

Insurance and the Longevity Economy: Navigating protection in the era of 100-year lives



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From ageing to longevity...

From demographic doom to opportunity...



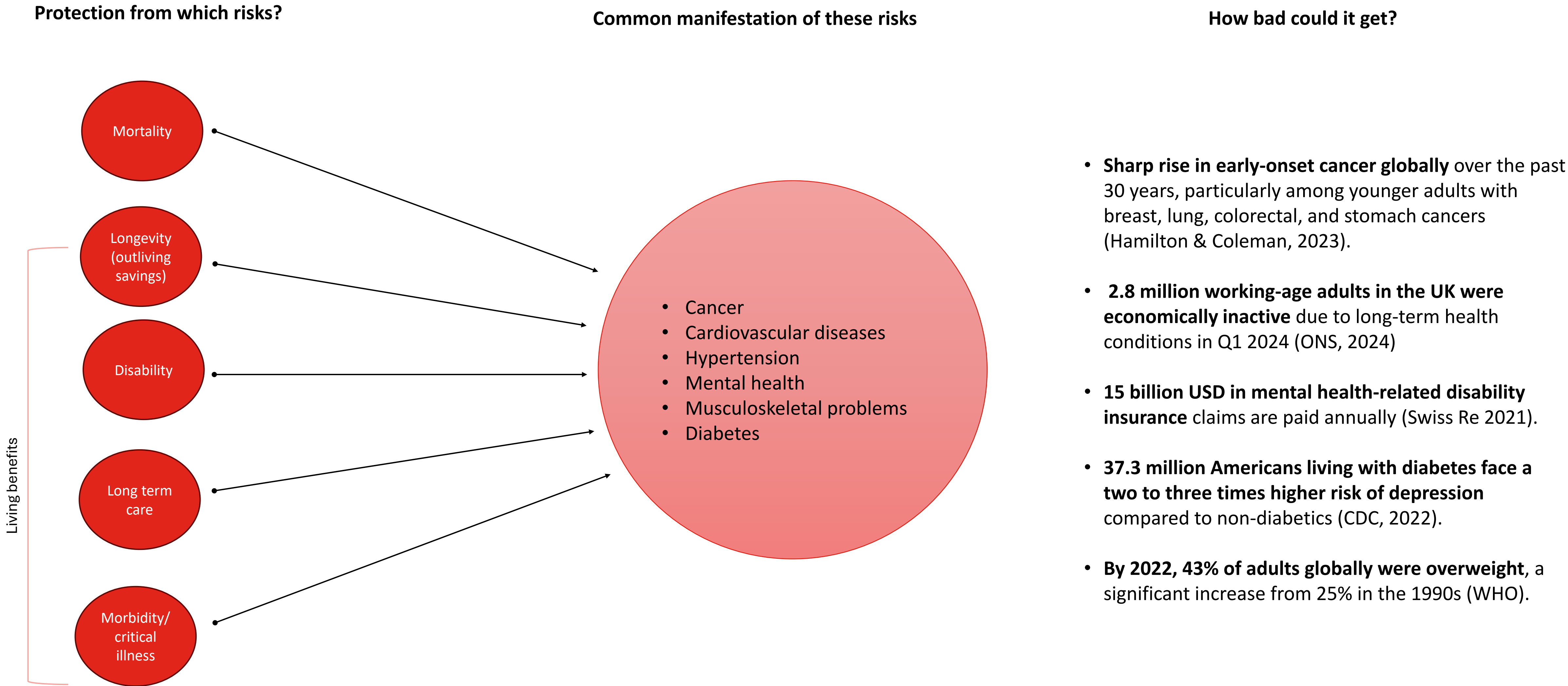
- The mid-20th-century fear of overpopulation has faded; today's challenge is managing a stark demographic shift.
- Global fertility rates dropped from 5 in the 1950s to near replacement level (2.1). Life expectancy rose from 46 (1950s) to 74 today, surpassing 80 in many OECD nations. In Europe life expectancy is 76.3 vs Switzerland at 83, vs France at 81.9
- The population pyramid is becoming a dome, reshaping epidemiology, health care, work, saving, dissaving patterns and caregiving.

Longevity and ageing : related but different.

