Are you *ready* for an aging population + urbanization?

4 key strategies to address the changing risks

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In brief:

01 Aging and urbanization are concentrating risk, requiring new underwriting and pricing models.

02 Ownership is evolving, pushing insurers toward flexible, modular coverage.

03 Customers want proactive protection, not just payouts — ecosystem partnerships are key.

The age demographics of the global population are shifting faster than ever before — and property and casualty (P&C) insurers must be ready. According to Capgemini's World P&C Insurance Report 2025, the world population is projected to reach 9.66 billion by 2050, up from 8.16 billion today — effectively adding another China to the planet.

But beneath this headline growth lies a deeper disruption: The structure of that population is transforming. The global dependency ratio — the proportion of seniors (aged 65+) compared to working-age individuals — is growing. By 2050, for every 100 working-age people, there will be 26 seniors to support, up from 16 today — a 63% increase. And in most regions outside of Africa, the imbalance intensifies, approaching nearly one dependent for every three workers.

At the same time, the world is becoming more urban. Nearly 70% of the global population will live in cities by 2050, concentrating people, and the risks they carry, into denser, more complex environments.

For property insurers, these forces of aging and urbanization are not distant macroeconomic trends. They're reshaping the foundation of risk, value and demand. What happens when people live longer, own more, crowd into high-risk zones and yet increasingly diverge from traditional models of ownership and behavior?

These shifts are transforming the risk landscape for P&C insurers, challenging traditional market strategies, profitability assumptions and product designs. It's a call to redesign how risk is assessed, products are structured, and portfolios are shaped. Boards must ask the right questions today to ensure their companies remain relevant tomorrow — recalibrating underwriting strategies, evolving product offerings and integrating new data sources to meet the realities of a world where populations are both aging and urbanizing at scale.

Aging + urbanization = concentrated, complex property risk

The traditional property risk model was predicated on relatively dispersed populations and predictable ownership patterns. And yet today, property risk is becoming more concentrated and complex. Urban migration and aging-in-place trends are producing smaller, older households in more densely populated areas.

The World P&C Insurance Report 2025 notes that 70% of consumers do not plan to change their housing situation, whether they are homeowners staying put or renters not planning to buy. This points to long-term stability in physical location, but it doesn't imply stability in risk.

Smaller households mean more single dwellers and aging individuals accumulating wealth and assets over time — homes, fine art, electronics, medical equipment and sentimental belongings — all concentrated in urban environments that are increasingly prone to catastrophic events.

Insurers must respond to three major shifts:

- **Geographic aggregation of risk –** Risk is no longer distributed evenly across a wide geography; it's concentrated in urban clusters that are more susceptible to climate-related events and infrastructural strain.
- **Wealth concentration in aging populations –** Older homeowners, particularly in high-CAT regions like Florida or Texas, are retaining homes and assets longer, creating an exposure mismatch between vulnerable populations and the growing severity of natural disasters.
- **Capacity and pricing challenges –** This aggregation introduces significant volatility into underwriting. Carriers must move beyond historical data models and incorporate demographic overlays, predictive analytics and real-time geolocation insights to build pricing that reflects the true complexity of today's risk profiles.

The shifting definition of property and value

Property insurance has historically been tied to tangible, owned structures. But that definition is fraying.

As families shrink and the preference for experiential living grows, ownership patterns are being rewritten. People are delaying — or forgoing — buying homes, and when they do, they often choose smaller, more urban spaces.

Capgemini's Voice of the Customer Survey 2025 shows that 45% of consumers plan to increase spending on experiences like travel and leisure rather than accumulating goods or property. And again, 70% say they don't plan to change their housing situation, reinforcing the trend toward more flexible, less asset-heavy lifestyles.

Redesigning for flexibility – Insurance products must reflect transient lifestyles. As customers rent, co-own or share property, insurers need to provide modular solutions — coverage that adapts across life stages, property types and ownership models.

From structure to contents – As ownership of buildings declines, coverage needs to pivot from the physical structure to what's inside: electronics, collectibles, appliances and more. These assets may live in rented apartments, co-living spaces or even storage units.

