



Life Insurance for Living: Global Insights Into Next-Gen Expectations



Life Insurance for Living: Global Insights Into Next-Gen Expectations

Contacts

Bryan Hodgens, AIF

Senior Vice President, Head of Research
bhodgens@limra.com

Laura A. Murach, ACS, LLIF, FLMI

Research Director, Distribution Research
lmurach@limra.com

Five Key Insights

1. Demographic Shifts Reshape Demand

- The global population is aging rapidly while younger cohorts are no longer expanding, creating fewer new policyholders and higher payout obligations.

2. Traditional Triggers Are Fading

- Historic purchase drivers like marriage and parenthood are weakening, requiring insurers to rethink how they engage the next generation.

3. Awareness Versus Adoption Gap

- Younger consumers widely recognize the importance of life insurance, yet adoption remains low due to misaligned products, perceived high premiums, and lack of immediate benefits.

4. Living Benefits Drive Preference

- Younger consumers increasingly favor products with cash access, wellness incentives, and critical illness coverage — shifting insurance from a distant promise to a practical tool.

5. Three Strategic Imperatives

- Insurers must act boldly by modernizing products, embracing AI-driven technology, and embedding insurance into everyday platforms to deliver everyday value.



Contents

Five Key Insights	3
Life Insurance for Living	5
Global Insights Into Next-Gen Expectations	5
Demographic and Economic Headwinds	6
The Under-40 Disconnect: High Awareness, Low Adoption	7
Reimagining Products: Living Benefits as the New Standard	8
Beyond Sales: Building Engagement and Integration	9
Regional Strategies: Tailoring Growth to Market Realities	9
From Vision to Reality: The Time to Act Is Now	10

Figures and Table

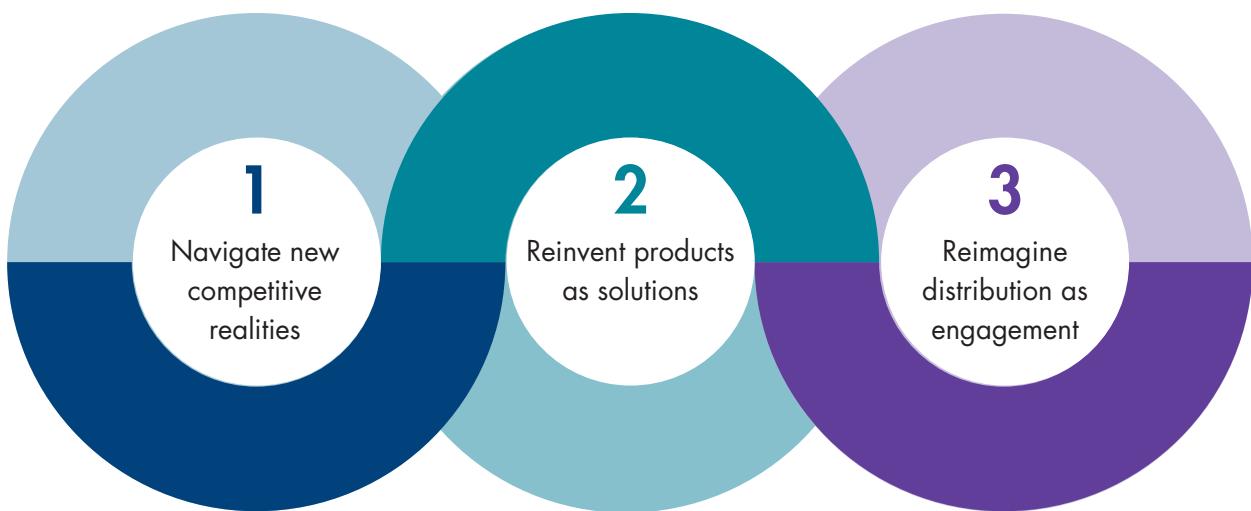
Figure 1: Demographic Shifts by Age	6
Figure 2: Top Three Destinations for Inheritance Investments	7
Top Three Living Benefits the Under-40 Market Wants	8

Life Insurance for Living:

Global Insights Into Next-Gen Expectations

The global life insurance industry is undergoing profound transformation. Macroeconomic volatility, demographic shifts, and rapidly evolving consumer expectations are forcing insurers to redefine their value proposition. This report underscores a critical imperative: To remain relevant, insurers must move beyond traditional life insurance products and deliver “insurance for living” — solutions that provide tangible, immediate value throughout life, not just at the end of it.

