

MARSH

How can employers leverage AI and benefits technology to better manage and deliver benefits



Contents

About the survey	3
AI is transforming benefits	5
AI-driven insights	9
Risks of not using benefits technology	12
AI-powered benefits solutions	15

About the survey

In June 2025, Mercer Marsh Benefits conducted a comprehensive global survey involving over 400 employers and more than 3,000 employees to explore how benefits technology is reshaping the employee experience and organizational strategies, and to identify the top emerging trends transforming how employers design, manage, and deliver employee benefits.

Our research shows the most impactful trends in employee benefits technology are:

- Employers are harnessing digital benefits platforms and AI to transform their benefits management, especially when it comes to leveraging data insights to make informed decisions.
- Building trust and transparency are critical to adopting benefits technology for both employers and employees.
- Perception and adoption of benefits technology vary across employee populations, highlighting the need for employers to provide personalized benefits offerings that consider basic demographics as well as lifestyle, values, and life events.

In this eBook, we explore the wider themes of centralization, personalization, and AI in benefits management and highlight how employers can leverage AI to modernize their employee benefits delivery and respond to changing workforce expectations.

3,133

Employees from these countries:

- Brazil
- Canada
- China
- France
- Germany
- India
- Italy
- Mexico
- Singapore
- United Kingdom

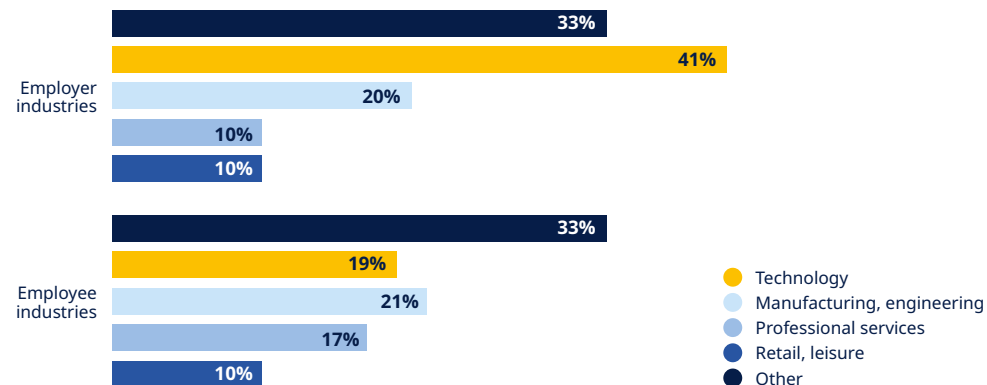
426

Employers from:

- US/CA
- EMEA
- LATAM
- APAC

25% of employers have 5+ years tenure at their company, and over half (52%) are part of the executive team.

Both employees and employers are from a wide variety of industries, providing a holistic perspective of the global economy.





01

AI is transforming benefits management and empowering smarter decision-making

As HR professionals navigate an increasingly complex benefits landscape, AI is emerging as a powerful tool in benefits management — empowering smarter, data-driven decision-making.

Insights from Mercer Marsh Benefits' 2025 Global Benefits Technology Trends survey¹ reveal that half of employers already use AI tools in their benefits technology, with the other half planning to adopt it soon. For HR leaders, this marks a pivotal opportunity to harness AI's potential to enhance strategic benefits planning and improve employee outcomes. Notably, 65% of employers surveyed said that HR technology transformation is the primary driver reshaping their benefits priorities.

Central to AI's value in benefits management is its ability to ingest and analyze large volumes of data and translate it into actionable insights.² According to the employers surveyed, the five top opportunities for using AI in their benefits strategies are:

#1

Advanced analytics

#2

Predictive analytics

#3

Personalized well-being recommendations

#4

Reducing administrative burden

#5

Early detection of employee burnout

However, adopting benefits technology is not without challenges. HR leaders report difficulties with integration across existing systems (39%), concerns over data security and privacy (39%), limited resources (36%), and difficulties in measuring the return on investment in HR technology (31%). To address these factors, organizations need a strong benefits technology foundation that streamlines operations across programs, reduces the risks and complexities involved in using benefits technologies, and enables seamless AI integration.

A centralized benefits platform can consolidate unstructured employee benefits data into a single, secure data site. This foundation supports the efficient integration of AI for further use in advanced and predictive

analytics, personalization, and communication. While AI enhances benefits management, human expertise remains essential. Skilled personnel are vital for interpreting and applying insights in plan design, delivery, and management. This human oversight supports employers to make critical, data-informed decisions that increase employee engagement, improve cost management, and drive organizational success.

