

# Selected South African insurance sector data

## September 2024



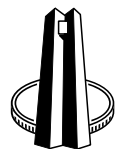
SOUTH AFRICAN RESERVE BANK  
Prudential Authority

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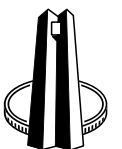


# Introduction

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 September 2024.



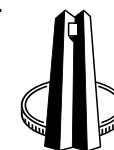
# Registered insurance entities in South Africa

	September 2023	September 2024
<b>Total</b>	<b>161</b>	<b>155</b>
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

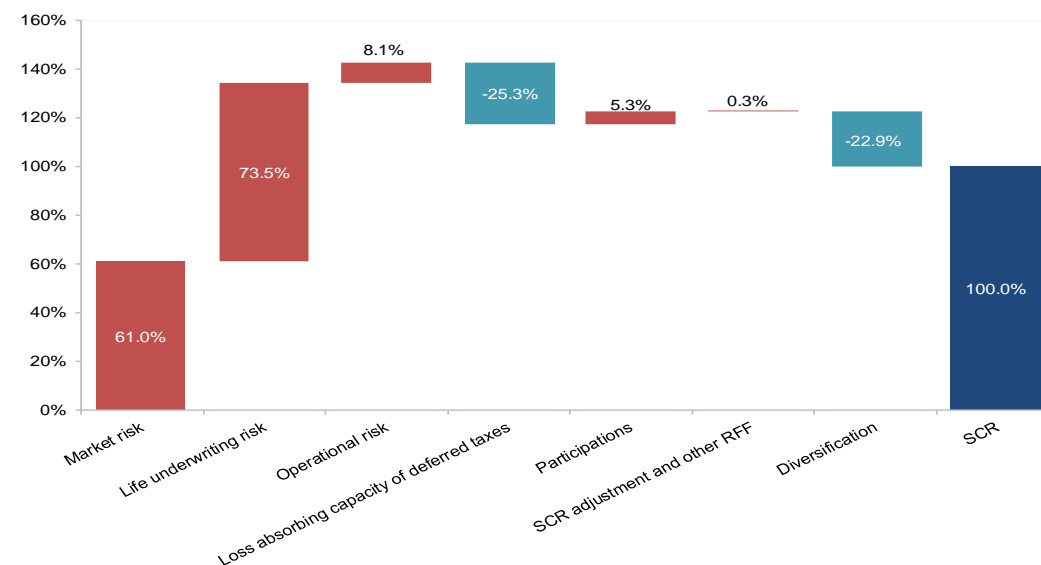
Balance sheet	Sep 2023 R'mil	Sep 2024 R'mil	12 Monthly % growth
<b>Total assets</b>	<b>3,864,163</b>	<b>4,439,587</b>	<b>14.9</b>
<i>Of which:</i>			
Total investments	3,650,175	4,215,411	15.5
Government bonds	333,819	426,872	27.9
Corporate bonds	249,059	283,117	13.7
Equity	518,616	616,912	19.0
Investment funds	2,138,659	2,445,079	14.3
Structured notes	46,302	64,463	39.2
Collateralised securities	11,561	12,741	10.2
Cash and deposits	218,361	211,908	-3.0
Mortgages and loans	100,834	114,391	13.4
Property	32,963	39,929	21.1
Total reinsurance recoverables (payables) <sup>3</sup>	-1,153	1,087	194.2
Derivatives	7,619	11,609	52.4
Owner occupied property	5,607	5,316	-5.2
Other assets	201,916	206,165	2.1
<b>Total liabilities</b>	<b>3,512,182</b>	<b>4,081,654</b>	<b>16.2</b>
<i>Of which:</i>			
Gross technical provisions	3,306,309	3,868,159	17.0
<b>Basic own funds</b>	<b>351,981</b>	<b>357,933</b>	<b>1.7</b>
Eligible own funds to meet SCR	357,099	363,657	1.8
Eligible own funds to meet MCR	340,729	347,103	1.9
<b>Profitability</b>			
Gross premium	163,950	184,887	12.8
Reinsurance	5,184	5,574	7.5
Net premiums	158,766	179,314	12.9
Net claims paid	148,042	161,262	8.9
Investment income <sup>4</sup>	-27,296	218,619	900.9
Management expenses	16,740	17,236	3.0
Commission paid/ (received)	6,509	6,463	-0.7
Other expenses	2,890	8,399	190.6
Net profit before tax and dividends <sup>4</sup>	4,795	21,985	358.5
<b>Other</b>			
Number of policies at the end of period	50,154,405	49,053,942	-2.2
Number of schemes at the end of period	94,200	108,639	15.3

