

20 April 2026

The Life Market is taking an interest in Italy

The risk associated with how long people live is already a tradable asset globally. In Italy, it remains on balance sheets rather than in markets

The Life Market covers products that protect against people living less long than expected (life insurance) and products that protect people from living longer than anticipated both in good health (pensions and annuities) and in poor health (long-term care).

It is a global market. The global life insurance market is valued at \$3.8 trillion; the United States is the largest market, accounting for 27% of global premiums.¹ Global pension liabilities are estimated to be between \$60 trillion and \$80 trillion.² The global long-term care market is valued at \$1.3 trillion.³

Prior to around 2000, life insurance and pension providers booked these products on their balance sheets as liabilities. However, since then, a market has been developing to transform these liabilities into assets that can be transferred from these financial institutions to long-term investors, such as ILS (insurance-linked securities) investors, sovereign wealth funds, and endowments. More recently, medium-term investors, such as hedge funds and private equity investors, have also become interested. The reason? Biometric risk is virtually uncorrelated with other types of financial risk and so assuming the risk is good for portfolio diversification.

Since 2000, the annual secondary market trading of life insurance products (in the form of life settlements) has averaged around \$4.6 billion, while the average annual gross market potential for life settlements is \$224 billion.⁴ Over the same period, there has been \$1.2 trillion in pension risk transfers mainly from pension schemes in the UK, the Netherlands, the US and Canada to global insurers and reinsurers.⁵

¹ <https://group.legalandgeneral.com/en/newsroom/press-releases/global-prt-market-set-for-a-1-trillion-boom-with-the-uk-and-us-leading-the-charge>

² Blake D, Cairns AJG, Dowd K, Kessler AR. Still living with mortality: the longevity risk transfer market after one decade. *British Actuarial Journal*. 2019;24:e1. doi:10.1017/S1357321718000314

³ <https://www.grandviewresearch.com/horizon/outlook/long-term-care-market-size/global>

⁴ <https://www.conning.com/about-us/news/ir-pr---life-settlements-2025>

⁵ Prudential Financial cited in David Blake (2026) Longevity Risk and Capital Markets: The 2024-25 Update; <https://group.legalandgeneral.com/en/newsroom/press-releases/global-prt-market-set-for-a-1-trillion-boom-with-the-uk-and-us-leading-the-charge>

In Italy, however, the Life Market is currently non-existent. Biometric risk exists, but it is implicit. It sits principally on household balance sheets and is growing in pension schemes. The insurance sector, historically focused on savings products with guarantees, has very limited direct exposure to biometric risk. At the same time, the pension system is increasingly confronted with the challenge of the decumulation phase, where accumulated capital must be converted into stable lifelong income.

This is where the issue becomes systemic.

A recent technical discussion in Rome among industry participants and academics highlighted a paradox: Italian insurers are not saturated with biometric risk; rather, they said that they are willing to take on more, provided appropriate frameworks and instruments are available. It was also recognised that pension funds and individuals are increasingly exposed to longevity risk, but do not have effective tools to manage it.

Demand and supply are therefore already present. What is missing is the market to enable demanders and suppliers to meet and trade.

Unlike in other countries, where the need to transfer large pension liabilities – prompted by the closure of defined benefit pension schemes and their replacement with defined contribution schemes – triggered market development, Italy has not yet experienced a similar dynamic. However, this gap may also represent an opportunity. The Italian system could develop a more flexible model, in which, for example, pension funds retain control over assets during decumulation while selectively transferring extreme longevity risk to insurers, reinsurers or capital market investors.

In such a framework, risk is not simply offloaded, but more efficiently allocated and rewarded.

The challenge, however, is that without instruments, standards and a shared narrative, this transition is unlikely to take place. The risk remains invisible, unpriced and therefore neither manageable nor transferable.

It is within this context that the Longevity 21 Conference will take place in Rome on 8-9 September 2026, under the scientific direction of Professor Valeria D'Amato (Sapienza University) and Professor David Blake (Pensions Institute). For the first time, the conference comes to Italy, marking a near-inaugural moment in the national debate on longevity risk.