This shift is especially urgent for engaging the under-40 demographic, whose rising wealth and longer life expectancy make them critical to long-term growth. Yet despite recognizing the importance of life insurance, younger consumers remain underinsured. The report reveals a striking disconnect between awareness and adoption, driven by outdated product models and a lack of alignment with modern lifestyles.



Methodology

This report is based on a collaboration between LIMRA, Capgemini, and Future4care. Research methodology includes:

- A consumer study of more than 6,000 individuals aged 18 to 39 across 18 global markets
- Interviews with more than 200 insurance executives from 18 different markets
- A collaboration with Oxford Economics to develop premium and gross domestic product (GDP) projections for 11 key markets

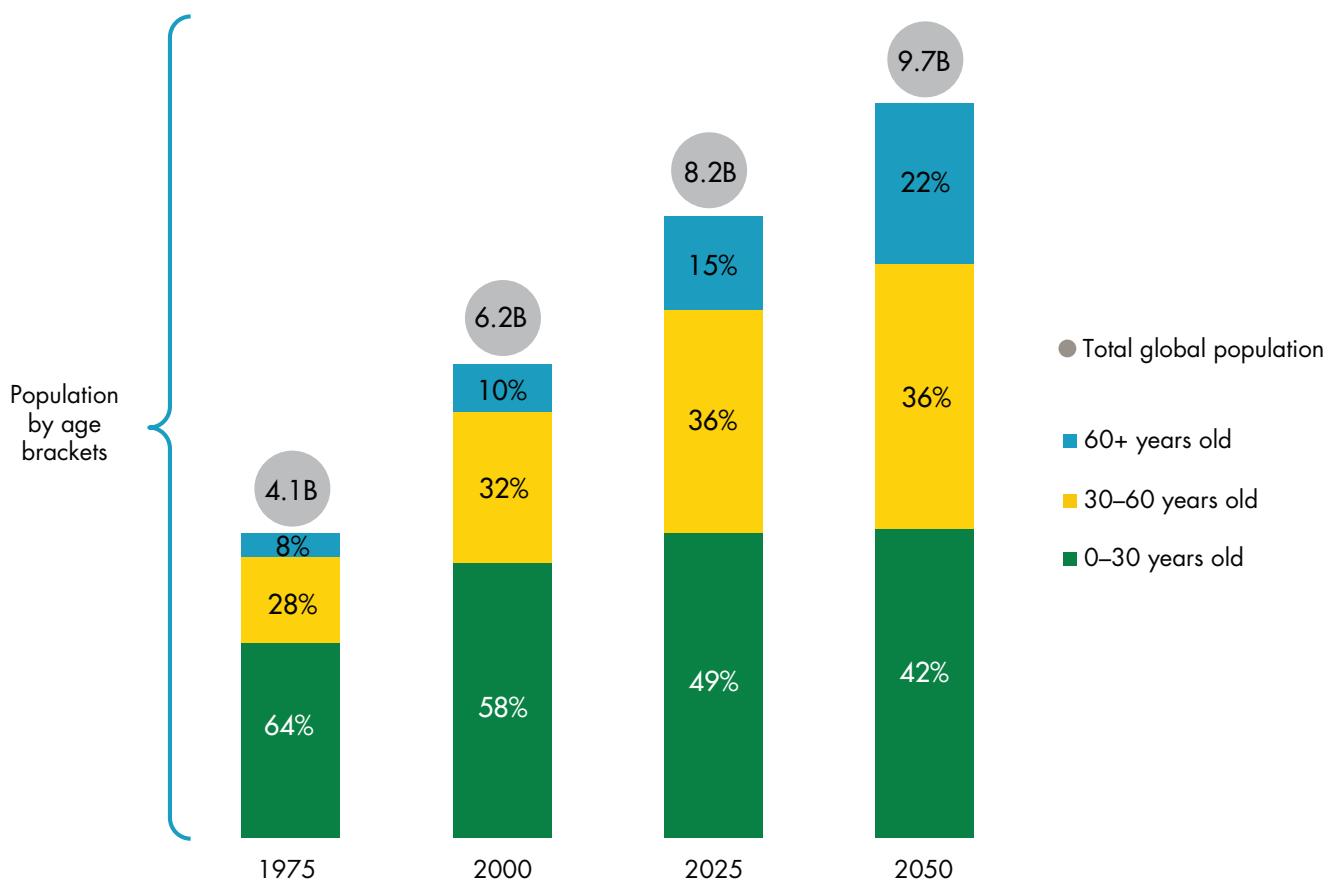
This research includes insights from Australia, Belgium, Brazil, Canada, China, Colombia, Denmark, Finland, France, Germany, Hong Kong, India, Italy, Japan, Mexico, the Netherlands, Portugal, Singapore, Spain, Sweden, the United Kingdom, and the United States.

