

Selected South African insurance sector data

— June 2024



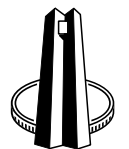
SOUTH AFRICAN RESERVE BANK
Prudential Authority

Contents

Introduction	3
Registered insurance entities in South Africa	4
Life insurance – Primary insurers	5
Life insurance – Cell Captive insurers	6
Non-life insurance – Primary insurers	7
Non-life insurance – Cell Captive insurers	8
Non-life insurance – Captive insurers	9
Composite reinsurers	10

© South African Reserve Bank

All rights reserved. No part of this report may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without fully acknowledging the Prudential Authority as the source. The contents of this report are intended for general information only and are not intended to serve as financial or other advice. While every precaution is taken to ensure the accuracy of information, the Prudential Authority/ South African Reserve Bank shall not be liable to any person for inaccurate information or opinions contained in this report.

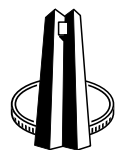


Introduction

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;
- the 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 June 2024.



Registered insurance entities in South Africa

	June 2023	June 2024
Total	161	155
Life primary insurers	61	59
Life cell captives	5	4
Life microinsurers	10	11
Non-life primary insurers	57	56
Non-life cell captives	8	6
Non-life captives	5	5
Non-life microinsurers	0	0
Composite microinsurers	4	3
Professional reinsurers	9	9
Composite reinsurers	4	5
Life reinsurers	1	0
Non-life reinsurers	2	1
Branches of foreign reinsurers	2	3
Other	2	2

Notes:

The total number of entities as stated in this report includes insurers in "run-off".

No aggregated data published in respect of micro insurers, life and non-life reinsurers and branches of foreign reinsurers.



Life insurance: Primary insurers

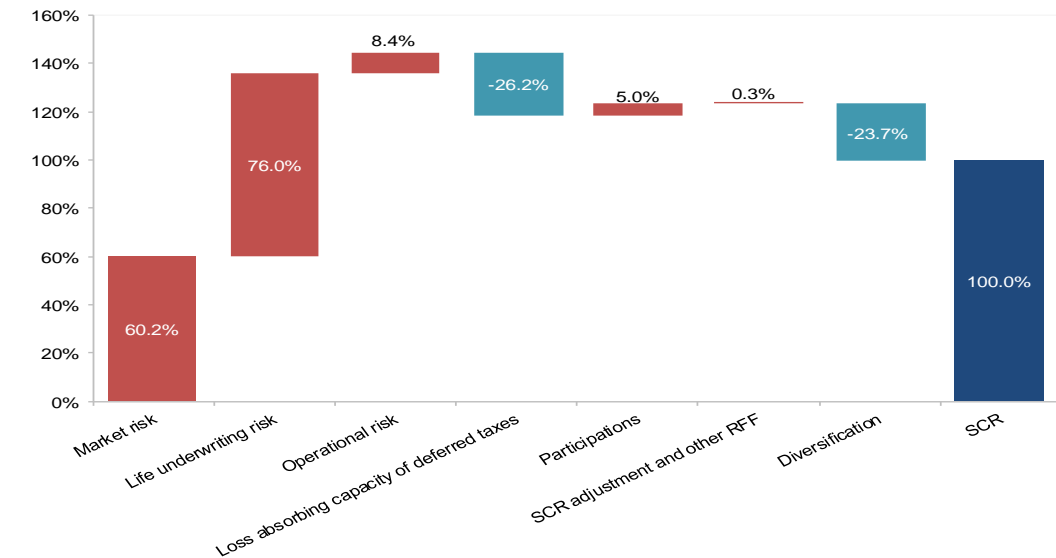
Balance sheet	Jun 2023 R'mil	Jun 2024 R'mil	12 Monthly % growth
Total assets	3,914,465	4,268,872	9.1
<i>Of which:</i>			
Total investments	3,703,307	4,044,441	9.2
Government bonds	321,865	387,379	20.4
Corporate bonds	245,520	266,281	8.5
Equity	542,512	585,031	7.8
Investment funds	2,182,801	2,381,353	9.1
Structured notes	50,387	63,032	25.1
Collateralised securities	12,074	12,607	4.4
Cash and deposits	225,020	198,776	-11.7
Mortgages and loans	92,289	110,164	19.4
Property	30,838	39,817	29.1
Total reinsurance recoverables (payables) ³	-1,696	2,119	225.0
Derivatives	8,052	11,163	38.6
Owner occupied property	5,586	5,454	-2.4
Other assets	199,216	205,695	3.3
Total liabilities	3,562,127	3,903,273	9.6
<i>Of which:</i>			
Gross technical provisions	3,358,757	3,690,275	9.9
Basic own funds	352,338	365,599	3.8
Eligible own funds to meet SCR	358,040	372,581	4.1
Eligible own funds to meet MCR	341,608	355,417	4.0
Profitability			
Gross premium	159,558	173,346	8.6
Reinsurance	5,017	5,460	8.8
Net premiums	154,540	167,886	8.6
Net claims paid	142,158	150,668	6.0
Investment income	117,540	125,269	6.6
Management expenses	16,262	17,853	9.8
Commission paid/ (received)	5,708	6,798	19.1
Other expenses ⁴	1,132	3,104	174.1
Net profit before tax and dividends	12,912	16,452	27.4
Other			
Number of policies at the end of period	48,047,797	51,357,625	6.9
Number of schemes at the end of period	85,909	110,028	28.1

