

Selected South African insurance sector data September 2022



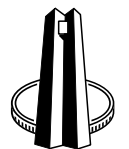
SOUTH AFRICAN RESERVE BANK
Prudential Authority

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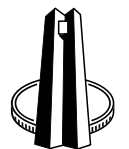


Introduction

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 September 2022.



Registered insurance entities in South Africa

	September 2021	September 2022
Total	149	157
Life primary insurers	60	57
Life cell captives	5	5
Life microinsurers ¹	4	8
Non-life primary insurers	55	61
Non-life cell captives	7	6
Non-life captives	5	4
Non-life microinsurers ¹	3	1
Composite microinsurers ¹	0	4
Professional reinsurers	8	9
Composite reinsurers	5	4
Life reinsurers	1	1
Non-life reinsurers	2	2
Branches of foreign reinsurers	0	2
Other	2	2

¹ *Microinsurers: No data available as yet.*

4 Insurance sector data



Life insurance: Primary insurers

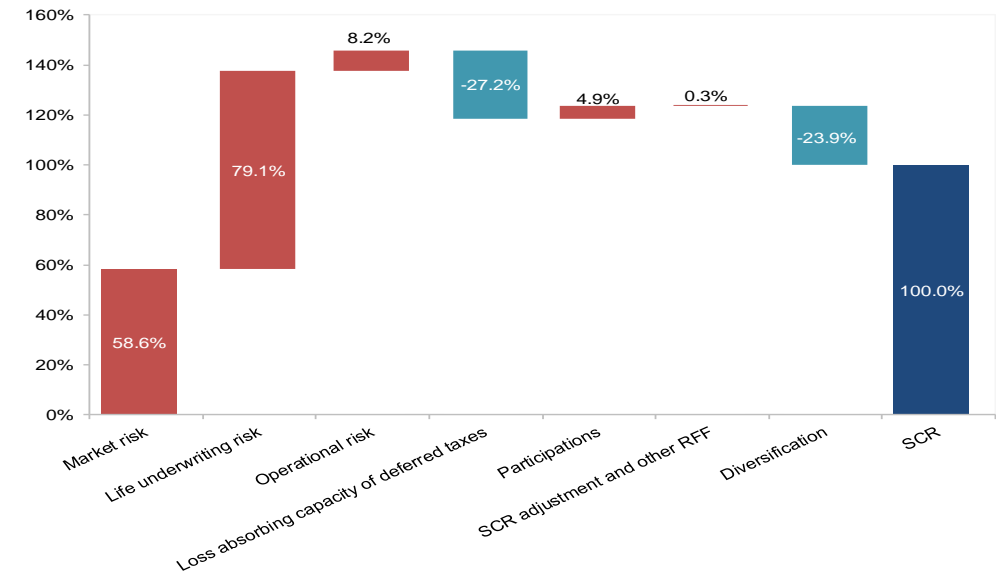
Balance sheet	Sep 2021 R'mil	Sep 2022 R'mil	12 Monthly % growth
Total assets	3,500,651	3,505,409	0.1
<i>Of which:</i>			
Total investments	3,311,362	3,314,114	0.1
Government bonds	323,533	324,786	0.4
Corporate bonds	212,548	223,537	5.2
Equity	558,158	505,641	-9.4
Investment funds	1,853,219	1,893,705	2.2
Structured notes	57,392	32,653	-43.1
Collateralised securities	12,958	11,841	-8.6
Cash and deposits	176,205	200,917	14.0
Mortgages and loans	83,727	88,252	5.4
Property	33,622	32,782	-2.5
Total reinsurance recoverables	-1,016	-59	94.2
Derivatives	4,507	6,748	49.7
Owner occupied property	6,638	6,160	-7.2
Other assets	179,160	178,446	-0.4
Total liabilities	3,164,742	3,183,301	0.6
<i>Of which:</i>			
Gross technical provisions	2,975,318	2,969,068	-0.2
Basic own funds	335,909	322,108	-4.1
Eligible own funds to meet SCR	333,019	327,423	-1.7
Eligible own funds to meet MCR	316,533	311,381	-1.6
Profitability			
Gross premium	138,782	158,527	14.2
Reinsurance	4,835	5,096	5.4
Net premiums	133,947	153,431	14.5
Net claims paid	137,726	143,525	4.2
Investment income ³	82,075	18,140	-77.9
Management expenses	12,578	15,097	20.0
Commission paid/ (received)	5,346	5,935	11.0
Other expenses	1,089	2,460	125.9
Net profit before tax and dividends	8,949	4,031	-55.0
Other			
Number of policies at the end of period	51,688,139	49,762,122	-3.7
Number of schemes at the end of period	92,383	83,200	-9.9