Performance indicators	Sep 2023	Sep 2024
Claims ratio <sup>1</sup>	93.2	89.9
Commission ratio <sup>1</sup>	4.1	3.6
Management expenses ratio <sup>1</sup>	10.5	9.6
Individual lapse ratio <sup>2 5</sup>	72.5	58.1
Individual contractual termination <sup>2</sup>	16.3	23.3
Individual expiry <sup>2</sup>	3.2	3.4
Surrenders <sup>2</sup>	3.8	3.4
Surrenders (in-force policies)	0.3	0.3
Individual lapse ratio (in-force policies)	6.4	5.6

## Solvency and capital

SCR cover ratio (Median)	1.8	1.8
MCR cover ratio (Median)	4.5	3.7

## SCR risk components



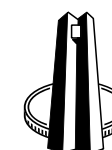
<sup>1</sup> Expressed as a percentage of net written premium during the period.

<sup>2</sup> Expressed as a percentage of the number of new policies issued during the period.

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

<sup>4</sup> Investment Income- increase due to impact of lower base experienced prior year due to geopolitical tension.

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

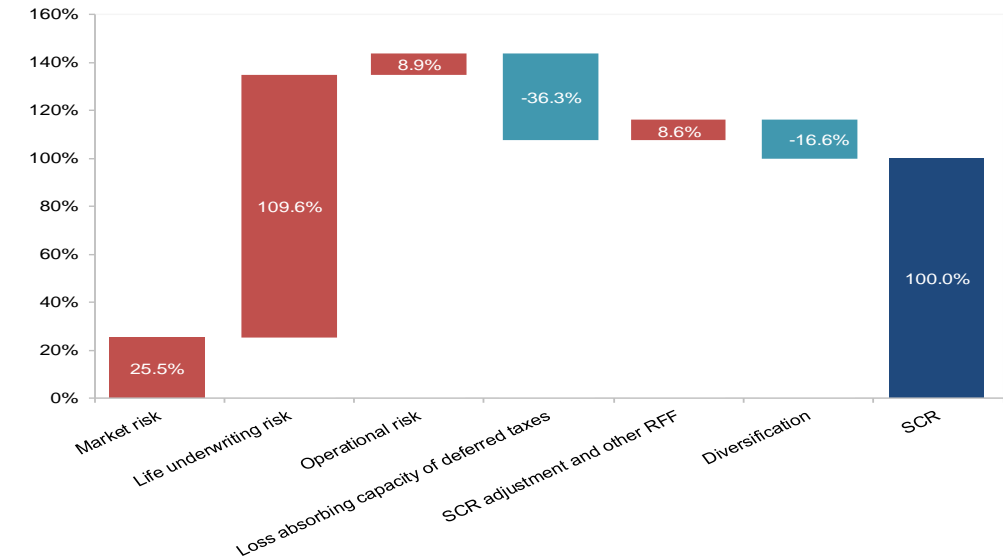


# Life insurance: Cell Captive insurers

Balance sheet	Sep 2023 R'mil	Sep 2024 R'mil	12 Monthly % growth
<b>Total assets</b>	<b>28,945</b>	<b>29,956</b>	<b>3.5</b>
<i>Of which:</i>			
Total investments	33,687	37,459	11.2
Government bonds	2,086	3,462	66.0
Corporate bonds	16,026	16,548	3.3
Equity	403	482	19.7
Investment funds	10,699	12,307	15.0
Structured notes	106	97	-8.2
Collateralised securities	213	158	-25.8
Cash and deposits	4,155	4,405	6.0
Mortgages and loans	-	-	0.0
Total reinsurance recoverables/ (payable)	-6,208	-9,366	50.9
Derivatives	-	-0	0.0
Other assets	1,466	1,863	27.1
<b>Total liabilities</b>	<b>11,901</b>	<b>9,495</b>	<b>-20.2</b>
<i>Of which:</i>			
Gross technical provisions	5,790	1,749	-69.8
Deferred tax liabilities	3,735	5,036	34.8
<b>Basic own funds</b>	<b>17,044</b>	<b>20,461</b>	<b>20.0</b>
Eligible own funds to meet SCR	8,823	11,187	26.8
Eligible own funds to meet MCR	8,823	11,187	26.8
<b>Profitability</b>			
Gross premium	6,168	6,045	-2.0
Reinsurance	2,113	1,686	-20.2
Net premiums	4,055	4,359	7.5
Net claims paid	1,271	2,028	59.5
Investment income <sup>3</sup>	267	791	196.4
Management expenses <sup>4</sup>	564	894	58.6
Commission paid/ (received) <sup>4</sup>	396	509	28.7
Other expenses	-	-	0.0
Net profit before tax and dividends	1,985	2,790	40.6
<b>Other</b>			
Number of policies at the end of period	10,916,951	10,688,308	-2.1
Number of schemes at the end of period <sup>5</sup>	102,989	60,255	-41.5