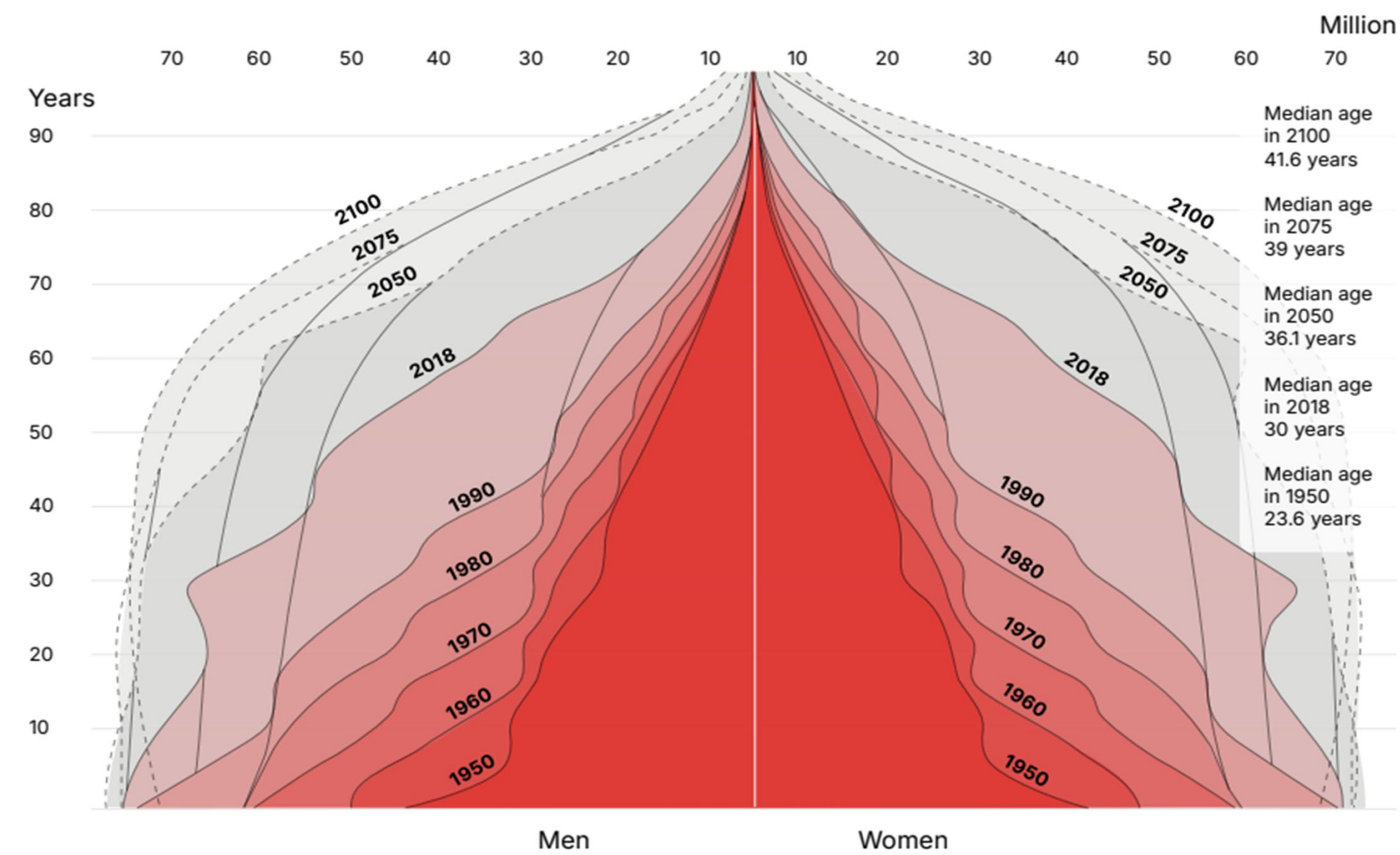
- **Ageing** refers to a gradual decline in physiological function. Traditional ageing narratives focus on **chronological age** to define societal and economic outcomes
- **Longevity** refers to (increasing) life spans, with more people living longer (longevity societies), reshaping how goods and services are produced and consumed (longevity economy). It prioritises **quality of life** over chronological age.
- **Medical advancements and preventive** health can make the relationship between chronological and biological age more **malleable**.