Our survey results underscored this trend: 89% of employers have already centralized their benefits management structure or plan to do so within 12 months. A further 75% are consolidating their benefits technology and brokerage services with a single advisor — 62% within the next year and another 32% within two years.



Why HR professionals are using centralized benefits software (as stated by survey respondents):

“It [benefits software] enables efficient management, automation, and analytics, allowing HR to adapt to changing regulations, employee needs, and business objectives.”

Technology industry, UK

“It [benefits software] helps in workforce planning, budget forecasting, and succession planning. It also helps me to make more data-driven decisions.”

Professional services industry, India

“It [benefits software] allows for the optimization of resource management, processes, and data, it also provides greater cost reduction and makes it more efficient.”

Manufacturing, engineering, and construction industry, Chile





02

AI-driven insights can create more personalized, supportive benefits experiences tailored to improving employee health and well-being

Organizations investing in technology to aggregate and consolidate benefits data are building a strong foundation for a more centralized benefits management approach and one that is ready to embrace future technological advances. These employers expect that AI-driven insights will increasingly enhance analytics and predictive capabilities, enabling more strategic benefits design. This allows them to better respond to changing workforce needs, deliver tailored, impactful benefits and personalized employee experiences, to aid in talent retention and attraction, and support employee health and well-being.

Employers that leverage AI to make informed decisions will be able to:

- **Move beyond reactive benefits management to a more proactive, strategic, data-informed model.** AI-driven predictive analytics enable organizations to analyze workforce trends and employee behaviors, anticipating future benefits demands and addressing issues before they escalate. For example, AI can identify high-risk groups vulnerable to chronic illness or financial strain, enabling targeted interventions that improve well-being and retention. According to our survey, 50% of employers are already

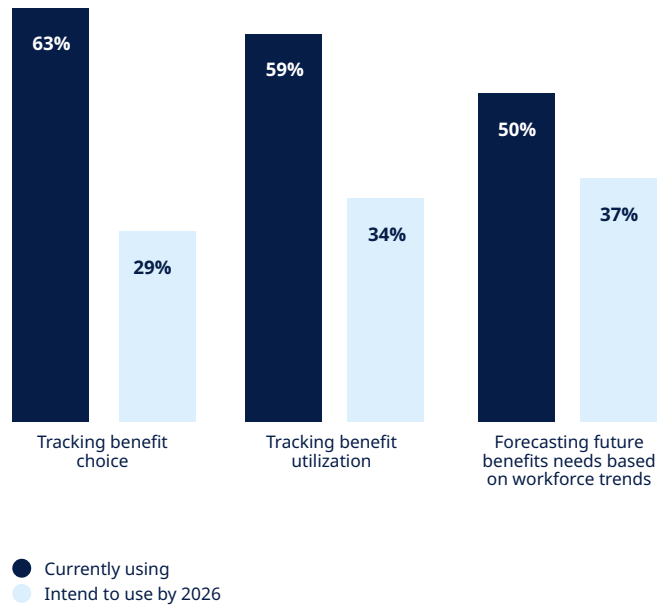
forecasting future benefits needs of their workforce. Likewise, 50% are using the insights gathered to identify high-risk groups and a further 38% will be doing so within the next year.

- **Reduce administrative burdens through automation.** AI can streamline routine HR tasks such as benefits enrollment, performance tracking, and rewards management, freeing HR teams to focus on interpreting insights and crafting benefits strategies aligned with organizational goals. Nearly two-thirds of employers surveyed (63%) are tracking benefits choice, and a similar proportion (59%) are tracking utilization. Employers are using the data to personalize benefits recommendations and communications — 58% currently do, and 33% intend to do so in the next year. This significantly reduces the number of basic questions and issues that arise from employees, which are often a burden on HR Shared Service teams. As agentic AI accelerates, it is expected that consolidated datasets can be leveraged to drive machine-enabled task completion for HR teams in areas such as survey completion and benchmarking plan design.

