

Selected South African insurance sector data

March 2024



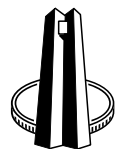
SOUTH AFRICAN RESERVE BANK
Prudential Authority

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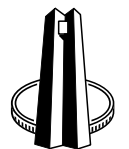


Introduction

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;
- 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 March 2024.



Registered insurance entities in South Africa

	March 2023	March 2024
Total	158	157
Life primary insurers	61	60
Life cell captives	5	5
Life microinsurers	10	11
Non-life primary insurers	56	56
Non-life cell captives	7	6
Non-life captives	4	6
Non-life microinsurers	0	0
Composite microinsurers	4	3
Professional reinsurers	9	8
Composite reinsurers	4	5
Life reinsurers	1	0
Non-life reinsurers	2	1
Branches of foreign reinsurers	2	2
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 reinsurers and branches of foreign reinsurers.



Life insurance: Primary insurers

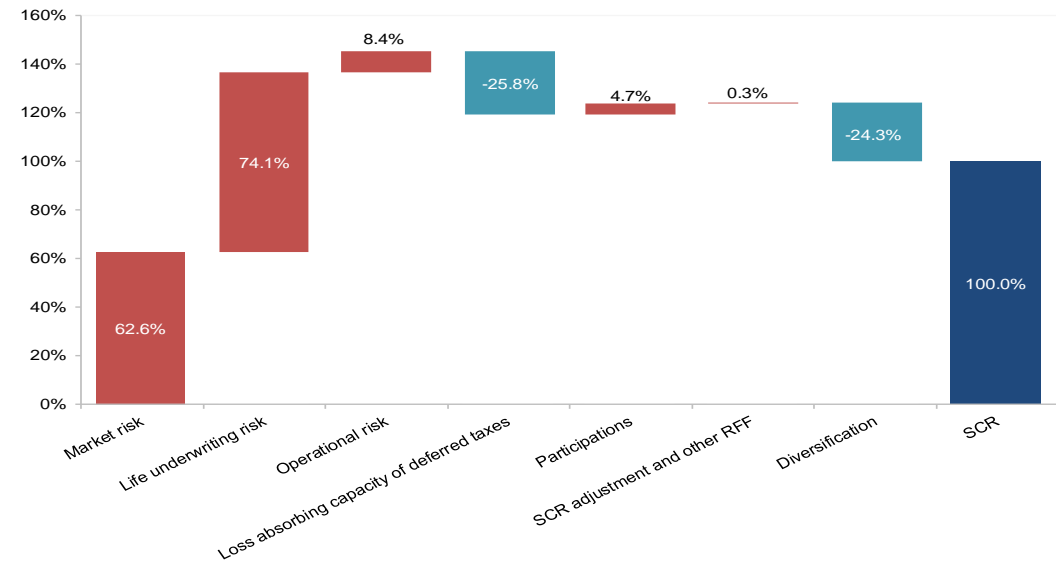
Balance sheet	Mar 2023 R'mil	Mar 2024 R'mil	12 Monthly % growth
Total assets	3,799,638	4,181,255	10.0
<i>Of which:</i>			
Total investments	3,605,651	3,955,953	9.7
Government bonds	332,376	353,313	6.3
Corporate bonds	242,797	261,428	7.7
Equity	540,443	559,872	3.6
Investment funds	2,091,249	2,351,707	12.5
Structured notes	42,563	60,456	42.0
Collateralised securities	14,955	11,991	-19.8
Cash and deposits	215,159	218,603	1.6
Mortgages and loans	93,957	108,691	15.7
Property	32,151	29,893	-7.0
Total reinsurance recoverables (payables) ⁴	-1,702	1,953	-214.8
Derivatives	4,847	7,842	61.8
Owner occupied property	5,515	6,279	13.9
Other assets	185,326	209,228	12.9
Total liabilities	3,449,426	3,814,166	10.6
<i>Of which:</i>			
Gross technical provisions	3,247,280	3,598,209	10.8
Basic own funds	350,212	367,090	4.8
Eligible own funds to meet SCR	349,247	366,143	4.8
Eligible own funds to meet MCR	333,325	347,594	4.3
Profitability			
Gross premium	140,499	158,923	13.1
Reinsurance	4,555	5,478	20.3
Net premiums	135,944	153,444	12.9
Net claims paid	125,811	136,213	8.3
Investment income ³	144,514	103,465	-28.4
Management expenses	14,723	16,155	9.7
Commission paid/ (received)	4,967	5,731	15.4
Other expenses	2,619	2,555	-2.4
Net profit before tax and dividends	26,673	17,675	-33.7
Other			
Number of policies at the end of period	49,019,304	51,071,183	4.2
Number of schemes at the end of period	84,462	101,761	20.5

