

Selected South African insurance sector data March 2022



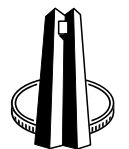
SOUTH AFRICAN RESERVE BANK
Prudential Authority

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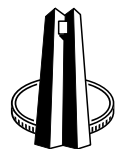


Introduction

This report provides a high level overview of insurers' financial and risk information, compiled by means of the aggregation of data submitted quarterly by individual South African-registered insurers.

The following should be noted with regards to the data contained in this document:

- data is based on reporting by insurance entities and the prudential standard issued in terms of the Insurance Act 18 of 2017 as implemented in South Africa on 1 July 2018;
- this information is subject to change without notice;
- the calculation of ratios and annual growth is based on actual data and not the rounded figures as indicated in this report;
- the data in this report is as at the end of March 2022.



Registered insurance entities in South Africa

	March 2021	March 2022
Total	150	157
Life primary insurers	60	60
Life cell captives	5	5
Life microinsurer ¹	2	7
Non-life primary insurers	59	61
Non-life cell captives	7	6
Non-life captives	5	4
Non-life microinsurer ¹	2	1
Composite microinsurer ¹	0	2
Professional reinsurers	9	9
Composite reinsurers	5	4
Life reinsurers	1	1
Non-life reinsurers	3	2
Branches of foreign reinsurers	0	2
Other	1	2

¹Microinsurer: No data available as yet.



Life insurance: Primary insurers

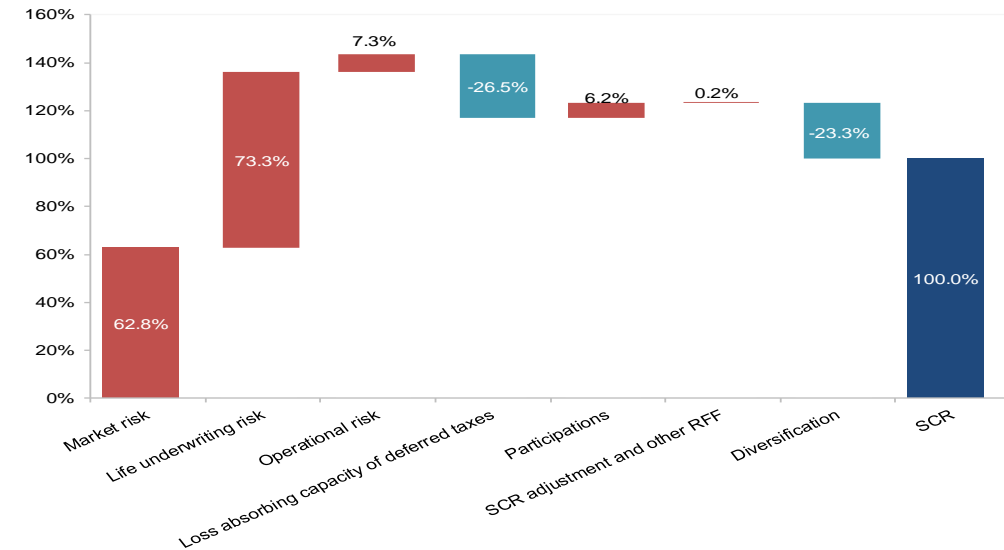
Balance sheet	Mar 2021 R'mil	Mar 2022 R'mil	12 Monthly % growth
Total assets	3,316,560	3,633,143	9.5
<i>Of which:</i>			
Total investments	3,134,099	3,441,839	9.8
Government bonds	305,199	342,412	12.2
Corporate bonds	210,375	214,643	2.0
Equity	525,916	592,142	12.6
Investment funds	1,724,823	1,893,831	9.8
Structured notes	59,480	62,053	4.3
Collateralised securities	14,717	12,360	-16.0
Cash and deposits	171,273	201,363	17.6
Mortgages and loans	88,738	90,216	1.7
Property	33,578	32,818	-2.3
Total reinsurance recoverables/ (payable)	1,249	-932	-174.6
Derivatives	6,080	4,774	-21.5
Owner occupied property	6,843	6,301	-7.9
Other assets	168,289	181,161	7.6
Total liabilities	2,992,521	3,292,061	10.0
<i>Of which:</i>			
Gross technical provisions	2,804,020	3,080,221	9.9
Basic own funds	324,038	341,082	5.3
Eligible own funds to meet SCR	321,611	335,935	4.5
Eligible own funds to meet MCR	307,000	320,743	4.5
Profitability			
Gross premium	144,444	136,444	-5.5
Reinsurance	4,235	5,151	21.6
Net premiums	140,209	131,293	-6.4
Net claims paid	141,993	125,075	-11.9
Investment income ³	154,571	-41,214	-126.7
Management expenses	13,738	14,071	2.4
Commission paid/ (received)	4,942	5,315	7.6
Other expenses	1,288	3,428	166.1
Net profit before tax and dividends	7,397	1,884	-74.5
Other			
Number of policies at the end of period ⁵	50,702,071	50,628,753	-0.1
Number of schemes at the end of period	89,545	80,114	-10.5

