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Non-life insurance industry results analysis

"*If everyone is moving forward together, then success takes care of itself.*" – Henry Ford.

Ninety percent of the non-life insurance industry reported improved results for 2024. This is a feel-good story of a well deserving industry, demonstrating immense levels of resilience during turbulent times.

Economic environment

During 2024, the global economy was impacted by powerful geopolitical, climate and regulatory events. Wars continued to rage in Ukraine, Gaza and Sudan with peace-making efforts failing, resulting in catastrophic loss of life and economic instability in these regions. Over fifty countries went to the polls to elect new political leaders, setting new election records and representing almost half of the world's population.

Closer to home, South Africa entered into a period of political uncertainty in 2024 with the establishment of the Government of National Unity (GNU). While this sparked cautious optimism across sectors and improved business and investor confidence, the positive sentiment was tempered by persistent structural challenges. However, positive signs are emanating around addressing the country's infrastructure challenges, despite these improvements being slower than expected. For example, over 2024, South Africans were subject to lower instances of electricity supply disruptions for extended periods, with improvements observed in transport infrastructure.

Gross domestic product (GDP) grew by 0.6% in 2024 compared to 2023. The growth was led by agriculture, finance and trade on the supply (production) side of the economy, with demand (expenditure) side growth led by household spending.

Over the past decade, the country experienced weak economic growth, leading to higher interest and inflation rates and downward pressure on the Rand.

Over 2024, however, the average inflation rate[1] was 4.4%, down from the average of 6.0% in 2023. Inflation in 2024 was the lowest in four years since the COVID-19 pandemic in 2020, when the average rate was 3.3%.

The interest rate environment remained stable for the largest part of the year. The prime lending rate was 11.75% before the start of the cycle of interest rate reductions in the latter part of 2024, where two consecutive 25 basis point cuts were introduced. This was driven by the lower inflationary environment and positive sentiment created through the formation of the GNU. The lower inflationary environment, which enabled the South African Reserve Bank to enter into a cycle of interest rate reductions, provided financial relief to consumers.

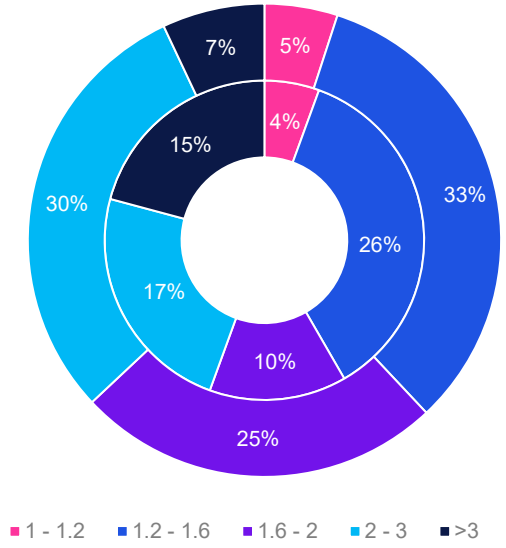
However, a concern remains with the continued high levels of unemployment, with the official unemployment rate standing at 31.9% in the fourth quarter of 2024 and the expanded unemployment rate at 41.9% for the same period. These levels of unemployment suppressed real growth in the size of the consumer base and negatively impacted the affordability of insurance premiums for consumers.

While the insurance industry relies heavily on consumer confidence, investment stability and regulatory clarity, these macroeconomic headwinds limited growth potential. Despite these economic challenges South Africa's non-life insurance market demonstrated resilience over 2024, with no significant impact on the already healthy capital position of the industry.

[1] https://www.statssa.gov.za/publications/P0141/CPIHistory.pdf

The graph set out below reflects the distribution of the solvency capital requirement (SCR) ratio across the South African non-life insurance industry. The SCR reflects the regulatory capital requirements, indicating the minimum level of eligible own funds held for protection against key risks to which an insurer is exposed and effectively reflects the balance sheet strength of an insurance company.

SCR ratio
December 2024 (outer circle) versus December 2023 (inner circle)



South Africa's non-life insurers have been able to maintain strong balance sheet positions, with the vast majority well in excess of the regulatory minimum SCR ratio of one time coverage.

Impacting the industry is also worsening crime rates. According to the latest crime statistics from the South African Police Service (SAPS), burglaries and theft at residential properties are steadily increasing. Between April and June 2024, 34 075 home burglaries were reported, equating to approximately 379 incidents per day.

Market share

The industry[2] reported insurance revenue of R154.2 billion in 2024. This amounts to an increase of 9.9% (2023: 12.1%) compared to R140.4 billion recorded in 2023. This increase reflects a strong top-line performance considering the overarching economic environment, pressure on South African consumers' disposable incomes and market competition.

The Prudential Authority (PA) reported that it considered various applications in terms of the Insurance Act over the 2024 calendar year, which included the transfer of business and variation of licence applications. These applications suggest that insurers are seeking alternative avenues for growth given the constrained market conditions.

We saw an increased focus on unlocking new markets, particularly with leveraging partnerships, for example, through increased platform play and cross-selling. Recent corporate activity also suggests growth alternatives being unlocked through market consolidation.

From a pricing perspective, we observed insurance pricing being driven higher by inflation and claims costs. A number of external factors contributed to the increase in costs for insurers, such as more severe and frequent weather-related events, increasing costs of reinsurance, higher motor vehicle accidents, the high number of uninsured vehicles on the road, increasing motor repair costs that outpaced general inflation, persistently high crime levels and deteriorating infrastructure.

