

SOUTH AFRICA

Insurance Market Overview

by Hussein Elsayed



(I) SOUTH AFRICA: General Information

Region	Southern Africa		UN membership date	07 November 1945		
Population (000, 2025)	64 747 ^a		Surface area (km ²)	1 221 037 ^b		
Pop. density (per km ² , 2025)	53.0 ^a		Sex ratio (m per 100 f)	94.8 ^a		
Capital city	Pretoria ^c		National currency	Rand (ZAR)		
Capital city pop. (000, 2025)	2 472.6 ^d		Exchange rate (per US\$)	18.7 ^e		
Economic indicators	2015	2020	2025			
GDP: Gross domestic product (million current US\$)	346 486	338 291	377 782 ^b			
GDP growth rate (annual %, const. 2015 prices)	1.3	- 6.0	0.6 ^b			
GDP per capita (current US\$)	6 108.0	5 586.0	5 976.0 ^b			
Economy: Agriculture (% of Gross Value Added)	2.5	2.9	2.8 ^b			
Economy: Industry (% of Gross Value Added)	26.3	25.8	27.3 ^b			
Economy: Services and other activity (% of GVA)	71.2	71.4	69.9 ^b			
Employment in agriculture (% of employed) ^f	15.4	21.4	18.8 ^b			
Employment in industry (% of employed) ^f	21.4	17.6	17.7 ^b			
Employment in services & other sectors (% employed) ^f	63.2	61.0	63.5 ^b			
Unemployment rate (% of labour force)	25.1	29.2	33.7 ^f			
Labour force participation rate (female/male pop. %)	51.0 / 65.0	48.7 / 61.3	53.1 / 64.4 ^f			
CPI: Consumer Price Index (2010=100) ^{g,h}	130	164	202 ^e			
Agricultural production index (2014-2016=100)	101	111	114 ^b			
International trade: exports (million current US\$)	80 036	85 227 ^f	110 109 ^e			
International trade: imports (million current US\$)	85 267	68 943 ^f	101 240 ^e			
International trade: balance (million current US\$)	- 5 232	16 284 ^f	8 869 ^e			
Balance of payments, current account (million US\$)	- 14 944	6 771	- 2 384 ^e			
Major trading partners	2024					
Export partners (% of exports)	China	11.3	Areas nes ⁱ	7.6	United States	7.5
Import partners (% of imports)	China	21.5	India	7.2	Germany	7.0
Social indicators	2015	2020	2025			
Population growth rate (average annual %)	2.3	1.6	1.1 ^a			
Urban population (% of total population)	64.8	66.9 ^d	...			
Urban population growth rate (average annual %)	2.2 ⁱ			
Fertility rate, total (live births per woman)	2.4	2.3	2.2 ^a			
Life expectancy at birth (females/males, years)	67.0 / 60.8	67.9 / 62.2	70.0 / 63.0 ^a			
Population age distribution (0-14/60+ years old, %) ^k	28.3 / 8.0	27.0 / 9.4	25.7 / 10.4 ^a			
International migrant stock (000/% of total pop.) ^l	3 162.6 / 5.6	2 639.1 / 4.4	2 631.1 / 4.1 ^e			
Refugees and others of concern to the UNHCR (000)	912.6	266.7	163.4 ^e			
Under five mortality rate (per 1000 live births)	39.1	29.3	30.5 ^a			
Health: Current expenditure (% of GDP) ^m	8.1	9.0	8.8 ⁿ			
Health: Physicians (per 1 000 pop.)	0.8	0.8 ^d	0.8 ⁿ			
Education: Primary gross enrol. ratio (f/m per 100 pop.)	104.2 / 110.3	98.9 / 103.6	99.7 / 105.1 ⁿ			
Education: Lowr. sec. gross enrol. ratio (f/m per 100 pop.)	105.6 / 102.9	106.3 / 105.3	101.5 / 103.2 ⁿ			
Education: Upr. sec. gross enrol. ratio (f/m per 100 pop.)	103.9 / 105.8	110.0 / 94.0	113.8 / 98.4 ⁿ			
Intentional homicide rate (per 100 000 pop.)	32.9	33.0	43.7 ⁿ			
Seats held by women in the National Parliament (%)	41.5	46.4 ^o	44.6 ^o			
Environment and infrastructure indicators	2015	2020	2025			
Individuals using the Internet (per 100 inhabitants) ^f	51.9	72.1 ^p	75.7 ^b			
Research & Development expenditure (% of GDP)	0.7	0.6	...			
Threatened species (number)	527	597	1 039 ^e			
Forested area (% of land area)	14.2	14.1	14.0 ⁿ			
CO2 emission estimates (million tons/tons per capita)	465.7 / 8.2	444.6 / 7.3	437.1 / 7.0 ⁿ			
Energy production, primary (Petajoules)	6 465	6 219	5 789 ⁿ			
Energy supply per capita (Gigajoules)	100	89	87 ⁿ			
Tourist/visitor arrivals at national borders (000) ^q	8 904 ^r	2 802	5 698 ⁿ			
Important sites for terrestrial biodiversity protected (%)	17.8	19.5	19.9 ^e			
Pop. using safely mgd. drinking water (urban/rural, %)	84.3 / ...	81.6 / ...	80.5 / ... ⁿ			
Pop. using safely mgd. sanitation (urban/rural, %)	70.9 / ...	72.5 / ...	73.1 / ... ⁿ			
Net Official Development Assist. received (% of GNI)	0.42	0.36	0.40 ^b			