- Longer life expectancy is potentially creating more **complex templates for living, learning, working, consuming and saving**.
- Addressing these through insurance means creating the right conditions for: a) a resilient health span and b) longer working lives, to **address the growing misalignment of life, health and wealth spans**.
- It demands that insurers **think beyond the traditional actuarial definition of longevity risks** which is solely focused on financing a fixed period of retirement. This creates an exciting convergence of life and health insurers' needs and solutions.

The biometric risks managed by life and health insurers are growing



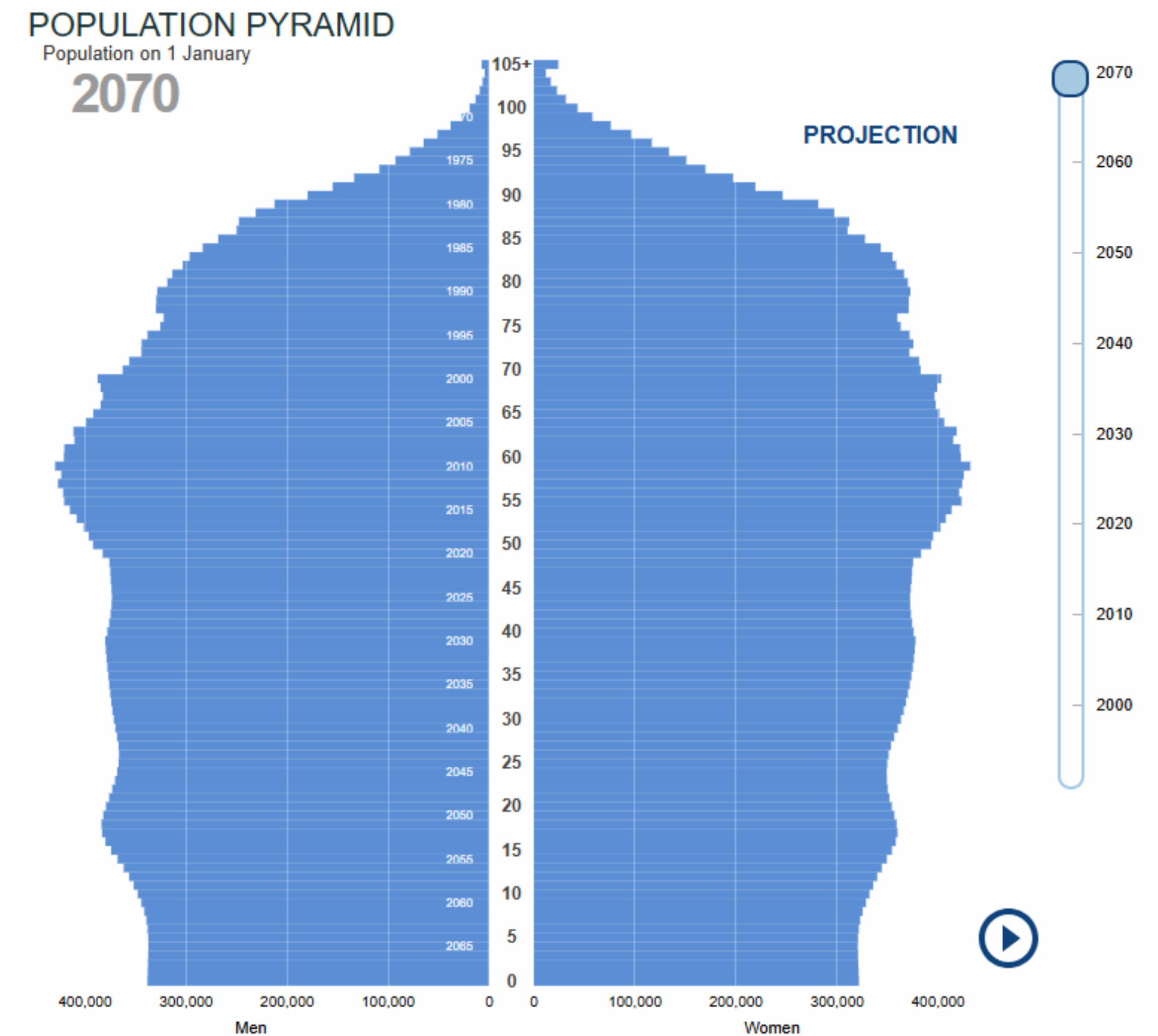
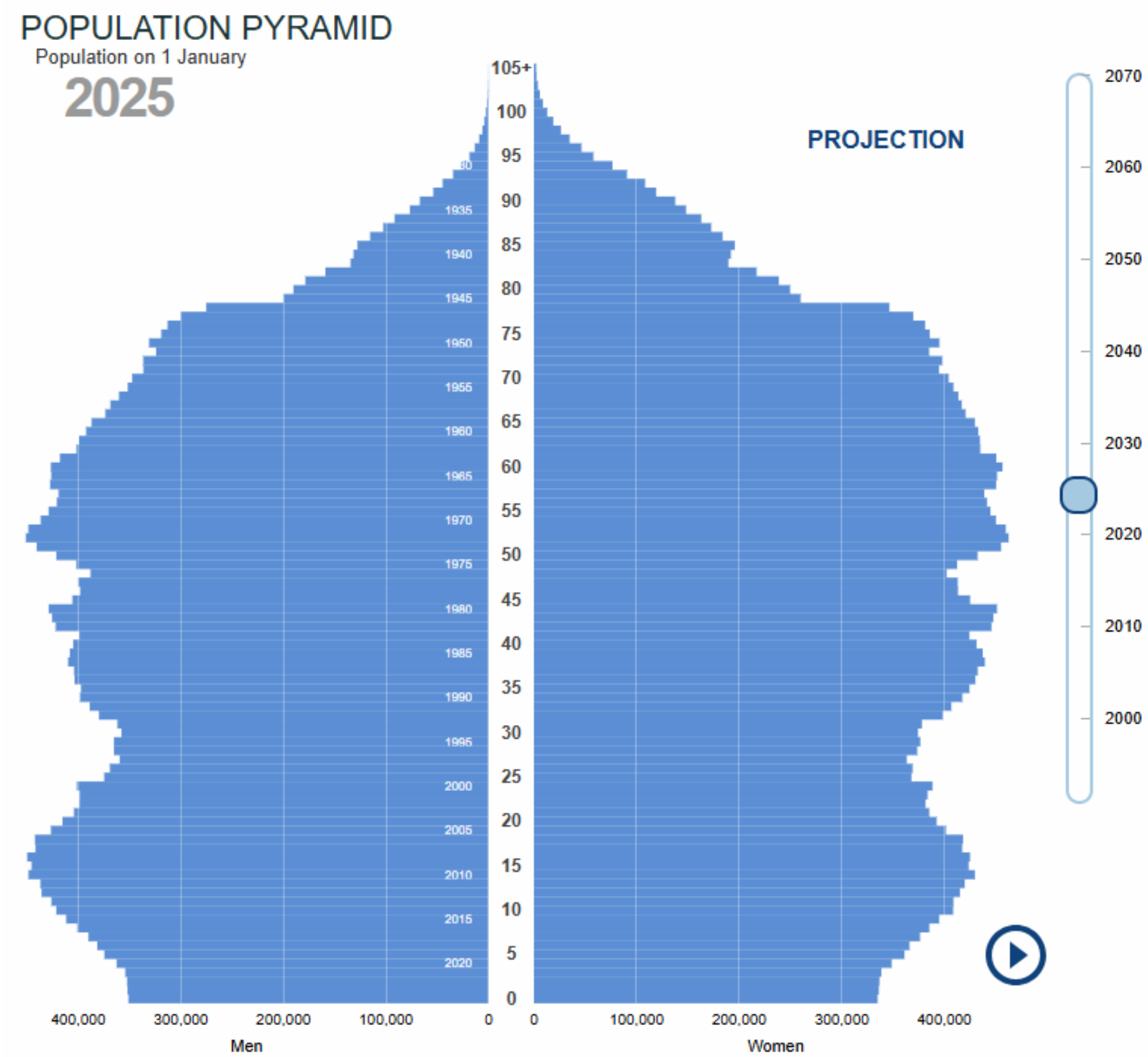
Mapping these risks against demographic trends.