From tangible to intangible – This demographic shift mirrors a broader economic evolution. Today, intangible assets, such as data and intellectual property, represent 90% of the S&P 500's market value, up from just 17% in 1975. As people spend more on services than stuff, and businesses rely more on intellectual property than inventory, insurers must embrace new approaches. The commercial insurance market is strategically shifting from tangible assets, like factories and warehouses, to intangible assets, like data and intellectual property.

Risk isn't disappearing; it's just changing form. Property insurance must evolve from a static, asset-based mindset to a dynamic, experience- and service-driven one.

What older policyholders and their ecosystems need now

As populations age and live longer in dense urban environments, the traditional model of property coverage must expand to meet broader, ecosystem-level needs. Four themes stand out:

1. **Enhanced safety and security –** Aging individuals, particularly those living alone, need real-time protection. Connected devices, such as smart smoke detectors, water sensors and medical alert systems, can enable early intervention. For businesses, aging workforces introduce new risks that demand environmental monitoring and adaptive safety protocols.

2. **Reduced complexity –** Older consumers often prefer simple, predictable coverage that reduces cognitive burden. Insurers should focus on prevention-driven solutions that offer peace of mind and minimize the need to make complex claims decisions during stressful events.

3. **Service-integrated protection –** Insurance can't just reimburse; it must assist. As insurers integrate with service providers, policies can evolve into holistic solutions: home maintenance, health checks, ergonomic evaluations and more. These services enhance value and deepen customer trust.

4. **Support for businesses with aging workforces –** The liability insurance market is expected to reach $1.24 trillion by 2050, with a 4.9% CAGR, driven largely by this demographic and technological change. Aging workforces bring new risks — from increased injury potential to challenges in knowledge retention. Businesses are adopting automation and assistive tech, which, in turn, introduces new liability exposures. Insurers must manage this dual evolution: human risk and machine accountability. Personal liability is also evolving, with older individuals navigating property maintenance, guest safety and medical response, often through aging-in-place technology that itself poses new risks.

Success in this environment will require ecosystem thinking. Insurers must partner across industries to allocate risk intelligently and prevent cascading failures.

A day in the life: *Maya in 2050*

To illustrate the complexity of tomorrow's interconnected risks, consider Maya: a 68-year-old gig worker living independently in a smart-enabled urban apartment in 2050. Her experience reveals how a single disruption can ripple across personal and professional domains, triggering multiple insurance lines in seconds.

At 9 a.m., Maya's smart living hub malfunctions. A glitch in her IoT network causes a power surge across her home ecosystem. The risk implications are immediate: potential fire damage to property, lost income from missed virtual gigs and even physical danger from a fall when her VR system unexpectedly disconnects.

Insurance-led response: Predictive monitoring prevents fire escalation, automated business continuity coverage compensates for gig income loss and an emergency response system is triggered to check on Maya's well-being.

At 12 p.m., a connectivity issue in her autonomous vehicle compromises the route data feed. Braking systems hesitate, and there's a risk of collision.

Insurance-led response: A dynamic mobility safety solution kicks in. Autonomous safety override engages, alternate transport coverage is activated and real-time liability coverage adjusts to ensure Maya remains protected without delay.

At 3 p.m., a cybersecurity vulnerability exposes Maya's personal data. Multiple system glitches across her devices weaken her digital defenses, resulting in a data breach, potential financial fraud and reputational harm as a freelance contractor.

Insurance-led response: Her cyber protection plan initiates a breach claim automatically. Real-time fraud protection is triggered to freeze compromised accounts and provide immediate support.

Maya's experience makes one thing clear: In the future, risk is not linear. It is layered, concurrent and cascading. Property damage, liability exposure, business interruption and personal safety concerns can all stem from a single trigger event. This demands a fundamentally new model of insurance — one that's predictive, integrated and service-enabled across personal and commercial lines.

