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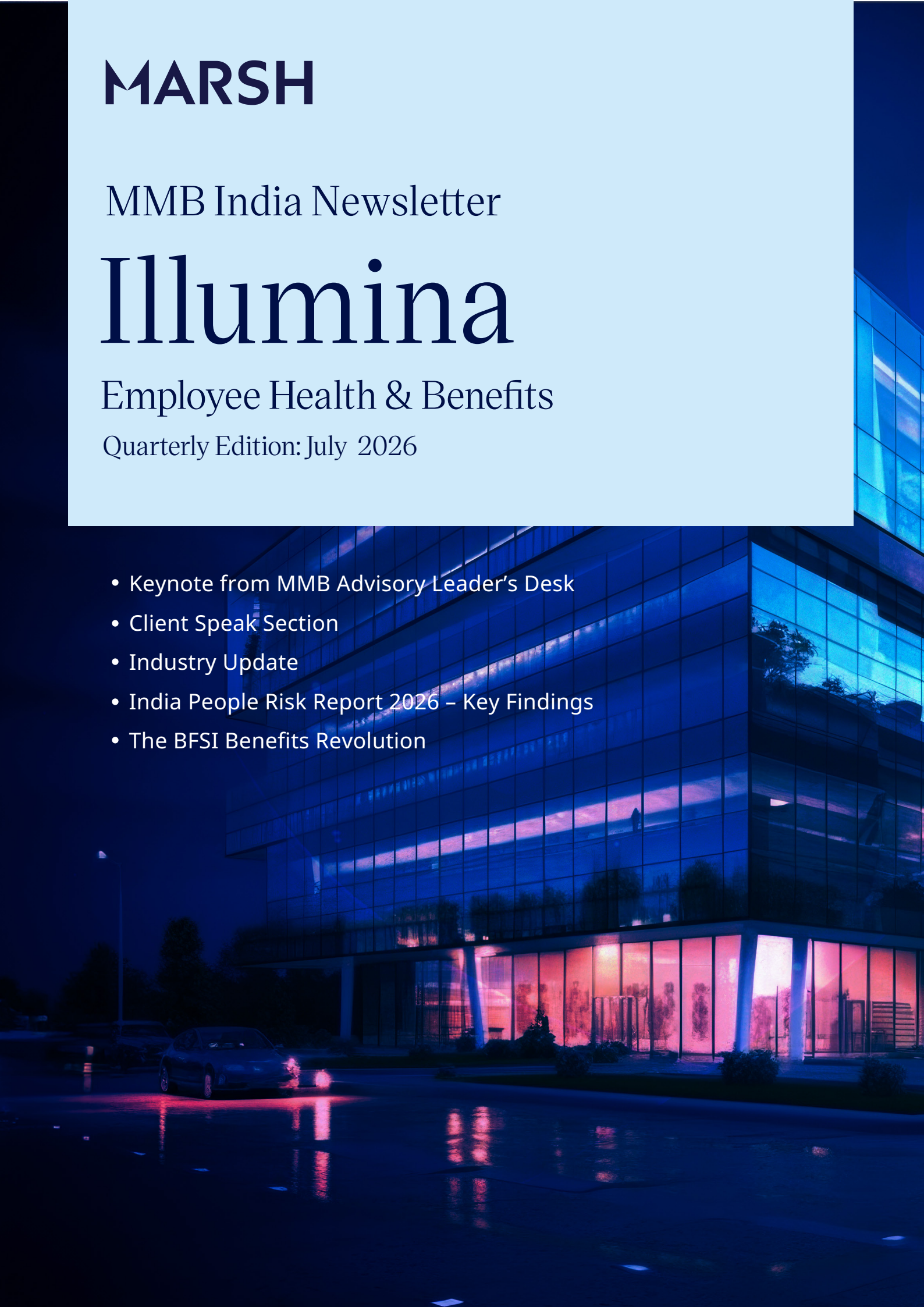
MMB India Newsletter

Illumina

Employee Health & Benefits

Quarterly Edition: July 2026

- Keynote from MMB Advisory Leader's Desk
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- India People Risk Report 2026 – Key Findings
- The BFSI Benefits Revolution