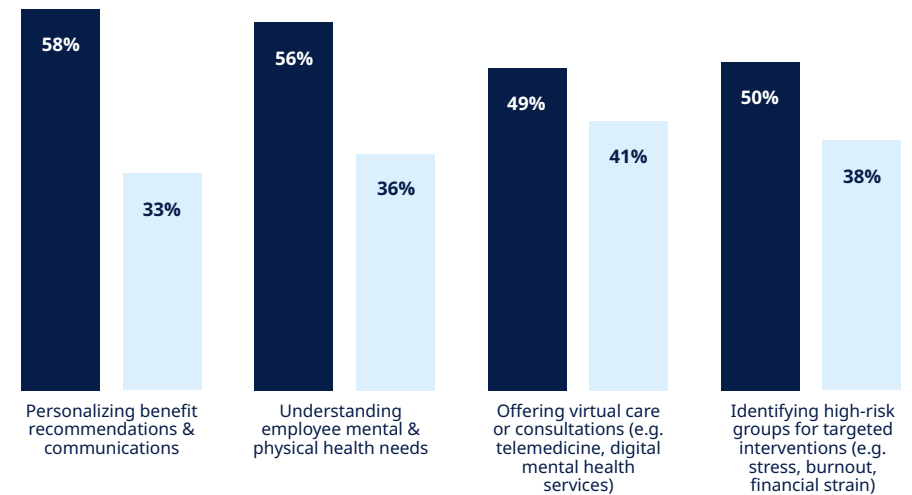
- **Boost employee engagement and adoption of benefits platforms through personalized benefits offerings that address the varied needs within the workforce.** AI algorithms analyze employee preferences and health data to make personalized recommendations tailored to employee needs and values. For example, AI can facilitate proactive well-being management by recommending tailored well-being programs and virtual care options, such as telemedicine. Employers are already organizing their

benefits management approaches in ways that will enable AI to play an increasingly significant role. Close to half (49%) of respondents currently offer virtual care or consultations, with a further 41% looking to do so in the next year, and 56% are using the insights gained from data to better understand their employees’ mental and physical health needs. This is expected to grow by 36% within a year.

Tracking, monitoring, forecasting



Building more personalization





03

Risks of not using benefits technology

It is clear from the survey results that integrating AI tools with benefits management platforms and leveraging AI-driven insights is seen as the key future enabler. HR professionals are empowered to make informed, strategic decisions, delivering personalized, forward-looking benefits management that enhances employee well-being and drives organizational efficiency and success.

With 97% of employers surveyed seeing the value of benefits technology and the rising trend of using technology to tailor benefits that deliver real value to employees, employers that do not plan to adopt benefits technology and AI tools risk exposing their organizations to:

Reduced operational efficiency, agility, and productivity

Without centralized benefits and integrated AI tools, employers may struggle with the complexities of siloed and fragmented benefits data, leading to inefficiencies, errors, and difficulty in responding quickly to regulatory or business changes. The lack of automation can lead to increased administrative burdens, causing HR teams to spend more time on routine tasks rather than focusing on strategic initiatives and employee engagement.

Poor benefits design that can impact benefits and cost optimization

Without consolidated data sets that support AI-driven insights and analytics, employers may rely on outdated or incomplete information, leading to suboptimal benefits design, poor cost management, and missed opportunities to align benefits with evolving workforce needs. Without the capability to identify high-risk groups for illness, stress, or financial strain, employers may miss chances to proactively support employee well-being, increasing turnover and reducing productivity.

Inability to adequately meet employee needs and remain competitive

Without the ability to use AI-driven insights to offer personalized benefits, employers risk offering one-size-fits-all benefits that fail to meet the diverse preferences and life stages of their employees, resulting in lower engagement, satisfaction, and retention. As more organizations adopt AI to enhance benefits management, those who do not may fall behind in attracting and retaining talent, especially among younger, tech-savvy employees who expect personalized and seamless benefits experiences.

Organizations can mitigate these risks by:

- Centralizing benefits operations and technology strategies to deliver a cohesive, accessible experience for employees while enhancing efficiency and streamlining operations.
- Using AI-driven insights to make informed decisions on benefits design, cost management, and to improve employee experience through personalized benefits recommendations.
- Building trust and operating transparently through clear communication about data use, AI, and privacy protections.





04

AI-powered benefits for seamless experiences and enhanced efficiency

With AI increasingly reshaping the health and benefits landscape and ushering in a new era of personalized employee care and optimized benefits management, integrating AI into benefits strategies is becoming essential for organizations aiming to stay competitive.

Investing in robust data infrastructures and leveraging AI tools enables employers to optimize their benefits management, addressing current workforce needs while anticipating future challenges and expectations. This journey toward an AI-driven future in health and benefits is not just a possibility; it is a crucial step for fostering a thriving and engaged workforce.

Discover how Mercer Marsh Benefits can help you leverage AI technology to enhance your benefits management, streamline processes, and deliver personalized employee experiences.