Demographic and Economic Headwinds

By 2050, individuals over 60 will comprise 22 percent of the global population — a demographic shift that will reshape the insurance landscape. Meanwhile, the younger population is expected to remain flat in absolute numbers, marking a historic first. These changes are compounded by a projected slowdown in global GDP growth to a 2.2 percent compound annual growth rate (CAGR), levels reminiscent of the Great Depression.

These macro trends pose a dual challenge for insurers: a shrinking pool of young policyholders to fund risk pools and rising longevity that increases payout obligations. Traditional life insurance models built on assumptions of early life milestones like marriage and parenthood are increasingly misaligned with the realities of younger generations. Today, 63 percent of under-40s have no immediate plans to marry and 84 percent have no plans to have children — fundamentally altering the triggers that once drove insurance purchases.

Figure 1: Demographic Shifts by Age



Source: United Nations

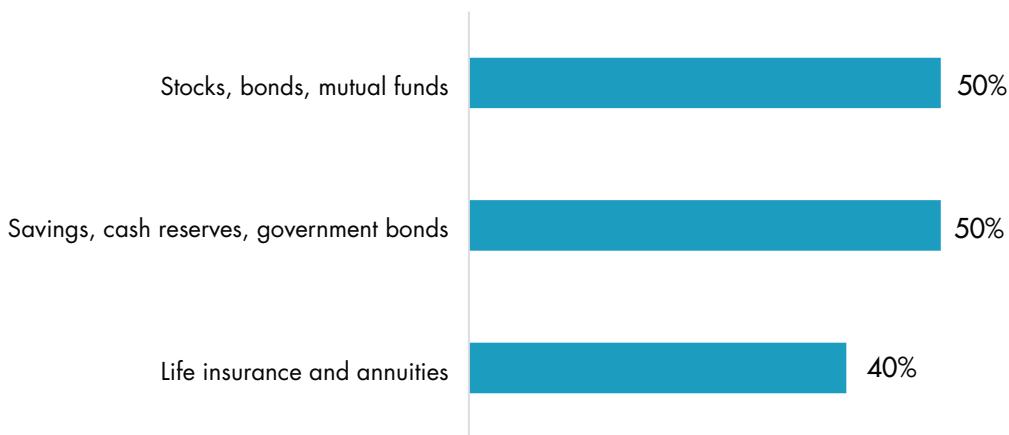
The Under-40 Disconnect: High Awareness, Low Adoption

Despite these shifts, younger consumers are not disengaged from financial planning. In fact, 68 percent of under-40s view life insurance as essential to long-term financial security. Yet adoption lags due to three barriers: misalignment with life stage, perceived high premiums, and a lack of immediate benefits.

Shaped by digital-first experiences and accustomed to instant value, this generation often compares life insurance to other financial tools such as investment platforms, wellness subscriptions, and digital banking services. These alternatives deliver flexibility, transparency, and instant utility — qualities that traditional life insurance products often lack.

Still, the opportunity is immense for life insurers that can meet the under-40 market preferences. This generation is accumulating wealth faster than those before it, and the largest wealth transfer in history is placing trillions into their hands. Notably, 40 percent of this cohort ranks life insurance and annuities among their top three priorities for investing their inheritance, signaling a latent demand that insurers can unlock with the right approach.

Figure 2: Top Three Destinations for Inheritance Investments



Reimagining Products: Living Benefits as the New Standard

To bridge the gap between consumer expectations and traditional offerings, insurers must fundamentally rethink product design. The study's findings emphasize the importance of embedding "living benefits" into the core of life insurance solutions. These include cash withdrawals for major life events, wellness incentives, and coverage for critical illnesses — transforming insurance from a distant promise into a practical financial tool.