This is not just an academic event, but an opening: an opportunity for the Italian system — pension funds, insurers and investors — to engage in a structured international dialogue on market solutions and financial innovation.

The stakes are high. This is not only about improving risk management, but about capturing one of the largest financial transformations driven by demographic changes.

Biometric risk in Italy is not absent: it remains on balance sheets, but not yet in markets. The real challenge is to turn it from an invisible problem into a financial opportunity.

The Pensions Institute is pleased to publish below the official note of a meeting between the Italian Regulator IVASS, the Pensions Institute, Sapienza University and Italian insurers held at IVASS on 6 March 2026. The meeting focused on mortality and longevity risk in the insurance sector and how these risks might be more effectively assumed and managed. The Pensions Institute plans to work with the above organisations to prepare presentations on these issues for [Longevity 21 – The Twenty-First International Longevity Risk and Capital Markets Solutions Conference](#), which will take place at Sapienza University in Rome on 8–9 September 2026. This will provide a natural forum to continue and extend this dialogue before an international audience of academics and industry practitioners.

Meeting Note on Mortality and Longevity Risk in the Italian Insurance Sector, 6 March 2026

On 6 March 2026, a closed-door technical meeting was held at IVASS to discuss mortality and longevity risk in the Italian (re)insurance sector and the evolving approaches to the management of biometric risks. This was the first structured exchange on these issues in the Italian context.

The meeting was promoted by Professor Valeria D’Amato (Sapienza University of Rome) and developed in collaboration with Professor David Blake (Pensions Institute, City St George’s, University of London), founder of the international conference series *Longevity Risk and Capital Markets Solutions*, within the framework of ongoing research and institutional dialogue on longevity risk and financial markets related to demographic risk management.

IVASS hosted the meeting, providing a forum for technical discussions between representatives of the supervisory authority, senior representatives of major insurance groups operating in Italy, and academic experts. The objective was to explore the analytical, technical and prudential dimensions of mortality and longevity risk management. A joint presentation on these topics was delivered by Professors Blake and D’Amato.

During the discussion that followed, it emerged that, for Italian (re)insurers, the relative weight of mortality and longevity risk is still fairly small in their current core insurance activities. Several participants indicated that insurers were currently “short” of

biometric risk exposure and would be open to opportunities to assume additional mortality or longevity risk within an appropriate risk management framework. Some industry participants also noted examples of attempts to expand such exposures that had not been successful.

As a consequence, mortality and longevity stress tests under Solvency II were considered by several participants to have only a limited impact on solvency capital in the current Italian insurance market context.

The discussion highlighted how the Italian market presents structural characteristics that differ from those observed in other jurisdictions, where, for example, large pension liabilities have been a key driver for the transfer of longevity risk from corporate balance sheets to the insurance sector and on to capital market investors. Similarly, life insurance is a significant business activity in countries such as the US. The Italian experience may therefore raise different types of questions about how biometric risks are assumed, allocated, managed and potentially shared across insurers, reinsurers and capital markets. This may lead to the development of new risk transfer structures and market practices tailored to the Italian context.

Professors Blake and D'Amato also discussed the forthcoming Longevity 21 – The Twenty-First International Longevity Risk and Capital Markets Solutions Conference, which will take place at Sapienza University in Rome on 8–9 September 2026 under their scientific direction. The conference will bring together regulators, insurance companies, reinsurers, institutional investors and academic experts from around the world to discuss the evolving landscape of mortality and longevity risk management and the interaction between insurance markets and capital markets in managing biometric risks.

In light of the discussion with the Italian (re)insurers, participants noted the importance of ensuring that the conference programme reflects the specific concerns and perspectives of the Italian insurance sector, while remaining relevant to the broader international audience.

It was therefore agreed that a forum involving participants in the meeting could contribute to the development of a plenary session addressing issues of particular relevance to the Italian (re)insurance sector, while also offering insights of interest to the wider international community attending the conference.

The forum may also consider further initiatives, such as the preparation of a technical note or white paper and the continuation of technical discussions on the evolving management of biometric risks.