

2026 · COMMON LONG-TERM CARE (LTC) PRODUCTS



	TRADITIONAL LTC INSURANCE	LIFE & LTC INSURANCE HYBRID	LIFE INSURANCE WITH LTC RIDER	ANNUITY WITH LTC RIDER
WHAT DOES THIS PRODUCT DO?	This product only provides LTC protection	This product primarily provides LTC protection, but also has a death benefit	This product primarily provides a death benefit, but also has LTC benefits	This product primarily provides income benefits and/or accumulation features, but also has LTC benefits
WHO MIGHT CONSIDER THIS TYPE OF PRODUCT?	Someone who wants LTC protection with the lowest annual premium, and is comfortable with paying their premiums indefinitely and the risk of their premium amounts increasing in the future	Someone who wants the flexibility to purchase LTC benefits outright using larger lump sums, and would like some value to be left over should they pass away or cancel their contract	Someone who wants to maximize their permanent death benefit while retaining some flexibility to access the death benefit early should an LTC need arise	Someone who wants to acquire LTC protection, but would otherwise be precluded from purchasing LTC-focused products due to poor health issues or pre-existing conditions
IS MEDICAL UNDERWRITING REQUIRED?	Yes	Yes	Yes	No ¹
CAN TWO SPOUSES SHARE THE LTC BENEFITS?	Yes, via a joint benefit policy	Yes, via a joint benefit/ 2nd-to-die policy	Yes, via a 2nd-to-die policy	Yes, via a joint annuity
DOES THIS PRODUCT HAVE A DEATH BENEFIT?	No	Yes	Yes	No ²
DOES THIS PRODUCT TYPICALLY HAVE A MARKET VALUE, CASH VALUE, OR RETURN OF PREMIUM COMPONENT?	No	Yes, return of premium and/or cash value	Yes, cash value	Yes, market/ accumulation value
WHAT IS THE TYPICAL PREMIUM SCHEDULE WITH THIS TYPE OF PRODUCT?	Annual premiums, paid indefinitely	Single pay or limited pay (e.g., 5-pay, 10-pay, paid to age 65, etc.)	Annual premiums to a specified age or limited pay (e.g., 5-pay, 10-pay, etc.)	Single pay or ad hoc
CAN THE INSURER DECIDE TO INCREASE ONE'S PREMIUM?	Yes	No	No	No
CAN ADDITIONAL CONTRIBUTIONS BE MADE WITHOUT UNDERWRITING?	No	No	No	Yes ¹
CAN PREMIUMS BE PAID (OR REIMBURSED) TAX-FREE USING AN HSA OR HRA?	Yes, but you will not be eligible to deduct your LTC premiums	Yes, but you will not be eligible to deduct your LTC premiums	No	No

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WHAT PRODUCTS CAN ONE 1035 EXCHANGE INTO THIS TYPE OF PRODUCT?	Other life insurance policies or annuities	Other life insurance policies only	Other life insurance policies only	Other life insurance policies or annuities
CAN THIS PRODUCT BE TREATED AS A MEDICAID PARTNERSHIP LTC POLICY?	Yes	No	No	No
HOW IS THE LTC BENEFIT DERIVED IN THIS TYPE OF PRODUCT?	A dedicated LTC benefit pool is created	A dedicated LTC benefit pool is created	Acceleration of the death benefit	Acceleration of the income benefits or market value
HOW MUCH IN LTC BENEFITS DOES THIS PRODUCT PAY OUT?³	An agreed-upon monthly amount to be paid for a specified number of years	An agreed-upon monthly amount to be paid for a specified number of years	Total LTC benefits paid out cannot exceed the death benefit	Income benefits or market value can be accelerated and/or increased for a specified period of time or dollar amount
IS INFLATION PROTECTION AVAILABLE?	Yes, via a COLA rider	Yes, via a COLA rider	No ⁴	No ⁴
ARE LTC BENEFITS SUBJECT TO FEDERAL INCOME TAX?⁵	No	No	No	No
IS THE DEATH BENEFIT SUBJECT TO FEDERAL INCOME TAX?	N/A	No	No	Yes
CAN THE PREMIUMS BE DEDUCTED AS AN ABOVE-THE-LINE TAX DEDUCTION?⁶	Yes, if self-employed, and subject to age-based limitations	Yes, if self-employed, and subject to age-based limitations	No	No
CAN THE PREMIUMS BE DEDUCTED AS AN ITEMIZED DEDUCTION (I.E., ON SCHEDULE A)?⁶	Yes, subject to the 7.5% AGI floor and to age-based limitations	Yes, subject to the 7.5% AGI floor and to age-based limitations	No	No

¹ Some annuities with LTC riders may have limited medical underwriting or require a phone call interview.

² While some annuities may have an additional death benefit rider, the residual market/accumulation value is typically what passes on to one's beneficiaries.

³ Product-specific payment options (i.e., reimbursement or indemnity) will affect whether LTC benefit payments are fixed or variable, and whether receipt submissions are required.

⁴ Some life insurance policies and annuity contracts may offer limited protection against inflation (e.g., using PUAs to increase the death benefit, LTC annuity rider benefit multipliers, etc.).

⁵ LTC benefits are only tax-free if the product meets the IRS definition of a "tax-qualified LTC policy." For indemnity-style policies, benefit amounts in excess of the IRS per diem limit may be fully taxable.

⁶ Regarding hybrid policies, the extent to which premiums are deductible is complex and generally depends on the amount of premium going specifically toward paying for LTC benefits.