a Projected est. (medium fertility variant). **b** 2023. **c** Pretoria is the administrative capital, Cape Town is the legislative capital and Bloemfontein is the judiciary capital. **d** 2019. **e** 2024. **f** Estimate. **g** All urban consumers. **h** Calculated by the UN Statistics Division from national indices. **i** Areas not elsewhere specified. **j** Data refers to a 5-year period preceding the reference year. **k** Calculated by the UN Statistics Division. **l** Including refugees. **m** Data refer to fiscal years beginning 1 April. **n** 2022. **o** Data at 1 January of the reporting year. **p** Population aged 10 years and over. **q** Excluding transit. **r** Break in the time series.

1 - SOUTH AFRICA: COUNTRY RISKS

▪ **Political & Security**

- South Africa maintains relatively strong democratic institutions but faces:
- **Rising political fragmentation** and potential coalition instability
- **High crime rates**, particularly in urban areas
- **Frequent social unrest** driven by inequality and unemployment
- **Governance and corruption challenges**, despite recent improvements

▪ **Economic & Fiscal**

- **Modest economic growth** constrained by structural issues (notably energy shortages)
- **Elevated public debt** limiting fiscal flexibility
- **Very high unemployment**, impacting social and economic stability
- **Exposure to commodity cycles** and currency volatility

▪ **Financial Sector & Liquidity**

- **Well-developed banking sector** with relatively strong regulation
- **Manageable liquidity risks**, but sensitive to capital outflows
- **Currency volatility (ZAR)** affecting investor confidence
- **Rising interest rates** impacting credit quality

▪ **Geo-Regional Risks**

- **Spillover risks** from Sub-Saharan regional instability
- **Dependence on regional trade and supply chains**
- **Indirect exposure to global geopolitical shocks** (energy, commodities)



2 - SOUTH AFRICA: NATURAL CATASTROPHE (NATCAT) RISKS

▪ **Flooding**

- **Major and recurring risk**, especially in KwaZulu-Natal and eastern coastal areas
- Driven by **intense rainfall and weak drainage infrastructure**
- Leads to **significant infrastructure and insured losses**

▪ **Drought & Heat Stress**

- **High-impact, long-term risk**, especially in Western Cape and inland regions
- Causes **water shortages, agricultural losses, and energy stress**
- Increasing frequency due to **climate change trends**

▪ **Coastal Erosion & Storm Surge**

- Affects **eastern and southern coastlines**
- Driven by **sea-level rise and severe storms**
- Impacts **coastal infrastructure, tourism, and ports**

▪ **Geophysical (Earthquake)**

- **Low natural earthquake risk**
- **Localized seismic activity** linked to mining operations
- Overall **limited geophysical exposure**

Conclusion

South Africa combines **structural economic and socio-political risks** with **notable climate-related exposures**, particularly floods and droughts. These factors are key in shaping the country's overall risk and insurance landscape.