Performance indicators	Sep 2023	Sep 2024
Claims ratio <sup>1 4</sup>	31.3	46.5
Commission ratio <sup>1 4</sup>	9.8	11.7
Management expenses ratio <sup>1 4</sup>	13.9	20.5
Individual lapse ratio <sup>2</sup>	30.6	33.9
Individual contractual termination <sup>2</sup>	2.2	2.7
Individual expiry <sup>2</sup>	50.2	55.0
Surrenders <sup>2</sup>	2.9	2.1
Surrenders (in-force policies)	0.5	0.5
Individual lapse ratio (in-force policies)	5.7	7.5
<b>Solvency and capital</b>		
SCR cover ratio (Median)	1.2	1.1
MCR cover ratio (Median)	4.1	4.2

## SCR risk components



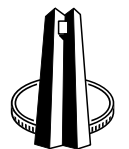
<sup>1</sup> Expressed as a percentage of net written premiums.

<sup>2</sup> Expressed as a percentage of the number of new policies issued during the period.

<sup>3</sup> Investment Income - Increase due to impact of lower base experienced prior year due to geopolitical tension.

<sup>4</sup> Two cell captive insurers experienced higher than normal expenses, claims and commission during the period.

<sup>5</sup> Number of schemes- One insurer experienced a significant decline in number of schemes.



# Non-Life insurance: Primary insurers

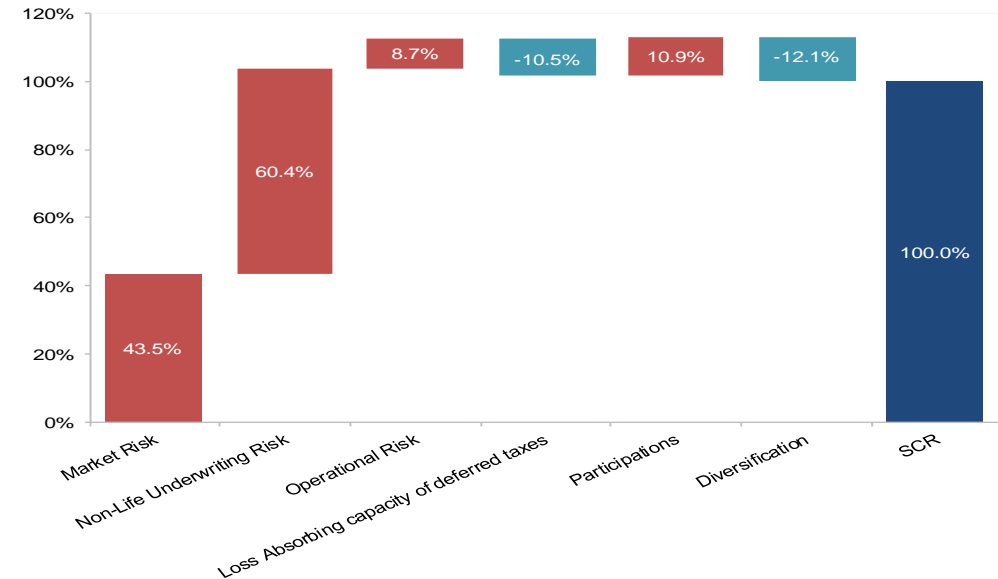
Balance sheet	Sep 2023 R'mil	Sep 2024 R'mil	12 Monthly % growth
<b>Total assets</b>	<b>215,365</b>	<b>235,443</b>	<b>9.3</b>
<i>Of which:</i>			
Total investments	147,046	162,428	10.5
Government bonds	29,470	34,588	17.4
Corporate bonds	38,694	31,304	-19.1
Equity	18,795	18,628	-0.9
Investment funds	21,159	30,565	44.5
Structured notes	384	756	96.9
Collateralised securities	722	1,424	97.4
Cash and deposits	36,121	43,754	21.1
Mortgages and loans	1,654	1,408	-14.9
Property	46	0	-99.6
Total reinsurance recoverables/ (payable)	28,621	26,685	-6.8
Derivatives	-275	115	141.8
Owner occupied property	1,468	1,564	6.6
Other assets	38,505	44,651	16.0
<b>Total liabilities</b>	<b>123,009</b>	<b>126,698</b>	<b>3.0</b>
<i>Of which:</i>			
Gross technical provisions	86,948	86,424	-0.6
Accounts payable	10,616	14,017	32.0
Payables (trade, not insurance)	6,939	6,937	0.0
<b>Basic own funds</b>	<b>92,356</b>	<b>108,746</b>	<b>17.7</b>
Eligible own funds to meet SCR	92,214	107,457	16.5
Eligible own funds to meet MCR	87,292	101,864	16.7
<b>Profitability</b>			
Gross written premium	43,450	46,899	7.9
Reinsurance	13,570	13,920	2.6
Net premiums	29,880	32,979	10.4
Net earned premium	27,095	29,878	10.3
Investment income <sup>4</sup>	2,972	5,031	69.3
Net claims paid	16,480	16,617	0.8
Management expenses	7,312	8,851	21.0
Commission paid/ (received)	2,018	2,199	9.0
Underwriting profit <sup>5</sup>	2,226	3,167	42.3
Underwriting and investment income	5,198	8,198	57.7
Net profit before tax and dividends <sup>5</sup>	5,893	7,884	33.8