Keynote from MMB Advisory

Hello Readers,

Financial year 2026 closed on a promising note, with the overall health insurance segment recording 15.4% growth over the previous year — a marked improvement on the 8.98% growth seen in 2024-25. This is a significant and positive indicator of accelerating momentum in the health insurance sector. A key driver of this growth has been the surge in the retail health segment by 19.9%, fueled by the GST waiver, which spurred strong uptake of both new and renewal policies, compared to 12.15% growth in the prior year. Group health business rate has also demonstrated higher growth from 12.7% in 25-26 compared to 10.54% in the year prior. The Financial year 2026-27 too has kicked off on a robust footing with health insurance industry registering an overall growth of 18.5% growth as of May 26 as compared to same period last year. Retail health led the charge with 30.8% growth in retail health segment while group health segment posted a steady 12.7% increase.

This growth trajectory reflects the sustained efforts of the government and the regulator to drive growth and deepen insurance penetration while modernizing India's insurance system — **"Sabki Bima Sabki Suraksha"** stands as a testament to this commitment. The Act, passed in December 2025 to overhaul existing insurance laws, centers on six key pillars: **"liberalization with discipline and ownership", "stronger governance", "redefining insurance distribution", "strengthened controls on revenue and distribution incentives", "provision for a policyholder education and protection fund", and "policyholder data protection in line with DPDP guidelines"**.

In a recent development, **the IRDAI has approved health insurance claims for hospitalizations as short as two hours** — a significant shift for patients requiring emergency observation, minor procedures, or short-stay care. This is a welcome move from a policyholder's perspective, though it may come with a modest increase in premiums. Hospitalization solely for diagnostic procedures, without an active line of treatment, would still remain uncovered unless specifically included under tailored group health policies. **We will share further details as soon as this announcement is formally implemented.**

In this edition, we feature an insightful article by Mr. Siddharth Silawat, VP, VOIS, addressing a pressing challenge for HR leaders today: with AI reshaping the workplace, the talent battle is shifting from headcount to capability, with organizations now competing on how effectively

they blend human judgment with technology. Employee benefits have emerged as a key strategic differentiator in this shift — evolving from standard perks into personalized, prevention-focused, and data-driven.

This edition spotlights a dedicated initiative for the BFSI industry, **"BFSI Edge: The People Dividend,"** an MMB initiative designed to help BFSI leaders navigate the evolving people agenda. Having undergone unprecedented transformation over the past two decades, the BFSI sector now stands among the fastest-evolving industries, with a uniquely diverse workforce that calls for differentiated people and benefits strategies. In this edition, we examine the distinct workforce realities across six BFSI sub-segments — Banking, Insurance, Asset Management, Capital Markets, NBFCs, and FinTech — and unpack the forces redefining the next era of workforce strategy, while introducing **BenefitsBENCH: Benefits Evaluation and Competitive Healthcare Navigator**.

Additionally we also brings eye-opening insights from **"The People Risk Report 2026" — India Story**, which examines the evolving people risk landscape facing Indian organizations as they look ahead to 2026. Drawing on insights from HR and risk professionals, the report highlights the most pressing workforce, leadership, well-being, benefits cost, and governance challenges, while exploring how technology disruption, talent shortages, and employee resilience are reshaping organizational priorities. Its goal is to help leaders anticipate emerging risks and build stronger, more adaptable organizations for the future.

We hope you find this edition insightful and engaging. Please share your feedback with us at marshemployeebenefits.india@marsh.com. At MMB, we remain committed to supporting you in achieving your vision for employee health benefits and wellbeing.



Ashutosh Jhunjunwala

Senior Vice President
MMB India Advisory Leader

Client Speak

The New Talent Battle Will Be Won on Experience

The old news is that AI, and the resultant industry shift, is changing the rules of the competition for Talent. Growth is no longer just about getting bigger. It is about creating value through the right mix of technology and capability.

As business models become more digital and outcome-focused, organizations need people who can work confidently with technology while exercising judgment for the right business impact. Apparent then, that the differentiator is no longer how many people an organization can hire, but how well it can attract, engage, and retain talent that can shape outcomes in a human-machine world.