Performance indicators	Jun 2023	Jun 2024
Claims ratio ¹	92.0	89.7
Commission ratio ¹	3.7	4.0
Management expenses ratio ¹	10.5	10.6
Individual lapse ratio ^{2 5}	92.3	62.5
Individual contractual termination ²	14.4	19.3
Individual expiry ²	4.8	2.6
Surrenders ²	5.7	3.6
Surrenders (in-force policies)	0.4	0.3
Individual lapse ratio (in-force policies)	6.0	5.4

Solvency and capital

SCR cover ratio (Median)	1.7	1.8
MCR cover ratio (Median)	4.2	5.0

SCR risk components



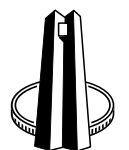
¹ Expressed as a percentage of net written premium during the period.

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

³ Higher than normal reinsurance recoverables were as a result of a refund payable to reinsurers by a particular insurer.

⁴ Other expenses - Increase due to impact of insurance experienced by one insurer during the review period.

⁵ Lapses - one insurer experienced a significant decrease in lapses during the review period.



Life insurance: Cell Captive insurers

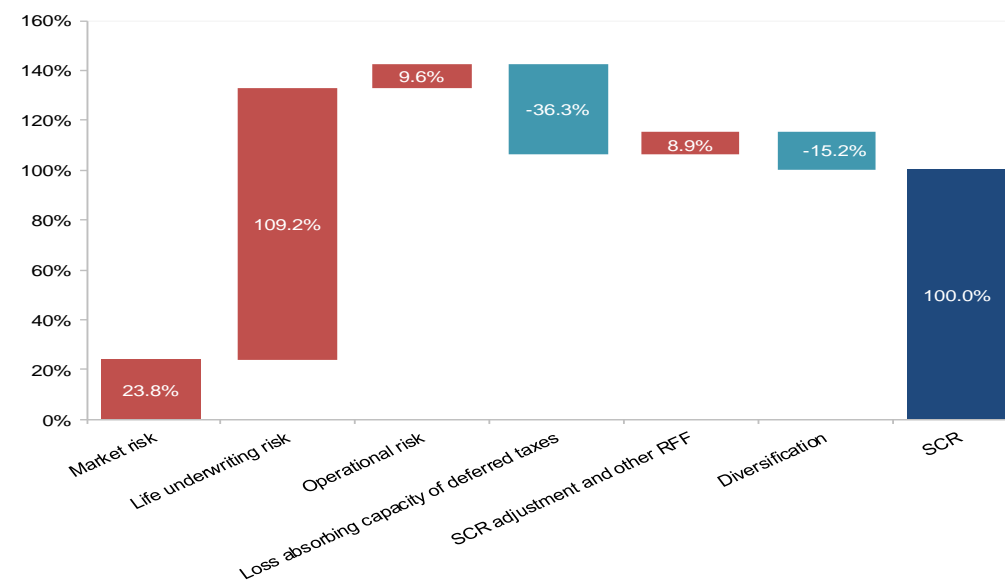
Balance sheet	Jun 2023 R'mil	Jun 2024 R'mil	12 Monthly % growth
Total assets	28,450	29,069	2.2
<i>Of which:</i>			
Total investments	32,504	35,719	9.9
Government bonds ³	1,766	2,794	58.2
Corporate bonds ³	15,086	16,248	7.7
Equity	422	314	-25.6
Investment funds	10,762	11,868	10.3
Structured notes	87	92	6.2
Collateralised securities	222	106	-52.4
Cash and deposits	4,159	4,298	3.3
Mortgages and loans	-	-	0.0
Total reinsurance recoverables/ (payable)	-5,936	-8,799	48.2
Derivatives	-0	0	-195.3
Other assets	1,882	2,149	14.2
Total liabilities	11,926	10,102	-15.3
<i>Of which:</i>			
Gross technical provisions	5,956	3,395	-43.0
Deferred tax liabilities	3,687	4,526	22.8
Basic own funds	16,525	18,967	14.8
Eligible own funds to meet SCR	8,799	10,374	17.9
Eligible own funds to meet MCR	8,799	10,374	17.9
Profitability			
Gross premium	6,014	5,904	-1.8
Reinsurance	1,511	1,409	-6.7
Net premiums	4,504	4,495	-0.2
Net claims paid	1,038	1,794	72.8
Investment income	562	750	33.4
Management expenses ⁴	729	850	16.6
Commission paid/ (received) ⁴	308	687	122.8
Other expenses	-	-	0.0
Net profit before tax and dividends ⁴	3,317	1,999	-39.7
Other			
Number of policies at the end of period	10,743,111	10,678,912	-0.6
Number of schemes at the end of period	101,863	59,390	-41.7

