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Rapid aging of world population will transform global property & casualty insurance industry by 2050

- *Global dependency ratio set to rise by 2050 there will be 26 seniors for every 100 working-age people, up from 16 today*
- *Aging population is a key trend in forecasted 4.4% CAGR for global commercial insurance lines, 3.3% for personal insurance lines*
- *88% of insurers recognize the importance of more tech-enabled underwriting, but only 17% say they have the right capabilities*

Paris, April 22, 2025 – The [Capgemini](#) Research Institute’s World Property and Casualty Insurance Report, published today, shows how the aging of the world’s population will transform the industry globally by 2050. The report details how a shift in the ratio of seniors- to-working age adults will play a critical role in changing habits around consumption, transportation, and use of technology, with major implications for both commercial and personal P&C insurance. These trends will drive the industry towards a more prevention-focused, modular approach with real-time risk monitoring, as well as more technology-enabled underwriting models.

The global population is aging, transforming consumer behavior

The aging of the world population in the coming decades implies a major transformation in the workforce, with fewer working-age adults per retired senior. By 2050, it is expected that the global dependency ratio will rise to 26%, compared with 16% in 2024, meaning that for every 100 working-age people, there will be 26 seniors to support, up from today’s 16. Excluding the population of Africa, which is relatively young, the dependency ratio will reach 31%, up from 18%.

This transition has profound implications for consumer behavior and the structure of the broader economy. As the global population grows older, consumer spending habits are expected to shift, with a greater focus on spending on experiences rather than large, fixed purchases. The report found 45% of consumers expect to increase their spending on lifestyle enhancements such as travel, luxury goods and home renovations while 70% do not plan to buy an additional house or upgrade their current house to a bigger one.

This move in spending habits, combined with trends towards greater urbanization and automation of technology, will have a significant impact on how P&C insurers serve their customers. For example, auto insurers are expected to transition towards commercial insurance and shared mobility coverage, as seniors drive less and rely more on rideshares. Equally, personal property insurance will have to evolve towards preventive, age-friendly options that address smaller, multi-generational homes. In the workplace, commercial lines will need to account for demographic-driven automation and altered risk profiles.

"Monumental demographic shifts are set to have a major and direct impact on P&C insurers in the coming decades. Today, insurers should be analyzing their portfolios to understand these sensitivities and to ascertain their exposure in mature and transitioning markets. This will support them in developing service models that are optimized and future-proofed," said Adam Denninger, Global Insurance Industry Leader at Capgemini.



"Finally, having an edge on customer experience, made possible through AI, will also help protect insurers against a competitive race to the bottom on prices."

Interconnected risks could drive loss potential

In addition, insurers will have to grapple with the implications of climate change, and its effect on an aging work force. According to research from Oxford Economics prepared for Capgemini, 98.5% of the world's population will be at risk from drought and 80% will be at risk from excessive rainfall. With such climate volatility, coupled with urban risk concentration, insurers will see the rise of interconnected risks that drive loss potential. To assess these risks and develop more climate-minded strategies, insurers will need to further integrate climate risk data and predictive analytics to correlate risks and improve underwriting, cites the report.

Rising to the P&C challenge –with data and AI

A key feature of these new approaches will be the use of predictive insights and real-time intelligence in underwriting. The report found 88% of insurers recognize the critical future importance of advanced underwriting, yet only 17% have mature capabilities.

To prepare for and adapt to the changing demographics, the report recommends that P&C insurers embrace novel approaches including:

- **Placing focus on changing customer behavior:** recalibrating geographic footprints and developing age-sensitive service models
- **Operating model transformation:** modernizing data architectures and leveraging AI and automation to build resilient systems and drive efficiency
- **Risk governance:** implementing predictive underwriting insights and dynamic portfolio management

All these approaches require a process of continuous evolution, with executives delivering on medium-term actions while boards address long-term strategic questions.

Read the full report: <https://www.capgemini.com/insights/research-library/world-property-and-casualty-insurance-report//>

Report Methodology

For this report, the Capgemini Research Institute surveyed three primary sources: the 2025 Global Voice of the Customer Survey (which polled 5,016 P&C insurance customers in 13 countries), the 2025 Global Insurance Executives' Survey (which included interviews with 274 senior insurance executives of leading P&C insurance companies across 15 markets), and the 2025 Global Macroeconomic Forecasts created in collaboration with a leading macro forecaster (which includes insights across 11 markets representing all three regions of the globe).

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