FPOs.

## ELIMINATION PERIOD DISTRIBUTION

Tables 33 and 34 summarize the distribution of sales by facility elimination period (EP). Although the total market distribution has much less 90-day EP (because of Bankers' Fundamental Plus product), most insurers still have approximately 90% of their policies issued with 90-day facility EP, which continues to dominate the worksite market.

TABLE 33 TOTAL STAND-ALONE MARKET SALES BY FACILITY ELIMINATION PERIOD										
NUMBER OF DAYS	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
0 to 19	9.2%	0.1%	0.3%	0.4%	0.2%	0.3%	0.3%	0.4%	0.5%	0.5%
20 to 44	17.5	1.6	2.3	2.2	3.3	2.3	2.3	2.7	2.4	2.9
45 to 83	0.3	0.5	0.1	0.2	0.1	0.2	0.3	0.2	0.3	0.4
84 to 100	64.6	89.8	91.0	91.4	89.9	92.1	91.0	90.0**	91.5	90.4**
100 to 200	3.7	5.1	3.7	3.6	2.4	3.2	3.6	4.4	3.4	3.9
Over 200	4.7	2.9	2.6	2.2	4.0	2.0	2.5	2.3	1.9	1.9

\*Includes Bankers Fundamental Plus Product.

\*\*Prior to 2019, we adjusted the asterisked cells so the total would be 100%. Beginning in 2019, results might not add to 100% because of rounding.

TABLE 34 WORKSITE STAND-ALONE MARKET SALES BY FACILITY ELIMINATION PERIOD			
NUMBER OF DAYS	2024	2023	2022
0 to 19	0.0%	0.0%	0.0%
20 to 44	0.0	0.3	0.3
45 to 83	0.0	0.0	0.0
84 to 100	94.9	93.4	93.8
101 to 200	3.6	3.4	2.8
Over 200	1.4	2.9	3.2

Table 35 shows the percentage of new policies with zero-day home care elimination period (but a longer facility elimination period). Higher percentages prior to 2021 reflect an insurer that stopped selling LTCI. The unusually low 2024 total market percentage reflects the addition of Bankers Fundamental Plus product (which reduced both total market lines in Table 35) and that one insurer did not contribute data this year.

Table 35 also shows the percentage of new policies with a calendar-day EP. Calendar-day EP provisions count a day toward the EP if you need care, even if you do not get commercial care. Service-day EPs count only days on which commercial care is received. However, most calendar-day EP provisions require an up-front paid-service day to start counting.

TABLE 35 ELIMINATION PERIOD VARIATIONS									
	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Market</b>									
0-day HC	4.0%	8.7%	10.0%	5.3%	24.8%	23.6%	22.0%	22.0%	21.3%
Cal day	27.6	31.2	34.7	17.4	38.7	37.7	33.7	43.7	35.6
<b>Worksite Market</b>									
0-day HC	0.1	0.4	1.1						
Cal day	21.2	32.3	43.7						

## SALES TO COUPLES AND GENDER DISTRIBUTION

Tables 36 and 37 summarize the distribution of sales by gender and partner status. Bankers' Fundamental Plus product explains the large total stand-alone market changes from 2023. Couples are reflected only when there is a couples' discount or couples' feature (otherwise the insurer doesn't track couples' sales). The worksite market is less effective at insuring the spouse / partner who is not employed at that worksite.