(II) SOUTH AFRICA: Insurance Market

KEY HIGHLIGHTS

- *The PA and FSCA regulate the South African insurance industry.*
- *The placement of non-admitted insurance is permitted only with an approval from the FSCA, provided no domestic insurer is providing such insurance at equitable terms.*
- *100% FDI is permitted in the South African insurance industry.*
- *The key classes of compulsory insurance include third-party liability insurance for commercial flight operators, workers' compensation, insurance against oil pollution for tankers over 2,000 tons, clinical trials liability insurance for injury and damage and environmental liability insurance.*
- *Composite insurance is prohibited in South Africa. However, composite reinsurance is permitted..*

(A) Insurance Market - Historical Landmarks and Regulatory Environment

- **1830s – 1900 | ORIGINS & COLONIAL ERA**
 - **1831** The South African Fire & Life Assurance Company was founded in Cape Town
 - **1890** Branch offices of British companies opened in South Africa. One of the first to do so was Guardian, which started operations in 1890 through the agency of C G Smith.
 - **1845:** Old Mutual founded
 - Mining boom (gold & diamonds) drives insurance demand
 - Entry of UK & European insurers
- **1900 – 1970s | Emergence of large domestic insurance groups**
 - **1918** Santam opened for business in Cape Town
 - **1943** The Insurance Act 27 of 1943 was promulgated. Post-1943 a number of other foreign companies worked through local underwriting agents, but following a change in the legislation which required insurance companies to be incorporated locally with a minimum of 30% of the share capital held in South Africa, the major foreign insurance companies established local companies.
 - **1970** The Mutual & Federal was formed following the merger of Royal Insurance Group and SA Mutual Fire and General Insurance.
 - **1979** Following the Soweto riots, and the short-term insurance industry's reluctance to provide insurance cover for political risks, the South African Special Risk Insurance Association (Sasria) was formed to insure what might be termed "political riot".
 - Rapid expansion of life insurance and Development of commercial insurance lines.
- **1980s – 1990 | Transition to structured and regulated market**
 - **1990** The Financial Services Board (FSB) was established as a statutory body by the Financial Services Board Act 97 of 1990.
 - Market becomes more regulated
 - The beginning of specialization in both life insurance and non-life insurance and adoption of early IT systems.
- **1994 – 2005 | LIBERALISATION & GLOBALISATION**
 - End of apartheid (**1994**)
 - **1998** The Short-term Insurance Act 53 of 1998 was gazette.
 - **2002** The Financial Advisory and Intermediary Services (FAIS) Act 37 of 2002 was passed.
 - Market opens to foreign insurers & global reinsurers.
 - Increased competition & product innovation.

- **2005 – 2015 | MARKET MATURITY**

- **2008** The Consumer Protection Act 68 of 2008 came into operation incrementally and has been fully implemented since 1 April 2011. The act has significant implications for product liability insurance.
- **2009** The Companies Act 71 of 2008 (promulgated in 2009 and effective from 1 May 2011) introduced the concept of class actions into South African law.
- **2013** The Financial Services Laws General Amendment Act 45 of 2013 (FSLGAA2013) strengthened supervision and made the FSB the lead regulator where other legislation conflicted with financial legislation.
- Largest insurance market in Africa (~70%)
- High penetration (~15–18%)
- Rise of: Direct insurance & Digital distribution
- Market reaches *advanced/emerging-market* maturity

- **2016 – 2020 | REGULATORY TRANSFORMATION**

- **2017** The Financial Sector Regulation Act 9 of 2017 introduced the Twin Peaks supervision model, with prudential control being under the Prudential Authority and market conduct under the Financial Sector Conduct Authority (FSCA). The two bodies were inaugurated on 1 April 2018.
- **2018** Replacement Policyholder Protection Rules came into effect from 1 January 2018. The new Insurance Act 18 of 2017 (IA17) was signed into law on 17 January 2018 and most parts of the law were brought into effect on 1 July 2018. New financial soundness and governance standards and the Solvency Assessment and Management (SAM) regime took effect from the same date. A framework for microinsurance was included.

- **2020 – 2025 | TRANSFORMATION & FUTURE RISKS**

- **2020** COVID-19 SHOCK: Surge in claims, Business interruption disputes & Profitability pressure.
- **2023:** National Health Insurance Act 2023
- Growth in Insurtech & Digital ecosystems & Rising risks of climate change, Energy crisis and Inflation.

South Africa: Insurance Market Supervision

➤ The Insurance Regulators:

- **Prudential Authority (PA):**

The Prudential Authority (PA); which established April 1, 2018 under the South African Reserve Bank; is South Africa's financial-sector regulator responsible for supervising banks, insurers, and financial market infrastructures. Established, it ensures the stability, safety, and soundness of financial institutions within the country's "Twin Peaks" regulatory framework.