Performance indicators	Sep 2021	Sep 2022
Claims ratio ¹	102.8	93.5
Commission ratio ¹	4.0	3.9
Management expenses ratio ¹	9.4	9.8
Individual lapse ratio ^{2 4}	60.3	100.2
Individual contractual termination ²	10.2	11.9
Individual expiry ²	7.0	3.4
Surrenders ²	9.8	5.0
Surrenders (in-force policies)	0.7	0.4
Individual lapse ratio (in-force policies)	4.6	7.2

Solvency and capital

SCR cover ratio (Median)	1.8	1.8
MCR cover ratio (Median)	4.5	4.7

SCR risk components

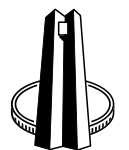


¹ Expressed as a percentage of net written premium during the period.

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.



Life insurance: Reinsurers

Balance sheet

	Sep 2021 R'mil	Sep 2022 R'mil	12 Monthly % growth
Total assets	7,142	7,155	0.2
<i>Of which:</i>			
Total investments	1,397	1,680	20.3
Total reinsurance recoverables/ (payable)	2,253	1,409	-37.4
Current assets	3,486	4,062	16.5
Total liabilities	5,714	6,072	6.3
<i>Of which</i>			
Gross technical provisions	2,351	2,206	-6.2
Accounts payable	3,142	3,517	11.9
Reinsurance deposits	-	-	0.0
Basic own funds	1,428	1,083	-24.2
Eligible own funds to meet SCR	1,428	1,083	-24.1
Eligible own funds to meet MCR	1,428	1,083	-24.1
Profitability			
Gross premium	1,004	1,284	27.8
Reinsurance	753	884	17.4
Net premiums	251	399	59.2
Net claims paid	375	438	17.0
Investment income	12	21	71.2
Management expenses	54	63	17.8
Other expenses	0	-5	-1477.0
Net profit before tax and dividends	-243	-63	73.9

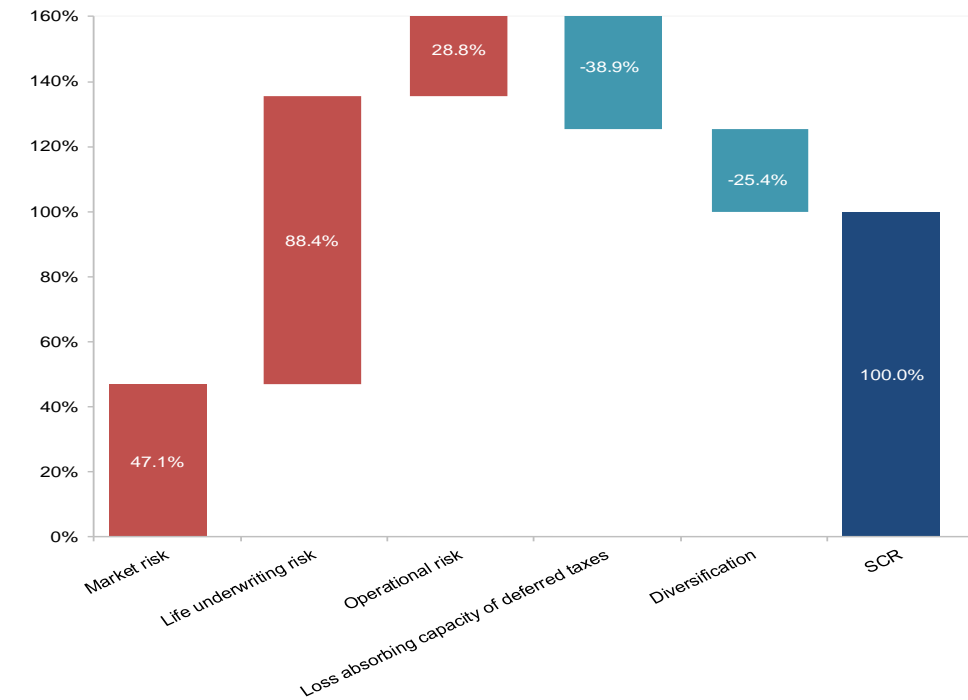
Performance indicators

	Sep 2021	Sep 2022
Claims ratio ¹	149.3	109.7
Management expenses ratio ¹	21.3	15.8