Under-40 consumers overwhelmingly favor products offering flexibility and immediate utility. Nearly half value access to funds for life events, many prioritize health and wellness support, and others seek coverage for critical and terminal illnesses. These preferences signal a shift in consumer mindset. Life insurance is shifting from a safety net for dependents to a resource for navigating life's uncertainties and opportunities.

Yet many existing products fall short. Living benefits are often offered as optional riders, disconnected from the core policy and burdened by complex terms and servicing processes. To drive adoption, insurers must simplify these offerings, integrate them seamlessly into the customer experience, and position them as lifestyle enablers rather than transactional add-ons.

Top Three Living Benefits the Under-40 Market Wants





Beyond Sales: Building Engagement and Integration

Distribution models must evolve in parallel with product innovation. Consumers are asking for a more “phygital” experience — a hybrid model that seamlessly combines the convenience of digital channels with the trust and personalization of human advice. For the under-40s, this matters — 67 percent prefer this integrated approach, and 77 percent express frustration with traditional onboarding and claims processes.

The goal is not merely to sell policies, but to build lasting relationships. By shifting from transactional sales to genuine advisory engagement, insurers can earn trust, keep customers longer, and create experiences that truly stand out that will drive long-term growth well into the future.

At the same time, distribution cannot operate in isolation. Younger consumers engage daily with financial services, wellness platforms, and workplace technologies, and insurers must meet them there by embedding insurance into these touchpoints. Partnerships with fintechs, healthtechs, and HR platforms can expand reach and reinforce engagement through seamless integration. This shift from occasional engagement to continuous value delivery positions life insurance as a dynamic component of financial well-being.

Regional Strategies: Tailoring Growth to Market Realities

The global life insurance landscape is far from uniform. Demographic and economic conditions vary widely, demanding tailored strategies. An analysis done in partnership with Oxford Economics reveals that global life insurance premiums are projected to grow at a modest 0.9 percent CAGR through 2040 — half the rate observed between 2009 and 2024.

- **Developed markets** (Japan, the United Kingdom, and Continental Europe): Aging populations and stagnant economic growth are expected to suppress demand. Insurers must therefore maximize value from existing customer bases through precise pricing, product optimization, and stronger customer retention strategies. The emphasis should be on deepening relationships, not just expanding reach.
- **Emerging markets** (India, China, and Brazil): Youthful populations, urbanization, and rising incomes are driving growth opportunities. Insurers should prioritize digital-first engagement models, modular products, and scalable service delivery to meet the expectations of tech-savvy, mobile-first consumers.

From Vision to Reality: The Time to Act Is Now

This research delivers a clear message: The future of life insurance lies in relevance, responsiveness, and reinvention. Insurers that embrace living benefits, reimagine distribution, and embed themselves into broader ecosystems will capture the attention of under-40 consumers and redefine the role of insurance in modern life.

Strategic Priorities

- 1. Product modernization:** Embed living benefits into flexible solutions. Simplify and accelerate underwriting, personalize pricing, and incorporate gamified engagement features to enhance customer experience and drive adoption.
- 2. Technology enhancements:** Equip sales and distribution with AI-driven tools and real-time customer insights to deliver personalized omnichannel guidance. Invest in training programs that emphasize living benefits and digital fluency, and modernize compensation structures to attract next-generation talent.
- 3. Platform and ecosystem integration:** Build flexible, cloud-based systems that easily connect through APIs and share data seamlessly. Embed insurance into everyday platforms and experiences to deliver timely, contextual value when customers need it most.



These priorities are not optional — they are foundational to remain competitive in a rapidly evolving market. Speed and agility will determine insurers' abilities to capture market share and build enduring relevance with the next generation of policyholders.

This transformation is not a distant aspiration — it is a present-day imperative. The industry's next chapter will be written by those who act boldly, think differently, and lead with purpose. For insurers willing to evolve, the opportunity is not just to survive, but to thrive in a new era of insurance for living.

Advancing the financial services industry by empowering our members with

KNOWLEDGE



INSIGHTS



CONNECTIONS



SOLUTIONS



©2026 LL Global, Inc.

Unauthorized use, reproduction, or reprinting of this material (or any portion thereof) for any purpose without express written permission from LL Global (LIMRA and LOMA) is strictly prohibited, including, without limitation, use with any current or future form of an Artificial Intelligence tool or engine.