Performance indicators	Mar 2021	Mar 2022
Claims ratio ¹	101.3	95.3
Commission ratio ¹	3.5	4.0
Management expenses ratio ¹	9.8	10.7
Individual lapse ratio ^{2 4 5}	52.3	83.8
Individual contractual termination ²	6.1	10.2
Individual expiry ²	5.9	3.7
Surrenders ²	4.2	5.1
Surrenders (in-force policies)	0.4	0.4
Individual lapse ratio (in-force policies)	5.0	6.2

Solvency and capital

SCR cover ratio (Median)	1.8	1.7
MCR cover ratio (Median)	4.6	4.7

SCR risk components



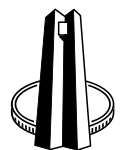
¹ Expressed as a percentage of net written premium during the period.

² Expressed as a percentage of the number of new policies issued during the period.

³ A decrease of investment income was as a result of an adjustment of fair value of investments.

⁴ Higher than normal lapses were as a result of two insurers experiencing higher than normal lapses.

⁵ Policies movements for 2021 were revised.

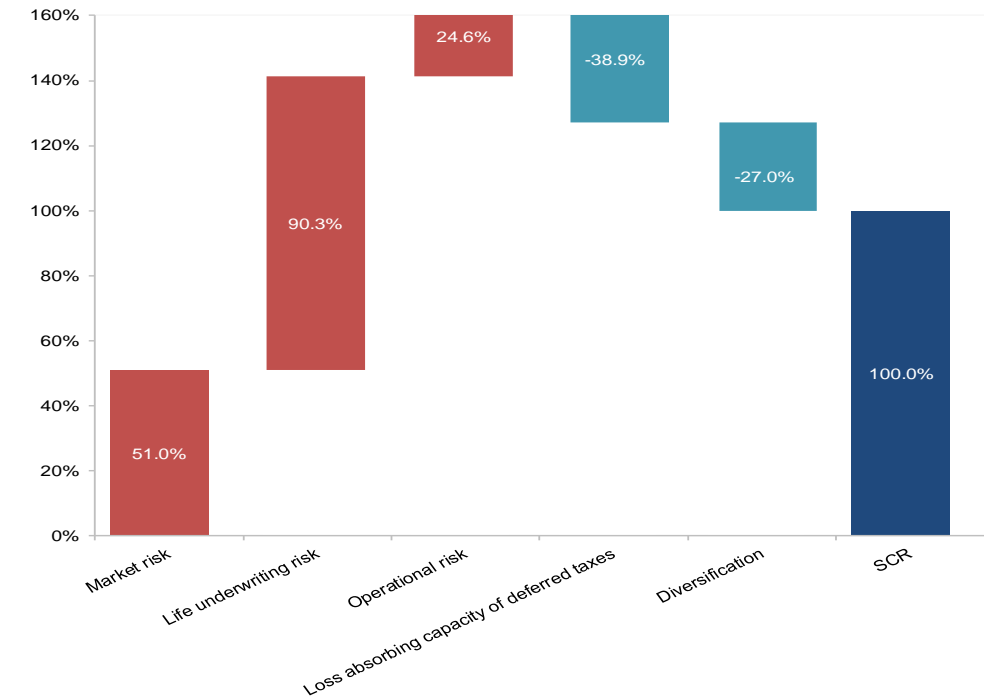


Life insurance: Reinsurers

Balance sheet	Mar 2021 R'mil	Mar 2022 R'mil	12 Monthly % growth
Total assets²	14,855	7,636	-48.6
<i>Of which:</i>			
Total investments	6,001	2,090	-65.2
Total reinsurance recoverables/ (payable) ²	4,892	1,738	-64.5
Current assets	3,508	3,801	8.3
Total liabilities	11,190	6,427	-42.6
<i>Of which</i>			
Gross technical provisions	7,201	2,554	-64.5
Accounts payable	3,483	3,446	-1.1
Reinsurance deposits	4	-	-100.0
Basic own funds	3,665	1,209	-67.0
Eligible own funds to meet SCR	3,624	1,208	-66.7
Eligible own funds to meet MCR	3,624	1,208	-66.7
Profitability²			
Gross premium	2,062	1,507	-26.9
Reinsurance	1,405	1,083	-22.9
Net premiums	657	424	-35.5
Net claims paid	752	243	-67.7
Investment income	25	17	-32.3
Management expenses	109	57	-48.1
Other expenses	-1	4	709.8
Net profit before tax and dividends	-555	109	119.7