Performance indicators	Jun 2023	Jun 2024
Claims ratio ^{1 4}	23.0	39.9
Commission ratio ^{1 4}	6.8	15.3
Management expenses ratio ^{1 4}	16.2	18.9
Individual lapse ratio ²	22.1	34.7
Individual contractual termination ²	1.8	2.4
Individual expiry ²	64.7	59.0
Surrenders ²	5.3	1.5
Surrenders (in-force policies)	1.1	0.3
Individual lapse ratio (in-force policies)	4.6	7.3

Solvency and capital

SCR cover ratio (Median)	1.2	1.1
MCR cover ratio (Median)	4.1	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 The increase in investments was as a result of higher underlying values in corporate and government bonds.

⁴ Two cell captive insurers experienced higher than normal expenses and commission during the period.



Non-Life insurance: Primary insurers

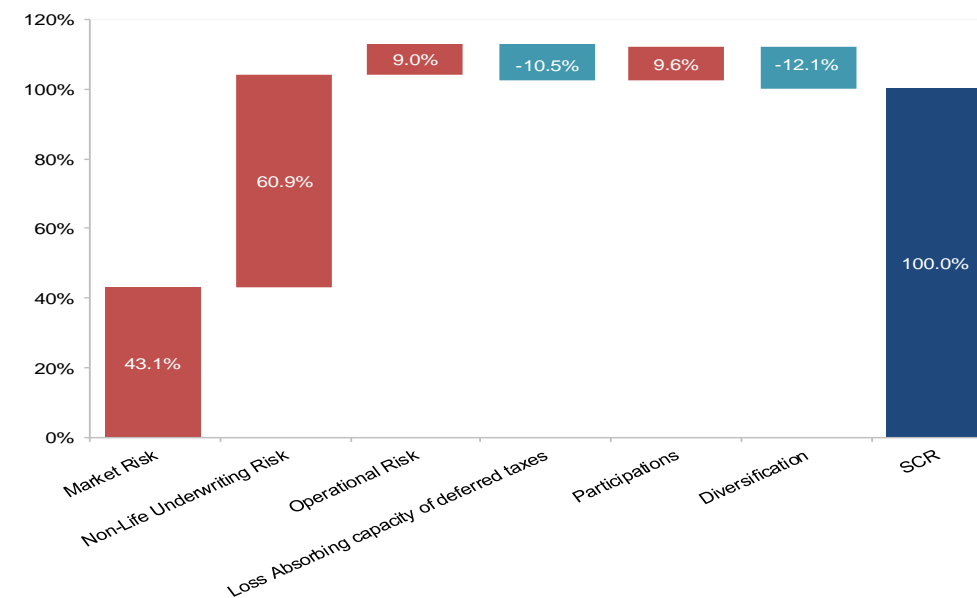
Balance sheet	Jun 2023 R'mil	Jun 2024 R'mil	12 Monthly % growth
Total assets	209,079	222,981	6.6
<i>Of which:</i>			
Total investments	139,463	152,356	9.2
Government bonds	26,632	32,368	21.5
Corporate bonds	36,298	36,585	0.8
Equity	18,906	19,355	2.4
Investment funds	19,104	24,025	25.8
Structured notes	319	603	88.7
Collateralised securities	835	681	-18.4
Cash and deposits	36,069	37,339	3.5
Mortgages and loans	1,257	1,369	8.9
Property	42	31	-26.5
Total reinsurance recoverables/ (payable)	30,067	26,500	-11.9
Derivatives	-401	16	104.0
Owner occupied property	1,583	1,560	-1.5
Other assets	38,366	42,550	10.9
Total liabilities	116,442	119,877	3.0
<i>Of which:</i>			
Gross technical provisions	84,745	83,803	-1.1
Accounts payable	9,409	11,749	24.9
Payables (trade, not insurance)	7,709	7,608	-1.3
Basic own funds	92,637	103,104	11.3
Eligible own funds to meet SCR	69,554	102,425	47.3
Eligible own funds to meet MCR	63,121	96,936	53.6
Profitability			
Gross written premium	41,735	45,541	9.1
Reinsurance	13,397	13,661	2.0
Net premiums	28,338	31,881	12.5
Net earned premium	26,104	28,130	7.8
Investment income ⁴	2,681	4,607	71.8
Net claims paid	12,616	16,774	33.0
Management expenses	7,616	8,773	15.2
Commission paid/ (received)	1,736	2,168	24.9
Underwriting profit ⁵	5,008	1,891	-62.3
Underwriting and investment income	7,689	6,497	-15.5