Source: Our World in Data¹¹

From pyramid to dome: Without innovation, health risks could intensify at the top, amplifying the longevity challenges faced by society and insurers alike.

France: Now and 2070



Source: <https://www.insee.fr/en/outil-interactif/6045218/pyramide.htm#!y=2070&l=en&c=0>

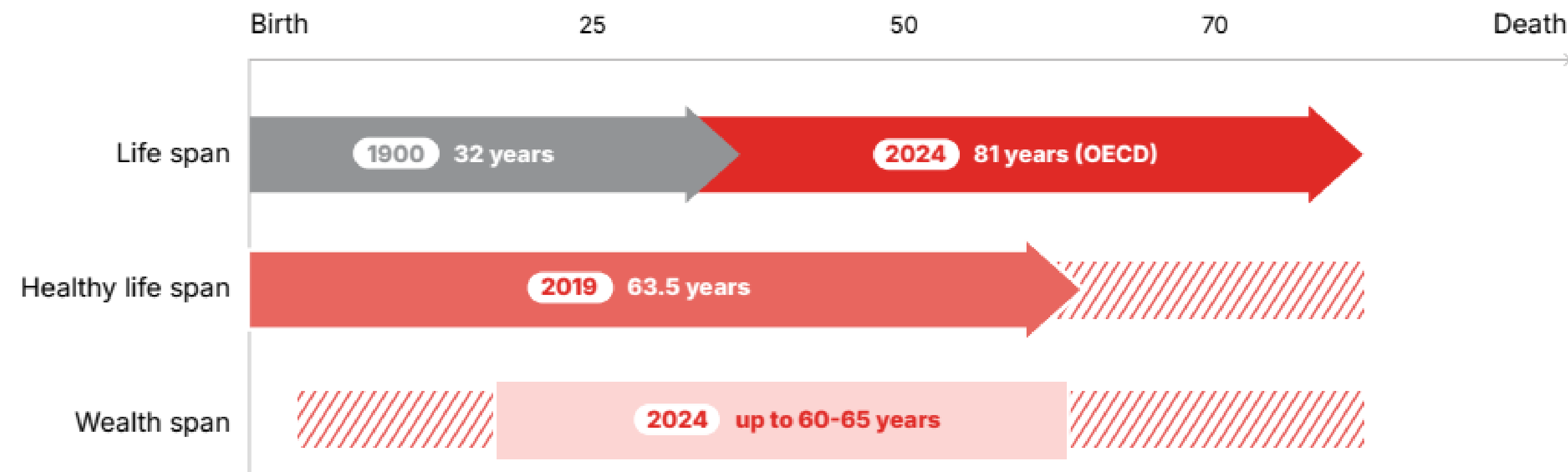
What did our report do?

A survey of 15000 people
across 12 countries

Literature review of
health, wealth & socio-
economic impact

Knowledge gathering from
17 executives/senior
figures

To build a vision from diverging life, health & wealth spans...



