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ELEVATING LIFE COVERAGE INTO STRATEGIC EMPLOYEE VALUE

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Financial Security Lens

Group Term Life (GTL) insurance, a pure risk cover, is undergoing a structural transition from a conventional employee benefit to a foundational pillar of workforce financial resilience. As organisations operate in an environment shaped by rising financial stress, evolving health risks, and changing workforce demographics, GTL is emerging as a key component in strengthening employees long-term financial security.

This paper analyses workforce risk patterns across causes of mortality, demographic shifts, and industry-level concentration. It further evaluates the widening gap between current protection design and actual risk exposure, and highlights the need for a modular, data-driven financial protection architecture aligned with modern workforce realities, underscoring the emerging imperative of balancing Scope, Adequacy & Value Perception in Group Term Life coverage.

The Changing Value Proposition of Group Term Life Cover

Group Term Life (GTL) insurance has historically been regarded as a baseline employee benefit, given its non-statutory nature and its limited association with immediate value creation for employees, as it is primarily linked to the contingency of mortality.

However, evolving workforce dynamics indicate that employee financial vulnerability is no longer defined solely by access to health and life cover, but increasingly by the broader financial consequences of adverse events that extend beyond the individual to families, dependents, and long-term household stability. This evolving risk landscape necessitates more comprehensive, flexible, and risk-aligned protection strategies that address the diverse needs of industries, workforce segments, and generational cohorts.

A Critical Safety Net

~86% | Employees in India rely on company sponsored life cover[1]

A Talent Differentiator

~65% | employees value Life cover when choosing an employer[2]

A Coverage Concern

~57% | employees report that their Life coverage is inadequate[3]

Within this context, financial protection solutions such as GTL are increasingly extending beyond a payout mechanism, evolving into financial continuity frameworks that strengthen long-term household resilience and deliver meaningful impact.

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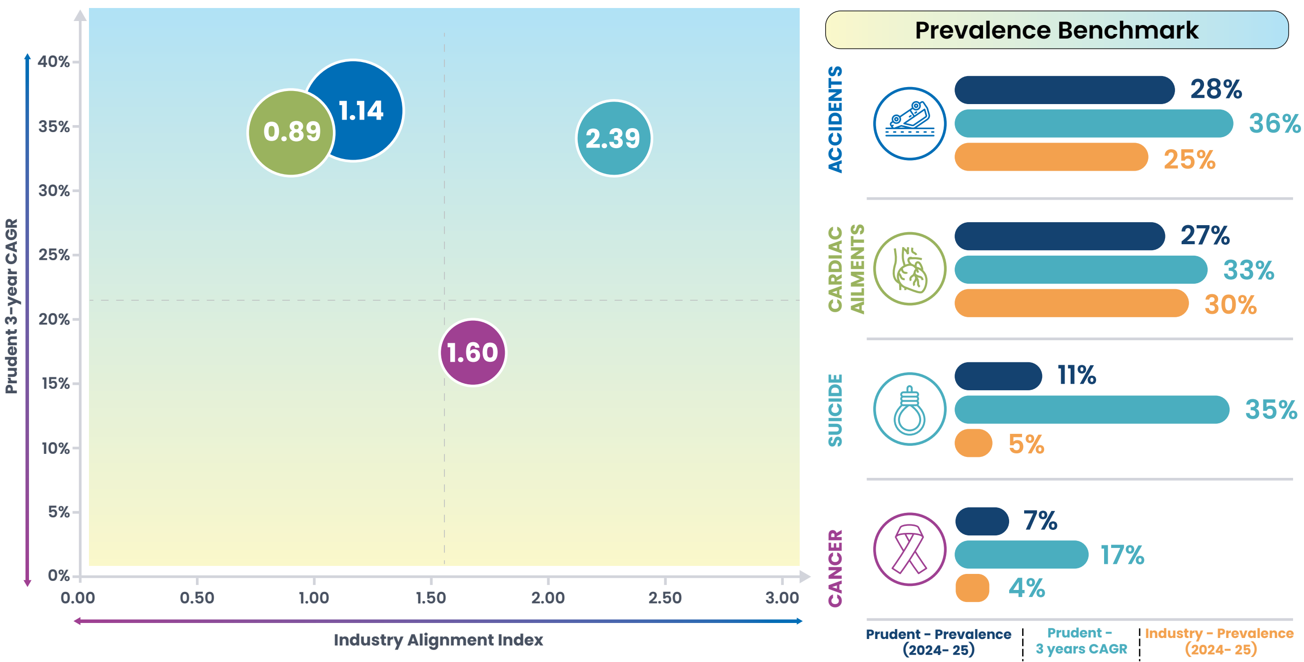
Mortality Risk Profile in India Inc.