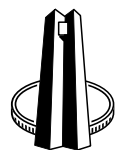
Performance indicators	Mar 2021	Mar 2022
Claims ratio ¹	114.5	57.3
Management expenses ratio ¹	16.7	13.4
Solvency and capital		
SCR cover ratio (Median)	1.4	1.6
MCR cover ratio (Median)	4.8	3.9

SCR risk components



¹ Expressed as a percentage of net written premium during the period.

² General decline between 2021 and 2022 was as a result of reclassifications of reinsurers.



Life insurance: Cell Captive insurers

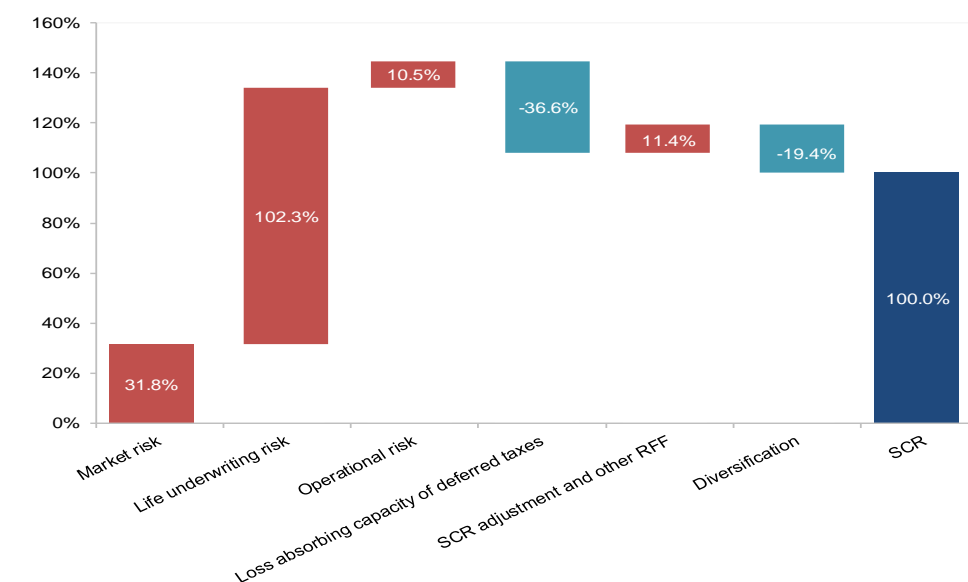
Balance sheet	Mar 2021 R'mil	Mar 2022 R'mil	12 Monthly % growth
Total assets	19,917	21,671	8.8
<i>Of which:</i>			
Total investments	22,447	25,254	12.5
Government bonds	1,610	1,970	22.3
Corporate bonds	8,135	10,517	29.3
Equity	278	418	50.4
Investment funds	7,777	8,889	14.3
Structured notes	67	64	-4.0
Collateralised securities	308	158	-48.6
Cash and deposits	3,883	3,237	-16.6
Mortgages and loans	388	-	-100.0
Total reinsurance recoverables/ (payable)	-3,891	-4,997	28.4
Derivatives	3	-0	-100.9
Other assets	1,358	1,415	4.2
Total liabilities	8,863	10,007	12.9
<i>Of which:</i>			
Gross technical provisions	4,913	5,553	13.0
Deferred tax liabilities	2,480	2,747	10.8
Basic own funds	11,054	11,664	5.5
Eligible own funds to meet SCR	6,791	7,980	17.5
Eligible own funds to meet MCR	6,787	7,980	17.6
Profitability			
Gross premium	4,149	5,260	26.8
Reinsurance	928	1,514	63.1
Net premiums	3,221	3,746	16.3
Net claims paid	1,097	1,147	4.6
Investment income	329	19	-94.3
Management expenses	338	539	59.7
Commission paid/ (received)	355	389	9.7
Other expenses	0	0	40.7
Net profit before tax and dividends	1,363	1,801	32.1
Other			
Number of policies at the end of period	6,606,099	7,745,616	17.2
Number of schemes at the end of period	71,998	79,281	10.1

Performance indicators	Mar 2021	Mar 2022
Claims ratio ¹	34.1	30.6
Commission ratio ¹	11.0	10.4
Management expenses ratio ¹	10.5	14.4
Individual lapse ratio ^{2 3}	53.6	24.2
Individual contractual termination ²	4.0	2.9
Individual expiry ^{2 4}	7.3	54.9
Surrenders ²	11.5	8.6
Surrenders (in-force policies)	1.3	1.6
Individual lapse ratio (in-force policies)	6.2	4.4

Solvency and capital

SCR cover ratio (Median)	1.1	1.1
MCR cover ratio (Median)	4.4	4.2

SCR risk components



¹ Expressed as a percentage of net written premiums.