Performance indicators	Sep 2023	Sep 2024
Claims ratio <sup>1</sup>	60.8	55.6
Management expenses ratio <sup>1</sup>	27.0	29.6
Commission ratio <sup>1</sup>	6.8	6.7
Combined ratio <sup>2</sup>	95.3	92.6
Underwriting profit/(loss) ratio <sup>3</sup>	8.2	10.6
Underwriting and investment income ratio	19.2	27.4

## Solvency and capital

SCR cover ratio (Median)	1.6	1.8
MCR cover ratio (Median)	3.8	4.2

## SCR risk components



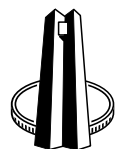
<sup>1</sup> Expressed as a percentage of net written premium during the period.

<sup>2</sup> Claims + commission + expenses as a percentage of net earned premium.

<sup>3</sup> Expressed as a percentage of net earned premium during the period.

<sup>4</sup> Growth in investment income remained high at 69.3% for the period, driven by three major primary insurers which recorded a substantive y/y increase in investment income.

<sup>5</sup> The increase in profits was mainly driven by higher than normal net earned premiums and investment income.



# Non-Life insurance: Cell Captive insurers

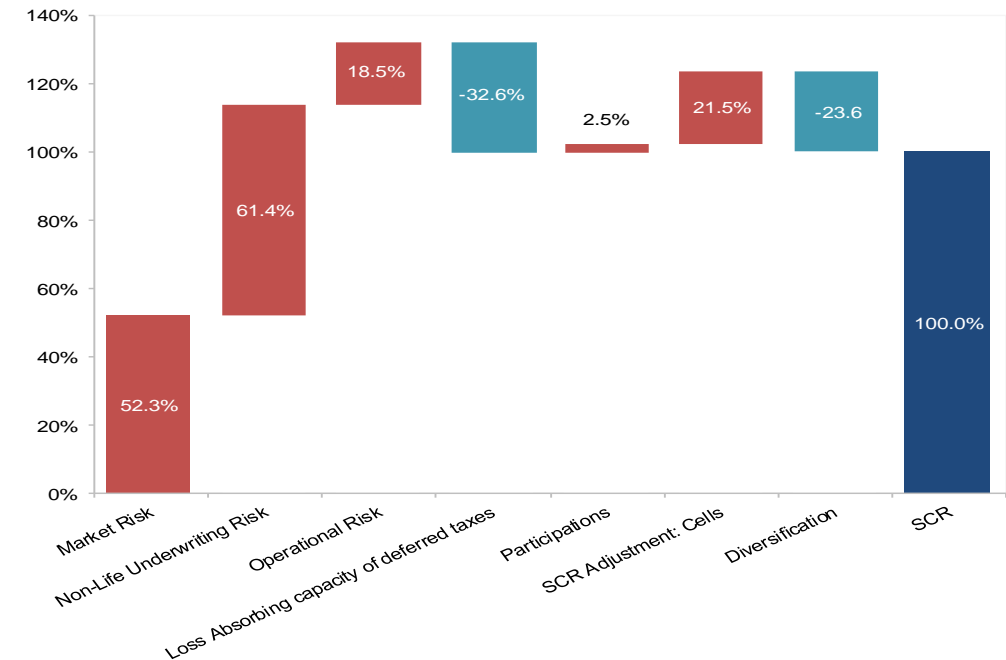
Balance sheet	Sep 2023 R'mil	Sep 2024 R'mil	12 Monthly % growth
<b>Total assets</b>	<b>49,492</b>	<b>57,852</b>	<b>16.9</b>
<i>Of which:</i>			
<i>Total investments</i>	40,299	47,871	18.8
Government bonds	2,391	2,847	19.0
Corporate bonds	14,129	15,899	12.5
Equity	717	893	24.4
Investment funds	13,627	18,435	35.3
Structured notes	197	241	21.9
Collateralised securities	664	719	8.2
Cash and deposits	8,562	8,835	3.2