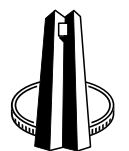
Solvency and capital

SCR cover ratio (Median)	1.1	1.5
MCR cover ratio (Median)	4.5	3.3

SCR risk components



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



Life insurance: Cell Captive insurers

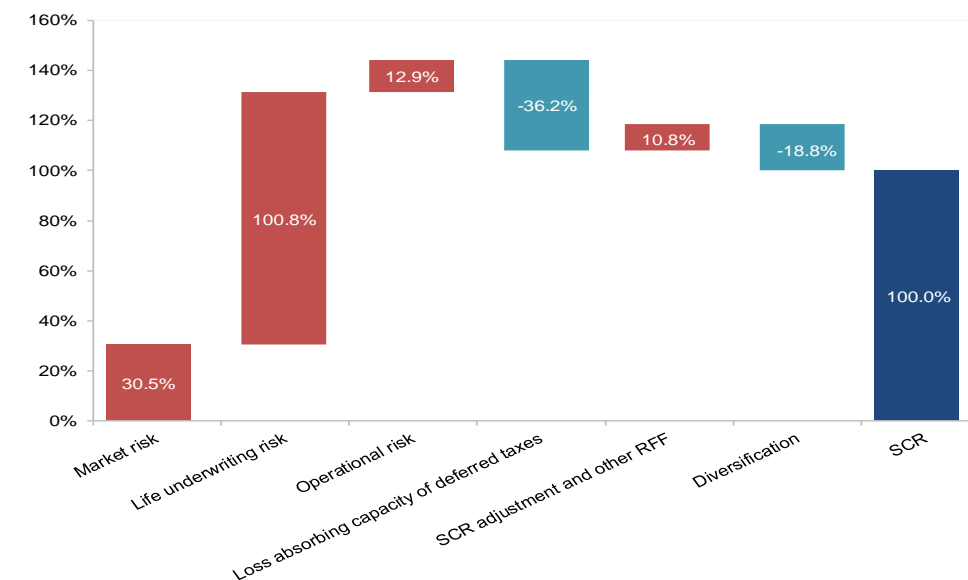
Balance sheet	Sep 2021 R'mil	Sep 2022 R'mil	12 Monthly % growth
Total assets	21,096	24,232	14.9
<i>Of which:</i>			
Total investments	23,919	27,368	14.4
Government bonds	1,648	1,957	18.7
Corporate bonds	9,653	12,036	24.7
Equity	448	331	-26.1
Investment funds	7,600	9,704	27.7
Structured notes	68	66	-4.2
Collateralised securities	275	192	-30.3
Cash and deposits	4,227	3,084	-27.0
Mortgages and loans	-	-	0.0
Total reinsurance recoverables/ (payable)	-4,198	-4,373	4.2
Derivatives	0	0	-13.6
Other assets	1,375	1,236	-10.1
Total liabilities	9,646	11,677	21.1
<i>Of which:</i>			
Gross technical provisions	5,291	6,846	29.4
Deferred tax liabilities	2,652	2,778	4.7
Basic own funds	11,450	12,554	9.6
Eligible own funds to meet SCR	7,498	7,540	0.6
Eligible own funds to meet MCR	7,495	7,540	0.6
Profitability			
Gross premium	4,571	5,902	29.1
Reinsurance	1,237	1,479	19.5
Net premiums	3,334	4,423	32.7
Net claims paid	1,217	1,030	-15.4
Investment income ⁴	451	110	-75.5
Management expenses	367	515	40.2
Commission paid/ (received)	401	358	-10.5
Other expenses	0	0	21.9
Net profit before tax and dividends	1,743	2,499	43.3
Other			
Number of policies at the end of period ³	7,243,806	10,163,979	40.3
Number of schemes at the end of period	78,669	74,899	-4.8

Performance indicators	Sep 2021	Sep 2022
Claims ratio ¹	36.5	23.3
Commission ratio ¹	12.0	8.1
Management expenses ratio ¹	11.0	11.6
Individual lapse ratio ²	21.6	30.4
Individual contractual termination ²	2.4	1.9
Individual expiry ²	49.9	44.5
Surrenders ²	4.8	0.0
Surrenders (in-force policies)	1.0	0.0
Individual lapse ratio (in-force policies)	4.6	5.8

Solvency and capital

SCR cover ratio (Median)	1.1	1.2
MCR cover ratio (Median)	4.3	4.2

SCR risk components

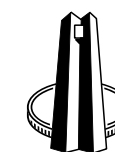


¹ Expressed as a percentage of net written premiums.