Performance indicators	Mar 2023	Mar 2024
Claims ratio ¹	92.5	88.8
Commission ratio ¹	3.7	3.7
Management expenses ratio ¹	10.8	10.5
Individual lapse ratio ²	90.4	73.0
Individual contractual termination ²	11.4	15.0
Individual expiry ²	6.5	2.4
Surrenders ²	4.7	4.1
Surrenders (in-force policies)	0.4	0.4
Individual lapse ratio (in-force policies)	6.9	6.5

Solvency and capital

SCR cover ratio (Median)	1.7	1.8
MCR cover ratio (Median)	4.3	4.8

SCR risk components

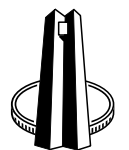


¹ Expressed as a percentage of net written premium during the period.

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

³ A decrease in investment income was as a result of lower unrealised and fair value of adjustments of investments.

⁴ Higher than normal reinsurance recoverables were as a result of a refund payable to reinsurers by a particular insurer.



Life insurance: Cell Captive insurers

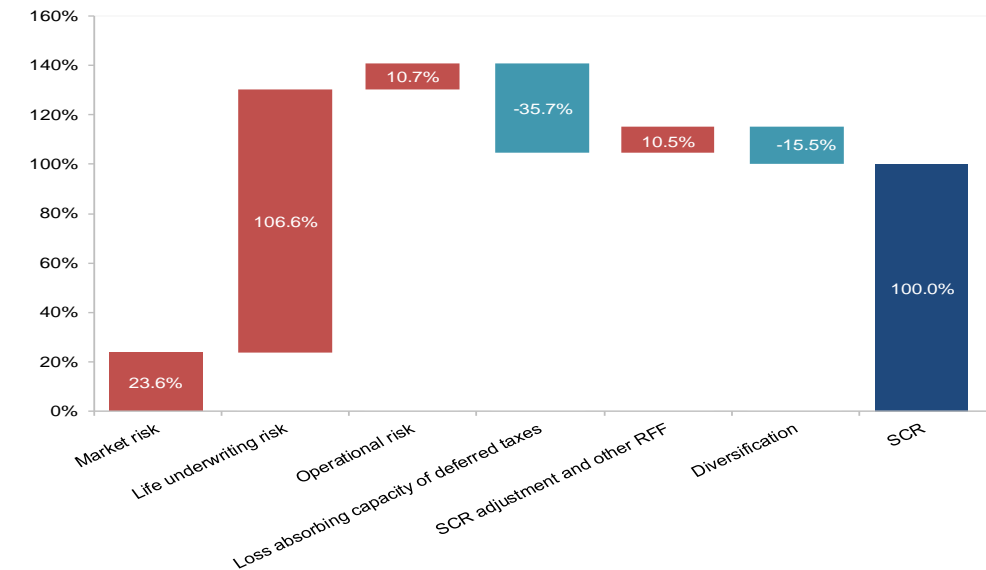
Balance sheet	Mar 2023 R'mil	Mar 2024 R'mil	12 Monthly % growth
Total assets	28,078	30,009	6.9
<i>Of which:</i>			
Total investments	31,495	35,464	12.6
Government bonds ³	1,670	2,696	61.4
Corporate bonds ³	14,429	16,462	14.1
Equity	422	310	-26.5
Investment funds	10,475	11,631	11.0
Structured notes	91	97	6.8
Collateralised securities	128	131	2.2
Cash and deposits	4,280	4,136	-3.4
Mortgages and loans	-	-	0.0
Total reinsurance recoverables/ (payable)	-5,063	-7,133	40.9
Derivatives	0	-	-100.0
Other assets	1,645	1,677	2.0
Total liabilities	12,598	11,582	-8.1
<i>Of which:</i>			
Gross technical provisions	7,141	5,143	-28.0
Deferred tax liabilities	3,278	3,519	7.4
Basic own funds	15,480	18,427	19.0
Eligible own funds to meet SCR	8,822	9,253	4.9
Eligible own funds to meet MCR	8,822	9,253	4.9
Profitability			
Gross premium	7,399	6,237	-15.7
Reinsurance	3,202	1,729	-46.0
Net premiums	4,196	4,508	7.4
Net claims paid	1,317	1,442	9.5
Investment income	727	689	-5.2
Management expenses	593	735	24.0
Commission paid/ (received)	421	515	22.4
Other expenses	-1	-	-100.0
Net profit before tax and dividends	2,480	2,683	8.2
Other			
Number of policies at the end of period	11,155,462	10,712,645	-4.0
Number of schemes at the end of period	98,607	62,621	-36.5

