

On the motivations to purchase long-term care insurance: protecting inheritance and unreliability of family care

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Résumé

Family considerations are known to influence the decision to buy long-term care (LTC) insurance. This paper uses a Swiss survey to identify the characteristics of individuals who are willing to purchase LTC insurance, either for reasons of protecting their children's bequest or because they cannot rely on family for care. First, it shows that the presence or absence of children plays an important role in the two motivations for buying LTC insurance. Second, it shows that men, those from the French-speaking part of Switzerland, and those with lower self-perceived health are more likely to buy LTC insurance because of the unreliability of family care. On the other hand, those with a higher self-perceived health and those with a right and center political orientation are more likely to buy LTC insurance for reasons of bequest protection. The results provide insights for designing more targeted strategies to promote LTC insurance.