

Media Release

Association for Savings and Investment South Africa (ASISA)

2 April 2025

South Africa's life insurers remain well-capitalised, able to withstand significant shocks

South Africa's long-term insurance industry concluded 2024 with assets under management of R4.5 trillion and a healthy solvency buffer of almost double the Prudential Authority's Solvency Capital Requirement (SCR).

The long-term insurance statistics released today by the Association for Savings and Investment South Africa (ASISA) show that life insurers maintained a solvency buffer of 1.99, even after paying claims and benefit payments worth R639 billion in 2024, the highest ever paid in a year. The payments to policyholders and beneficiaries included retirement annuity and endowment policy benefits and claims against life, disability, critical illness and income protection policies.

Gareth Friedlander, a member of the ASISA Life and Risk Board Committee, says over the past five years, ASISA members paid close to R3 trillion in claims and benefits to policyholders following tragic life events like death and disability or significant life stage changes like retirement.

He says this represents a significant contribution to the South African economy since most of these proceeds would have been used by policyholders and beneficiaries to fund their living expenses.

"Despite these sizeable payouts, our industry remains well capitalised and in a strong position to honour long-term contractual promises made to policyholders and their beneficiaries. The fact that this is on the back of a major catastrophe, namely the Covid-19 pandemic, shows just how resilient our industry is."

Friedlander says this should provide the policyholders of some 44.43 million risk and savings policies with the peace of mind that honest claims will be paid. In-force policies increased from 43.76 million at the end of 2023 to 44.43 million as of 31 December 2024.

The life industry in numbers

	2020	2021	2022	2023	2024
Assets held	R3.2 trillion	R3.7 trillion	R3.7 trillion	R4.1 trillion	R4.5 trillion
Liabilities	R2.9 trillion	R3.4 trillion	R3.4 trillion	R3.7 trillion	R4.2 trillion
Free assets	R334 billion	R351 billion	R347 billion	R366 billion	R381 billion
Solvency Capital Requirement (SCR) ratio	2.11	1.96	1.96	2.07	1.99
Claims & benefits paid	R523 billion	R608 billion	R578 billion	R599 billion	R639 billion

Risk policies

In 2024, consumers bought 10.39 million new individual recurring premium risk policies, of which 6.24 million were funeral policies and 1.56 million were credit life policies. This represents a modest increase of 4.2% in new recurring premium risk business from 2023.

Friedlander says a positive surprise was a marginal decline in risk policy lapses for the third consecutive year. In 2024, some 8.20 million risk policies lapsed compared to 8.25 million in 2023 and 8.33 million in 2022. A lapse occurs when the policyholder stops paying premiums for a risk policy with no fund value.

Savings policies

Friedlander reports a slow but steady recovery in new individual recurring premium savings policies (endowments and retirement annuities). In 2024, 568 586 savings policies were bought, compared to 536 784 in 2023, representing a 5.9% increase.

New single premium savings policies, on the other hand, showed a decline of 3.7% from 215 807 in 2023 to 207 744 in 2024.

Policyholders surrendered 521 736 recurring premium savings policies in 2024, compared to 563 326 in 2023 and 585 265 in 2022. Policy surrenders occur when policyholders stop paying premiums and withdraw the fund value before maturity.

Friedlander points out that similar to the trend in lapses, savings policy surrenders also showed a decline over the past three years.

“The increase in new savings policies against a decrease in surrenders is a welcome development, especially in the current economic climate. It is encouraging that consumers recognise the importance of disciplined savings, even under difficult circumstances.”

Message to consumers

Friedlander says that while the drop in lapses and surrenders against an increase in new recurring premium risk and savings policies bought in 2024 is encouraging, the lapse rate remains too high.

“With every risk policy lapsed, South Africa’s sizeable insurance gap widens even further, leaving more families financially vulnerable should their breadwinner die or become disabled. While the surrender of a savings policy is also concerning because it signals the end of a disciplined savings journey for a consumer, at least the policyholder is paid a benefit.”

Friedlander encourages policyholders to consult with a financial adviser before letting go of a policy to help find solutions that are not driven by emotions. “Once you lapse a risk policy, you not only lose valuable cover for you and your family, but you may also not be able to get the same cover for the same price later because you are older and may have developed health issues.”

Ends

To set up interviews please contact:

Lucienne Fild
Independent Communications Consultant
082 567 1533
lucienne@fild.co

Issued on behalf of:

Gareth Friedlander
Life and Risk Board Committee
Association for Savings and Investment South Africa (ASISA)

ASISA represents the majority of South Africa’s asset managers, collective investment scheme management companies, linked investment service providers, multi-managers, and life insurance companies.