A Changing Talent Equation

Across sectors, the talent conversation has moved from volume to value. Businesses are changing how work is designed, how decisions are made, and how productivity is delivered, leading organizations to be judged less by headcount growth and more by the quality of capability they build, the relevance of roles they create, and how effectively they bring human potential and intelligent technology together. But this is one side of the coin.

On the other side lies a macro shift in employee expectations. The talent pool that meets the new age demand of navigating ambiguity, adopting new tools, and delivering outcomes is limited, and the talent contest today is built around this capability. At the same time, a continuously upgrading workforce seems to be looking closely at the experience the organization offers - flexibility, wellbeing, learning, and whether the workplace supports their personal and professional goals.

Benefits Moving to the Strategic Core

As tangibles that make this experience real, it is natural that benefits have evolved from a fringe offering to a core part of talent strategy. What was once standardized has now become a visible brand of what an organization values and how seriously it supports its people. I see three elements leading the charge:

1. Personalization priority: For a workforce that is diverse in age, life stage, aspirations, and priorities, a standardized approach is increasingly difficult to defend. Flexible benefits help employees choose what matters most to them. The challenge is to personalize without creating confusion, complexity, or unsustainable cost.

2. Prevention priority: Competitive offerings alongside ever rising healthcare costs are and will remain a fine balance to achieve for organizations. Strong insurance coverage remains important, but the new north star must be preventive health, outpatient care, and holistic wellbeing- the shift to helping employees stay healthier and more resilient.

3. Hear Digital, Act Human: Analytics and digital platforms are helping the move from static programs to insight-led, predictive, and more personalized support. But technology alone will not create impact. Leaders still need to ensure that benefits remain inclusive, practical, and most importantly, sustainable.

Trust is shaped by the overall employee experience, especially during moments that matter most- health events, family transitions, financial decisions, and life-stage changes.

Benefits have the potential to influence these moments directly. Compensation is important but transactional. Benefits sit at the intersection of work and life. They strengthen resilience and reinforce the sense that the organization is genuinely invested in its people.

As benefits become more strategic, leadership matters even more. Yes, technology is making more workforce data and insight available, but insight only becomes valuable when it leads to better, sharper decisions. Leaders need to balance priority with empathy, enhancement with personalization, and innovation with trust.

The Road Ahead

This has already started. Organizations that lead are designing benefits ecosystems that are data-driven, flexible, and human-centered. They are bringing together health, wellbeing and personalization into one coherent employee proposition.

As organizations become even more digital and value-led, the talent equation will not be shaped only by the work they offer but by how well they help their workforce thrive alongside the organization in this reality.

I think the final word in the new talent battle is this - in the digital industry, staying human will make all the difference.

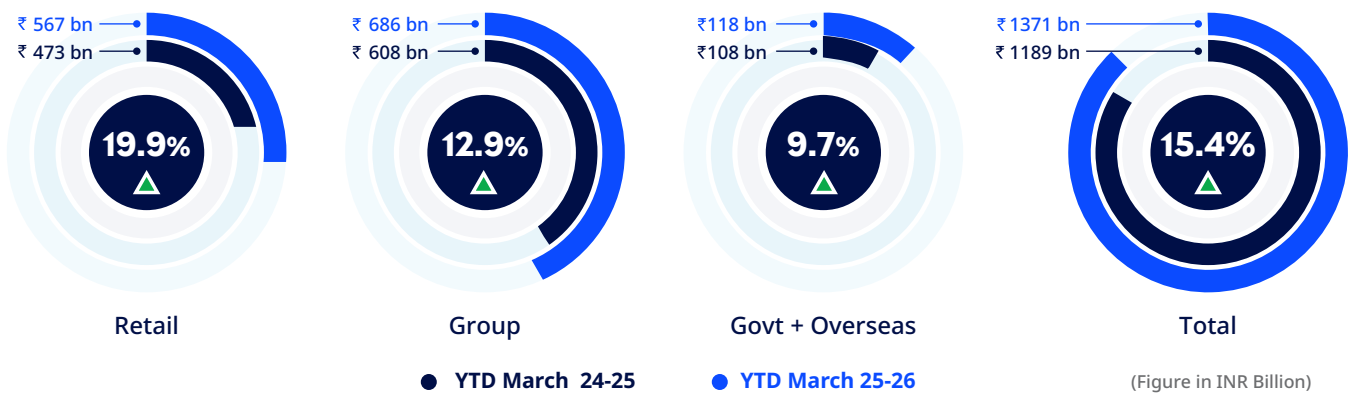


Siddharth Silawat
Vice President - Human Resources, VOIS

Industry Statistics

Industry Statistics

Health Insurance Business Distribution



15.4% YOY growth seen across the health insurance industry compared to 9.3% YOY growth for overall general insurance industry.

