

Many Americans relying on insurance they haven't bought to pay for old-age care



Survey reveals how people believe they will cope in their senior years, and the gaps that exist.

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- By Steve Randall

As America's population ages, more people are likely to need **long-term care** in their **retirement** years and advisors need to bring up that conversation.

The care issue is highlighted in a recent survey from the Nationwide Retirement Institute Long-Term Care survey, conducted in partnership with Limra, which found that some of the "plans" that people have are far from robust.

Perhaps most concerning is that while 18% of respondents said they have long-term care insurance, including 27% of millennials, industry data suggest that fewer than 3% do (mostly older consumers) and others may be confusing this coverage with long-term disability insurance.

Around three in 10 poll participants believed that they have long-term care insurance but actually have standard health insurance.

"Many Americans — mostly millennials — mistakenly believe they have long-term care coverage, usually in their company's benefit package, when in fact they do not," said Holly Snyder, president of Nationwide's life insurance business. "Though this misconception is understandable, it puts them at danger of discovering that they don't have coverage much later on when they really need it."

The report urges financial advisors to speak to clients about long-term care **insurance**, with 51% of respondents stating that this is important but only 18% reporting having any long-term financial planning advice.

“Financial professionals need to be proactive in helping families plan for important long-term care issues, including how to pay for it,” Snyder added. “Even if a client believes they are covered, we suggest probing them with some follow-up questions to be sure they are, in fact, protected. If not, financial professionals have an important role in helping them put together a plan of action.”

The survey also reveals that around half of respondents are concerned they will be a burden to their family as they age and 26% believe paying for long-term care will diminish their children’s inheritance.