

## **Ageing populations to reshape the future of life insurance: Swiss Re**

Reinsurance News, 22nd October 2025

Swiss Re, the reinsurance company based in Zurich, reports that demographic changes are set to transform the life insurance industry over the coming decades. In its latest sigma publication, the company highlights that by 2050, around one quarter of people in advanced economies will be aged 65 or older. This development, often referred to as the "Silver Economy", is expected to redefine the types of protection and financial solutions needed as societies age. According to Swiss Re, the combination of longer life expectancy, lower birth rates and increasing wealth among older generations is shifting the focus of life insurance.

The traditional model, centred on income replacement and family protection, will need to evolve towards products that help individuals manage their accumulated wealth, maintain income in retirement and meet the costs of health and personal care. "The impact of the Silver Economy on insurers will accelerate, leading to a new phase of innovation," commented Paul Murray, CEO Swiss Re Life & Health Reinsurance. "We are seeing a generation that is larger, living longer, and arriving at retirement wealthier than we have seen before. With new approaches to product design and delivery, the insurance industry has the opportunity to redefine its relevance to over 65s."

Swiss Re's research finds that ageing is advancing rapidly across much of the world. In advanced economies, the number of people aged 65 and over is projected to increase by around 35 per cent between 2025 and 2050. Countries such as Japan and South Korea already have more than 30 per cent of their populations within this age group. Wealth is also becoming increasingly concentrated among older households. In the United States, those aged 55 and above hold almost USD 120 trillion in assets, roughly four times the country's GDP. Swiss Re suggests that this demonstrates both the financial strength of this demographic and the complexity of managing longevity risk. Jérôme Jean Haegeli, Swiss Re's Group Chief Economist, said: "Longer lifespans will affect both the risk and asset side of the insurance business. As populations age and people begin to draw down savings, inflation and long-term interest rates may rise, supporting stronger investment returns and profitability for insurers."

The sigma study explains that insurers must adapt their strategies as customers move from the stage of accumulating wealth during their working years to managing and drawing on that wealth after retirement. During working life, people typically use insurance to protect dependants and guard against income loss through products such as term life or whole-of-life cover. After retirement, the focus turns to securing a reliable income and ensuring access to care. Swiss Re points out that with many retirees now living well into their eighties, and with fewer pension products offering guaranteed returns, there is growing demand for solutions such as annuities or pooled longevity products that provide sustained income and protection against the risk of outliving one's savings.

Swiss Re also identifies long-term care as a critical issue for the coming decades. By 2050, the number of people aged 80 and over in Europe is expected to rise by around 80 per cent, and by more than 120 per cent in North America. This will increase pressure on public care systems, which already account for more than two per cent of GDP in many advanced economies. With private nursing home care in the United States costing an average of about USD 111,000 per year, Swiss Re warns that new ways to fund care will be essential. The company notes that combining long-term care cover with life or critical illness insurance has proved effective in markets such as France, where policies complement government provision. The French market now has about 1.4 million policyholders and annual premiums exceeding EUR 500 million, supported by bancassurance networks and digital channels.

Swiss Re further highlights the need to close protection gaps for older individuals, particularly concerning cancer coverage. The median age of cancer diagnosis is 67, yet many critical illness policies end before that age. The company points to initiatives in Thailand and Korea, where insurers have introduced cancer-specific protection for older policyholders, often combined with health or annuity products, to prevent retirees from facing both financial and medical hardship at the same time.

## **Milestones like marriage and parenthood are so delayed for millennials and Gen Z many of them are skipping out on life insurance, report finds**

Sydney Lake, Fortune, September 15, 2025

Due to the rising cost of housing and wages not catching up to inflation, Gen Zers and millennials are delaying major life milestones like buying a home or becoming a parent. In some cases, they're pushing off these major milestones to enjoy life in the moment by traveling or making large purchases. This phenomenon is affecting financial decisions in other important ways. A new Capgemini report shared exclusively with Fortune shows that even though nearly 70% of adults

under the age of 40 see life insurance as essential for a healthy financial future, the options they have don't currently align with their financial priorities—making them forgo it altogether in some cases.

Samantha Chow, global leader for life insurance, annuities, and benefits sector at infotech and consulting firm Capgemini, told Fortune that Gen Z and millennials will get life insurance if it's super cheap or free. But the thought of having to pay for it when they still can't afford to buy a home doesn't make sense to them. "They're getting married later, having children later, not [making] financial decisions like [buying] a home or something of that nature," she said. "They tend to either put more away, like in the 401K, or they tend to open up their own type of investment accounts and take that extra money and put it away." The study, which was conducted jointly with LIMRA, was based on a survey of more than 6,100 people aged 18-39 across 18 markets, 200 senior insurance executives across 18 markets, and macroeconomic forecasts developed in collaboration with Oxford Economics. Results show 63% of these consumers have no immediate marriage plans and 84% of both single and married people have no immediate plans to have a child.

### Gen Z and millennials want 'living' benefits

A traditional life-insurance policy is essentially a financial contract between an individual and an insurance company that allows the user to make regular payments (premiums). In return, the insurer promises to pay a sum of money (a.k.a. death benefits) to the user's named beneficiaries at the time the insured person dies. Typically, those are used to cover things like funeral costs, debts, living expenses, or even education or a mortgage. But, there are other add-on features to life insurance policies called "living benefits" that the insured can use while they're still alive. One living benefit includes accelerated death benefits, say, if the insured were to be diagnosed with a terminal illness. But other benefits like cash value access let the insured borrow or withdraw from their policy during their lifetime. That could allow for the insured to make major purchases like buying a home. Even Chow said she used her life insurance policy to purchase her first home. "I purchased my first life policy at the age of 21. I paid almost cash for my first home," she said. "I just pulled it out of the cash value. But no one explains that to people."