² Expressed as a percentage of the number of newpolicies issued during the period.

³ Policies movements for 2021 were restated.

⁴ One major insurer experienced higher than normal expired policies.



Non-Life insurance: Primary insurers

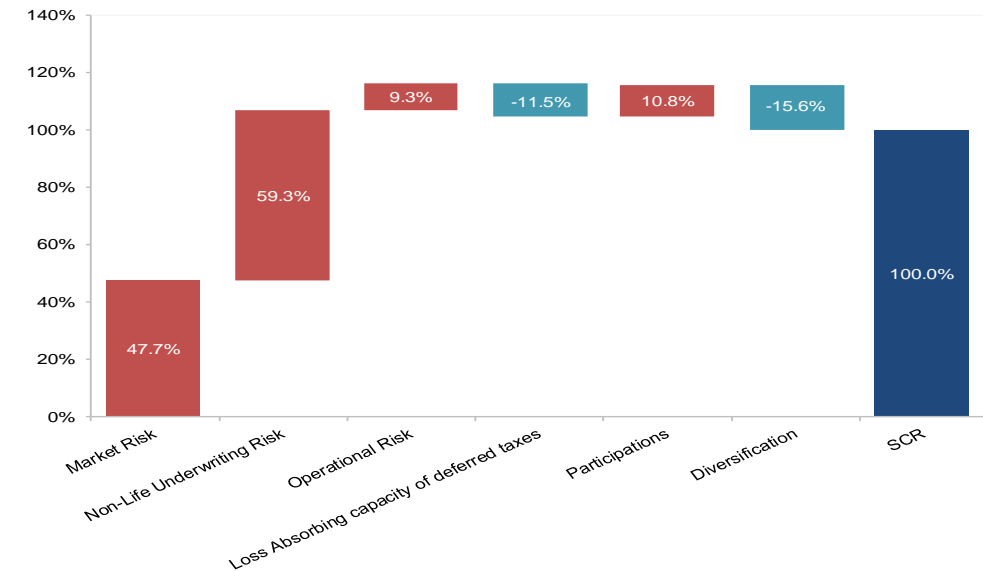
Balance sheet	Mar 2021 R'mil	Mar 2022 R'mil	12 Monthly % growth
Total assets	180,724	212,462	17.6
<i>Of which:</i>			
Total investments	121,961	137,280	12.6
Government bonds	24,375	28,310	16.1
Corporate bonds	29,263	27,037	-7.6
Equity	19,272	20,979	8.9
Investment funds	15,500	13,994	-9.7
Structured notes	138	140	1.3
Collateralised securities	673	600	-10.9
Cash and deposits	30,849	44,409	44.0
Mortgages and loans	1,849	1,789	-3.2
Property	42	22	-48.3
Total reinsurance recoverables/ (payable)	25,744	33,517	30.2
Derivatives	195	371	90.1
Owner occupied property	1,438	1,542	7.2
Other assets	31,386	39,753	26.7
Total liabilities	104,897	133,121	26.9
<i>Of which:</i>			
Gross technical provisions	76,026	100,084	31.6
Accounts payable	8,788	9,297	5.8
Payables (trade, not insurance)	7,594	8,990	18.4
Basic own funds	75,827	79,342	4.6
Eligible own funds to meet SCR	74,894	54,772	-26.9
Eligible own funds to meet MCR	70,699	48,795	-31.0
Profitability			
Gross written premium	35,523	35,100	-1.2
Reinsurance	10,466	10,373	-0.9
Net premiums	25,057	24,727	-1.3
Net earned premium	23,235	22,560	-2.9
Investment income ⁴	3,285	291	-91.1
Net claims paid ⁵	14,236	16,073	12.9
Management expenses	6,852	6,168	-10.0
Commission paid/ (received)	849	1,547	82.1
Underwriting profit ⁵	1,102	-921	-183.6
Underwriting and investment income ⁵	4,387	-630	-114.4
Net profit before tax and dividends ⁵	3,446	-434	-112.6

Performance indicators	Mar 2021	Mar 2022
Claims ratio ^{1 5}	56.8	65.0
Management expenses ratio ¹	27.3	24.9
Commission ratio ¹	3.4	6.3
Combined ratio ^{2 5}	87.5	105.4
Underwriting profit/(loss) ratio ^{3 5}	4.7	-4.1
Underwriting and investment income ratio ^{3 5}	18.9	-2.8

Solvency and capital

SCR cover ratio (Median)	1.7	1.6
MCR cover ratio (Median)	4.2	3.6

SCR risk components



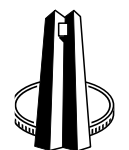
¹ Expressed as a percentage of net written premium during the period.