Net profit before tax and dividends	7,654	6,306	-17.6

Performance indicators	Jun 2023	Jun 2024
Claims ratio ¹	48.3	59.6
Management expenses ratio ¹	29.2	31.2
Commission ratio ¹	6.1	6.8
Combined ratio ²	84.2	98.5
Underwriting profit/(loss) ratio ³	19.2	6.7
Underwriting and investment income ratio	29.5	23.1

Solvency and capital

SCR cover ratio (Median)	1.6	1.7
MCR cover ratio (Median)	3.5	3.9

SCR risk components



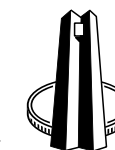
¹ Expressed as a percentage of net written premium during the period.

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

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

⁴ Investment income remained high and grew by 71.8% during the past year. The increase was driven by three major primary insurers.

⁵ The decrease in underwriting profit was mainly driven by higher than normal claims, expenses and commission.



Non-Life insurance: Cell Captive insurers

Balance sheet	Jun 2023 R'mil	Jun 2024 R'mil	12 Monthly % growth
Total assets	46,646	54,398	16.6
<i>Of which:</i>			
<i>Total investments</i>	37,743	44,641	18.3
Government bonds	930	2,325	149.9
Corporate bonds	13,394	14,053	4.9
Equity	746	939	25.8
Investment funds	12,791	17,225	34.7
Structured notes	180	168	-7.0
Collateralised securities	656	708	7.9
Cash and deposits	9,033	9,219	2.1
Mortgages and loans	11	3	-72.1
Total reinsurance recoverables/ (payable)	5,121	5,852	14.3
Derivatives	-0	-0	198.9
Other assets	3,782	3,906	3.3
Total liabilities	33,140	39,956	20.6
<i>Of which:</i>			
Gross technical provisions	28,359	34,557	21.9
Basic own funds	13,506	14,442	6.9
Eligible own funds to meet SCR	7,089	7,429	4.8
Eligible own funds to meet MCR	7,084	7,426	4.8
Profitability			
Gross written premium	9,835	10,347	5.2
Reinsurance	3,721	3,640	-2.2
Net premiums	6,113	6,707	9.7
Net earned premium	4,042	4,014	-0.7
Investment income ³	720	1,114	54.9
Net claims paid	1,592	2,430	52.6
Management expenses	851	1,041	22.3
Commission paid/ (received)	60	106	77.8
Underwriting profit ⁴	839	-189	-122.6
Underwriting and investment income	1,558	925	-40.6
Net profit before tax and dividends ⁴	1,552	908	-41.5