Purpose:

- Responsible for prudential regulation and supervision of insurers.
- Ensures financial soundness, solvency, and stability of insurance companies.
- Oversees capital adequacy, risk management, and governance frameworks.
- Operates under the central bank framework to safeguard the financial system.



▪ **Financial Sector Conduct Authority (FSCA):**

Founded 2018 as part of South Africa’s “Twin Peaks” model of financial regulation, introduced under the Financial Sector Regulation Act, 2017.

Purpose:

- Supervises market conduct of insurers and intermediaries.
- Protects policyholders and consumers.
- Ensures fair treatment, transparency, and disclosure.
- Regulates brokers and advisors under conduct rules.



➤ **Insurance Associations:**

▪ **Insurance Association of South Africa (IASA)**

Purpose:

- Represents non-life insurers.
- Engages with regulators on policy, regulation, and industry standards.
- Promotes market development and risk awareness.

▪ **Actuarial Society of South Africa (ASSA)**

Purpose:

- Governs actuarial profession and standards.
- Supports risk modelling, solvency, and pricing frameworks.

▪ **Financial Intermediaries Association of Southern Africa (FIA)**

Purpose:

- Represents brokers and intermediaries.
- Supports compliance, advisory standards, and distribution practices.

➤ **Key laws and regulations:**

▪ **Insurance Act 18 of 2017**

Purpose:

- Establishes prudential regulatory framework for insurers
- Introduces risk-based supervision and solvency requirements
- Replaces parts of earlier insurance legislation
- Promotes financial stability and policyholder protection

▪ **Financial Sector Regulation Act 9 of 2017**

Purpose:

- Introduces the Twin Peaks regulatory model
- Establishes PA and FSCA as dual regulators
- Enhances systemic risk oversight and financial stability

▪ **Financial Advisory and Intermediary Services Act**

Enacted 15 November 2002 and amended through the Financial Sector Regulation Act 9 of 2017 and Financial Sector and Deposit Insurance Levies Act 11 of 2022

Purpose:

- Regulates insurance intermediaries and advisors
- Ensures fit & proper requirements and conduct standards
- Protects consumers from mis-selling and misconduct



▪ Solvency Assessment and Management (SAM Framework)

Purpose:

- Risk-based solvency regime Equivalent to Solvency II framework
- Enhances capital adequacy, governance, and risk management
- Supports international equivalence and market integration

South Africa operates a sophisticated insurance regulatory framework under the Twin Peaks model, which combines strong prudential supervision by the Prudential Authority (PA) with robust market conduct oversight by the Financial Sector Conduct Authority (FSCA). Supported by modern legislation, including the Insurance Act and the Solvency Assessment and Management (SAM) regime, this framework ensures financial stability, enhances policyholder protection, and aligns the market with international regulatory standards, positioning South Africa as one of the most advanced insurance markets in Africa from a supervisory perspective.

➤ Company Registration and Operation

- Only licensed insurers may conduct insurance business.
- Must be registered as a public company, state-owned entity, or cooperative.
- Subject to fit & proper requirements for management and ownership.
- Must maintain robust governance, risk management, and internal controls.

➤ Foreign Ownership & FDI

- **FDI Limit:** No numerical cap (Fully open market)
- **Foreign Ownership:** Up to 100% foreign ownership permitted

In Practice: Investment is subject to strict regulatory oversight, including:

- Approval requirements for significant shareholdings ($\geq 25\%$)
- Restrictions on market entry structure (typically via subsidiaries)
- Public interest and financial stability assessments



➤ Subsidiary/Branch

- Foreign insurers may operate via:
 - *Subsidiary (locally incorporated entity)*
 - *Branch (subject to equivalence of home regulation)*
- Branches must demonstrate equivalent regulatory standards to South Africa.

➤ Compulsory Insurances

The key compulsory insurances are:

- Motor third party bodily injury liability (state scheme).
- Clinical trials insurance (compulsory in terms of a Medicines Control Council guideline).
- Flight operators' liability for third parties and passengers.
- Shipowners' liability for marine oil pollution (financial guarantee or insurance).
- Professional indemnity for pension fund trustees.
- Professional indemnity and fidelity insurance for financial service providers.
- Workers' compensation insurance (state scheme).



➤ Reinsurance Business:

South Africa's reinsurance market consists of 9 professional reinsurers, all of which are foreign-owned, reflecting the market's strong integration with global reinsurance capacity. The sector relies heavily on international reinsurance markets to support underwriting activities, particularly in managing large and complex risks. Reinsurance plays a critical role in the market by facilitating catastrophe risk transfer, enhancing capital efficiency and optimization, and providing essential capacity for large commercial and industrial risks.