² Claims + commission + expenses as a percentage of net earned premium.

³ Expressed as a percentage of net earned premium during the period.

⁴ A decrease in investment income was as a result of an adjustment of fair value of investments, and interest, dividends and rentals.

⁵ Higher than normal claims and lower profits were as a result of a continued spill over effect of social unrest riots experienced during the third quarter of 2021 and heavy rainfalls throughout 2021.



Non-Life insurance: Reinsurers

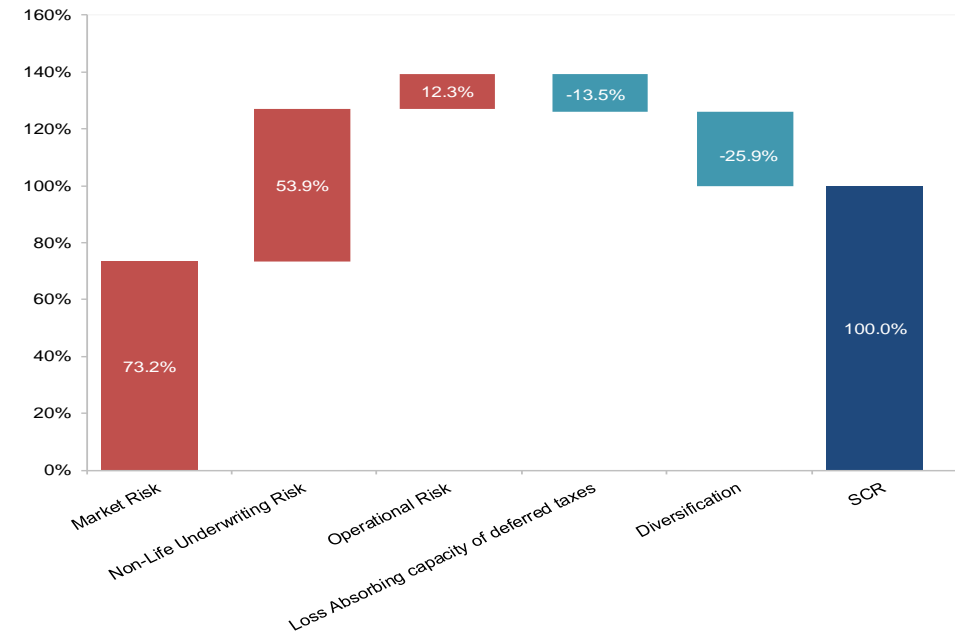
Balance sheet	Mar 2021 R'mil	Mar 2022 R'mil	12 Monthly % growth
Total assets	9,281	9,664	4.1
<i>Of which:</i>			
Total investments	5,769	6,260	8.5
Total reinsurance recoverables/ (payable)	2,598	2,708	4.2
Total liabilities	7,016	7,086	1.0
<i>Of which :</i>			
Gross technical provisions	3,775	3,389	-10.2
Accounts payable	176	3	-98.6
Reinsurance deposits	2,921	3,377	15.6
Basic own funds	2,265	2,578	13.8
Eligible own funds to meet SCR	2,264	2,578	13.9
Eligible own funds to meet MCR	2,216	2,558	15.5
Profitability			
Gross premium	781	922	18.0
Reinsurance	478	661	38.3
Net premiums	304	261	-13.9
Net earned premiums	191	229	19.7
Investment income	152	78	-48.4
Net claims paid	-154	121	178.7
Management expenses	39	42	7.6
Commission paid/ (received)	99	74	-25.0
Other expenses	-	-22	-100.0
Underwriting profit ⁴	365	80	-78.0
Underwriting and investment income ⁴	517	159	-69.3
Net profit before tax and dividends	512	147	-71.4

Performance indicators	Mar 2021	Mar 2022
Claims ratio ¹	-50.8	46.5
Commission ratio ¹	32.5	28.3
Management expenses ratio ¹	12.8	16.0
Combined ratio ²	-5.5	103.8
Underwriting profit/(loss) ratio ³	191.1	35.2
Underwriting and investment income ratio	270.6	69.4

Solvency and capital

SCR cover ratio (Median)	2.3	2.5
MCR cover ratio (Median)	8.4	9.9

SCR risk components

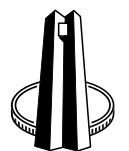


¹ Expressed as a percentage of net written premium during the period.