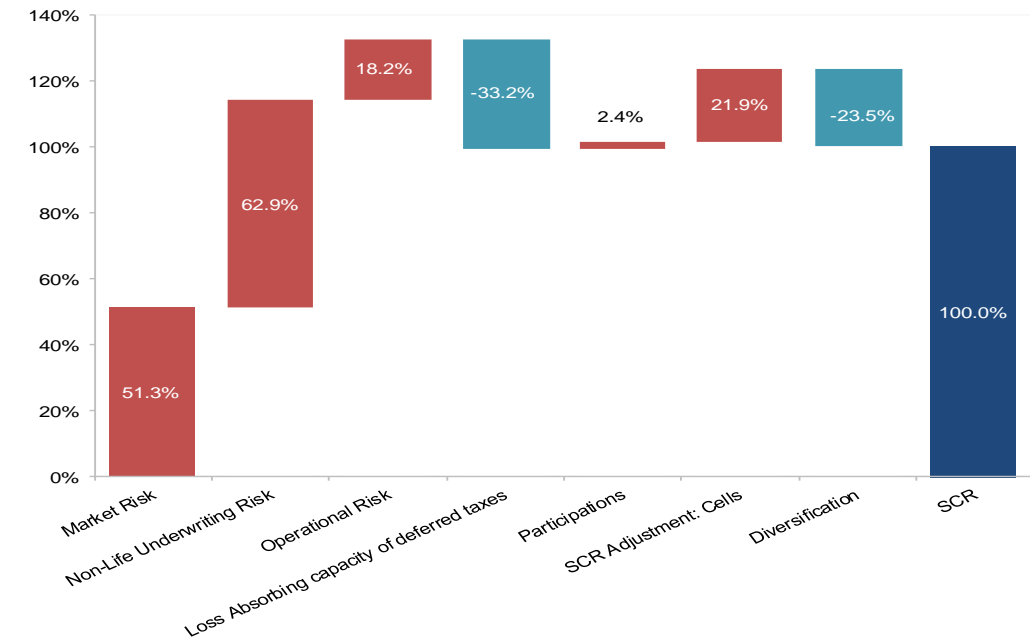
Performance indicators

	Jun 2023	Jun 2024
Claims ratio ¹	39.4	60.5
Management expenses ratio ¹	21.1	25.9
Commission ratio ¹	1.5	2.7
Combined ratio ²	61.9	89.1
Underwriting profit/(loss) ratio ^{1 4}	20.7	-4.7
Underwriting and investment income ratio ^{1 4}	38.5	23.1

Solvency and capital

	Jun 2023	Jun 2024
SCR cover ratio (Median)	1.3	1.2
MCR cover ratio (Median)	2.9	2.7

SCR risk components

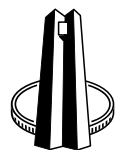


¹ Expressed as a percentage of net earned premium during the period.

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

³ The increase in investment income was mainly driven by income from interest, dividends and rentals.

⁴ The decrease in profitability was mainly driven by one cell captive insurer which reported higher than normal underwriting losses during the period.