Key Drivers Across the Corporate Workforce

Post-analysis of Prudent's Group Term Life (GTL) claims data spanning 2,500+ claims across three years[8] indicates that cancer, cardiac events, suicide, and accidents represent the leading clusters of mortality, collectively accounting for ~70%[8] of annual GTL claims. Within this, clinical causes (cancer and cardiac events) and non-clinical causes (suicide and accidents) exhibit an ~1:1 split[8], reflecting broadly comparable contribution patterns across the years analysed and suggesting a dual burden of disease and external risk factors.

Mortality Risk Snapshot

The chart maps the leading mortality risk drivers by industry alignment and growth trajectory to prioritise interventions. Suicide and accidents emerge as the highest-priority risks, cardiac mortality is an increasingly prominent concern, while cancer remains a significant structural mortality risk.



Industry Alignment Index = Prudent Prevalence/Market Prevalence

Source: 2500+ GTL Claims, Prudent GTL Data FY 23-25[8]

Clinical causes

- Cancer remains a high-severity mortality driver, with late-stage diagnosis and prolonged treatment pathways
- Cardiac claims mirror high incidence trend, highlighting chronic lifestyle-related health risks are as material to mortality as unforeseen events

Non-clinical causes

- Accidents, consistently contributing ~25–30%[8] over the last three years, indicating a persistent external risk exposure rather than a transient trend
- Suicide-related claims represent a stable mortality contributor (~10–11% of annual claims[8]), with consistent incidence observed across the years analysed

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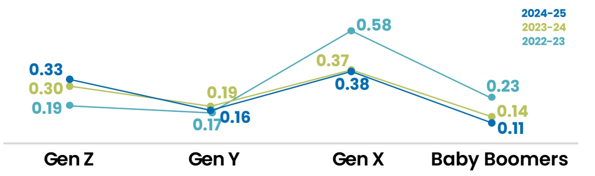
Generation Variation in Mortality Risk

Claims experience reveals that mortality risk is not uniformly distributed across generations. The graphs below illustrate the Mortality Representation Index (MRI), highlighting the distinct mix of mortality risk drivers impacting each generation.

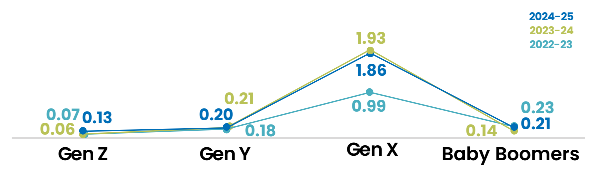
ACCIDENT

Gen X remains the primary driver of accident mortality, with developing risk pressure emerging among Gen Z.



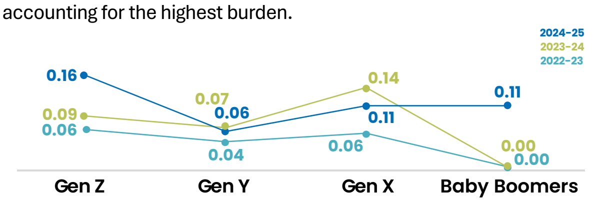
CARDIAC

Gen X is significantly over-indexed, driven by a higher incidence contribution relative to its population share.