Source: Geneva Association, based on data from WHO, Our World in Data, and WEF⁵⁶

The conceptual framework

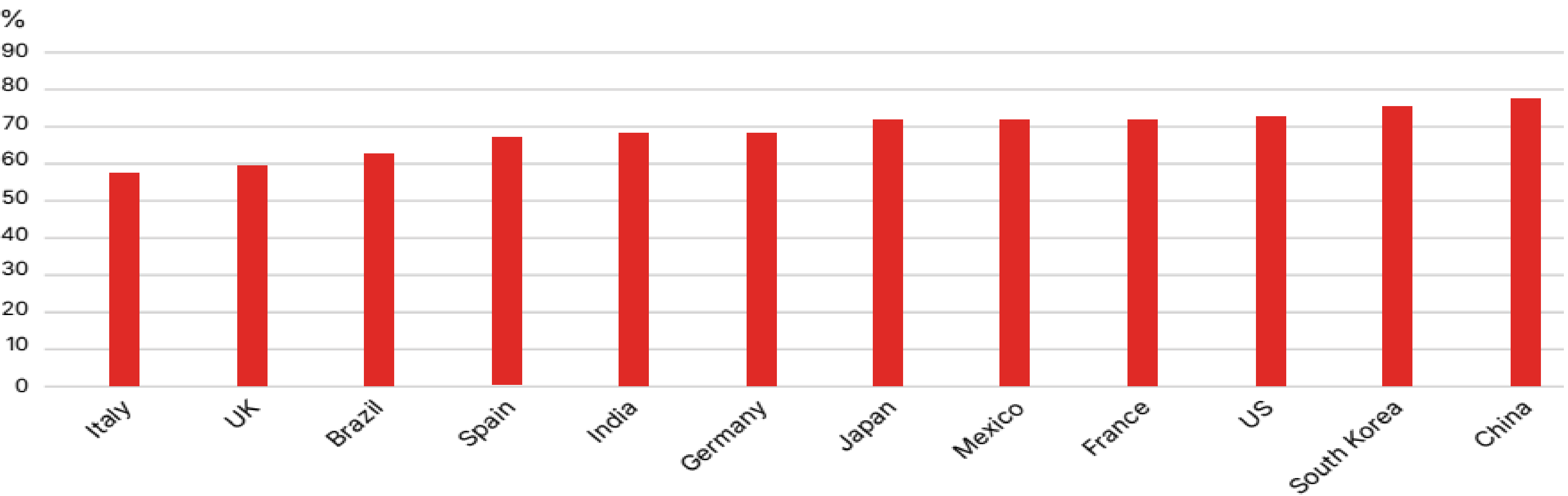
...to a greater
alignment of
the three
components

Identifying the
key levers
available to
insurers

The four key findings from the survey

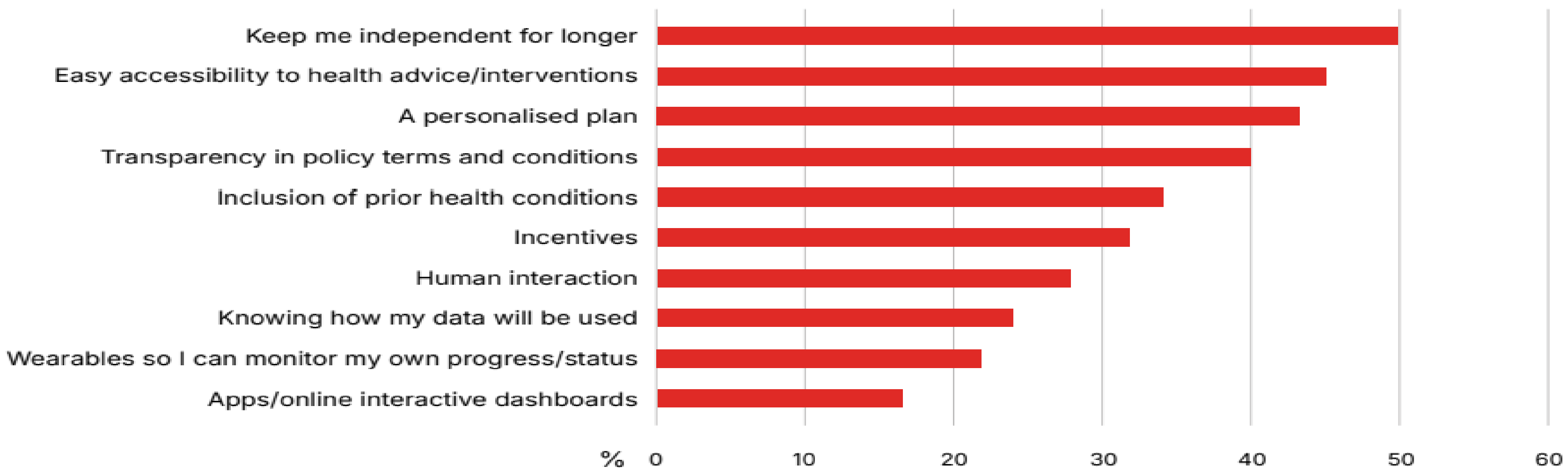
- **Message #1: People's estimation of longevity differs between developed and developing countries.** Individuals in developing countries generally overestimate their longevity, while those in developed countries tend to underestimate it—except in the UK and US, where estimates are largely accurate. Globally, concerns about rising longevity extend beyond financial considerations to include health and loneliness, underscoring a growing focus on quality of life in later years.
- **Message #2: There is a noticeable disconnect between peoples' awareness about the challenges of longer life and their perceived preparedness.** Over two thirds of respondents' express concerns about access to healthcare, the adequacy of retirement savings, and the robustness of public safety nets. But their self-reported preparedness in these areas appears unexpectedly optimistic. This highlights the challenge of translating a broad awareness of issues into individual action.
- **Message #3: Insurance is identified as a key institution to support longevity alongside family and government,** however, engaging young adults remains a challenge, indicating the need for simplifying products to enhance their appeal.
- **Message #4: There is a clear desire for preserving independence as people age,** suggesting that insurers have an opportunity to create products and services centred on autonomy and innovative risk-reward models, complementing traditional indemnity solutions.