**TABLE 36**  
**TOTAL STAND-ALONE MARKET SALES BY GENDER AND COUPLE STATUS**

	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
% female	55.0%	54.4%	54.1%	54.1%	48.8%	54.3%	54.2%	55.1%	55.5%	55.5%
% of females among single insureds	57.5	63.1	64.8	64.7	55.5	65.6	64.8	67.7	68.4	71.1
% female of those who both buy	50.1	50.1	50.3	50.4	50.2	50.9	50.8	51.0	51.0	N/A
% female of one-of-a-couple buyers	55.2	55.2	53.1	53.5	41.3	55.7	56.0	56.4	55.9	N/A
Buyers who are part of couples who both buy	29.2	50.1	53.4	53.0	54.5	58.3	58.5	55.5	58.3	58.5
One-of-a-couple buyers	16.6	28.5	26.9	27.3	27.5	23.9	23.3	23.7	23.8	23.4
Single buyers	54.2	21.4	19.7	19.7	18.0	17.8	18.1	20.8	17.9	18.1
% of couples insuring one spouse	50.9	50.9	50.2	50.8	50.2	45.0	44.3	46.0	44.9	44.4
% of healthy spouses who buy if partner declined	70.4	70.4	71.7	78.3	80.6	82.7	81.8	77.8	67.6	71.4

\*Includes Bankers Fundamental Plus Product.

**TABLE 37**  
**WORKSITE SALES BY GENDER AND COUPLE STATUS**

	2024	2023	2022
% female	55.0%	55.7%	54.7%
% of females among single insureds	59.4	69.9	60.5
Part of couples who both buy	39.0	45.3	46.4
One-of-a-couple	36.4	33.5	34.8
Single	24.8	21.2	18.7
% of couples insuring one spouse	65.1	59.6	60.0

## SHARED CARE AND OTHER COUPLES' FEATURES

Table 38 summarizes sales of Shared Care and other couples' features.

- Shared Care allows one spouse / partner to use the other's available benefits if their own coverage has been depleted or offers a third independent pool the couple can share.
- Survivorship waives a survivor's premium after the first death if specified conditions are met (such as having been in force for 10 or more years).
- Joint waiver of premium (WP) waives both insureds' premiums if either insured qualifies for benefits.

Changes in participating carriers impacted 2024 data. Some insurers embed survivorship or joint waiver automatically (sometimes only for particular circumstances, such as if Shared Care is purchased), while others offer it for an extra premium or do not offer the feature. Bankers' Fundamental Plus product did not impact these figures, because it has no couples' discount.

In the first and third sections of Table 38, percentages are based on the total number of policies sold to couples who both buy (for Shared Care, only those who buy a limited benefit). The percentages in the second and last sections of Table 38 reflect only sales from insurers offering that particular feature.

For insurers selling these features, the percentage of both-buying couples who opted for Shared Care varied from 6% to 73% and Joint WP ranged from 9% to 100%. A higher percentage of couples bought Shared Care in the WS than in the total market, likely caused by a carrier not contributing data this year.

**TABLE 38**  
**PERCENTAGE OF POLICIES SOLD TO BOTH-BUYING COUPLES BY FEATURE**  
**TOTAL STAND-ALONE MARKET**

<b>DIVIDING BY ALL SALES TO BOTH-BUYING COUPLES, WHETHER THE CARRIERS OFFER THIS FEATURE OR NOT</b>										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Shared Care*	22.2%	30.1%	31.6%	22.6%	36.4%	35.9%	33.4%	37.4%	36.0%	39.3%
Joint WP	19.7	21.3	22.1	16.8	18.2	18.8	16.9	21.1	11.7	20.9
Survivorship	1.7	2.4	2.6	1.5	2.8	1.6	1.8	5.0	5.0	5.3
<b>DIVIDING ONLY BY SALES TO BOTH-BUYING COUPLES WHO BUY FROM CARRIERS OFFERING THAT FEATURE</b>										
Shared Care*	40.5%	43.3%	43.9%	31.0%	47.2%	47.6%	45.1%	50.8%	51.6%	54.6%
Joint WP	39.1	32.5	32.3	24.4	23.7	25.1	23.0	27.5	22.7	50.4
Survivorship	11.7	5.6	5.4	4.4	3.8	4.5	3.5	5.4	7.6	10.3
<b>WORKSITE STAND-ALONE MARKET</b>										
<b>DIVIDING BY ALL SALES TO BOTH-BUYING COUPLES, WHETHER THE CARRIERS OFFER THIS FEATURE OR NOT</b>										
Shared Care*	25.3	19.8	19.0							
Joint WP	12.9									
Survivorship	0.0									
<b>DIVIDING ONLY BY SALES TO BOTH-BUYING COUPLES WHO BUY FROM CARRIERS OFFERING THAT FEATURE</b>										
Shared Care*	32.7	33.3	28.9							
Joint WP	16.7									
Survivorship	0.0									

\* Denominator excludes couples who buy lifetime benefit periods.