Mortgages and loans	11	3	-72.0
Total reinsurance recoverables/ (payable)	5,784	5,816	0.5
Derivatives	0	-0	-201.8
Other assets	3,409	4,166	22.2
<b>Total liabilities</b>	<b>35,431</b>	<b>42,255</b>	<b>19.3</b>
<i>Of which:</i>			
Gross technical provisions	30,558	35,672	16.7
<b>Basic own funds</b>	<b>14,061</b>	<b>15,597</b>	<b>10.9</b>
Eligible own funds to meet SCR	7,375	7,971	8.1
Eligible own funds to meet MCR	7,364	7,969	8.2
<b>Profitability</b>			
Gross written premium	8,452	9,904	17.2
Reinsurance	3,661	4,331	18.3
Net premiums	4,791	5,573	16.3
Net earned premium	6,132	3,296	-46.2
Investment income <sup>3</sup>	761	1,661	118.3
Net claims paid	1,520	2,186	43.8
Management expenses	841	1,099	30.6
Commission paid/ (received)	17	154	826.1
Underwriting profit	141	268	89.4
Underwriting and investment income	902	1,929	113.8
Net profit before tax and dividends	884	1,922	117.5

Performance indicators	Sep 2023	Sep 2024
Claims ratio <sup>1</sup>	24.8	66.3
Management expenses ratio <sup>1</sup>	13.7	33.3
Commission ratio <sup>1</sup>	0.3	4.7
Combined ratio <sup>2</sup>	38.8	104.3
Underwriting profit/(loss) ratio <sup>2</sup>	2.3	8.1
Underwriting and investment income ratio <sup>2</sup>	14.7	58.5

## Solvency and capital

SCR cover ratio (Median)	1.2	1.2
MCR cover ratio (Median)	2.9	2.8

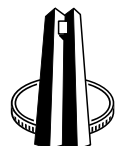
## SCR risk components



<sup>1</sup> Expressed as a percentage of net earned premium during the period.

<sup>2</sup> Claims + commission + expenses as a percentage of net earned premium.