Group Business Distribution

Figure in Bn	YTD March 24-25		YTD March 25-26		
Company	GWP	Market Share	GWP	Market Share	YOY Growth
Public Sector Companies (PSU)	271	45%	300	44%	11%
Private Companies (PVT)	237	39%	274	40%	16%
Stand alone Health Company (SAHI)	100	16%	112	16%	12%
Grand Total	608	100%	686	100%	13%

Nearly similar group health market shares across PSU/PVT and SAHI insurance player over last 2 years.

What HR & risk
leaders need to act on, now!

People Risk 2026: India highlights

Download Now



Parul Gandhi: Senior VP MMB Advisory
Dr. Tanvi Parkar: VP MMB Advisory

Global Report

Overview

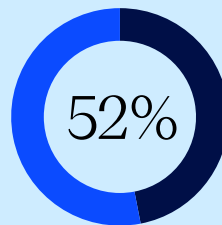
A Marsh analysis of the India People Risk Report shows that people risks are growing, interconnected and increasingly material to cost, performance and retention. For HR and risk teams this is a practical call to reframe people risk as a financial and strategic issue — not just an HR one.

Below are the key findings you need, why they matter, and the Marsh solutions that will help you act.

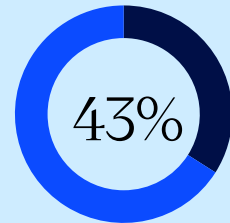
Some of the Key survey findings indicate the following risks related to people:

AI mindset resistance & AI anxiety:

- Low AI literacy and unclear communications are widening the gap between leadership intent and employee acceptance.
- Respondents are worried about employees' resistance to AI adoption and anxiety about job impact and deskilling.



Are concerned about limited knowledge or awareness of AI risks and mitigations



Respondents are worried about employee's resistance to AI adoption and anxiety about job impact and deskilling

Increasing health and benefits costs:

- Employers report rising benefits spend and pressure on budgets — driven by higher utilisation, inflationary medical costs and broader coverage expectations.
- 49% of respondents are concerned about allocating more time and resources to manage benefits program
- 41% of respondents are worried about inability to continue to provide the existing level of company-funded private medical benefits
- Benefits program cost volatility is becoming a predictable financial risk that needs active management- moving from cost containment to benefits optimization

Shift In Focus

Cost containment



Benefits Optimization

Organizations and their professional advisors need to take an active role in managing health and benefit plans. This includes:

Close monitoring of plan performance

Judicious budgeting,
Understanding spend drivers

Steering employees toward high-quality and cost-effective care

Reducing waste and inappropriate utilization

Financial insecurity:

- A sizeable portion of the workforce experiences financial stress that reduces engagement and increases absence and presenteeism.
- According to the recent MMB Health On Demand report - 54% employees trust employer to provide timely access to affordable quality healthcare and on an average, 96% employees depend on employers for medical coverage.
- Financial stress magnifies other risks (mental health deterioration, lower productivity, higher turnover).

Health and wellbeing as structural risks:

- Mental health, chronic disease prevalence and long-term wellbeing trends are no longer episodic — they are structural risks that affect productivity, disability spend and talent attraction/retention.
- Environmental and social stressors (including climate-related anxiety) are adding to workforce health burdens.

Why these findings matter to HR and risk management:

- **Cost and risk link:** Rising benefits spend and poor wellbeing translate directly into higher claims, lost productivity and higher recruitment costs.
- **Talent and transformation blockers:** AI resistance and anxiety slow digital transformation and upskilling efforts; this reduces the return on technology investments.
- **Interconnected exposures:** Financial insecurity, poor mental health and health-care cost inflation amplify each other — solving one area in isolation will underdeliver.
- **Strategic opportunity:** Organizations that treat workforce health and financial resilience as enterprise risks gain a measurable advantage in retention, productivity and employer brand.