Centralized global benefits platform, enhanced by AI, for simpler, more engaging benefits management

Darwin, our market-leading global employee benefits platform, helps you streamline benefits administration, control costs, mitigate risk, and provide your employees with consistently great experiences no matter where they are in the world. **Learn more about Darwin with a free demo.**³

Darwin's AI-powered features, including Chat Assistant, Content generator, translation capabilities, and image scanning for claims receipts, can deliver practical solutions that address real workplace challenges, streamline operations, and boost team productivity. As part of Darwin's future roadmap, our AI capabilities will also include AI-generated communications, AI-generated guidance material, AI-powered configuration, and AI support services/troubleshooting.

Darwin connects seamlessly with the Benefits You App, our native mobile app that creates simplicity for employees and serves as a digital front door to your health and benefits offerings, providing easy access to Darwin and third-party providers. Benefits You App connects employees to a broader range of well-being benefits at their fingertips.

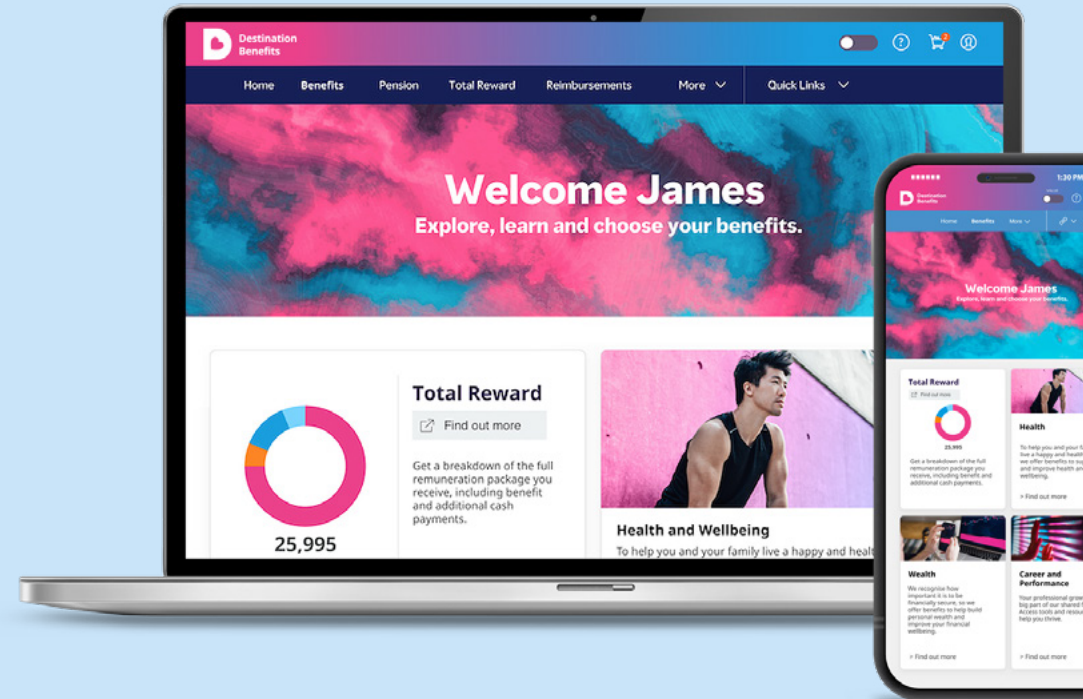
Consult with our experts to learn how these tools can benefit your organization.

Global employee benefits solutions to help you compete locally

For multinational organizations, navigating the complexities of local legislation, customs, vendors, and relationships can be challenging, making it difficult to see a way ahead to a globally consistent program.

Benefits You Global is our integrated suite of tools that provides a clear view of your aggregated global benefits program and its costs, including every benefit plan, vendor, and country. Plans, renewals and financials all at your fingertips. With data and analytics, true oversight and governance are not only possible but also easy.

Mercer Marsh Benefits helps you unlock a simpler way to manage your programs both globally and regionally. Speak to our benefits experts about our global solutions and how we are increasingly leveraging AI to support advanced and predictive analytics and insights.



For more information on how you can leverage AI and benefits technology to gain more from your benefits strategies, reach out to:



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Endnotes

- 1 <https://www.marsh.com/en/services/employee-health-benefits/insights/employee-benefits-and-technology-trends-report.html>
- 2 <https://www.marsh.com/en/services/employee-health-benefits/insights/ai-and-analytics-for-better-engagement-and-performance.html>
- 3 <https://www.marsh.com/en/services/employee-health-benefits/expertise/darwin.html>

About Marsh

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