Share of respondents who selected insurance as an important factor in meeting their needs



Source: Geneva Association

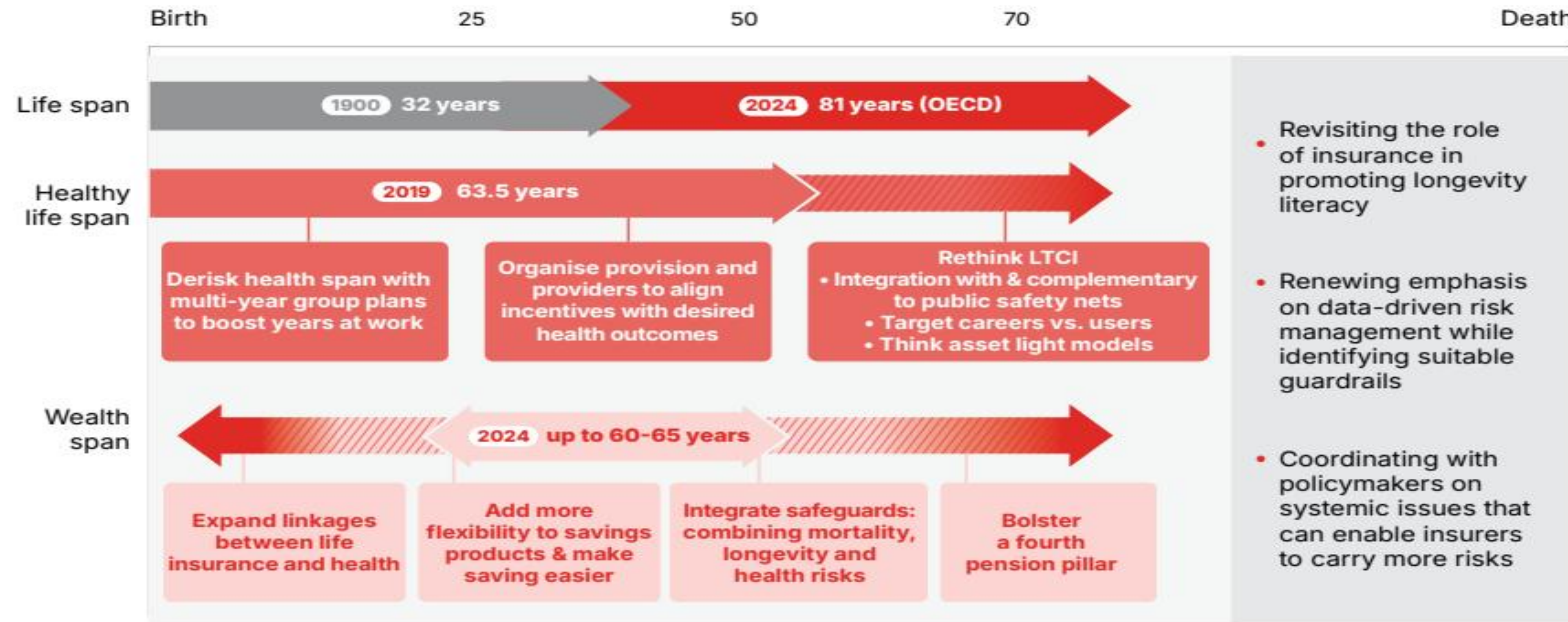
What do you think will be the most important features for you in future insurance products?