Performance indicators	Mar 2023	Mar 2024
Claims ratio ¹	31.4	32.0
Commission ratio ¹	10.0	11.4
Management expenses ratio ¹	14.1	16.3
Individual lapse ratio ²	29.6	37.8
Individual contractual termination ²	1.7	2.5
Individual expiry ²	55.7	57.0
Surrenders ²	0.0	2.8
Surrenders (in-force policies)	0.0	0.5
Individual lapse ratio (in-force policies)	5.5	6.4

Solvency and capital

SCR cover ratio (Median)	1.2	1.1
MCR cover ratio (Median)	4.1	4.3

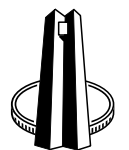
SCR risk components



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 were as a result of higher underlying values in corporate and government bonds.



Non-Life insurance: Primary insurers

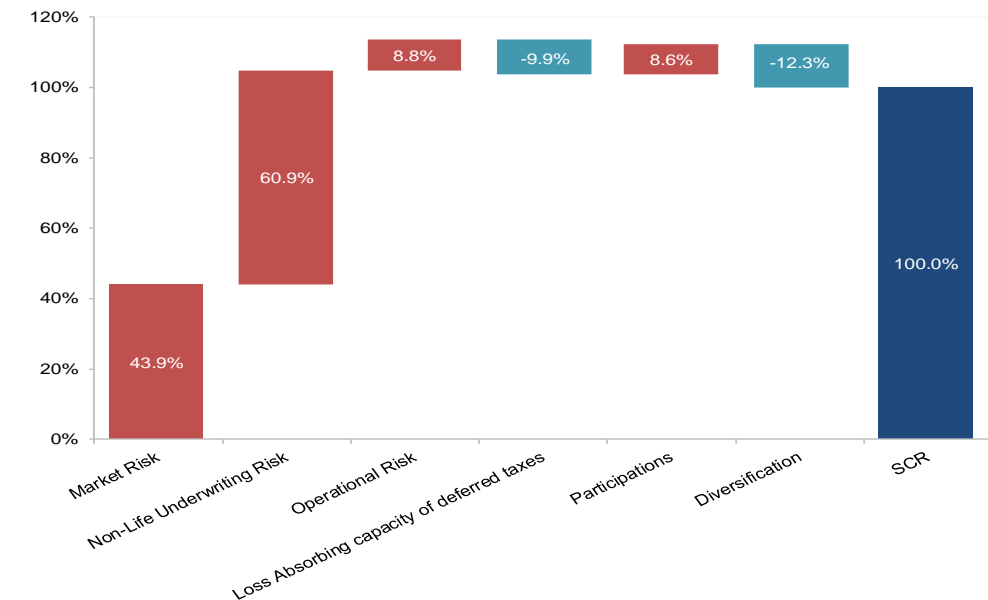
Balance sheet	Mar 2023 R'mil	Mar 2024 R'mil	12 Monthly % growth
Total assets	214,024	222,913	4.2
<i>Of which:</i>			
Total investments	133,467	151,146	13.2
Government bonds	26,904	29,166	8.4
Corporate bonds	34,092	38,036	11.6
Equity	18,460	20,144	9.1
Investment funds	16,839	23,734	41.0
Structured notes	281	422	50.3
Collateralised securities	766	643	-16.1
Cash and deposits	34,296	37,451	9.2
Mortgages and loans	1,789	1,505	-15.9
Property	41	46	12.2
Total reinsurance recoverables/ (payable)	34,970	28,126	-19.6
Derivatives	24	-262	-1203.7
Owner occupied property	1,281	1,620	26.4
Other assets	44,282	42,282	-4.5
Total liabilities	125,120	120,250	-3.9
<i>Of which:</i>			
Gross technical provisions	90,443	85,234	-5.8