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

³ Policies movements for 2021 were restated.

⁴ A decrease of investment income was as a result of an adjustment of fair value of investments.



Non-Life insurance: Primary insurers

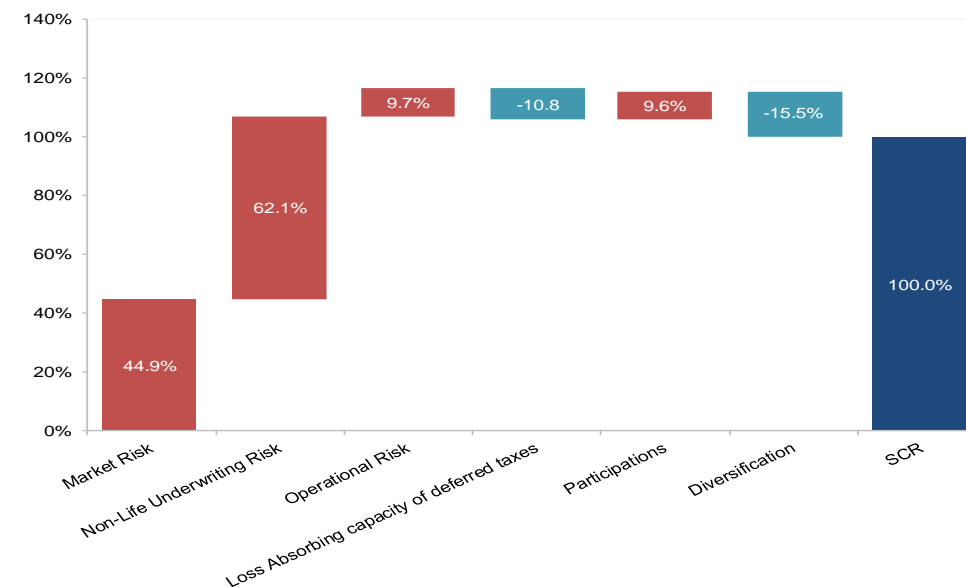
Balance sheet	Sept 2021 R'mil	Sep 2022 R'mil	12 Monthly % growth
Total assets	193,131	216,373	12.0
<i>Of which:</i>			
Total investments	122,598	133,485	8.9
Government bonds	25,236	26,966	6.9
Corporate bonds	31,286	30,484	-2.6
Equity	16,284	19,494	19.7
Investment funds	15,212	14,521	-4.5
Structured notes	132	336	154.2
Collateralised securities	632	715	13.1
Cash and deposits	32,208	39,177	21.6
Mortgages and loans	1,571	1,770	12.7
Property	38	23	-39.2
Total reinsurance recoverables/ (payable)	34,452	41,866	21.5
Derivatives	36	-88	-346.2
Owner occupied property	1,624	1,398	-13.9
Other assets	34,421	39,712	15.4
Total liabilities	141,117	132,843	-5.9
<i>Of which:</i>			
Gross technical provisions	108,158	99,663	-7.9
Accounts payable	9,454	11,064	17.0
Payables (trade, not insurance)	10,280	8,102	-21.2
Basic own funds	52,013	83,530	60.6
Eligible own funds to meet SCR	51,684	58,482	13.2
Eligible own funds to meet MCR	44,386	53,012	19.4
Profitability			
Gross written premium	33,995	38,666	13.7
Reinsurance	10,599	12,816	20.9
Net premiums	23,396	25,850	10.5
Net earned premium	21,149	24,020	13.6
Investment income ⁴	2,319	1,314	-43.4
Net claims paid ⁵	38,868	11,675	-70.0
Management expenses	6,111	6,491	6.2
Commission paid/ (received)	1,324	1,461	10.3
Underwriting profit	-24,615	4,829	119.6
Underwriting and investment income	-22,296	6,142	127.5
Net profit before tax and dividends	-22,482	6,391	128.4

Performance indicators	Sep 2021	Sep 2022
Claims ratio ^{1 5}	166.1	45.2
Management expenses ratio ¹	26.1	25.1
Commission ratio ¹	5.7	5.7
Combined ratio ²	197.9	81.7
Underwriting profit/(loss) ratio ³	-116.4	20.1
Underwriting and investment income ratio ³	-105.4	25.6

Solvency and capital

SCR cover ratio (Median)	1.8	1.5
MCR cover ratio (Median)	3.9	3.4

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 realised losses, adjustment of fair value of investments, and unrealised losses.

