Swiss Re Institute

Press release

A new retirement reality: individuals take on more responsibility as financial firms race to meet their needs

- **A generational shift in many pension systems is transferring responsibility for retirement income, inheritance planning and later-life care from institutions to individuals**
- **The shift is creating opportunities for insurers, banks and advisers – and a race to reach people before retirement, when they are making critical decisions about how to manage their savings, generate income and protect their wealth**
- **The race is already reshaping the life insurance market: just three private equity-backed US companies completed more than 300 acquisitions between 2017 and 2025**
- **Financial firms are investing heavily in technology and AI, but people still want human interaction when making high-stakes decisions**

Zurich, 8 October 2026 – Millions of people in markets such as the US and UK are approaching retirement with the option to manage savings themselves, rather than receiving a guaranteed income for life, according to a new Swiss Re Institute *sigma* study. This generational shift is giving individuals greater choice over their finances, but also greater responsibility for decisions that can shape their financial security for decades – from generating retirement income to transferring wealth and funding later-life care.

Velina Peneva, CEO Swiss Re Life & Health Reinsurance, said: "Life insurance is here to help people navigate some of the biggest financial decisions in their lives. Making insurance easier to understand and access can support the identification of the right solutions. By combining the strengths of insurers, advisers, banks and technology, our industry can help more people get the protection and financial security they need, when they need it."

Retirement decisions are becoming more complex

The shift in how people manage their pensions is already visible. According to the sigma report, in one of the largest pension plans in the US, more than half of retirees chose the option to withdraw and self-manage their funds in 2018, compared with only 10% in 2000. In the UK

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in 2024, 36% of pension assets that retirees accessed were taken as cash, rather than lifelong income.

This means that individuals are becoming responsible for more complex choices about how much income to take as cash, how much to keep invested, what to leave to their family and how to pay for care later in life. To make the right decisions, the need for advice is growing – not only on retirement income, but also on wealth transfer and later-life care.

James Finucane, Head of Life & Health Economic Research at Swiss Re Institute, said: "As people take greater responsibility for their retirement, trusted advice becomes more valuable. This is changing the economics of how consumers purchase life insurance and increasing competition in the industry. For consumers, this is a positive as greater access to insurance protection and retirement solutions can strengthen households' long-term financial resilience."

The shift is changing the life insurance market

As more people seek help with important financial decisions, banks and advisers are playing a bigger role in how life insurance and later-life care products are sold.

This is increasing competition to reach and advise consumers and attracting new investment into the market. The *sigma* study finds that just three private equity-backed US intermediary groups completed more than 300 publicly announced acquisitions of independent marketing organisations, field agencies and advisory groups between 2017 and 2025. This consolidation is creating larger firms with more capacity to invest in technology and adviser support, potentially giving them greater influence over how insurance and retirement products are sold.

For life insurers, this makes working with banks, advisers and other distributors that serve these customers increasingly important. It also means that it is becoming more important to make products and services easy for advisors and customers to understand, recommend and put in place.

Timing also matters. The *sigma* report identifies the years before retirement as a critical period, when decisions about income, investments, inheritance and future care often begin to take shape. Long-term care is a good example. Insurance generally needs to be arranged years before care is required, making early engagement important for individuals who may need protection later in life.

Technology is making life insurance easier, but human advice remains important

Swiss Re Institute's sigma study reviewed 197 publicly reported AI and technology initiatives from leading global life insurers and selected intermediaries. The report found that around 70% focus on the parts of insurance that consumers experience directly. Technology is being used

to help people understand their options, get insurance in place, access support after buying a policy and make a claim.

Technology can also help advisers find information, compare options and take care of administrative and follow-up tasks. The aim is simple: less time spent on administration and more time helping people make the right decisions.

While AI can make advice and processes more efficient, people still rely on human help for more complex decisions. A survey of nearly 3,000 consumers across seven countries found that nearly two-thirds preferred human interaction for complex transactions such as claims.[1]

That balance between technology and human advice will matter even more as pension systems evolve. Retirement choices are deeply personal and can shape people's financial security for decades, increasing the need for advice before and throughout retirement. For insurers and their partners, the opportunity is to use technology to make advice and insurance easier to access, while ensuring people still have human support when they need it.

How to order this *sigma* study:
The English version of the *sigma* 4/2026, "*Life insurance distribution: competing for customer access in an advice-led market*", is available in electronic format. You can download it here.

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[1] Consumer trust and data sharing in the age of Generative AI: survey insights | Swiss Re