That gets at the crux of the problem: Many members of the younger generations don't realize or understand these living benefits can be available to them. "You give us this much money for this amount of time, it's going to build cash value. That's not too overly complicated," Chow said. "But how you can use it, when you can use it, the things you can use it for, what happens when you do these things versus something else, how it impacts the future. That's the part that gets overly complicated." While some insurance carriers offer living benefits, 1 in 4 consumers are still turning down life insurance because the process is too confusing and the complex jargon makes policies difficult to understand and use, according to the Capgemini study.

### The life insurance industry needs to change

Thanks to the \$124 trillion Great Wealth Transfer, millennials and Gen Z are expecting an average inheritance of \$106,000 per person. That makes life insurance an "important destination" for these funds, according to Capgemini. Of the people surveyed, 40% ranked life insurance and annuities as the third-most important place for their inheritance, behind stocks and cash savings. To prepare for generations with a different approach to savings, investments, and finances, the life-insurance industry needs to change, said Chow, who worked in the insurance industry for more than 25 years. "We failed you 1,000 times over," Chow said of the insurance industry. "We don't educate you at the time that you're going through your benefit selection." Chow also argues life insurance needs to become more of a flexible financial product, like savings or investments. "It has to be a financial product. It has to meet the needs of a critical illness, of buying a home, of paying for your child's college in the future. It needs to be an all-in-one type, flexible product that grows with your life."

### **Wells Fargo customer loses \$10,000 from life insurance deposit after messy legal loophole** **A Texas woman lost thousands after her account was hacked by clever fraudsters posing as her bank.**

Gemma Scerri, The Sun, 21 Oct 2025

A WOMAN unknowingly lost thousands when scammers masqueraded as customer service staff from her own bank – then her financial institution refused to help her retrieve the money. Houston woman Willie Delane deposited a life insurance check amounting to \$10,000 into her Wells Fargo account, before a legal loophole saw her lose thousands. "I've been with Wells Fargo for so long, years and years," she told Fox 26. When she received a text nine hours after her deposit flagging strange activity in her account, Delane immediately rang customer service. The bank representative that took her call said they would freeze her account and cancel her card, according to Delane. The following day she noticed her account was \$4400 short – showing the money had been transferred from her savings account to her checking account and then withdrawn from the bank. Delane claimed she had not made the tele-transfer, despite Wells Fargo saying she did.

At first, the major bank refused to refund her the money, however after a news report aired, returned the missing funds to her account. Delane's ordeal shows how just one text message could result in thousands of dollars in fraud. When she contacted the bank about the text, Delane rang the customer service number in the message – CalCoast Times reported this could have been the snag in the fraud case. According to the Consumer Financial Protection Bureau (CFPB), Regulation E protects Americans who fall victim to suspected fraud via an electronic transfer of funds from their financial institution. The regulation further states that if the fraud is reported to the bank in a "timely manner", the institution is obliged to investigate and "correct the error within one business day after determining that an error has occurred." However, if a customer is "tricked and ends up authorizing money to be sent to scammers," the bank is no longer liable.



National Consumer Law Center senior attorney Carla Sanchez-Adams told Consumer Reports that "[banks] across the board are not reimbursing consumers", but are fighting "tooth-and-nail to hold the consumer liable." Wells Fargo has faced multiple class-action lawsuits in recent years over victims of fraudulent wire transfers, while customers at other banks are also being targeted. The bank told Fox26 that it was investigating Delane's matter, despite claiming she had made the transaction and refusing to refund her the money. The Federal Trade Commission (FTC) reported \$12.5 billion in consumer fraud losses in 2024 – up by 25 per cent from the previous year. Fraud activity includes investment to imposter scams, with text messages ranking as the third most popular means of contact for scammers, following email and phone calls. The FTC has created a database where individuals can check fraud losses by state and age demographic.

In Delane's home state of Texas, fraud losses totalled more than \$261 million in the first half of this year, with the 60 to 69 year old age group losing the most total dollars – more than \$56 million. There are ways you can protect yourself, even as fraudsters and con artists get more sophisticated. The FBI advises never to download attachments or click links in unsolicited texts and emails. If you need to contact a financial institution or company associated with suspicious messages, look up the phone number rather than using the contact number provided in the message. Another layer of defence against fraudsters is to add two-factor/multi-factor authentication on your accounts.

Consumer Reports said to never give out personal info to anyone soliciting it from any organization, whether they reach out by phone, text, email or other means. Instead, call the institution back yourself and use the contact number you find independently to confirm the legitimacy of the request. It has also been recommended to only use secure payment methods such as credit cards or established services with anti-fraud mechanisms like PayPal, otherwise getting your money back could prove impossible. Further, caution is advised when making wire transfers – making sure you know exactly where and whom you're sending money to. Other scam red flags include strange formatting or spelling and grammar errors in a message. However, if you do find yourself to be the victim of a scam, DataVisor – a global financial fraud prevention platform – recommends filing a report straight away and reviewing all other accounts for any other suspicious activity.