Accounts payable	11,646	12,223	5.0
Payables (trade, not insurance)	7,665	6,039	-21.2
Basic own funds	88,904	102,663	15.5
Eligible own funds to meet SCR	88,615	101,819	14.9
Eligible own funds to meet MCR	84,274	96,539	14.6
Profitability			
Gross written premium	39,846	41,079	3.1
Reinsurance	12,970	11,285	-13.0
Net premiums	26,876	29,794	10.9
Net earned premium	25,734	28,495	10.7
Investment income ³	3,917	2,610	-33.4
Net claims paid	13,908	16,806	20.8
Management expenses	7,145	7,318	2.4
Commission paid/ (received)	1,519	2,223	46.3
Underwriting profit	1,783	2,311	29.6
Underwriting and investment income ³	5,699	4,921	-13.7
Net profit before tax and dividends	5,248	5,301	1.0

Performance indicators	Mar 2023	Mar 2024
Claims ratio ¹	54.0	59.0
Management expenses ratio ¹	27.8	25.7
Commission ratio ¹	5.7	7.5
Combined ratio ²	87.7	92.5
Underwriting profit/(loss) ratio ¹	6.9	8.1
Underwriting and investment income ratio	22.1	17.3

Solvency and capital

SCR cover ratio (Median)	1.5	1.6
MCR cover ratio (Median)	3.4	4.1

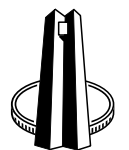
SCR risk components



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

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

³ While the investment income remained high, the y/y growth percentage change showed a decrease of 33.4%, driven by three major primary insurers that recorded a substantive y/y decline in investment income for the review period.