Non-Life insurance: Captive insurers

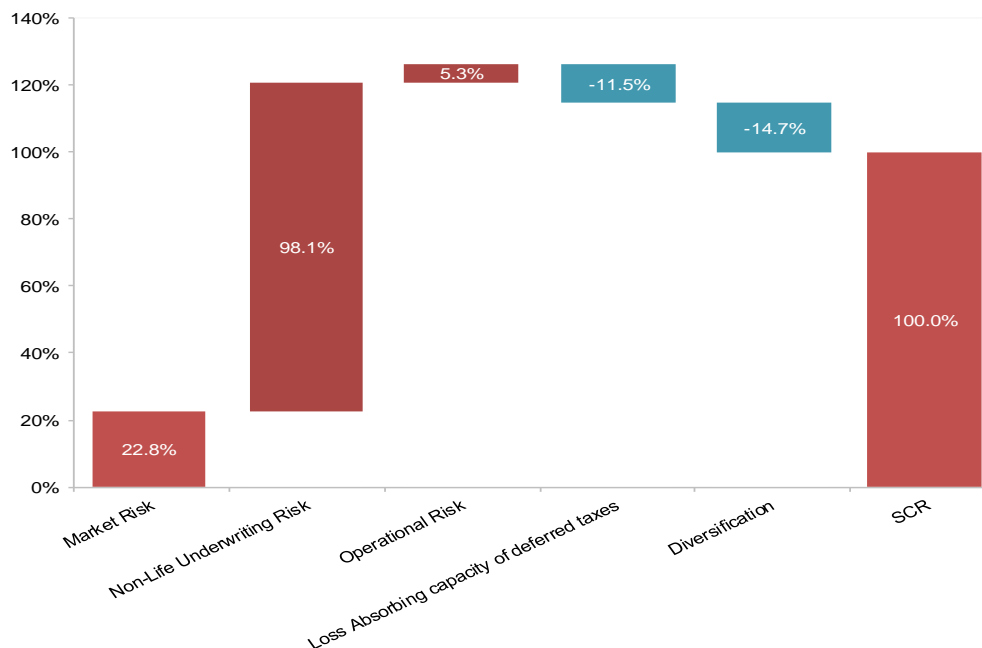
Balance sheet	Jun 2023	Jun 2024	12 Monthly
	R'mil	R'mil	% growth
Total assets	30,921	36,941	19.5
<i>Of which:</i>			
<i>Total investments</i>	26,444	29,826	12.8
Government bonds	2,015	5,016	149.0
Corporate bonds	5,243	5,217	-0.5
Equity	0	0	28.2
Investment funds	1,682	1,895	12.6
Structured notes	13	13	4.2
Collateralised securities	3	4	14.3
Cash and deposits	17,488	17,680	1.1
Total reinsurance recoverables/ (payable)	3,051	4,003	31.2
Derivatives	-	-	0.0
Other assets	1,427	3,112	118.1
Total Liabilities	14,293	18,212	27.4
<i>Of which:</i>			
Gross technical provisions	12,114	17,004	40.4
Basic own funds	16,628	18,729	12.6
Eligible own funds to meet SCR	16,618	18,593	11.9
Eligible own funds to meet MCR	16,611	18,437	11.0
Profitability			
Gross written premium ³	5,519	6,212	12.6
Reinsurance	3,088	2,376	-23.1
Net premiums	2,431	3,836	57.8
Net earned premium ⁴	2,918	-460	-115.8
Investment income	578	767	32.8
Net claims paid	1,048	965	-7.9
Management expenses	50	48	-4.2
Commission paid/ (received)	-309	-51	-83.4
Underwriting profit ⁴	1,887	-1,745	-192.5
Underwriting and investment income	2,464	-979	-139.7
Net profit before tax and dividends ⁴	2,458	-964	-139.2

Performance indicators	Jun 2023	Jun 2024
Claims ratio ^{1 4}	35.9	-209.6
Management expenses ratio ¹	1.7	-10.5
Commission ratio ¹	-10.6	11.1
Combined ratio ^{2 4}	27.0	-209.0
Underwriting profit/(loss) ratio ^{1 4}	64.7	-379.1
Underwriting and investment income ratio ¹	84.5	-212.5

Solvency and capital

SCR cover ratio (Median)	2.6	2.1
MCR cover ratio (Median)	10.3	8.5

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 Though lower than normal, an increase in gross premiums was as a result of two insurers recording higher premiums in the review period as compared to the comparative period.

⁴ A decrease in profitability was mainly driven by one captive which recorded negative earned premiums.