How Marsh can help — solutions that map to the problems



Flexible benefits

What it solves: addresses diverse employee needs (health, family, financial) while improving perceived value of benefits without blanket cost increases.

Practical value: tailored flexible models and modular benefit options reduce waste, increase take-up of high-value services and improve employee satisfaction.



Workforce health management

What it solves: structural health risks (mental health, chronic disease, long-term absence) that drive indirect costs.

Practical value: integrated health programmes (risk stratification, preventative care, mental health interventions, care navigation) reduce utilisation growth and improve productivity metrics.



Insurance broking and benefits plan strategy

What it solves: rising and volatile health spend, program design complexity and regulatory compliance.

Practical value: market benchmarking, strategic broking (plan design, renewals), and alternative funding solutions reduce cost volatility and align plans with risk appetite.



Outpatient insurance program

What it solves: high outpatient utilisation (which often creates avoidable inpatient escalation) and employee out-of-pocket burden.

Practical value: outpatient programmes increase access to primary and specialist care early, reduce catastrophic spend, and can lower overall claims by preventing condition deterioration.

Recommended next steps for HR & finance teams



Diagnose

integrate HR, claims and finance data to prioritize the top three people risks.

Pilot

test a targeted intervention for a defined cohort to prove impact quickly.



Optimize

move to flexible or modular designs to increase perceived value and control costs.

Validate with experts

commission Marsh for spend projections and a scalable health management plan.



Addressing AI anxiety, financial insecurity and structural health risks now reduces benefits cost inflation, safeguards productivity and improves retention. The right mix of flexible benefits, targeted health management and strategic plan design converts people risk from a line-item expense into a performance lever.

The BFSI Benefits Revolution

Why India's financial sector demands its own strategy

A focused intelligence brief building the case for a dedicated, sector calibrated approach to workforce benefits across India's most complex industry.

Shreya Bagrodia: MMB Growth Leader, BFSI Industry.
Karina Sharma: Assistant Vice President, MMB Advisory

The Banking, Financial Services & Insurance (BFSI) sector has always been central to India's growth story, but its role is becoming even more consequential as the economy digitizes, regulations evolve, and talent expectations change. India's BFSI sector has crossed a threshold that few industries reach in two decades, from ₹1.8 trillion in market capitalization in 2005 to ₹91 trillion in 2025, **a 50-fold expansion at a 22% compound annual rate, the sector now accounts for 27% of India's GDP.**¹ Banks, which once commanded 85% of BFSI market cap, now hold 57%, as NBFCs, fintechs, AMCs, and insurers emerge as powerful value centers in their own right.² Recent reporting points to continued hiring momentum, with the sector expected to add around 250,000 jobs by 2030 and a visible shift in demand beyond metros into tier II and III cities.³

Five Forces Shaping the Next Era of Workforce Strategy

Force 1: Digital Disruption: The Great Skill Bifurcation

The BFSI is undergoing a labor market bifurcation: the simultaneous creation of high-value, digitally sophisticated roles and the elimination of routine, process-intensive ones. Rapid digital disruption, driven by AI, automation, embedded finance, and evolving customer expectations is fundamentally reshaping business models, operations, and talent requirements.

Force 2: The Generational and Gender Shift : A Workforce Recomposing From Within

Gen Z now constitutes 23% of the BFSI workforce, a figure that has doubled in a single year.⁴ Gen Z operationalizes benefit value through immediacy, personalization, and visibility. **The BFSI sector leads in women leadership roles with 24.5% representation.**⁵

Force 3: Regulatory and Compliance Pressure: When Policy Shapes the People Equation

The BFSI sector is recognized as one of the most regulated industries with bodies including RBI, SEBI,

IRDAI, and PFRDA playing central roles. For employers with sophisticated benefits strategies, this is a market opportunity and for those operating on legacy designs, it is a looming compliance risk.