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





# Non-Life insurance: Captive insurers

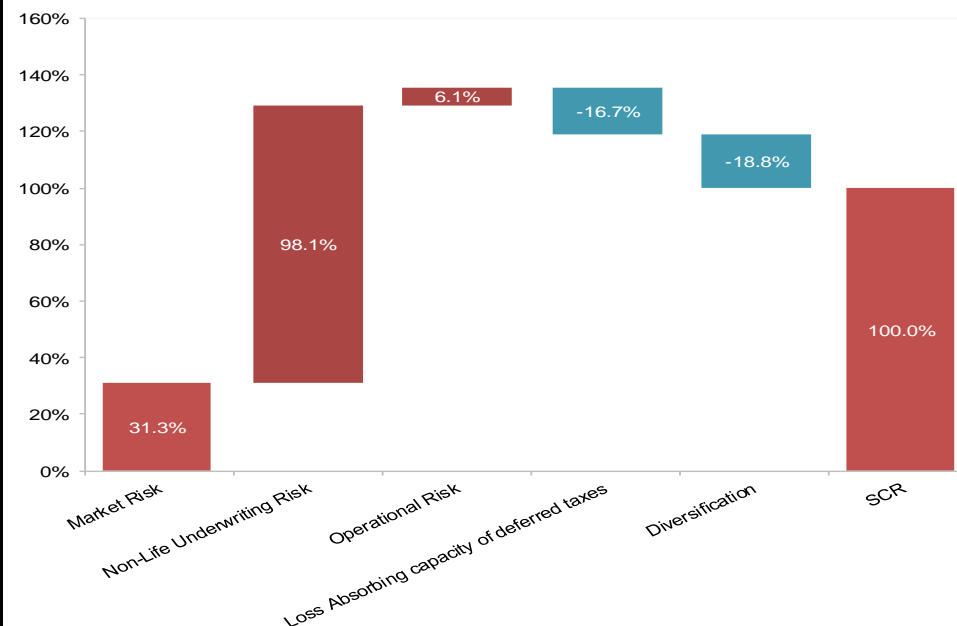
Balance sheet	Sep 2023	Sep 2024	12 Monthly
	R'mil	R'mil	% growth
<b>Total assets</b>	<b>30,913</b>	<b>37,583</b>	<b>21.6</b>
<i>Of which:</i>			
<i>Total investments</i>	26,370	32,157	21.9
Government bonds	2,511	5,062	101.6
Corporate bonds	5,365	5,371	0.1
Equity	0	0	41.9
Investment funds	1,627	2,054	26.3
Structured notes	14	12	-14.8
Collateralised securities	3	3	-6.4
Cash and deposits	16,849	19,654	16.6
Total reinsurance recoverables/ (payable)	3,362	4,562	35.7
Derivatives	-	-	0.0
Other assets	1,182	864	-26.9
<b>Total Liabilities</b>	<b>14,288</b>	<b>17,538</b>	<b>22.7</b>
<i>Of which:</i>			
Gross technical provisions	12,984	16,626	28.1
<b>Basic own funds</b>	<b>16,626</b>	<b>20,045</b>	<b>20.6</b>
Eligible own funds to meet SCR	16,619	19,943	20.0
Eligible own funds to meet MCR	16,579	19,783	19.3
<b>Profitability</b>			
Gross written premium <sup>3</sup>	805	1,043	29.6
Reinsurance	280	959	242.6
Net premiums	525	85	-83.9
Net earned premium	346	1,661	379.9
Investment income	506	809	59.9
Net claims paid <sup>4</sup>	886	586	-33.9
Management expenses	52	48	-8.1
Commission paid/ (received)	-101	-88	-12.5
Underwriting profit	-526	999	289.7
Underwriting and investment income <sup>4</sup>	-20	1,808	8933.6
Net profit before tax and dividends <sup>4</sup>	-18	1,841	10061.0

Performance indicators	Sep 2023	Sep 2024
Claims ratio <sup>1 4</sup>	256.0	35.3
Management expenses ratio <sup>1</sup>	14.9	2.9
Commission ratio <sup>1</sup>	-29.1	-5.3
Combined ratio <sup>2 4</sup>	241.9	32.8
Underwriting profit/(loss) ratio <sup>1 4</sup>	-152.1	60.1
Underwriting and investment income ratio <sup>1</sup>	-5.9	108.8

## Solvency and capital

SCR cover ratio (Median)	1.9	2.2
MCR cover ratio (Median)	7.2	8.8

## SCR risk components

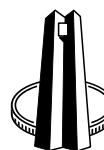


<sup>1</sup> Expressed as a percentage of net earned premium during the period.

<sup>2</sup> Claims + commission + expenses as a percentage of net earned premium.

<sup>3</sup> An increase in gross premiums was as a result of two insurers recording higher premiums in the review period as compared to the previous period.

<sup>4</sup> Overall higher profitability was mainly due to higher net earned premiums and lower claims (driven by one captive insurer).