Best practices for insurers: Four high-impact strategic shifts

1. Recalibrate geographic focus

Insurers must realign their growth strategies with demographic realities:

- Pursue high-growth emerging markets. India's economy is expected to be $30 trillion by 2050, with strong commercial line expansion. Early entry positions will be key.
- Balance mature and growth markets. Mature markets like North America are projected to hold a large share of the P&C insurance industry while growth markets like India are projected to significantly rise in importance. Diversified portfolios are essential.
- Urban-centric underwriting. More than half of the world's people — over 4 billion people — live in urban areas. With 68% of the population living in cities and half of those urbanites over age 50 by 2050, insurers must develop products tailored to dense, aging city centers.
- Climate-aware strategy. Nearly the entire global population — 98.5% — will face drought risk by 2050. Insurers must bake climate exposure into their geographic playbooks, especially in countries like the U.S. and Australia.

2. Create age and lifestyle-friendly service models

Product and service design must keep pace with changing customer capabilities and expectations:

- Move from indemnity to assistance. Once considered niche, assistance-based models are becoming essential in P&C insurance, as consumers increasingly expect support not just after a loss, but throughout the entire risk life cycle — before, during and after an event.
- Simplify interfaces. User experiences must be intuitive, with clear terms, minimal decision friction and 24/7 access to guidance.
- Enable aging in place. With 70% of customers not planning to move, services that support home maintenance, health and accessibility are increasingly vital.
- Protect experiences, not just possessions. Coverage needs to reflect the rise of experience-based living — covering travel, leisure and service-related liabilities.

3. Build strategic ecosystem partnerships

The interconnected and tech-dependent nature of tomorrow's risks demands collaboration:

- Mobility ecosystem integration. With over 65% of new car sales in Europe and the U.S. expected to be autonomous by 2040, partnerships with automakers and transportation networks are key.
- Smart home and health tech alliances. Nationwide's partnership with Resideo Technologies illustrates how insurers can leverage IoT to mitigate risk proactively.
- Public-private climate collaboration. Infrastructure resilience will be crucial for continued insurability in hazard-prone areas. Partnering with governments is a strategic imperative.
- AI and analytics integration. Munich Re's aiSelf™ solution shows how insurers can address risks introduced by their own AI systems, reinforcing the need for tech-first collaboration across underwriting, claims and customer service.

4. Transform talent strategies

Aging is reshaping the entire insurance workforce, not just customers. Talent strategies must evolve accordingly as well:

- Accelerate knowledge transfer. As experienced professionals retire, structured mentorships and documentation systems are critical to preserve institutional knowledge.
- Scale digital reskilling. Equip current teams with analytics, AI and automation skills to stay competitive.
- Retain older workers. Offer flexible work models, such as phased retirements, consulting roles and part-time options, to keep experienced voices in the room longer.
- Diversify recruitment. Attract talent from tech, data science and customer experience backgrounds to infuse fresh thinking into the insurance workforce.

Demographics are a strategic priority

Demographic change is no longer just a concern for life insurance or a distant macrotrend. It's a strategic, operational and risk-management priority for every function in the P&C business.

The aging population acts as a risk amplifier — more dependent on infrastructure, more vulnerable to disruption and more difficult to insure using legacy models. Combined with global urbanization and climate risk, today's threats no longer exist in isolation. They are interlinked, cascading across property, liability and service lines.

Today's customers no longer seek simple indemnity after loss. They want help avoiding the loss, navigating disruption and bouncing back quickly. Assistance-based contracts — once an add-on — are becoming central to the value proposition of P&C insurance.

The winning insurers of tomorrow will be those who act today: combining tactical upgrades in pricing and underwriting with long-term structural shifts in ecosystem partnerships, customer experience and workforce transformation.

The new demographic future is already here. Are you, our P&C insurers, ready to lead it?

Meet our experts

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Adam Denninger leads Capgemini's global strategy and product management for the insurance industry and manages its relationships with the insurance technology ecosystem. Adam has 20+ years of experience creating and delivering solutions at the intersection of business and technology.

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Luca Russignan is an insurance expert with more than 15 years of experience with industry-leading consultancies and insurers. At Capgemini, he enables CXO conversation in the insurance sector through data driven thought leadership to shape insurance business strategy across the UK, US, Italy, and APAC.

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