- **Cross-border reinsurance:**
 - Reinsurance permitted on a cross-border basis. But with significant restrictions. Foreign reinsurers may not actively seek business in South Africa, except through a local subsidiary or branch. South African cedants are permitted to purchase reinsurance from offshore reinsurers.
- **Discriminatory collateral or asset localization requirements:**
 - There are no discriminatory requirements on cross-border foreign reinsurers for collateralisation or localisation of assets
- **Foreign ownership and establishment of subsidiaries/branches:**
 - There are no (i) any restrictions on foreign ownership of subsidiaries or (ii) any other discriminatory barriers affecting the establishment of branches or subsidiaries (if permitted)
- **Compulsory cessions and trade barriers:**
 - There are no compulsory cessions, right of first refusal rules, or other trade barriers affecting foreign reinsurers, including examples of Government interference in risk pricing





(B) SOUTH AFRICA: Insurance Market Performance & Statistics



Market Structures: Registered Insurance Entities in South Africa

Category	December 2024	December 2025
Life primary insurers	59	59
Life cell captives	4	4
Life microinsurers	11	14
Non-life primary insurers	56	56
Non-life cell captives	6	6
Non-life captives	5	6
Non-life microinsurers	0	0
Composite microinsurers	3	3
Professional reinsurers	9	9
Composite reinsurers	5	4
Life reinsurers	0	0
Non-life reinsurers	1	1
Branches of foreign reinsurers	3	4
Other	2	2
Total	155	159

Market Performance: Statistical Key Highlights 2020-2023

	2020	2021	2022	2023
Total Premiums				
Total Premiums (US\$ m)	40411	49748	45831	43354
Total Insurance Growth (%) inflation-adjusted	-1.8	5.7	-4.5	-5.4
Total Insurance Density (US\$)	686	837	764	718
Total Insurance Penetration (%)	12	11.9	11.3	11.5
Global Ranking				21
Life Premiums				
Life Premiums (US\$ m)	32934	40488	36863	34833
Life Insurance Growth (%), inflation-adjusted	-1	5.6	-5.6	-5.5
Life Insurance Density (US\$)	559	681	614	577
Global Ranking				15
Non-Life Premiums				
Non-Life Premiums (US\$ m)	7478	926	8968	8520
Non-Life Insurance Growth (%), inflation-adjusted	-4.8	6.3	0.4	-5
Non-Life Insurance Density (US\$)	127	156	149	141
Non-Life Insurance Penetration (%)	2.2	2.2	2.2	2.3
Global Ranking				35

Source <https://www.sigma-explorer.com/>

SOUTH AFRICA: 2024 Insurance Market Statistics

MARKET OVERVIEW

- **Key Market Indicators**
 - **Total sector assets:** Dominated by life insurers (~92%)
 - **Non-life share:** ~6–7% of total assets
 - **Professional reinsurers:** ~1.2% (all foreign-owned)

- **Market Structure**

Segment	Share of Assets	Key Characteristics
Life Insurance	~92%	Savings-driven, asset-intensive
Non-Life Insurance	~6–7%	Short-tail, motor/property dominated
Reinsurance	~1%	Foreign-dominated

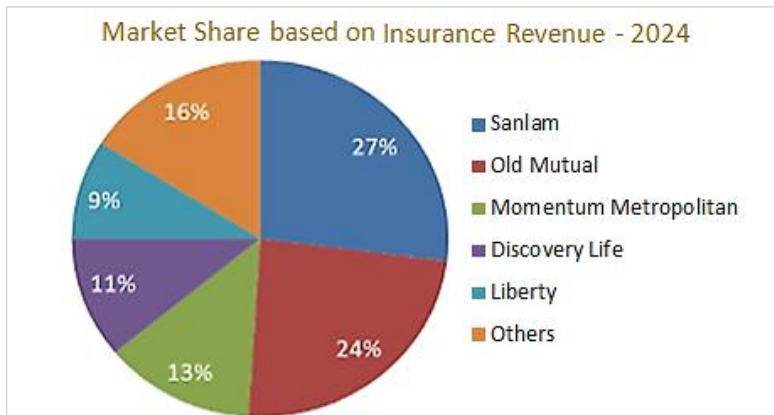
- **Concentration**

- **Top 5 life insurers** hold ~71% of assets
- **Top 10 non-life insurers** generate ~65% of premiums

