

Long-Term Care Planning Is About Asset Protection

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What You Need To Know

- Long-term care risk is a huge risk.
- No one likes paying those bills.
- As the years pass, doors to some planning options close.

Consider a client with \$2 million in investable assets.

She's well-diversified, her retirement income plan is defined and her estate is in order.

On the surface, she could self-insure a long-term care event.

The question is whether she should.

Long-term care is one of the largest unfunded financial risks facing retirees.

According to the [U.S. Department of Health and Human Services](#), approximately 70% of Americans turning 65 will need some form of long-term care.

With the [national average cost of a private nursing home room](#) exceeding \$127,000 per year, a [care event lasting several years](#) can cost \$300,000 to \$500,000 or more in today's dollars, potentially consuming a significant portion of a family's retirement assets.

While this cost isn't a catastrophic loss for a portfolio of this size, it lands at the worst possible time: late retirement, when the portfolio has less runway to recover, when a surviving spouse may still need decades of income and when legacy goals are suddenly at risk.

From Premiums to Portfolio Exposure

Your clients have likely spent decades sharing risk they could technically absorb, including property, liability and life, because transferring concentrated, hard-to-recover risk to an insurer is simply sound financial practice.

Long-term care insurance is no different.

With this in mind, advisors can move from a conversation about premiums to one about portfolio exposure.

The question isn't whether this client's portfolio could survive a care event; it's whether potentially depleting a significant portion of it to pay for one is the best use of those assets.

That reframe turns a product conversation into a planning conversation.

Now, advisors can ask: What portion of this client's assets is at risk from an unplanned care event?

What does a realistic bad scenario look like in dollars?

What is the cost of transferring that risk to an insurer, relative to the assets being protected?

Discovery Before Product

Once the risk framework is established, the conversation can move to discovery.

Advisors can ask questions like: How important is liquidity?

Is legacy planning a priority?

How much of the portfolio could realistically absorb care costs without compromising retirement income for a surviving spouse?

What role might family members play in providing care, and does the client want the ability to direct benefits to informal caregivers?

That last question about family caregiving matters more than it once did.

According to the [National Alliance for Caregiving and AARP](#), 63 million Americans identified as caregivers in 2025, a 45% increase since 2015, and nearly half report meaningful financial harm from that role.

For clients who expect family members to provide care, the planning conversation needs to account for that reality, including whether a product that pays benefits directly to informal caregivers might better reflect how care will be delivered.

Once these questions are answered, advisors can evaluate the full spectrum of solutions: traditional long-term care insurance, hybrid products that combine a death benefit with long-term care protection, and structured self-funding strategies.

The best solution should depend less on the product itself than on how well it aligns with the client's goals, resources and broader financial plan.

Long-Term Care Planning Belongs in the Longevity Conversation

Effective long-term care planning requires connecting today's decisions to future outcomes.

Many clients still associate long-term care planning with nursing homes or catastrophic health events.

Advisors can create a more engaging conversation by focusing on retirement, legacy and how long clients' money needs to last.

Research from the [LIMRA Retirement Income Institute](#) finds that health care and long-term care costs rank at or near the top of financial concerns for both pre-retirees and retirees, consistently above market volatility and inflation.

Nearly 3 in 5 consumers say they need long-term care coverage.

Yet [New York Life Wealth Watch](#) research finds that 45% of American adults have accounted for those costs in their retirement planning.

To close the gap between awareness and inaction, advisors must assess whether clients' longevity plans account for the possibility of reduced independence or extended care needs and stress-test them together.

This approach integrates naturally into the retirement income, estate planning and legacy conversations advisors are already having and creates urgency without alarm.

Clients who engage in their 40s and 50s may qualify for a wider range of available solutions and, if approved, may obtain more favorable premium pricing and have more flexibility to structure coverage around their specific goals.

By the time most people are prompted to act, often after watching a parent navigate a care event, the planning window may be more limited.

The best time to have this conversation is before the client feels like they need to.

For the client with \$2 million and a well-defined plan, the question was never whether she could absorb a care event.

It was whether she should.

Advisors who help clients answer that question deliberately, as part of a broader longevity plan rather than a standalone insurance conversation, may be better positioned to deliver more comprehensive advice and stronger long-term outcomes.