⁵ An overall improvement in claims after the KZN floods.



Non-Life insurance: Reinsurers

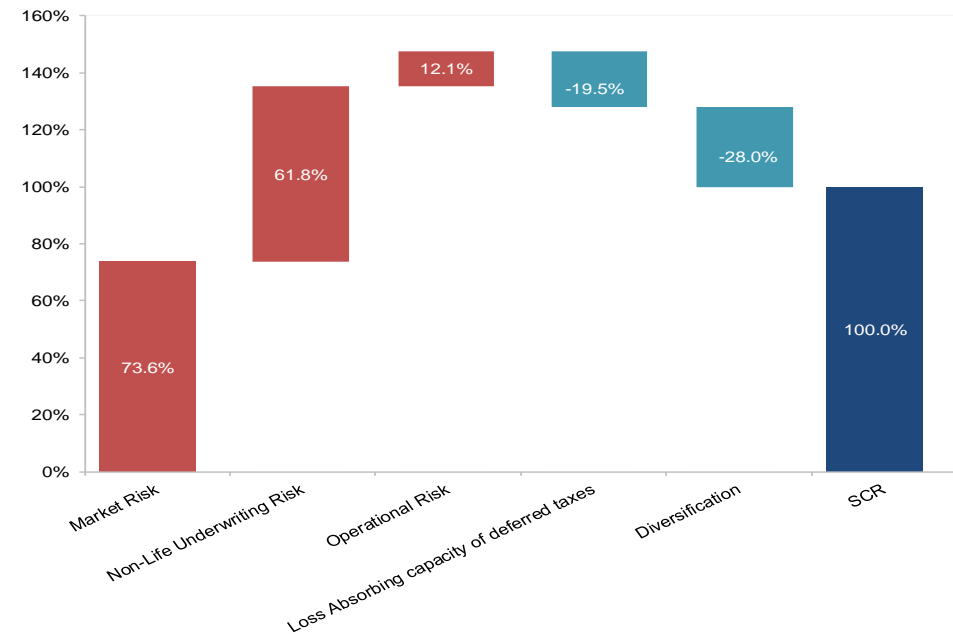
Balance sheet	Sep 2021 R'mil	Sep 2022 R'mil	12 Monthly % growth
Total assets	9,980	10,182	2.0
<i>Of which:</i>			
Total investments	6,139	6,070	-1.1
Total reinsurance recoverables/ (payable)	3,023	3,199	5.8
Total liabilities	7,638	7,489	-2.0
<i>Of which :</i>			
Gross technical provisions	4,035	3,772	-6.5
Accounts payable	420	-264	-162.8
Reinsurance deposits	2,885	3,467	20.2
Basic own funds	2,342	2,694	15.0
Eligible own funds to meet SCR	2,342	2,694	15.0
Eligible own funds to meet MCR	2,314	2,656	14.8
Profitability			
Gross premium	1,057	908	-14.1
Reinsurance	754	630	-16.4
Net premiums	303	278	-8.2
Net earned premiums	235	212	-9.9
Investment income	71	75	5.1
Net claims paid	192	123	-36.1
Management expenses	27	50	81.4
Commission paid/ (received)	55	85	55.6
Other expenses	-	-12	-100.0
Underwriting profit	-3	63	2158.5
Underwriting and investment income ⁴	68	138	102.6
Net profit before tax and dividends ⁴	88	227	156.9

Performance indicators	Sep 2021	Sep 2022
Claims ratio ¹	63.4	44.1
Commission ratio ¹	18.1	30.7
Management expenses ratio ¹	9.0	17.8
Combined ratio ²	90.5	121.8
Underwriting profit/(loss) ratio ³	-1.3	29.9
Underwriting and investment income ratio ³	29.1	65.3

Solvency and capital

SCR cover ratio (Median)	2.2	2.4
MCR cover ratio (Median)	8.7	9.6

SCR risk components

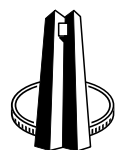


¹ Expressed as a percentage of net written premium during the period.