Indicates high market concentration and strong incumbency advantage

LIFE INSURANCE

- **Scale and Financial Strength**
 - Assets under management: ~ZAR 4.5 trillion
 - Policies in force: ~45 million+
 - Claims & benefits paid (2024): ~ZAR 639 billion
- **Solvency Position**
 - Solvency ratio around **1.9–2.0x SCR** (very strong buffer)
- **Business Characteristics**
 - Strong **savings and retirement orientation**
 - High penetration of: Life risk products and Annuities and investment-linked policies
- **Key Trends**
 - Growth in **retirement and savings products**
 - Increased **policyholder withdrawals flexibility** (regulatory reforms)
 - Strong integration with **asset management and wealth platforms**
- **Life Insurance Companies in 2024 (Top 5)**



NON-LIFE INSURANCE

- **Market Performance**

Insurance revenue: ~ZAR 154.2 billion | **Profit after tax:** ~ZAR 17.7 billion (+24% YoY)

- **Key Lines of Business**

Based on the **2024 Non-Life Industry Experience Report** issued by the Prudential Authority, the South African non-life insurance market shows a clear concentration by line of business, although exact splits may vary slightly depending on classification. Below approximate Premium Distribution by Line of Business (2024)

Line of Business	Share of Gross Written Premiums
Motor Insurance	~45% – 50%
Property Insurance	~25% – 30%
Liability Insurance	~5% – 7%
Engineering & Commercial Lines	~8% – 10%
Accident & Health	~5% – 7%
Marine, Aviation & Transport	~3% – 5%

- **Motor insurance (dominant line)**
- **Property insurance (exposed to catastrophe risks)**
- **Liability and commercial lines**

- **Motor insurance dominates the market**, accounting for nearly half of total premiums, driven by both personal and commercial motor segments.
- **Property insurance is the second largest line**, with significant exposure to catastrophe risks such as floods and severe weather events.
- **Liability lines remain relatively underpenetrated**, but are gradually expanding with corporate demand.
- **Commercial and engineering lines** play an important role due to South Africa's industrial base (mining, energy, and infrastructure).

- **Key Trends**

- Improved **underwriting discipline**
- Reduced catastrophe losses vs prior years
- Rising **premium rates and risk selection tightening**

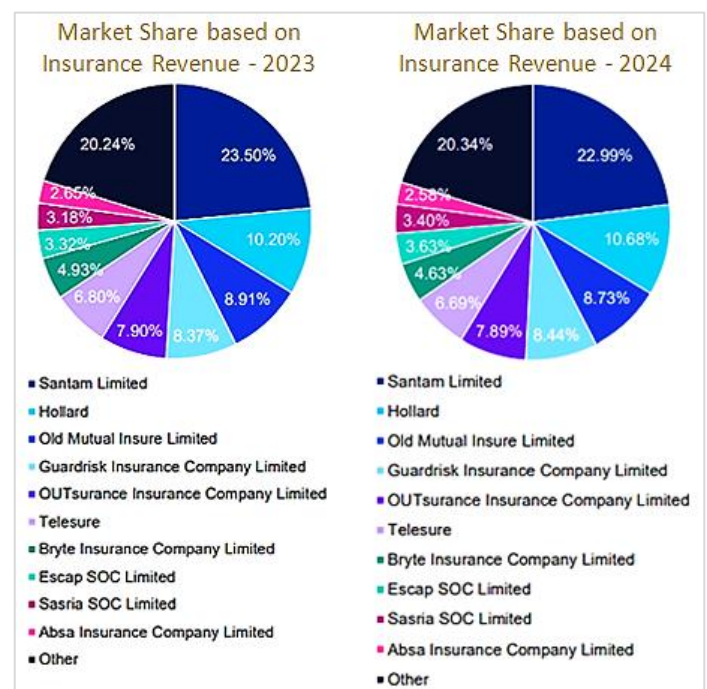
- **Non-Life Insurance Companies in 2024 (Top 10)**

The South African non-life insurance market maintained a stable structure in 2024, with the top 10 insurers continuing to dominate approximately 80% of total insurance revenue. However, beneath this structural stability, notable shifts in market share signal increasing competitive intensity and evolving business models.

Market leader Santam Limited retained its top position with a market share of 22.99% in 2024, slightly down from 23.50% in 2023. This marginal decline suggests a gradual redistribution of market share rather than a loss of dominance.