² Claims + commission + expenses as a percentage of net earned premium.

³ Expressed as a percentage of net earned premium during the period.

⁴ A decline in profitability items was as a result of lower than usual written premiums by a particular reinsurer.



Non-Life insurance: Cell Captive insurers

Balance sheet

	Mar 2021 R'mil	Mar 2022 R'mil	12 Monthly % growth
Total assets⁴	48,329	37,098	-23.2
<i>Of which:</i>			
<i>Total investments</i>	40,968	30,121	-26.5
Government bonds	862	1,472	70.8
Corporate bonds	13,565	11,830	-12.8
Equity	2,349	455	-80.6
Investment funds	5,692	6,459	13.5
Structured notes	91	152	66.6
Collateralised securities	448	317	-29.2
Cash and deposits	17,943	9,423	-47.5
Mortgages and loans	18	13	-28.8
Total reinsurance recoverables/ (payable)	4,363	4,152	-4.8
Derivatives	1	-0	-138.9
Other assets	2,997	2,825	-5.7
Total liabilities	28,985	26,730	-7.8
<i>Of which:</i>			
Gross technical provisions	26,143	22,239	-14.9
Basic own funds	19,344	10,368	-46.4
Eligible own funds to meet SCR	15,543	5,742	-63.1
Eligible own funds to meet MCR	15,452	5,661	-63.4
Profitability			
Gross written premium	5,250	7,830	49.1
Reinsurance	1,992	2,261	13.5
Net premiums	3,258	5,569	70.9
Net earned premium	3,859	3,370	-12.7
Investment income	717	286	-60.1
Net claims paid	2,191	1,535	-29.9
Management expenses	653	639	-2.2
Commission paid/ (received)	70	154	119.5
Underwriting profit	334	503	50.3
Underwriting and investment income	1,051	788	-25.0
Net profit before tax and dividends	1,137	793	-30.3

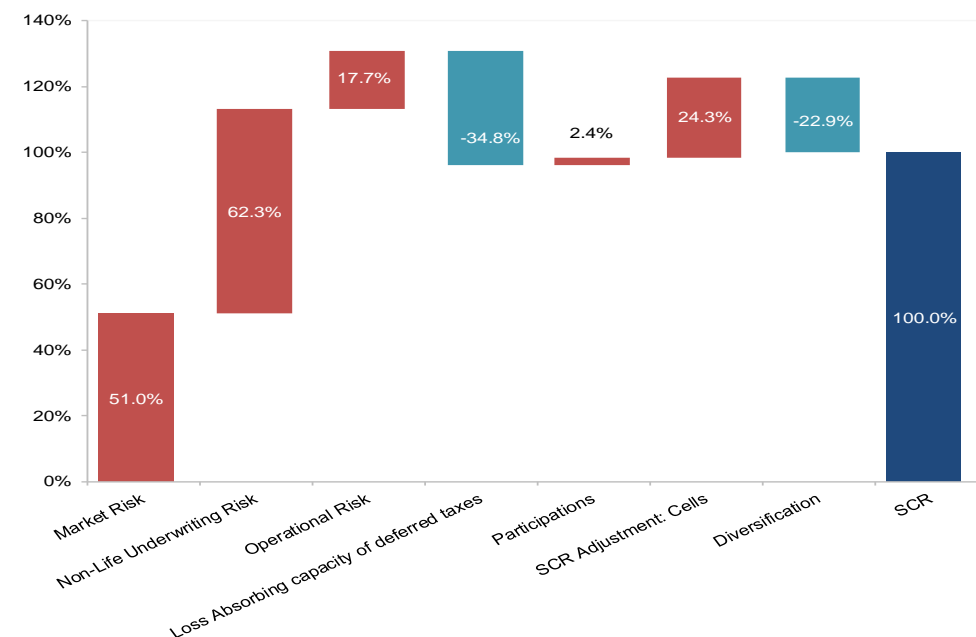
Performance indicators

	Mar 2021	Mar 2022
Claims ratio ¹	67.2	27.6
Management expenses ratio ¹	20.0	11.5
Commission ratio ¹	2.2	2.8
Combined ratio ²	89.4	69.1
Underwriting profit/(loss) ratio ³	8.7	14.9
Underwriting and investment income ratio ³	27.2	23.4

Solvency and capital

	Mar 2021	Mar 2022
SCR cover ratio (Median)	1.6	1.2
MCR cover ratio (Median)	3.1	2.6

SCR risk components

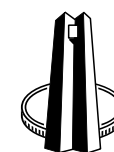


¹ Expressed as a percentage of net written premium during the period.