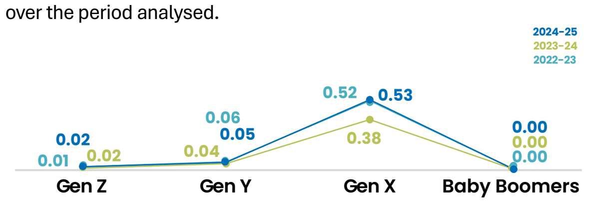
SUICIDE

Trend indicates a bimodal distribution, with Gen Z and Gen X accounting for the highest burden.



CANCER

Cancer mortality shows an increasing concentration in Gen X over the period analysed.



Source: 2500+ GTL Claims, Prudent GTL Data FY 23-25[8]

Mortality Representation Index (MRI) = Generation's share of total deaths in a given year / Generation's share of the population

COUNT OF DEATH IN EACH YEAR IN EACH CATEGORY OF REASON

Incident	Age band	Gen Z (<25 Years)	Gen Y (26-40 Years)	Gen X (41-55 Years)	Baby Boomers (>55 Years)
Accident	2022-23	37%	49%	12%	1%
	2023-24	45% ↑	48% ↓	6% ↓	1%
	2024-25	50% ↑	43% ↓	6%	0% ↓
Cardiac	2022-23	14%	62%	23%	1%
	2023-24	10% ↓	55% ↓	34% ↑	1%
	2024-25	19% ↑	49% ↓	31% ↓	1%
Suicide	2022-23	45%	50%	5%	0%
	2023-24	41% ↓	52% ↑	7% ↑	0%
	2024-25	58% ↑	37% ↓	4% ↓	1% ↑
Cancer	2022-23	12%	54%	35%	0%
	2023-24	6% ↓	58% ↑	35%	0%
	2024-25	11% ↑	53% ↓	36% ↑	0%

Source: Heat map represent mortality distribution by incident cause across generations over FY22–FY25, based on Prudent GTL claims data[8]

Low — High

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GEN Z: Strengthen accident, disability, income protection, and mental health support for younger employees.

GEN Y: Enhance cardiac protection with diagnostics, treatment, rehabilitation, and income replacement support.

GEN X: Prioritise cardiac and cancer prevention through screening, treatment, and comprehensive care pathways.

BABY BOOMERS: Expand chronic illness coverage with rehabilitation, palliative, domiciliary, and hospitalisation support.

GTL Cover Adequacy
A Quotient of Industry Benchmarking

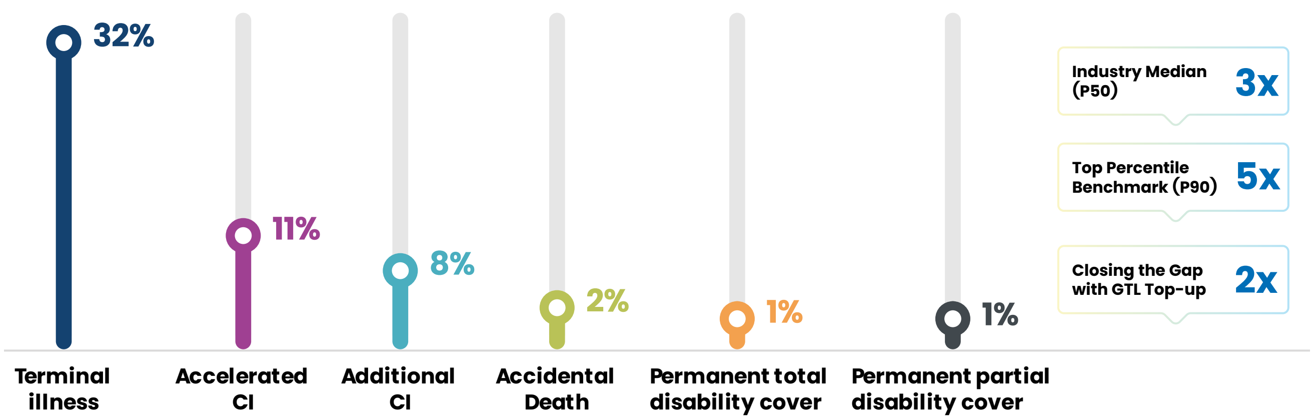
The median Group Term Life (GTL) coverage (P50)[7] remains standardised at approximately three times annual salary, reflecting a largely uniform market approach. In contrast, the top decile benchmark (P90)[7] demonstrates stronger alignment with industry-specific risk exposures.