Table 39 shows that Shared Care is a low percentage of each benefit period, partly because its denominator includes all policies, even those sold to single people or one of a couple.

Table 40 looks only at Shared Care policies and reports their distribution across benefit period, so the percentages total 100%. As three years is the most common benefit period, most Shared Care policies had a three-year benefit period.

**TABLE 39**  
**PERCENT OF EACH BENEFIT PERIOD THAT IS SHARED**

<b>BENEFIT PERIOD</b>	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
< 2	0.0%	0.0%	6.1%	1.6%	1.8%	0.0%	0.9%	NA	8.1%	3.0%
2	7.5	18.2	24.3	27.0	11.4	25.6	26.1	20.7	18.9	24.2
3	19.2	19.2	25.4	25.0	19.1	30.8	31.9	29.8	30.8	33.2
4	27.8	27.8	21.7	22.1	25.7	29.5	28.3	28.5	26.5	33.1
5	17.1	17.1	14.5	15.5	18.3	19.4	19.8	17.7	18.6	21.5
6	23.1	23.1	22.7	19.3	18.4	19.4	8.0	4.7	3.4	6.0
7	3.4	3.4	12.8	11.4	10.5	12.7	8.8	11.5	11.3	7.4
8	36.7	36.7	28.6	9.8	14.6	25.8	16.9	26.0	21.9	37.7

\*Includes Bankers Fundamental Plus Product.

**TABLE 40**  
**DISTRIBUTION OF SHARED CARE BY BENEFIT PERIOD**

<b>BENEFIT PERIOD</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
< 2	0.0%	0.4%	0.1%	0.3%	0.0%	0.0%	0.0%	0.4%	0.2%*
2	18.0	14.5	15.2	19.	10.9	10.7	12.7	12.9	8.8*
3	60.2	62.8	61.6	57.9	61.3	62.0	61.0	62.2*	50.9
4	8.8	10.6	12.1	11.2	16.2	15.6	15.6	14.2	21.0
5	11.1	9.2	9.5	10.4	9.8	10.5	9.3	9.6	10.1
6	0.6	1.1	0.7	0.4	0.7	0.7	0.4	0.4*	0.5
7	0.3	0.7	0.6	0.3	0.5	0.3	0.4	0.3	0.2
8	0.9	0.6	0.2	0.2	0.4	0.2	0.4	0.4	8.1

\*Prior to 2019, we adjusted the asterisked cells so the total would be 100%. Beginning in 2019, results might not add to 100% because of rounding.

### EXISTENCE AND TYPE OF HOME CARE COVERAGE

Three participants reported sales of facility-only policies (1.4% of total sales). For many years, one insurer has sold more than 80% of facility-only policies. Most comprehensive policies (97%) have the same home care and facility benefits; most of the others had a home care benefit equal to 80% of the facility benefit. Our most recently reported home-care-only sale was in 2018.

### MISCELLANEOUS FEATURES' FREQUENCY

Four insurers offer Cash features, which either allow claimants, in lieu of any other benefit that month, to use 25% of their coverage for whatever purpose they wish or provide an additional 10% to 25% cash benefit in addition to the reimbursement benefit.

Return of premium (ROP) features, included in 4.9% of policies, return some or all premiums (usually reduced by paid LTCI benefits) when a policyholder dies. Roughly 78% of ROP features were embedded automatically in the product. Embedded features are designed to raise premiums minimally, typically decreasing the ROP benefit to \$0 by age 75. For the survey participants, 22% of policies with ROP features would pay benefits for death after age 75.