Hollard Group strengthened its position as the second-largest insurer, increasing its share from 10.20% to 10.68%, reflecting strong growth momentum and effective market expansion strategies.

Meanwhile, Old Mutual Insure experienced a modest decline from 8.91% to 8.73%, indicating rising competitive pressures. In contrast, Guardrisk Insurance Company Limited posted a slight increase to 8.44%, highlighting the continued success of alternative risk transfer and cell captive models.



OUTsurance Insurance Company Limited remained stable at approximately 7.9%, signaling a mature and steady market position.

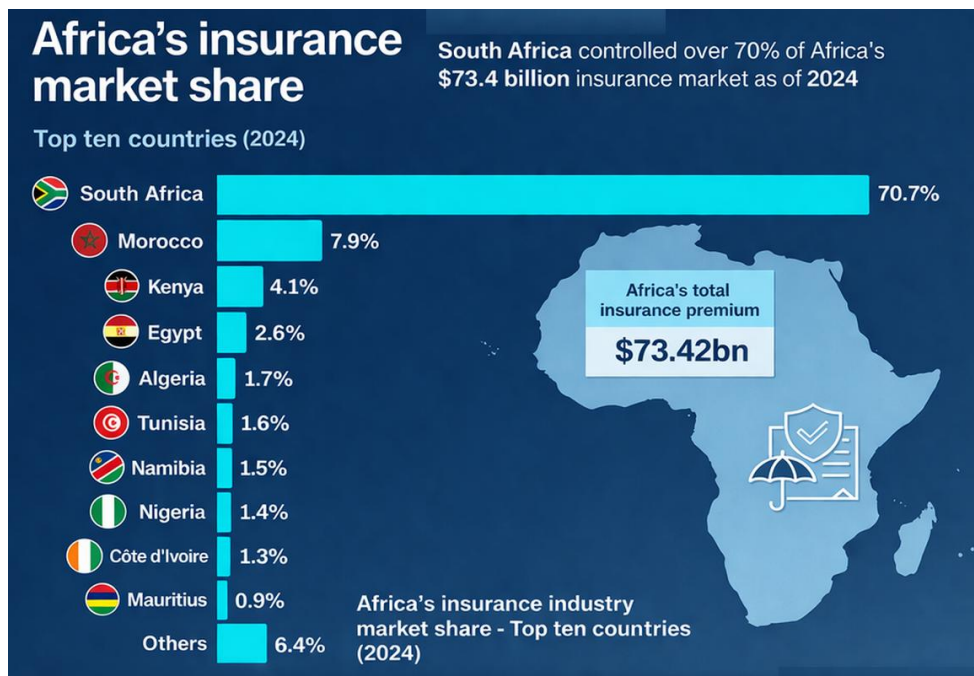
Among mid-tier players, mixed performance was observed. Telesure Investment Holdings and Bryte Insurance Company Limited both recorded slight declines, while Escap SOC Limited and Sasria SOC Limited achieved noticeable gains, pointing to the growing relevance of niche and specialized insurance models. Absa Insurance Company Limited reported a marginal decrease in market share.

The “Other” segment remained broadly unchanged at just over 20%, underscoring the persistent concentration of the market.

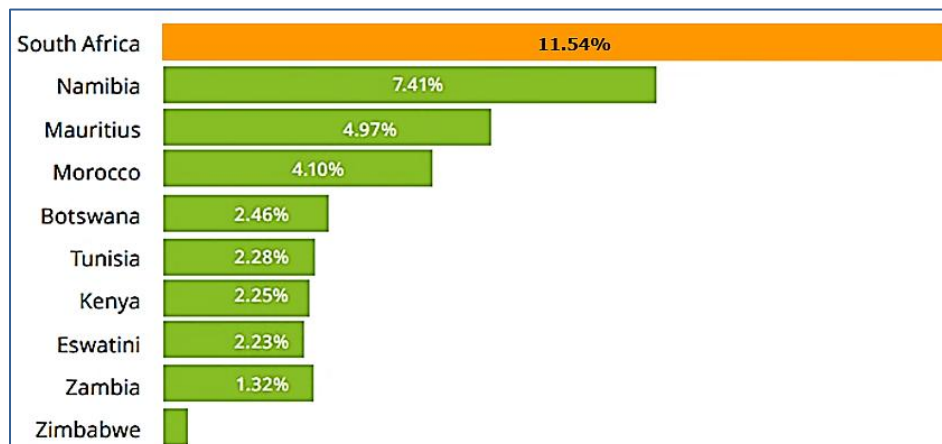
South Africa: Insurance Market Regional Comparison

According to estimates by Atlas Magazine, the turnover of the African insurance sector is dominated by South Africa, followed by Morocco, Kenya, Egypt, and Algeria. These 5 countries account for a total market share of 87% in 2024, while the top 10 countries underwrite 93.6% of the continent's premiums.

