

KPMG Insurance Industry Survey 2025: South African insurance sector demonstrates continued levels of resilience despite economic headwinds

South Africa - 16 October 2025; KPMG South Africa today launched the annual [KPMG Insurance Industry Survey for 2025](#), a publication we are proud to have delivered for over 25 years. This year's survey covers the financial results of 28 non-life insurers, sixteen life insurers and four reinsurers.

The theme for this year's survey is "Up in the air", reflecting the multitude of priorities and external and internal forces that insurers are having to juggle, and because the insurance industry is all about operating in a world of change and uncertainty whilst still managing the bottom line.

The 2024 financial results of participating insurers indicate that the industry was not only able to sustain, but also build on the robust financial results reported in 2023, carrying forward the momentum and gains established from the previous year.

"The industry continues to benefit from the strategic measures implemented in recent years, such as rate increases, cost containment measures, process efficiencies and the application of stricter underwriting principles, to name a few. The approach taken by the industry to achieve these results underscores their commitment to long-term resilience and strategic foresight, ensuring that long-term stability is not compromised in the interest of short-term gains," says Mark Danckwerts, Partner: Africa Insurance Lead at KPMG South Africa.

Life insurance results

Life insurers reported positive results for 2024 compared to prior years, with key trends impacting this growth including resilient premium growth, economic pressures, claims normalisation, strong investment returns and digital transformation and distribution.

Premium growth during the year was moderate, with most life insurers reporting indexation of existing policies to inflation. The interest rate environment and elevated inflation impacted policy lapse rates and consumer affordability. Claims ratios normalised in 2023, continuing into 2024, with reinsurance costs stabilising and improving underwriting margins.

Equity markets performed well in 2024, particularly in the second half with positive fair value gains experienced on investment portfolios and improved embedded value (EV) growth across most insurers.

The life insurance sector saw continued investments into digital transformation and distribution, such as AI-driven underwriting, automated claims processing and digital sales platforms for brokers and direct-to-consumer channels. Bancassurance and partnership models also gained traction, especially in rural and township markets.

The top five insurers reported solid 2024 results, driven by strong investment growth, strategic expansion, and efficiency gains and reflecting solid balance sheets anchored by innovation, cost discipline and market diversification.

"Life insurers have risen to the occasion and showcased the stability of their business model over the last few years. The results that they have reported have underlined the strong foundations on which they are operating," stated Danckwerts.

Non-life insurance results

“Ninety percent of the non-life insurance industry reported improved results for 2024 demonstrating the resilience of this market over the year, despite challenges experienced from economic headwinds.

Insurance revenue increased by 9.8%, from R140.4 billion in 2023 to R154.2 billion in 2024, more than average inflation of 4.40%. This increase reflects a strong top-line performance considering the overarching economic environment, pressure on South African consumers’ disposable incomes and market competition.

Similarly, profit after tax increased from R14.2 billion in 2023 to R17.7 billion in 2024, representing an increase of 24.6%.”, notes Danckwerts.

Investment performance was driven by favourable market dynamics, including improved investor sentiment following the establishment of the GNU, its positive influence on equity markets and the high-interest rate environment throughout 2024.

The underwriting result was driven by a favourable claims experience and healthy top-line growth, amidst fierce market competition. While growth ambitions remain a priority for insurers, notable strides have also been made in portfolio management and risk selection strategies. In retrospect, the timing of these strategic executions appears to have been highly opportune, coinciding with a period of strong industry performance across key metrics.

The alignment of strategic focus and favourable market conditions positioned insurers well for sustained resilience and future growth.

Reinsurance market results

The 2024 results reflect a positive trajectory with improved ratios observed for most performance indicators. The strategic initiatives implemented by reinsurers over the last few years to moderate risk exposures, such as premium rate increases and underwriting limitations, together with a benign catastrophe claims environment during 2024, contributed meaningfully to the bottom line.

Insurance revenue increased by 7% on average across all participating reinsurers, with growth rates ranging between 3% and 12% for individual reinsurers. This result reflects a sweeping turnaround compared to 2023 whereby insurance revenue declined by 2%. The insurance service result also reflected positive performance with an 89% increase from 2023.

Reinsurers are now moving into a cycle of softening reinsurance rates, with pricing power shifting in favour of primary insurers. This follows a lengthy period of hardened reinsurance rates and the implementation of stringent and conservative underwriting disciplines by the reinsurance market.

The capital buffers accumulated during this period are expected to help absorb the rising cost of claims driven by catastrophe events and inflationary and geopolitical pressures, as well as pressures on underwriting margins due to competition and other unexpected market shocks.

Conclusion

“While the past year has been marked by benign catastrophe claims events, lower levels of electricity supply disruptions and robust returns on investment, behind the scenes a number of strategic initiatives are underway. From climate, third-party and cyber risk

management, ESG reporting, climate risk modelling, M&A and partnership activity, and implementation of AI initiatives, to name a few.

What is clear is that operating in today's business environment is no easy task and it is not only about balancing profits.

For the insurance industry, the key to success lies in embracing the opportunity and capitalising on change. If there is one thing we know, it is that the insurance industry is a savant in responding to change and remarkably resilient. We have seen time and again that insurers have risen to the challenge, adapting to internal and external pressures while staying true to their purpose and continuing to provide unwavering support to society.", concludes Danckwerts.