Restoration of Benefits (ROB), which restores used benefits when the insured has not needed services for typically at least six months, was included in 18% of policies with limited benefit periods, 98% of which were automatically embedded. We've included a line showing Restoration of Benefits in WS sales because it is common.

Insurers must include shortened benefit period (SBP) coverage unless buyers specifically decline the feature. SBP coverage makes limited future LTCI benefits available to people who stop paying premiums after three or more years. Originally, SBP features typically added 30% to the cost of the policy, but, as insurers have recognized the strong persistency of LTCI policies, the premium for SBP has dropped to around 8% to 18%. Nonetheless, most (93.6%) buyers refuse SBP. (Note: Contingent SBP coverage is included automatically at no cost.)

Only one insurer issued non-tax-qualified (NTQ) policies, which accounted for 0.01% of total industry sales.

"Captive" (dedicated to one insurer) agents produced 93% of the sales, an usually high percentage because one insurer did not respond this year and because of Bankers' Fundamental Plus product.

**TABLE 41**  
**MISCELLANEOUS FEATURES**

	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cash Features	18.8%	27.9	30.5%	34.2%	43.4%	52.5%	49.1%	41.3%	44.1%	30.3%
Return of Premium	4.9	7.2	8.5	7.6	14.2	10.4	10.4	12.7	12.3	26.7
Shortened Benefit Period	6.4**	6.4**	4.2**	4.1**	4.0**	3.7**	3.1**	2.9**	1.6	1.2
Non-Tax-Qualified	.01	0.02	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1
Restoration of Benefits - Total Market	18.0	29.9	17.2	17.6	22.0	15.8	13.6	12.4	10.5	13.2
Restoration of Benefits - WS Market	68.2	68.2	43.0	49.4						
Distributors:										
Sold by brokers	7.2	12.0	38.2	41.2	31.4	46.3	43.0	42.7	51.6	50.5
Sold by agents	92.8	88.0	61.8	58.8	68.6	53.1	57.0	55.8	47.3	48.9
Other	0.0	0.0	0.0	0.0	0.0	0.6	0.0	1.5	1.1	0.6

\* Includes Bankers Fundamental Plus Product.

\*\*Starting in 2018, we divided only by the total sales of carriers which reported SBP sales.

### LIMITED PAY AND PAID-UP POLICIES FREQUENCY

Two insurers in the survey sold policies that become paid-up in 10 years or less, accounting for 1% of sales since 2020 (Table 42). The lack of single premium sales is distinctly different than in the individual linked-benefit market, which originally was nearly all single premium sales. Our individual linked-benefit data shows 29% of 2024 policies were single premium sales.

Because today's premiums are more stable compared to policies sold years ago (see [Market Perspective](#)), premium increases are less likely. A key reason for 10-year-pay (avoiding rate increases after the 10th year) is greatly reduced, while the cost of 10-year-pay has increased, making it less attractive for consumers than in the past. Nonetheless, limited-pay and single-pay policies are attractive to minimize post-retirement outflow and to accommodate §1035 exchanges.

**TABLE 42**  
**LIMITED PREMIUM PERIOD SALES**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Single Premium	0.1%	0.1%	0.2%	0.2%	0.1%	0.05%	0.0%	0.0%	0.0%
Other	0.7	1.0	1.2	1.1	1.0	0.8	0.3	0.3	0.7
Total	0.8	1.2	1.4	1.2	1.1	0.8	0.3	0.3	0.7

Six participants reported that roughly 4% of their 2024 inforce policies are paid-up. However, we discovered that one insurer was reporting only policies that became paid-up in 2024. Therefore, this percentage is expected to increase next year.

## VI. Underwriting Data Analysis – Stand-alone LTCI

Five participants contributed to the underwriting data analysis. We provide summary statistics analyzing:

- Application Resolutions
- Placement Rates
- Underwriting Tools
- Underwriting Time
- Rating Classification
- Percentage of Policies Declined

### APPLICATION RESOLUTIONS

Table 43 shows the placement rate improved to 75.5% in 2024 with 14.5% declined or deferred. Excluding Bankers' Fundamental Plus product, the 62.8% placement rate was still the highest since 2012 and the 24.3% decline rate was the lowest since 2013.