Non-Life insurance: Cell Captive insurers

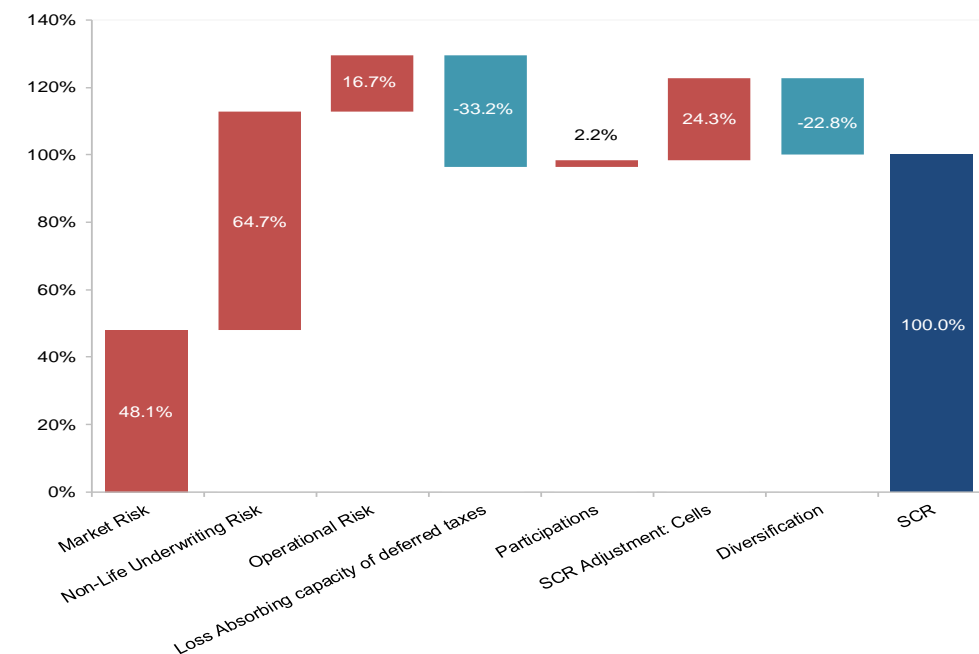
Balance sheet	Mar 2023 R'mil	Mar 2024 R'mil	12 Monthly % growth
Total assets	45,436	50,206	10.5
<i>Of which:</i>			
<i>Total investments</i>	34,618	42,490	22.7
Government bonds	1,070	2,266	111.8
Corporate bonds	13,200	13,117	-0.6
Equity	757	831	9.8
Investment funds	10,673	15,673	46.8
Structured notes	182	141	-22.8
Collateralised securities	423	655	55.0
Cash and deposits	8,303	9,804	18.1
Mortgages and loans	11	3	-73.0
Total reinsurance recoverables/ (payable)	7,495	4,704	-37.2
Derivatives	-0	-1	-882.8
Other assets	3,324	3,013	-9.4
Total liabilities	32,570	35,399	8.7
<i>Of which:</i>			
Gross technical provisions	28,749	30,880	7.4
Basic own funds	12,866	14,807	15.1
Eligible own funds to meet SCR	6,539	7,796	19.2
Eligible own funds to meet MCR	6,466	7,794	20.5
Profitability			
Gross written premium	6,412	7,841	22.3
Reinsurance	2,470	2,729	10.5
Net premiums	3,942	5,111	29.7
Net earned premium	4,471	4,406	-1.4
Investment income ³	693	823	18.8
Net claims paid	1,827	1,845	1.0
Management expenses	784	943	20.3
Commission paid/ (received)	33	46	41.8
Underwriting profit	276	335	21.3
Underwriting and investment income	969	1,158	19.5
Net profit before tax and dividends ⁴	958	1,347	40.6

Performance indicators	Mar 2023	Mar 2024
Claims ratio ¹	40.9	41.9
Management expenses ratio ¹	17.5	21.4
Commission ratio ¹	0.7	1.0
Combined ratio ²	59.1	64.3
Underwriting profit/(loss) ratio ¹	6.2	7.6
Underwriting and investment income ratio ¹	21.7	26.3

Solvency and capital

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

SCR risk components

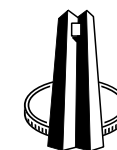


¹ Expressed as a percentage of net earned premium during the period.

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 One cell captive insurer reported higher profitability.