Force 4: Mental Health and Burnout: The Sector's Invisible Cost Centre

Within BFSI specifically, the convergence of AI-driven role disruption, intense target cultures, and rising compliance complexity has created a perfect environment for occupational burnout.

Force 5: Hyper-Personalization of Benefits: The Architecture Imperative

The workforce is unusually segmented: the benefits preferences, utilization patterns, and wellbeing needs of employees in various profiles and age cohorts are sufficiently different to warrant distinct benefit architectures. The sector's expansion and the rise of hybrid work have created geographically dispersed workforces whose benefit needs cannot be adequately served by a single, metro-centric plan design.

Introducing the Six Sub-Segments under the BFSI Landscape

BFSI Edge: The People Dividend explores the workforce trends and talent imperatives shaping each segment of the BFSI industry.

1 BANKING

Retail · Corporate · PSU · Co-operative

Large, distributed workforce with high dependency ratios; dual mandate of global alignment and local regulatory execution.

Strategic Imperative

Scalable health programs with governance rigor. Elevated focus on wellbeing, service consistency, and compliance-led experience design.

2 INSURANCE

Retail · Corporate · PSU · Co-operative

Agency-heavy, heterogeneous workforce with high role variability. Emotional load concentrated in claims and customer-facing roles; niche actuarial/tech talent scarcity.

Strategic Imperative

Flexible, role-sensitive benefits architecture. Baseline risk covers (GTL) with layered mental health and retention-linked premium benefits.

3 CAPITAL MARKETS

Retail · Corporate · PSU · Co-operative

High-intensity, performance-driven workforce with extreme work hours. Volatility-driven stress cycles impacting physical and cognitive health.

Benefits Imperative

Top-tier, globally portable healthcare. Executive wellness, preventive diagnostics, unlimited OPD.

4 ASSET MANAGEMENT

MF · PMS · AIFs · Wealth Management

Lean, high-tenure workforce; value concentrated in relationship managers. Lifestyle parity expectations aligned with HNI/UHNI clientele.

Benefits Imperative

Holistic wealth-health integration. Lifestyle-led benefits emphasizing longevity, fitness, and executive wellness.

5 FINTECH

Payments · Neo-banking · LendingTech

Young, digital-native workforce; hybrid/remote heavy Always-on operating model leading to systemic burnout risk.

Benefits Imperative

Modular, wallet-based benefits stack Strong mental health infrastructure, 24/7 digital access, and next-gen benefits (fertility, inclusivity-led covers).

6 NBFCs

Microfinance · Gold Loans · HFCs

Field-intensive workforce across Tier 2/3 markets. Low benefits awareness; high physical and environmental risk exposure.

Benefits Imperative

Foundational, high-accessibility covers (GMC, GPA, GTL). Vernacular engagement, assisted servicing, and preventive outreach (on-ground health camps).

The Intelligence Advantage: BenefitsBENCH

Benefits Evaluation and Competitive Healthcare Navigator : **BenefitsBENCH** is an engagement and diagnostic tool that enables organizations to objectively evaluate the evolution of their employee benefits programs. Leveraging a multi-dimensional maturity model, the framework positions organizations across four stages of progression, Foundation, Structured, Strategic, and Transformative. The framework delivers targeted recommendations to help organizations build a more competitive, sustainable, and strategically aligned benefits program. **BenefitsBENCH** also provides this layer of intelligence using sub-segment specific dataset that enables organizations to position their benefits across Banking, Insurance, NBFCs, FinTech, Capital Markets, and Asset Management, offering comparative insights into sub segment peer practices.

The generalist era of benefits advisory in BFSI is not enough

Marsh's BFSI Industry Focus initiative is built on a singular conviction that sector-specific intelligence, applied with precision, creates measurably better outcomes for employees, and for the organizations navigating this complexity.

For more information, write to bfsi.edge@marsh.com



Mumbai & Gurgaon - The BFSI Edge Roundtable, hosted our first ever exclusive BFSI roundtable bringing together senior HR, Rewards, Risk, and Business leaders from across the banking, financial services, and insurance sector, to discuss one of the most pressing priorities for organisations today—how to build employee benefits that are fit for tomorrow's workforce, the BFSI sector specifically!



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