Ignoring suspended or withdrawn cases and Bankers' Fundamental Plus product, 24.3% were declined or deferred, with the percentage varying from 15.1% to 34.0%, depending on insurer. Age distribution, distribution system, market, underwriting requirements, and underwriting standards affect carrier results. Declined applicants may get coverage elsewhere or a deferred applicant may be ultimately approved, so the eventual placement rate is higher than our data indicates.

TABLE 43 UNDERWRITING RESOLUTIONS										
	2024*	2024	2023	2022	2021	2020	2019	2018**	2017	2016
Placed	75.5%*	62.8%	59.3%	58.2%	61.4%	57.8%	59.2%	58.8%	59.0%	60.9%
Declined, Deferred	14.5	21.8	24.8	25.7	22.1	25.6	25.1	25.1	25.3	23.3
Suspended, withdrawn	6.5	10.3	10.4	10.6	10.2	12.0	10.9	11.2	11.1	10.0
Free look or Not Taken (NTO)	3.6	5.2	5.5	5.5	6.3	4.6	4.8	5.0	4.7	5.8
Declines (% of Decisions)	15.5	24.3	27.7	28.7	24.6	29.0	28.1	28.2	28.4	25.8

\*Includes Bankers' Fundamental Plus product with more generous underwriting.

\*\*Prior to 2019, we adjusted the asterisked cells so the total would be 100%. Beginning in 2019, results might not add to 100% because of rounding.

### PLACEMENT RATES

Table 44 shows that the placement rate by applicant age increased, largely due to Bankers' Fundamental Plus product which caused placement rates to improve particularly at the older ages. Excluding Bankers' Fundamental Plus business, the overall placement rate increased from 59.3% to 62.8%. This increase is partially driven by a change in the mix of carriers reporting data. This data by age is a subset of the data in Table 43 and the "All Ages" line, as some carriers cannot provide this data by age.

**TABLE 44**  
**PLACEMENT RATE BY APPLICANT AGE**

	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>ALL AGES</b>	75.5%	62.8%	59.3%	58.2%	61.4%	57.8%	59.2%	58.8%	59.0%	60.9%
18 to 29	68.9	67.7	72.5	69.0	82.0	68.2	70.6	67.6	73.5	69.4
30 to 39	75.7	75.2	70.7	66.8	76.6	66.8	62.2	64.9	68.7	68.0
40 to 49	76.8	67.6	62.5	64.0	72.8	64.6	63.0	63.0	65.1	66.3
50 to 59	72.5	63.7	59.9	60.6	62.4	62.6	61.7	61.7	61.9	63.2
60 to 64	77.7	52.7	53.2	53.9	51.6	54.7	55.0	53.4	55.1	55.7
65 to 69	79.4	44.0	45.2	45.3	42.5	43.0	46.6	44.0	46.0	47.3
70 to 74	82.0	36.9	35.3	37.0	33.3	34.5	35.9	36.5	36.7	37.2
75 to 79	82.9	25.5	20.5	23.7	24.1	25.7	27.8	24.2	24.7	26.1

\*Includes Bankers' Fundamental Plus product with more generous underwriting.

Higher placement ratios are critical to encourage financial advisors to mention LTCI to clients. The following opportunities can improve placement rates.

- E-applications, which speed submission and reduce processing time.
- Uploading medical records via human application program interface (API).
- Health pre-qualification by distributors, which can be aided by drill-down questions in on-line underwriting guides.
- Requiring cash with the application.
- Improved messaging regarding the value of LTCI and of buying now (rather than in the future).

#### UNDERWRITING TOOLS

Five insurers contributed to Table 45, which divides the number of uses of each underwriting tool by the number of applications processed. For example, the number of requested medical records was 55% of the number of applications (89% excluding Bankers' Fundamental Plus business). Fewer than 55% of applications involved medical records, as some applications involved multiple medical records.