² Claims + commission + expenses as a percentage of net earned premium.

³ Expressed as a percentage of net earned premium during the period.

⁴ General decrease in assets were as a result of reclassification of insurers from cell captive to captive insurer.



Non-Life insurance: Captive insurers

Balance sheet	Mar 2021	Mar 2022	12 Monthly
	R'mil	R'mil	% growth
Total assets³	2,870	26,356	818.3
<i>Of which:</i>			
<i>Total investments</i>	2,341	22,707	870.1
Government bonds	440	501	13.7
Corporate bonds	295	2,732	825.9
Equity	3	3	-12.3
Investment funds	120	2,246	1779.1
Structured notes	28	11	-60.5
Collateralised securities	3	4	11.4
Cash and deposits	1,452	17,212	1085.7
Total reinsurance recoverables/ (payable)	263	3,372	1183.9
Derivatives	-	-	0.0
Other assets	267	276	3.6
Total Liabilities	998	14,500	1353.2
<i>Of which:</i>			
Gross technical provisions	935	14,174	1415.4
Basic own funds	1,872	11,857	533.3
Eligible own funds to meet SCR	1,872	12,001	541.0
Eligible own funds to meet MCR	1,838	11,985	552.0
Profitability			
Gross written premium ³	56	97	72.2
Reinsurance	23	50	119.7
Net premiums	33	47	39.6
Net earned premium	70	622	787.5
Investment income	16	335	1998.8
Net claims paid	132	285	115.1
Management expenses	15	28	87.2
Commission paid/ (received)	7	-12	-270.3
Underwriting profit ³	-85	282	433.4
Underwriting and investment income ³	-69	617	999.1
Net profit before tax and dividends ³	-69	585	952.1

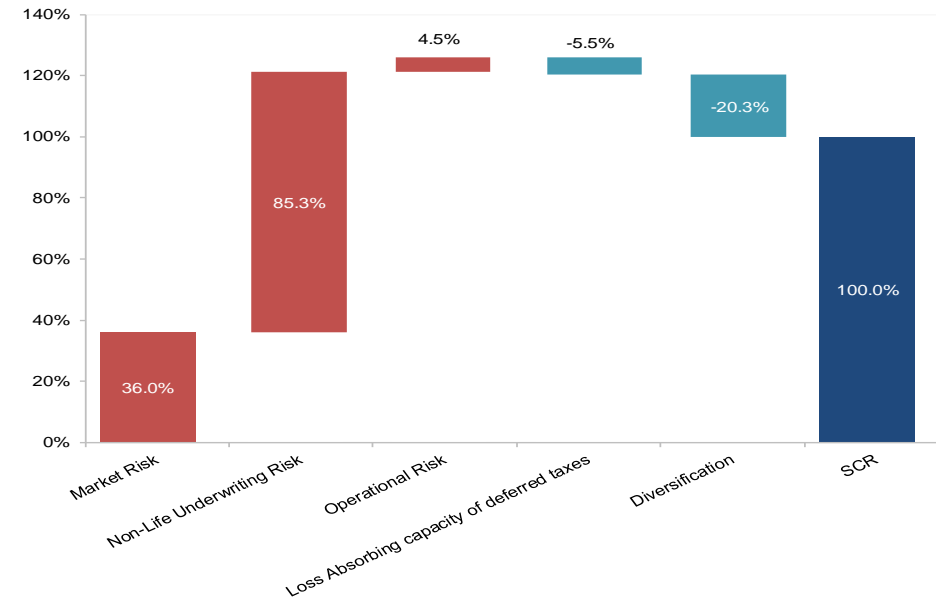
Performance indicators

	Mar 2021	Mar 2022
Claims ratio ¹	397.2	45.8
Management expenses ratio ¹	45.3	60.8
Commission ratio ¹	21.2	-25.9
Combined ratio ²	463.7	48.4
Underwriting profit/(loss) ratio ⁴	-120.6	45.3
Underwriting and investment income ratio ⁴	-97.9	99.1

Solvency and capital

	Mar 2021	Mar 2022
SCR cover ratio (Median)	1.5	1.9
MCR cover ratio (Median)	5.7	6.7

SCR risk components

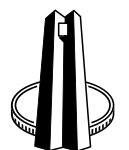


¹ Expressed as a percentage of net earned premium during the period.