As organisations seek to bridge the gap between employer-provided and employee-required protection, voluntary GTL top-up is emerging as a key solution, building on the growing adoption of benefits such as terminal illness, accelerated critical illness, and permanent partial disability cover.

Industry Prevalence		Industry Median (P50)	Top %tile Benchmark (P90)	Closing the Gap with GTL Top-up
Retail	48% · 12% · 4%	3X	3X	~1X
IT & ITES	40% · 11% · 8% · 1%	3X	>6X	~3X
BFSI	35% · 12% · 7%	3X	5X	2X
E-commerce	25% · 4% · 8% · 4% · 4% · 4%	3X	5X	2X
Infrastructure	28% · 11% · 6%	3X	5X	2X
Manufacturing	25% · 6% · 4% · 3% · 1% · 1%	3X	>6X	~3X
Automotive	31% · 4% · 4%	3X	5X	2X
Healthcare	22% · 3% · 9% · 3%	3X	5X	2X
Pharmaceuticals	23% · 13%	3X	5X	2X
Engineering & Power	18% · 5% · 11%	3X	4X	1X
FMCG & Consumer Durables	26% · 6%	3X	4X	1X
Edtech	26% · 5%	3X	3X	~1X

Terminal illness | Accelerated CI | Additional CI | Accidental Death | Permanent total disability cover | Permanent partial disability cover

Market Prevalence



Source: Prudent benchmarking analysis on 1200+ Clients[7]

Reframing GTL
A Financial Security Infrastructure Approach

The Group Term Life (GTL) segment is increasingly evolving from a standalone insurance product to a multi-layer financial protection architecture. This shift is being shaped by elevated yet consistent mortality exposure concentrated in key risk cluster, driving the need for more integrated coverage.

Critical Illness Cover

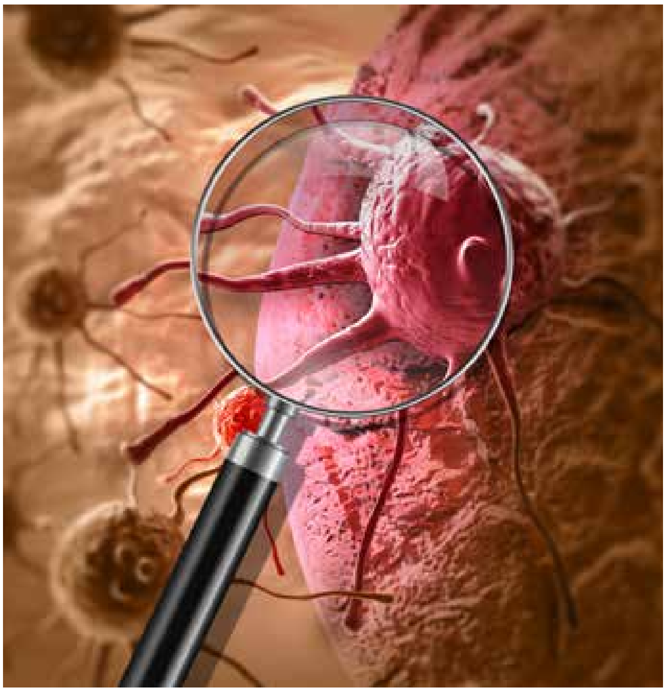
Critical illnesses can leave 40–50%[4] of treatment costs unpaid despite health insurance. Critical Illness (CI) cover provides a lump-sum payout on diagnosis of a covered illness, either within your existing cover or as an additional benefit.