Non-Life insurance: Captive insurers

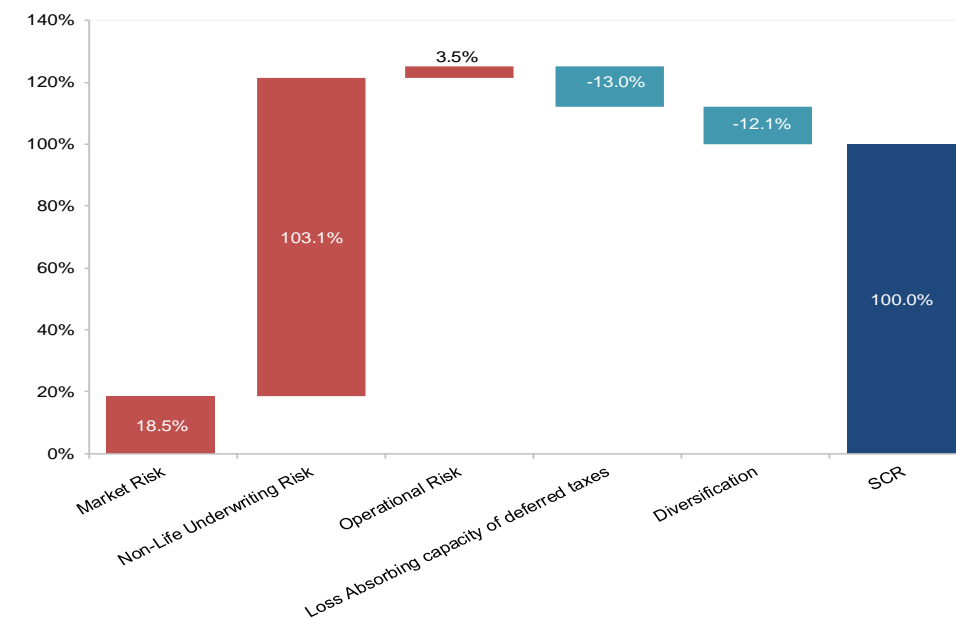
Balance sheet	Mar 2023	Mar 2024	12 Monthly
	R'mil	R'mil	% growth
Total assets	28,101	30,984	10.3
<i>Of which:</i>			
<i>Total investments</i>	24,491	26,663	8.9
Government bonds	2,009	4,110	104.6
Corporate bonds	5,365	5,302	-1.2
Equity	1	0	-71.3
Investment funds	1,632	1,736	6.4
Structured notes	13	11	-11.9
Collateralised securities	3	4	12.9
Cash and deposits	15,468	15,500	0.2
Total reinsurance recoverables/ (payable)	2,467	3,663	48.5
Derivatives	-	-	0.0
Other assets	1,142	658	-42.4
Total Liabilities	12,004	11,428	-4.8
<i>Of which:</i>			
Gross technical provisions	11,210	11,184	-0.2
Basic own funds	16,097	19,557	21.5
Eligible own funds to meet SCR	16,097	19,458	20.9
Eligible own funds to meet MCR	16,079	19,314	20.1
Profitability			
Gross written premium ³	1	79	15049.6
Reinsurance	-70	28	-139.7
Net premiums	70	51	-27.2
Net earned premium	772	241	-68.8
Investment income	629	603	-4.2
Net claims paid ⁴	-143	-1,239	-768.0
Management expenses	126	80	-37.0
Commission paid/ (received)	-125	-78	-37.7
Underwriting profit ⁴	710	1,234	73.8
Underwriting and investment income	1,339	1,837	37.2
Net profit before tax and dividends ⁴	1,341	3,117	132.5

Performance indicators	Mar 2023	Mar 2024
Claims ratio ¹	-18.5	-514.1
Management expenses ratio ¹	16.4	33.0
Commission ratio ¹	-16.2	-32.3
Combined ratio ²	-18.3	-513.4
Underwriting profit/(loss) ratio ^{1 4}	92.0	512.1
Underwriting and investment income ratio ^{1 4}	173.5	762.1

Solvency and capital

SCR cover ratio (Median)	2.1	2.0
MCR cover ratio (Median)	8.3	7.9

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 Low premiums in 2023Q1 relate to most captive insurers not receiving premiums, due to the nature of captive business.

⁴ Overall, captive insurers experienced higher profitability due to refunds on claims from reinsurers.