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

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

⁴ An increase in profitability items were as a result of improved profitability experienced by a particular reinsurer.



Non-Life insurance: Cell Captive insurers

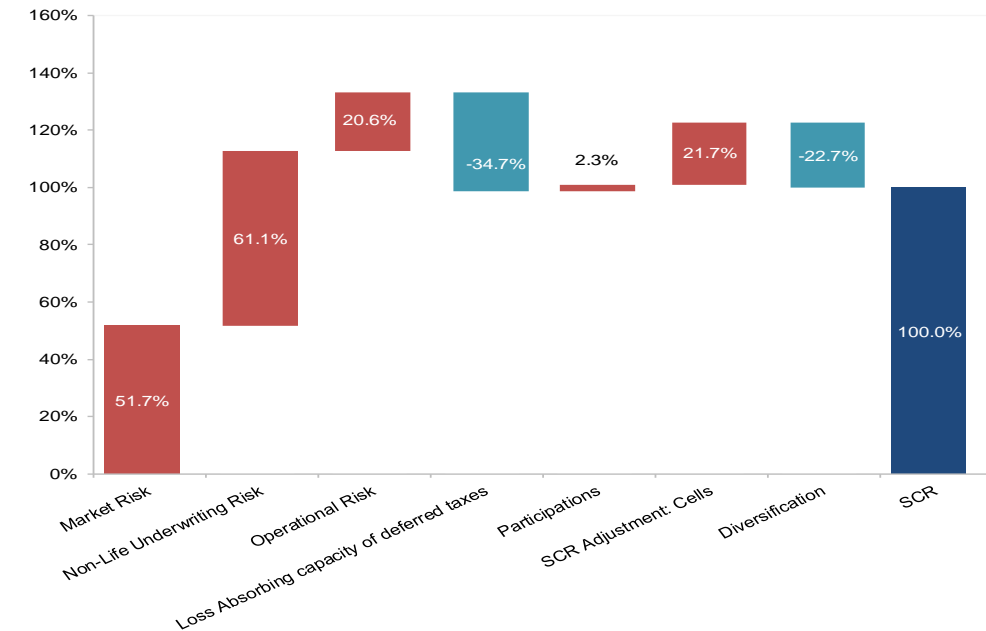
Balance sheet	Sep 2021 R'mil	Sep 2022 R'mil	12 Monthly % growth
Total assets⁴	55,968	47,015	-16.0
<i>Of which:</i>			
<i>Total investments</i>	44,447	31,839	-28.4
Government bonds	949	1,505	58.5
Corporate bonds	13,079	11,322	-13.4
Equity	2,409	457	-81.0
Investment funds	6,234	9,813	57.4
Structured notes	180	214	19.0
Collateralised securities	309	476	53.9
Cash and deposits	21,279	8,041	-62.2
Mortgages and loans	8	11	31.3
Total reinsurance recoverables/ (payable)	7,625	12,010	57.5
Derivatives	1	1	-27.5
Other assets	3,895	3,166	-18.7
Total liabilities⁴	37,209	36,003	-3.2
<i>Of which:</i>			
Gross technical provisions	32,823	31,742	-3.3
Basic own funds⁴	18,759	11,012	-41.3
Eligible own funds to meet SCR	14,325	6,209	-56.7
Eligible own funds to meet MCR	13,897	6,126	-55.9
Profitability			
Gross written premium	7,255	8,121	11.9
Reinsurance	2,522	3,585	42.2
Net premiums	4,733	4,535	-4.2
Net earned premium	3,860	5,023	30.1
Investment income	629	440	-30.0
Net claims paid	2,250	1,604	-28.7
Management expenses	682	734	7.8
Commission paid/ (received)	567	68	-88.0
Underwriting profit	-200	887	542.8
Underwriting and investment income	429	1,327	209.5
Net profit before tax and dividends	540	1,318	144.0

Performance indicators	Sep 2021	Sep 2022
Claims ratio ^{1 4}	47.5	35.4
Management expenses ratio ¹	14.4	16.2
Commission ratio ¹	12.0	1.5
Combined ratio ²	73.9	47.9
Underwriting profit/(loss) ratio ³	-5.2	17.7
Underwriting and investment income ratio ³	11.1	26.4

Solvency and capital

SCR cover ratio (Median)	1.3	1.2
MCR cover ratio (Median)	2.8	2.7

SCR risk components

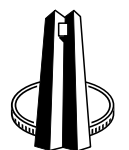


¹ Expressed as a percentage of net written premium during the period.