² Claims + commission + expenses as a percentage of net earned premium.

³ Most fluctuations between reporting periods were as a result of a move of one insurer from cell captive to captive insurance.

⁴ Expressed as a percentage of net earned premium during the period.



Composite reinsurers

Balance sheet

	Mar 2021	Mar 2022	12 Monthly
	R'mil	R'mil	% growth
Total assets⁴	39,010	47,996	23.0
Total investments	19,291	20,687	7.2
Total reinsurance recoverables	12,055	17,200	42.7
Current assets	6,998	8,029	14.7
Total liabilities	28,333	37,069	30.8
<i>Of which :</i>			
Gross technical provisions (Life)	6,625	9,699	46.4
Gross technical provisions (Non-Life)	11,888	16,491	38.7
Reinsurance accounts payable	4,535	5,946	31.1
Reinsurance deposits	31	5	-84.2
Basic own funds	10,676	10,927	2.3
Eligible own funds to meet SCR	11,371	12,472	9.7
Eligible own funds to meet MCR	10,268	9,726	-5.3

Profitability

	Mar 2021	Mar 2021	Mar 2022	Mar 2022
	Life	Non-life	Life	Non-life
Gross premium	2,952	3,209	4,107	5,028
Reinsurance	447	2,491	1,099	3,930
Net premiums	2,505	718	3,008	1,098
Net earned premiums		470		646
Investment Income	139	58	266	63
Net claims paid ⁵	1,792	284	3,591	641
Management expenses	136	29	167	2
Commission paid/ (received)	212	59	168	215
Other expenses	-6	-56	24	53
Underwriting profit		140		-108
Underwriting and investment income		198		-45
Net profit before tax and dividends	-305	340	912	-98

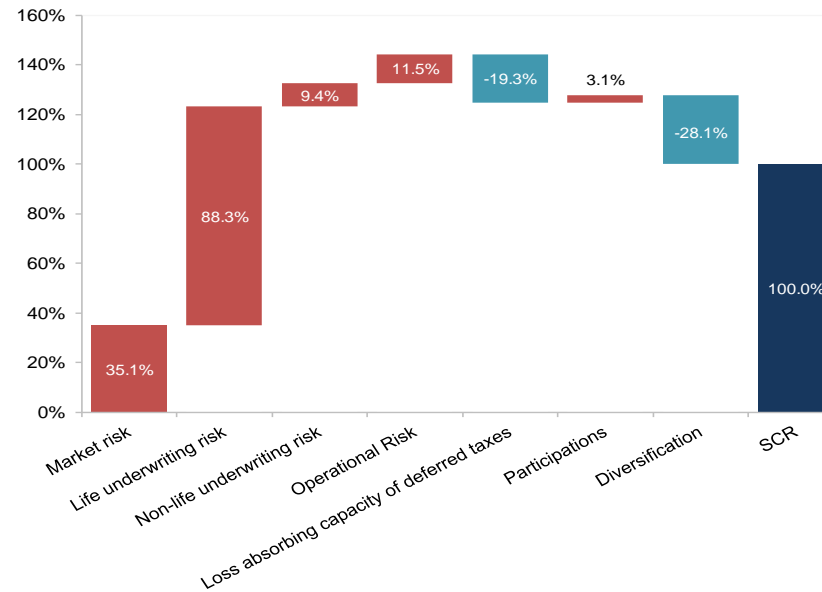
Performance indicators

	Mar 2021	Mar 2021	Mar 2022	Mar 2022
	Life (%)	Non-life (%)	Life (%)	Non-life (%)
Claims ratio ¹⁵	71.5	39.5	119.4	99.3
Management Expenses ratio ¹	5.4	4.0	5.5	0.3
Commission ratio ¹	8.5	8.2	5.6	33.3
Combined ratio ²		51.7		133.0
Underwriting profit/(loss) ratio ³		29.9		-16.7
Underwriting and investment income ratio ³		42.3		-7.0

Solvency and capital

	Mar 2021	Mar 2021	Mar 2022	Mar 2022
	Life (%)	Non-life (%)	Life (%)	Non-life (%)
SCR cover ratio (Median)	1.7	1.7	1.3	1.3
MCR cover ratio (Median)	3.8	3.8	2.7	2.7

SCR risk components



¹ Expressed as a percentage of net written premium during the period.

² Claims + commission + expenses as a percentage of net earned premiums.

³ Expressed as a percentage of net earned premium during the period.

⁴ General increase between 2021 and 2022 was as a result of reclassifications of reinsurers.

⁵ Two major reinsurers experienced higher than normal claims.