Composite reinsurers

Balance sheet

	Mar 2023 R'mil	March 2024 R'mil	12 Monthly % growth
Total assets	47,413	52,369	10.5
Total investments	19,499	24,852	27.5
Total reinsurance recoverables	17,983	18,003	0.1
Current assets	7,996	6,938	-13.2
Total liabilities	37,288	39,841	6.8
<i>Of which :</i>			
Gross technical provisions (Life)	7,188	6,879	-4.3
Gross technical provisions (Non-Life)	18,258	20,130	10.2
Reinsurance accounts payable	5,511	4,555	-17.3
Reinsurance deposits	1	2,258	275847.5
Basic own funds	10,125	12,528	23.7
Eligible own funds to meet SCR	12,701	15,379	21.1
Eligible own funds to meet MCR	9,818	11,975	22.0

Profitability

	Mar 2023 Life	Mar 2023 Non-life	March 2024 Life	March 2024 Non-life
Gross premium	4,304	4,534	4,214	5,044
Reinsurance	1,330	3,758	1,375	4,341
Net premiums	2,973	776	2,839	703
Net earned premiums		1,094		543
Investment Income	572	139	266	192
Net claims paid	2,679	526	2,694	655
Management expenses	157	21	132	127
Commission paid/ (received)	245	183	146	174
Other expenses	73	83	-0	68
Underwriting profit ⁴		519		-229
Underwriting and investment income		658		-36
Net profit before tax and dividends	564	577	521	-69

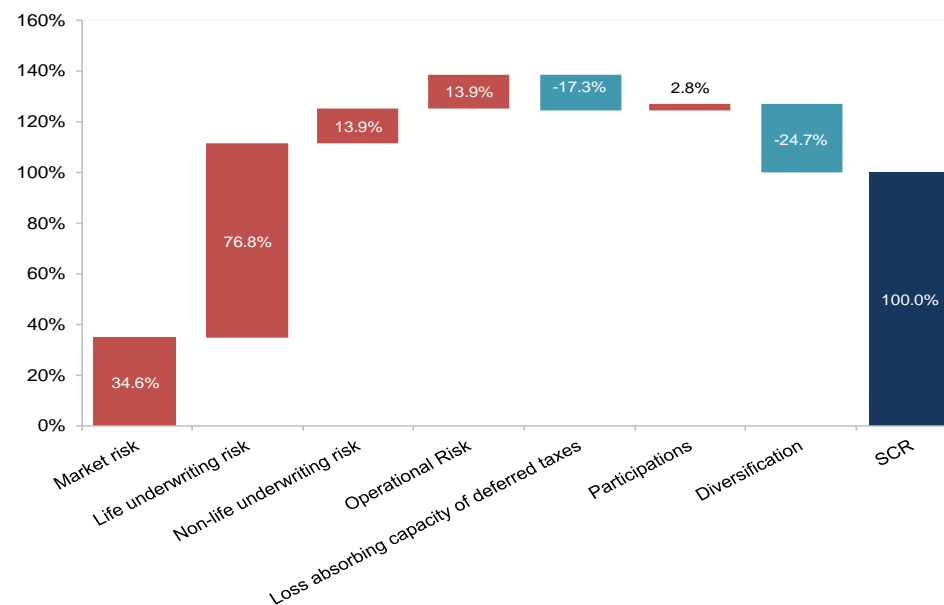
Performance indicators

	Mar 2023 Life (%)	Mar 2023 Non-life (%)	March 2024 Life (%)	March 2024 Non-life (%)
Claims ratio ¹	90.1	48.1	94.9	120.6
Management Expenses ratio ¹	5.3	1.9	4.7	23.4
Commission ratio ¹	8.2	16.7	5.1	32.0
Combined ratio ²		66.7		176.0
Underwriting profit/(loss) ratio ^{3 4}		47.4		-42.1
Underwriting and investment income ratio ³		60.2		-6.7

Solvency and capital

	Mar 2023 Life (%)	Mar 2023 Non-life (%)	March 2024 Life (%)	March 2024 Non-life (%)
SCR cover ratio (Median)	1.4	1.4	1.6	1.6
MCR cover ratio (Median)	2.9	2.9	3.5	3.5

SCR risk components



¹ For Life insurers ratio is expressed as a percentage of net written premium/ Non-Life 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 One major non-life reinsurer experienced underwriting losses during the review period.