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

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

⁴ A general decrease in balance sheet items was as a result of the reclassification of one insurer from cell captive to captive



Non-Life insurance: Captive insurers

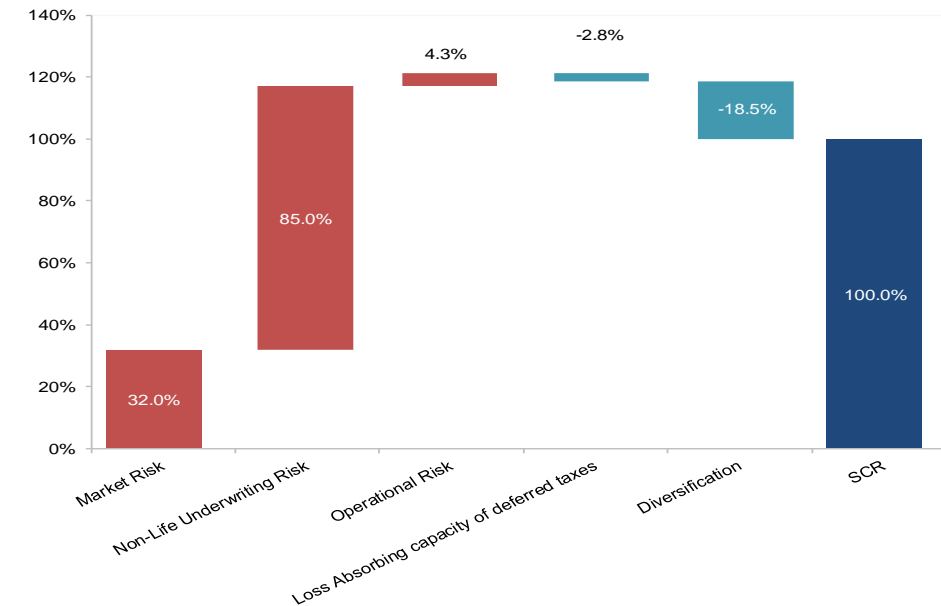
Balance sheet	Sep 2021	Sep 2022	12 Monthly
	R'mil	R'mil	% growth
Total assets ⁴	4,293	30,397	608.0
<i>Of which:</i>			
<i>Total investments</i>	2,593	23,083	790.2
Government bonds	723	2,023	179.9
Corporate bonds	163	2,229	1270.6
Equity	1	2	94.5
Investment funds	98	2,015	1952.1
Structured notes	7	12	73.9
Collateralised securities	6	3	-48.7
Cash and deposits	1,595	16,798	953.2
Total reinsurance recoverables/ (payable)	1,179	3,254	176.0
Derivatives	-	-	0.0
Other assets	521	4,060	679.0
Total Liabilities	2,301	16,422	613.7
<i>Of which:</i>			
Gross technical provisions	2,157	12,169	464.1
Basic own funds	1,993	13,975	601.3
Eligible own funds to meet SCR	2,001	13,975	598.4
Eligible own funds to meet MCR	1,958	13,730	601.3
Profitability			
Gross written premium	839	974	16.1
Reinsurance	603	783	29.9
Net premiums	237	192	-19.0
Net earned premium	72	-23	-132.4
Investment income	25	271	964.8
Net claims paid ⁴	156	196	25.7
Management expenses	2	66	2622.6
Commission paid/ (received)	-66	-85	28.9
Underwriting profit	-87	-335	-283.5
Underwriting and investment income	-62	-64	-3.9
Net profit before tax and dividends	-61	-51	16.5

Performance indicators	Sep 2021	Sep 2022
Claims ratio ^{1 4}	65.9	-837.0
Management expenses ratio ¹	1.0	34.7
Commission ratio ¹	-27.9	-44.5
Combined ratio ²	39.0	-756.7
Underwriting profit/(loss) ratio ³	-120.8	1431.8
Underwriting and investment income ratio ³	-85.6	275.1

Solvency and capital

SCR cover ratio (Median)	1.9	2.2
MCR cover ratio (Median)	7.4	8.6

SCR risk components

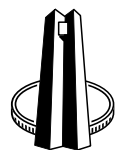


¹ Expressed as a percentage of net earned premium during the period.

