



A CALL TO INNOVATE LIFE INSURANCE FOR THE SILVER ECONOMY

Seniors comprise an untapped consumer market that is actively seeking solutions to help them age well. It's time for insurers to get creative and capture this enormous opportunity.

In brief

- The silver economy (50+ population) is growing at a rapid rate, and they are living longer lives with greater needs, less support and rising costs.
- Aging adults are concerned about how they will fund retirement and seeking innovative insurance products they can benefit from in life, not just in death.
- Insurers can build flexible, senior-focused solutions and offer affordable products by creating holistic ecosystems with partner carriers and organizations.

Today's seniors are living longer and staying active longer than ever before. But declining governmental support paired with rising healthcare costs and an increasing retirement protection gap has left many concerned about how to adequately fund retirement and secure their futures. What's more, the size of our aging population is entering uncharted territory — by 2050, the over-50 cohort will reach 3.2 billion.¹

More than 75% of the affluent segment of the aging population desire relevant life products, yet only 27% of insurers have the advanced product development capabilities needed to rise to the occasion.² Middle, working, and lower socioeconomic groups are also ready to invest in the right insurance products that can meet their needs.

The global growth of the life insurance sector expected by 2030 is dramatic:

- **Life insurance and annuities:** 49% growth from 2020 to reach \$4.2 trillion.³
- **Long-term care (LTC):** 86% growth from 2021 to reach \$1.8 trillion.⁴
- **Financial advisory:** 71% growth from 2020 to reach \$136 billion.⁵

As the responsibility to secure retirement falls more and more onto the shoulders of individuals and families, the silver economy life insurance market is ramping up — and insurers must get ready to meet the demand.



1 United Nations "[World Population Prospects 2022](#)," accessed September 2023.

2 Cappgemini research, [World Life Insurance Report 2023](#)

3 Research and Markets "[Insights on the Life Insurance Providers Global Market to 2030 – Identify Growth Segments for Investment](#)," August 4, 2021.

4 Precedence Research "[Long Term Care Market \(By Service: Home Healthcare, Hospice, Nursing Care, and Assisted Living Facilities\) – Global Industry Analysis, Size, Share, Growth, Trends, Regional Outlook, and Forecast 2021 – 2030](#)," accessed September 2023.

5 Allied Market Research "[Financial Advisory Services Market by Type \(Corporate Finance, Accounting Advisory, Tax Advisory, Transaction Services, Risk Management, and Others\), by Organization Size \(Large Enterprises, and Small & Medium-Sized Enterprises\), by Industry Vertical \(BFSI, IT and Telecom, Manufacturing, Retail, E-Commerce, Public Sector, Healthcare, and Others\): Global Opportunity Analysis and Industry Forecast, 2020-2030](#)," March 2022.



3 ways to innovate life product offerings for the silver economy

Vast opportunities await insurers who tailor product offerings and customer experiences to meet the needs of the current silver economy — and the next generation. Here are three ways to get started:

1. **Partner with other carriers and organizations** to establish unstoppable ecosystems that deliver combination products to effectively support aging needs. Carriers and vendors each have unique strengths, market access and customers; it's important to approach these relationships with an open mind to see what synergies exist between you and other carriers and vendors.

Financial players are instrumental in moving insurers past rigid products. Technology providers enable insurers to seamlessly integrate protection, retirement and health offerings into a singular system. And senior-focused firms like assisted living facilities have a wealth of service offerings designed for the silver economy.

Successful collaborations reduce time, resources and financial investment while bolstering the attractiveness of your offerings to a wider range of prospective customers.

Case in point: Assured Allies embeds their Age Assured wellness program into partner carriers' senior-focused Long-term care (LTC) products. The program provides assistive devices like raised toilet seats, shower chairs and even shoehorns to foster insureds' continued independence and promote aging in place, which reduces claim incidence up to 13%.⁶

2. **Build innovative and flexible solutions** to ensure our economic future. We're fast approaching the greatest wealth transfer the United States has ever seen, and

new products must appeal to both aging adults and the sandwich generation behind them. The next generation faces obstacles like caring for aging parents or shouldering debt from parents who have passed away while still maintaining financial responsibility for their own children's needs.

To meet the needs of this next generation of customers, we must market and deliver products that offer living cash benefits they can easily access during their lifetime, rather than just showing value in their death.

Carriers that prioritize flexibility over rigidity, connected lines of business over a siloed culture and tangible value over intangible benefits will successfully gain traction with Gen X, Millennials and even Gen Z.

3. **Offer affordable products** to meet the needs of many. The retirement protection gap continues to widen as seniors seek to live healthier and longer, with inflation and rising costs compounding the situation.

Many seniors are returning to work, and predictions indicate the U.S. workforce aged 75 and older will grow by 96% from 2020 to 2030.⁷ The silver economy's middle and lower socioeconomic groups are in greatest need of senior-focused insurance products like LTC that have historically been designed for and marketed to HNW clientele.

Life insurance policies that permit policyholders to use a percentage of the death benefit to cover LTC costs, for example, are under-marketed and misunderstood by a large prospective customer base. Many people would wholeheartedly welcome this solution to help protect against future health and care costs that they otherwise wouldn't be able to afford.

6 Assuredallies "[AgeAssured Improves Lives. Reduces Claims.](#)" Accessed September 20, 2023.

7 U.S. Bureau of Labor Statistics "[TED: The Economics Daily.](#)" accessed September 2023.

In conclusion

In less than 30 years, seniors over the age of 50 will comprise 33% of the global population.¹ We must meet this senior-focused demand head-on, using [advanced technology](#) to efficiently deliver useful products to meet the needs of the silver economy in a world where they're living longer, fuller lives than ever before.

Meet our expert



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Samantha has over 20 years of experience in the L&A and A&H industries working for carriers in positions across the value chain, evaluating technology and consulting as an industry analyst, and leading the technology roadmap for policy administration systems.

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