Composite reinsurers

Balance sheet

	Jun 2023 R'mil	Jun 2024 R'mil	12 Monthly % growth
Total assets	49,380	52,563	6.4
Total investments	17,974	24,958	38.9
Total reinsurance recoverables	21,207	17,960	-15.3
Current assets	7,938	6,696	-15.7
Total liabilities	39,128	39,602	1.2
<i>Of which :</i>			
Gross technical provisions (Life)	7,430	7,109	-4.3
Gross technical provisions (Non-Life)	20,622	20,511	-0.5
Reinsurance accounts payable	6,138	4,170	-32.1
Reinsurance deposits ⁵	6	2,191	36829.9
Basic own funds	10,253	12,960	26.4
Eligible own funds to meet SCR	12,733	16,077	26.3
Eligible own funds to meet MCR	9,868	12,722	28.9

Profitability

	Jun 2023 Life	Jun 2023 Non-life	Jun 2024 Life	Jun 2024 Non-life
Gross premium	4,100	5,075	4,230	5,422
Reinsurance	1,289	4,077	1,226	4,428
Net premiums	2,811	997	3,004	994
Net earned premiums		688		723
Investment Income	362	91	464	237
Net claims paid	2,726	553	1,984	523
Management expenses ⁴	99	31	416	148
Commission paid/ (received) ⁴	-7	55	194	409
Other expenses	43	-2	37	82
Underwriting profit		86		107
Underwriting and investment income		177		344
Net profit before tax and dividends	693	179	827	211

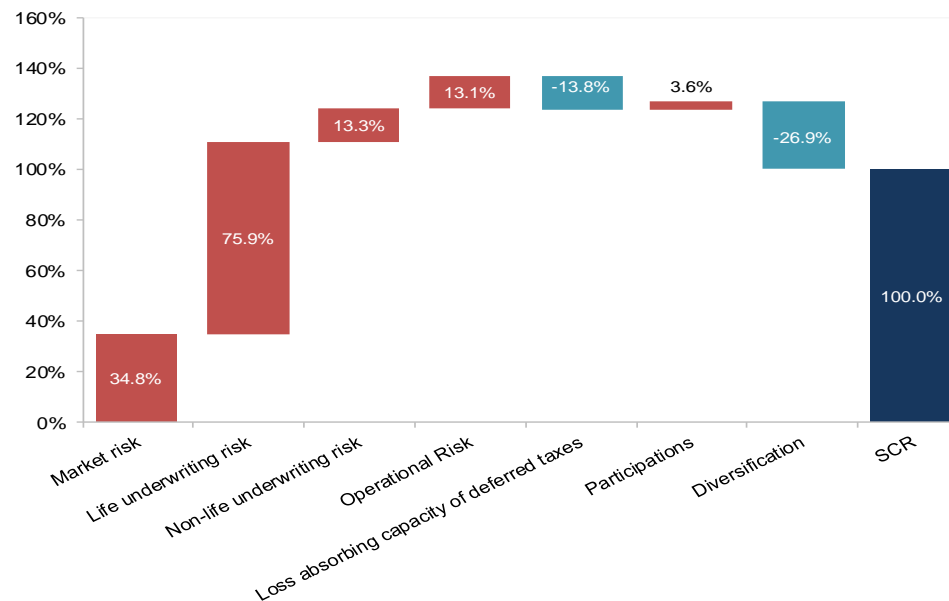
Performance indicators

	Jun 2023 Life (%)	Jun 2023 Non-life (%)	Jun 2024 Life (%)	Jun 2024 Non-life (%)
Claims ratio ¹	97.0	80.3	66.0	72.3
Management Expenses ratio ^{1 4}	3.5	4.5	13.8	20.4
Commission ratio ^{1 4}	-0.2	7.9	6.5	56.6
Combined ratio ^{2 4}		92.7		149.3
Underwriting profit/(loss) ratio ³		12.5		14.8
Underwriting and investment income ratio ³		25.7		47.6

Solvency and capital

	Jun 2023 Life (%)	Jun 2023 Non-life (%)	Jun 2024 Life (%)	Jun 2024 Non-life (%)
SCR cover ratio (Median)	1.4	1.4	1.6	1.6
MCR cover ratio (Median)	3.0	3.0	3.5	3.5

SCR risk components



¹ Life insurers: ratio expressed as a percentage of net written premium. Non-life insurers: ratio expressed as a percentage of net earned premiums.

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

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

⁴ Three non-life reinsurers experienced higher than normal commission and management expenses during the period.

⁵ One composite reinsurer experienced higher than normal reinsurance deposits during the review period.