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

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

⁴ A general increase in balance sheet items as well as claims paid was as a result of the reclassification of one insurer from cell captive to captive.



Composite reinsurers

Balance sheet

	Sep 2021 R'mil	Sep 2022 R'mil	12 Monthly % growth
Total assets	54,738	49,380	-9.8
Total investments	22,232	17,974	-19.2
Total reinsurance recoverables	20,908	21,207	1.4
Current assets	9,648	7,938	-17.7
Total liabilities	44,204	39,128	-11.5
<i>Of which :</i>			
Gross technical provisions (Life)	13,085	7,430	-43.2
Gross technical provisions (Non-Life)	18,634	20,622	10.7
Reinsurance accounts payable	6,352	6,138	-3.4
Reinsurance deposits	132	6	-95.5
Basic own funds	10,533	10,253	-2.7
Eligible own funds to meet SCR	11,303	12,733	12.7
Eligible own funds to meet MCR	10,085	9,868	-2.1

Profitability

	Sep 2021 Life	Sep 2021 Non-life	Sep 2022 Life	Sep 2022 Non-life
Gross premium	4,104	5,161	4,100	5075
Reinsurance	1,314	4,063	1,289	4077
Net premiums	2,790	1,098	2,811	997
Net earned premiums		1,937		600
Investment Income	173	104	362	91
Net claims paid ⁴	2,264	1,366	2,726	441
Management expenses	198	11	99	31
Commission paid/ (received)	65	-230	-7	55
Other expenses	209	15	43	-2
Underwriting profit		44		160
Underwriting and investment income		148		251
Net profit before tax and dividends	-1,015	135	693	247

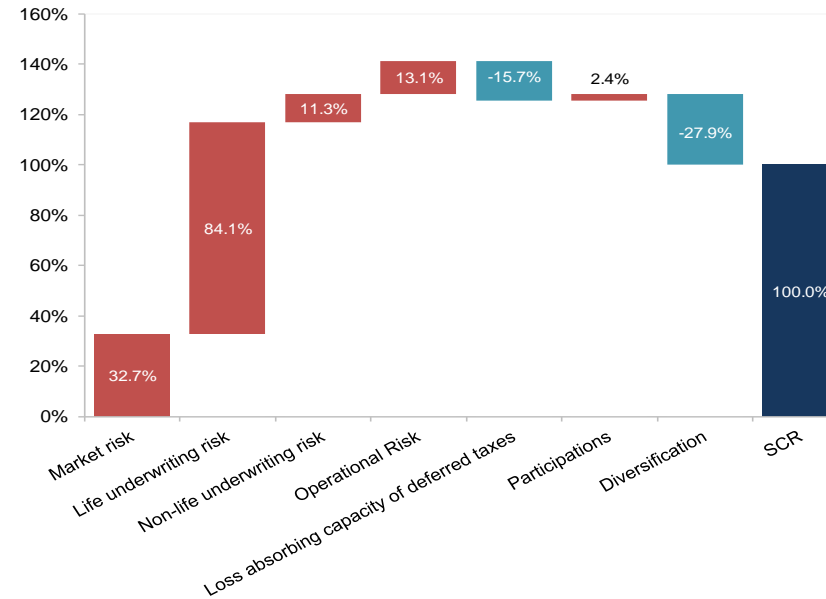
Performance indicators

	Sep 2021 Life (%)	Sep 2021 Non-life (%)	Sep 2022 Life (%)	Sep 2022 Non-life (%)
Claims ratio ^{1,4}	81.1	124.4	97.0	73.6
Management Expenses ratio ¹	7.1	1.0	3.5	5.2
Commission ratio ¹	2.3	-21.0	-0.2	9.1
Combined ratio ²		104.4		87.9
Underwriting profit/(loss) ratio ³		2.3		26.7
Underwriting and investment income ratio ³		7.6		41.9

Solvency and capital

	Sep 2021	Sep 2021	Sep 2022	Sep 2022
SCR cover ratio (Median)	1.5	1.5	1.4	1.4
MCR cover ratio (Median)	3.2	3.2	3.0	3.0

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 Two major reinsurers experienced higher than normal claims.