STRATEGIC RELEVANCE

Extends GTL beyond mortality protection by enabling accelerated or additional financial support at the point of critical illness diagnosis.

Market Prevalence 8–11%[7]

Premium Impact Low ——— High



Terminal Illness Cover

Chronic diseases account for over 53%[5] of total deaths. Terminal illness cover provides a lump-sum benefit upon diagnosis of a medically recognised terminal condition, helping manage advanced-stage care costs.

STRATEGIC RELEVANCE

Supports end-of-life financial planning by providing families with financial certainty during a critical life event.

Market Prevalence 32%[7]

Premium Impact Low ——— High

Accidental Death

Analysis of Prudent GTL data indicates that accident-related claims have grown at CAGR of 36%[8]. Accidental death cover provides an additional defined payout upon death resulting from an accident over and above GTL coverage.

STRATEGIC RELEVANCE

Addresses external risk exposure by extending additional financial protection to employees operating in higher-mobility work environments.

Market Prevalence 1%[7]

Premium Impact Low — High

Disability Cover (Permanent & Temporary)

Disability events can lead to recovery periods of a year or longer, significantly impacting an employee's earning capacity and financial stability. Disability cover provides an additional defined payout upon the occurrence of permanent or partial disability.

STRATEGIC RELEVANCE

Strengthens financial resilience by protecting income continuity during periods of disability and reduced earning capacity.

Market Prevalence 1%[7]

Premium Impact Low — High

Voluntary Top-up Coverage

Voluntary add-on coverage allows employees to supplement their base GTL cover according to their individual protection requirements, providing enhanced flexibility, improved coverage adequacy, and the option to include their spouse under the group coverage.

STRATEGIC RELEVANCE

Enhances coverage flexibility by enabling employees to tailor protection levels, with the option to extend coverage to spouses.

Gratuity Liability Integration

Gratuity is payable after two years of continuous service, or immediately in cases of death or disability. With workforce mobility at 16.2%[6], organisations face growing gratuity liabilities. Insurance-backed gratuity solutions help systematically fund these obligations and ensure timely settlements.

STRATEGIC RELEVANCE

Improves liquidity planning, reduces balance sheet volatility, and enables faster statutory settlements.

Toward a Smart, Risk-Adaptive Protection Ecosystem

As workforce risks become increasingly diverse and dynamic, Group Term Life (GTL) must evolve from a static insurance benefit into a smarter, more personalised protection solution. The future of workforce protection lies in aligning coverage with changing employee needs while balancing Scope, Adequacy & Value Perception. Equally important is strengthening policy governance through timely nomination capture and periodic updates, ensuring benefits are seamlessly delivered to the intended beneficiaries when they are needed most.

Prudent is uniquely positioned to lead this transformation by helping organisations move from traditional, one-size-fits-all protection models to a smart, risk-adaptive protection ecosystem. Leveraging workforce analytics, market benchmarking, and technology-enabled governance, Prudent enables employers to design protection strategies that are both financially sustainable and employee-centric.

At the core of this future-ready model, Prudent leverages workforce analytics and industry benchmarking to design risk-aligned base coverage, complemented by modular upgrades spanning voluntary top-ups, spouse cover, and other add-on protections. Portability-led design further ensures continuity of coverage, while providing the flexibility to adapt to evolving workforce needs empowering organisations to build smarter, more adaptive ecosystems that balance Adequacy, Affordability & Adaptability turning GTL into a meaningful differentiator in the employee value proposition.

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