Top 10 African markets by turnover in 2024



Top 10 African markets by Insurance Penetration Rate 2024



Note: Global Average = 6.80%

SOUTH AFRICA: Insurance Market SWOT



A large population and low current rates of coverage indicate ongoing growth potential in South Africa's insurance industry. However, limited affordability remains a concern, particularly as inflationary pressures contribute to increased premium prices and lower consumption.

Strengths	<ul style="list-style-type: none"> - A well-developed regulatory framework and highly regarded regulator provide a secure business environment. - The competitive landscape is dominated by very large, well-capitalised and complex local groups. - The life sub-sector in particular is well established, with good product awareness among the pool of consumers that can afford cover. - Relatively easy access to capital exists through South Africa's sophisticated financial markets and institutional investors globally.
Weaknesses	<ul style="list-style-type: none"> - The scale, brands, networks and distribution relationships of local giants are barriers to entry forA foreign firms. - A consistent downward trend in non-life penetration underscores the lack of awareness/affordability outside key basic lines. - Poor economic growth is weighing on profitability, and a significant proportion of the potential consumer base remains excluded owing to low incomes. - Maturity in the life insurance market means that South Africa-based companies are looking to overseas markets for expansion potential.
Opportunities	<ul style="list-style-type: none"> - Providers are increasingly looking to bancassurance partnerships as a means of growing their customer base while also exploring digitalisation and direct mobile sales. - Promotion of microinsurance and other specialist products to lower-income groups provides scope for future growth. - Fragmentation of the competitive landscape - particularly in the life market - provides plenty of opportunities for acquisitions and mergers. - The national health insurance programme could create new growth opportunities for insurers.
Threats	<ul style="list-style-type: none"> - Tariff wars could lead to slower economic growth, reducing demand for insurance. - Slow economic growth threatens to derail growth in household incomes and demand for insurance products. - High energy costs threaten to erode disposable incomes and undermine industrial output, particularly as applies remain subject to disruption. - Downward pressure on prices and margins owing to competition and demands from clients and distributors. - Delays in putting legislation and regulation into effect, resulting in the duplication of efforts and higher expenses.

Source: Business Monitor Online – 9 April 2025

SOUTH AFRICA: Insurance Market Outlook

South Africa's insurance market is entering a phase of stable, disciplined growth, supported by structural reforms and improved underwriting performance, according to leading global institutions such as Swiss Re Institute, AM Best, and GlobalData.

The non-life insurance segment is expected to grow at a CAGR of 6%–8% through 2030, driven by premium rate hardening, underwriting discipline, and rising demand for catastrophe-related coverage. Key lines such as motor, property, and engineering insurance will continue to lead growth, supported by increasing adoption of technologies like AI and telematics.

In contrast, the life insurance sector is projected to remain stable but slower-growing, reflecting its maturity and already high penetration levels. Growth will continue to be anchored in savings and retirement products, supported by strong capitalization and resilient profitability.

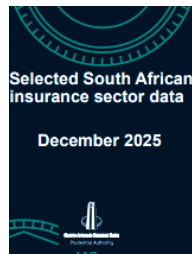
From a risk perspective, the market faces structural challenges including low economic growth, high unemployment, and rising climate-related risks, particularly floods and severe weather events. Additionally, ongoing energy constraints (load shedding) continue to impact economic activity and insurance demand.

However, significant opportunities are emerging in:

- *Innovative insurance solutions (e.g., parametric products)*
- *Expansion of inclusive insurance (microinsurance)*
- *Public-private partnerships for catastrophe risk management*

Overall, the market is expected to maintain strong solvency and financial resilience under the advanced SAM regulatory framework, with future growth driven by innovation and operational efficiency.

REFERENCE & RESOURCES



[Selected South African Insurance Sector 2025](#)
by PA, Dec 2025



[Life Insurance Industry Experience 2024](#)
by PA, Jan 2026



[Non - Life Industry Experience 2024](#)
by PA, Nov 2025



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[Insurance & Reinsurance Laws and Regulations South Africa 2026](#)