Source: Geneva Association

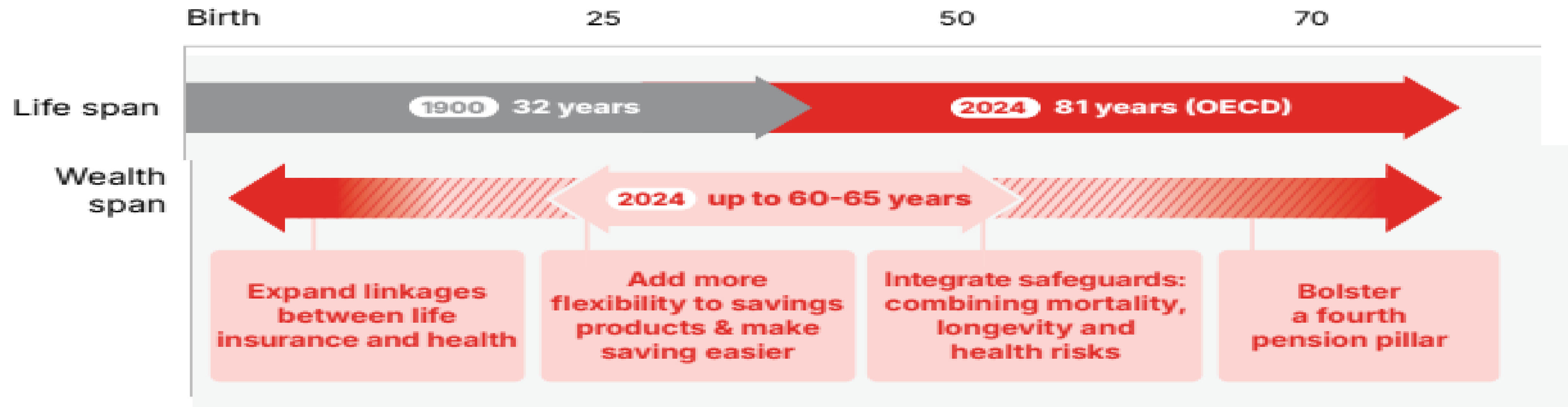
Envisioning the future of longevity protection

Balancing supply and demand-side reforms in a reinforcing policy environment



Source: Geneva Association

Zooming in on wealth innovation (often powered by technology)



Vitality Money by Discovery focuses on five key financial behaviours: saving, managing debt, securing insurance, planning for retirement, and investing.

Using real-time data, behavioural nudges and incentives, it highlights areas for improvement and offers benefits such as better borrowing and saving rates, healthy lifestyle discounts, and Vitality Active Rewards for achieving weekly goals.

SNACK (Singapore) is a digital micro-insurance platform for Millennials that builds coverage in small amounts through everyday activities.

Each time users shop with partner brands or complete lifestyle activities, a micro-policy for life, income or accident cover is automatically issued via the app.

Impaired or enhanced annuities where payout is based on health status.

Deferred annuities that could be linked to long term care costs

Hybrid annuities where mortality protection could come with defined riders for living benefits such as LTCI or support for carers

Singaporean Senior Employment Credit Programme or Part Time Employment Grants.

Zooming in on health innovation (often powered by technology)



India's emerging multiyear coverage. Room to go further. E.g. Niva BUPA, TATA AIG, HDFC ERGO

Self insured group plan. E.g. Firefly Health, Amazon One Medical (Formerly Iora Health) in the US with strong digital gateways

Kaiser Permanente's Integrated Approaches and vertical control including shared EHR

Gesundes Kinzigtal, Germany, with a 'shared' gain approach

Discovery insurance, Value Based payment for Diabetes care paired with demand side data platform such as Vitality

MetLife's 360 Futures targeting to care givers in Asia

Age Friendly Communities. E.g. Senboku Hottekenai Network Project, Japan or Belong villages in the UK

Ageing in place: E.g. remote monitoring, assistive technology, retrofitting homes (example the Florence project)



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