## Composite reinsurers

### Balance sheet

	Sep 2023	Sep 2024	12 Monthly
	R'mil	R'mil	% growth
<b>Total assets</b>	<b>51,059</b>	<b>53,287</b>	<b>4.4</b>
Total investments	23,599	25,609	8.5
Total reinsurance recoverables	19,081	17,845	-6.5
Current assets	6,297	6,631	5.3
<b>Total liabilities</b>	<b>39,168</b>	<b>39,400</b>	<b>0.6</b>
<i>Of which :</i>			
Gross technical provisions (Life)	6,372	6,744	5.8
Gross technical provisions (Non-Life)	20,125	20,079	-0.2
Reinsurance accounts payable	4,059	4,483	10.5
Reinsurance deposits	2,224	2,180	-2.0
<b>Basic own funds</b>	<b>11,891</b>	<b>13,888</b>	<b>16.8</b>
Eligible own funds to meet SCR	14,647	17,094	16.7
Eligible own funds to meet MCR	11,719	13,627	16.3

### Profitability

	Sep 2023	Sep 2023	Sep 2024	Sep 2024
	Life	Non-life	Life	Non-life
Gross premium	4,461	6,627	4,334	8,128
Reinsurance	1,322	5,384	1,273	6,704
Net premiums	3,138	1,243	3,061	1,424
Net earned premiums		888		758
Investment Income	252	194	440	274
Net claims paid	2,739	924	3,124	643
Management expenses	331	89	239	127
Commission paid/ (received)	150	324	231	330
Other expenses	15	41	47	44
Underwriting profit		17		48
Underwriting and investment income		211		322
Net profit before tax and dividends	167	167	-422	244

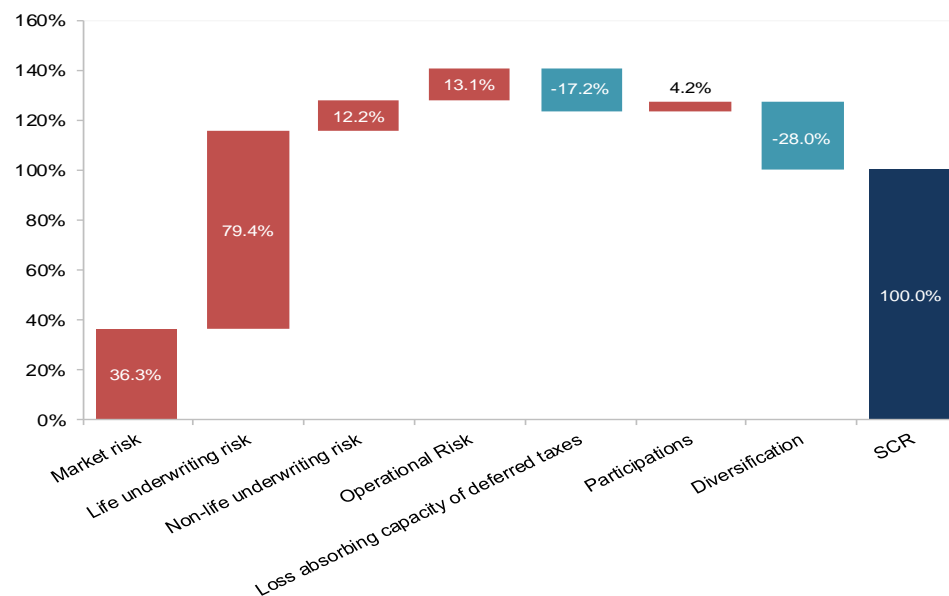
### Performance indicators

	Sep 2023	Sep 2023	Sep 2024	Sep 2024
	Life (%)	Non-life (%)	Life (%)	Non-life (%)
Claims ratio <sup>1</sup>	87.3	104.0	102.0	84.8
Management Expenses ratio <sup>1 4</sup>	10.5	10.0	7.8	16.8
Commission ratio <sup>1 4</sup>	4.8	36.5	7.5	43.5
Combined ratio <sup>2 4</sup>		150.5		145.0
Underwriting profit/(loss) ratio <sup>3</sup>		1.9		6.3
Underwriting and investment income ratio <sup>3</sup>		23.8		42.4

### Solvency and capital

SCR cover ratio (Median)	1.5	1.5	1.7	1.7
MCR cover ratio (Median)	3.4	3.4	3.7	3.7

### SCR risk components



<sup>1</sup> Life insurers: ratio expressed as a percentage of net written premium / Non-Life insurers: ratio expressed as a percentage of net earned premiums.

<sup>2</sup> Claims + commission + expenses as a percentage of net earned premiums.

<sup>3</sup> Expressed as a percentage of net earned premium during the period.

<sup>4</sup> Non-life: Three reinsurers experienced higher than normal commission and management expenses during the period.