Year-to-year changes in distribution of sales among insurers significantly impact results. This year, the inclusion of Bankers' Fundamental Plus product made a big difference and one major carrier did not provide this data for 2024. Insurers might underreport the use of an underwriting tool because they may lack a good source for that statistic. For example, an insurer might not be able to split phone interviews by whether or not they include cognitive testing.

**TABLE 45**  
**UNDERWRITING TOOLS**

UNDERWRITING TOOL	% OF INSURERS USING THIS TOOL IN 2024	PERCENT OF APPLICATIONS EVALUATED USING TOOL									
		2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
Medical Records	80%	55%	89%	84%	88%	73%	82%	86%	86%	88%	92%
Phone Interview (PHI)	80	39	64	60	68	61	64	66	67	63	56
With No or Minimal Cognitive Testing	80	32	53	42	51	50	42	44	53	52	43
With Cognitive Testing	20	7	11	18	17	11	23	21	14	11	13
Cognitive Face-to-Face	80	9	14	15	13	7	13	18	18	17	17
Prescription Profiles	80	53	85	90	89	80	88	87	82	75	69
MIB**	20	12	19	48	47	40	57	61	66	67	37
3 <sup>rd</sup> -party DB of lab tests	0	0	0	0.1	0	0.1	0.4	5	-	-	-
Paramed	20	0	0	0.4	0.5	0	0.4	0.3	1	1	12
Medical Exam	0	0	0	0	0	0	0	0.1	0	1	1

\*Includes Bankers' Fundamental Plus product with more generous underwriting.

\*\* MIB Underwriting Services alert underwriters to errors, omissions, misrepresentations and fraud on applications for life, health, disability income, long term care and critical illness coverage. MIB, Inc. provides its Underwriting Services exclusively to authorized individuals in MIB Group, Inc., member companies.

## UNDERWRITING TIME

Table 46 shows that for five insurers, the average processing time, from receipt of application to mailing the policy, decreased to 30 days because of Bankers' Fundamental Plus product. However, even without those products, the average underwriting time reduced to 37 days, the fastest since 2020.

**TABLE 46**  
**UNDERWRITING TIME**

NUMBER OF DAYS	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
1 – 14	26.8%	18.3%	11.2%	10.9%	10.8%	14.9%	15.5%	13.9%	8.9%	13.0%
15 – 29	37.7	30.2	29.0	28.3	18.8	28.3	31.6	29.3	26.5	28.9*
30 – 44	17.9	21.7	23.3	20.7	19.3	21.7	22.5	23.3**	25.6	23.9
45 – 59	7.9	13.1	14.7	14.3	20.0	14.2	13.5	15.1	16.5	15.5
60 or more	9.7	16.6	21.8	25.8	31.1	20.9	16.9	18.4	22.6	18.7
<b>Average (days)</b>	<b>30</b>	<b>37</b>	<b>47</b>	<b>49</b>	<b>60</b>	<b>40</b>	<b>37</b>	<b>39</b>	<b>43</b>	<b>40</b>

\*Includes Bankers' Fundamental Plus product with more generous underwriting.

\*\*Prior to 2019, we adjusted the asterisked cells so the total would be 100%. Beginning in 2019, results might not add to 100% because of rounding.

## RATING CLASSIFICATION

Table 47 identifies the continued trend to issue policies in an insurer's lowest-priced ("best") underwriting classification. Even without Bankers' Fundamental Plus product, the percentage of cases issued in the best classification rose to 72.5%, mostly because a major carrier did not submit data this year. In 2023, without that carrier, 68.6% of the policies would have been issued in the best class. So, any way you look at the data, there was improvement.

**TABLE 47**  
**DISTRIBUTION BY UNDERWRITING CLASS OF POLICIES ISSUED**

UNDERWRITING CLASS	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
Best	83.2%	72.5%	53.8%	52.4%	65.1%	45.6%	46.2%	48.3%**	46.1%	36.6%
2nd-Best	14.0	22.9	39.0	40.2	30.0	46.6	45.7	41.2	43.9	51.7
3rd-Best	2.7	4.4	7.1	7.3	4.8	7.7	8.0	9.7	9.2	10.5
Less Attractive	0.1	0.2	0.2	0.1	0.02	0.0	0.1	0.8	0.8	1.2

\*Includes Bankers' Fundamental Plus product with more generous underwriting.

\*\*Prior to 2019, we adjusted the asterisked cells so the total would be 100%. Beginning in 2019, results might not add to 100% because of rounding.

For each issue age group, Table 48 shows the percentages of policies issued in the most favorable category and Table 49 shows the decline rate as a percentage of decisions (i.e., removing "withdrawn" apps from the denominator). These tables are not exactly consistent with Table 49 because some participants provide all-age data, rather than separating it by age.

The percentage placed in the most favorable classification hits a minimum at ages 50 to 59 because of the impact of traditionally underwritten cases, but the increasing dominance of Bankers' Fundamental Plus product causes the percentage issued in the most favorable (best) class to increase with age for ages 50+.

**TABLE 48**  
**PERCENTAGE OF POLICIES ISSUED IN MOST FAVORABLE CLASS BASED ON AGE**

AGE RANGE	2024*	2024	2023	2022	2021	2020	2019	2018	2017	2016
18 to 29	89.0%	89.0%	93.4%	91.7%	84.6%	89.3%	92.5%	86.1%	79.0%	86.2%
30 to 39	89.4	89.4	84.0	82.4	84.8	80.5	79.4	79.8	76.7	65.5
40 to 49	67.5	84.3	70.3	74.8	79.3	65.2	66.3	66.1	62.4	54.0
50 to 59	64.1	76.9	58.9	58.8	60.6	50.1	52.3	52.6	46.2	42.7
60 to 64	37.7	68.6	48.2	44.6	43.2	35.0	36.8	37.4	31.6	31.4
65 to 69	26.3	66.1	46.2	42.0	37.7	34.6	33.4	33.8	25.8	26.8
70 to 74	16.1	63.0	41.5	33.9	35.1	28.8	28.3	27.4	22.8	21.5
75+	8.3	70.1	50.6	35.8	35.2	34.4	20.0	25.8	26.3	22.3

\*Includes Bankers' Fundamental Plus product with more generous underwriting.

## PERCENTAGE OF POLICIES DECLINED

Because a relatively high portion of withdrawn applications are headed toward declination, the percentages in Table 49 might understate the decline rate a bit. On the other hand, some applicants who were declined end up getting issued by that same insurer later or by another insurer and some applicants might be declined by multiple insurers. For those reasons, if we show 20% declines, probably more than 80% of the applicants ended up with coverage. The decline rate was unusually low in 2021 because of the impact of the WA Cares Fund.

**TABLE 49**  
**PERCENTAGE OF POLICIES DECLINED FOR EACH AGE RANGE**

<b>AGE RANGE</b>	<b>2024*</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
18 to 29	14.0%	14.0%	14.5%	16.2%	5.7%	15.5%	10.5%	15.0%	10.1%	11.9%
30 to 39	10.3	10.7	16.1	19.5	10.6	18.0	20.6	21.1	17.6	17.7
40 to 49	12.5	18.1	22.5	21.9	13.8	21.1	22.1	21.9	21.4	21.0
50 to 59	17.7	23.8	25.4	25.8	23.3	24.1	24.5	24.5	24.6	23.6
60 to 64	14.4	32.7	32.5	32.6	35.1	32.5	32.3	33.4	32.2	31.7
65 to 69	14.5	43.0	42.3	42.5	44.9	43.5	42.0	43.2	42.3	40.2
70 to 74	12.7	50.1	53.7	52.4	56.1	54.0	53.2	51.8	52.4	51.4
75 to 79	13.1	65.9	71.4	69.7	67.1	65.7	51.6	66.0	67.3	64.2

\*Includes Bankers' Fundamental Plus product with more generous underwriting