As noted by the CEO of Santam Limited, reinsurance rates remained elevated, compelling insurers to retain more risk and respond by repricing, implementing stricter risk selection and introducing higher deductibles as part of their de-risking strategies.

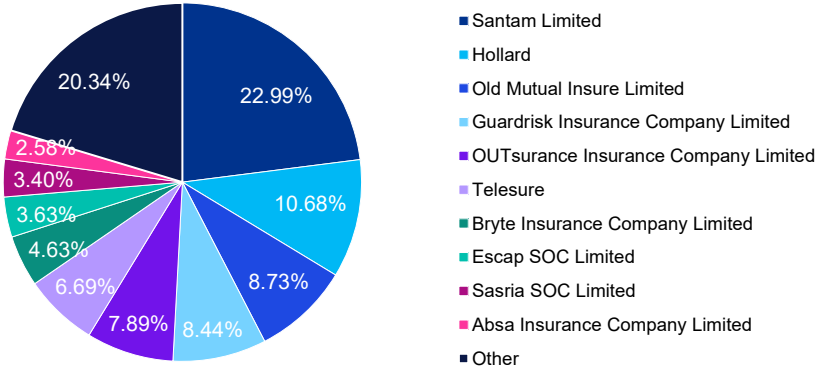
The continued hardened reinsurance market, together with reinsurers increasing catastrophe cover attachment points or not taking on certain risk types in its entirety, resulted in the primary market retaining more risk and effectively reporting a higher insurance service result for the year due to the moderated claims experience. Similar to the reinsurers, many primary insurers reported portfolio actions being taken to correct non-performing books of business and being more deliberate in risk selections.

[2] The insurance revenue of the companies featured in this publication approximate 90% of the industry's non-life insurance revenue. Accordingly, the results of this survey are a fair representation of the results of the overall industry. https://www.resbank.co.za/en/home/publications/publication-detail-pages/reports/pa-annual-reports/2025/prudential-authority-annual-report-2024-2025

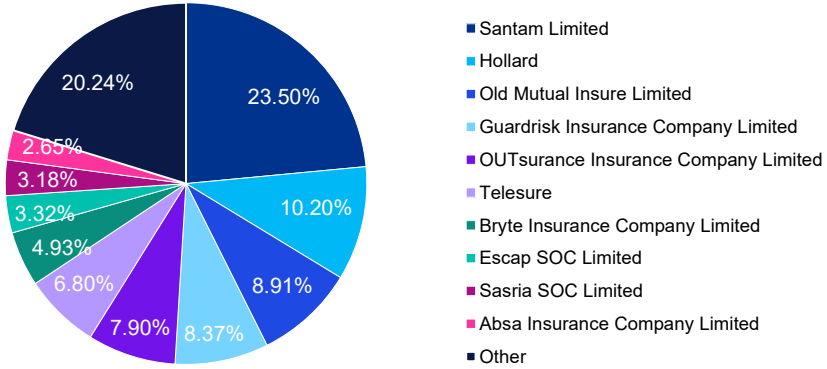
Reflecting on last year's survey, our analysis was more complex due to the transition to IFRS 17. Insurers with December 2023 reporting periods had adopted IFRS 17, while others, such as those reporting in March and June 2023, were still applying IFRS 4. This year, however, all participating insurers are now reporting under the IFRS 17 framework, allowing for more consistent and insightful comparisons.

The top ten insurance companies for 2024 accounted for 80% (2023: 80%) of total survey participants based on an insurance revenue measure.

Market share based on insurance revenue - 2024



Percentage of Market based on Insurance Revenue - 2023



The market share positioning of the top ten non-life insurance companies remained consistent year-on-year.

Of the top ten insurers noted in the graphs alongside, set out below is our analysis of those insurers with the highest quantitative year-on-year increases in insurance revenue and insurers who achieved insurance revenue growth of at least 10% (rounded).

Santam Limited (Santam)

Santam delivered a strong performance in 2024, with the company reporting an increase of R2.5 billion (7.5%) in insurance revenue. We include more detail on Santam's financial performance further on in this article.

Hollard[3]

Hollard increased its insurance revenue by R2.2 billion (15%), from R14.3 billion reported in 2023 compared to R16.5 billion reported in 2024.

Escap SOC Limited (Escap)

Escap is a wholly owned captive insurance company. It manages and insures the business risks of Eskom and its subsidiaries. Escap reported insurance revenue of R5.6 billion for 2024, representing an increase of R0.9 billion (20.1%) compared to 2023. We include more detail on Escap's financial performance further on in this article.

Sasria SOC Limited (Sasria)

Sasria reported strong financial results for the fiscal year ended 31 March 2024, with insurance revenue increasing by 17.6%, from R4.4 billion reported in 2023 to R5.2 billion reported in 2024. We include more detail on Sasria's financial performance further on in this article.

Guardrisk Insurance Company Limited (Guardrisk)

Guardrisk increased its insurance revenue by R1.3 billion (10.8%), recording R13 billion of insurance revenue for 2024. The insurer continued with its strategy of increasing its non-life risk taking activities, resulting in strong growth in new business. However, a marginal reduction in the number of non-life cells over the period was also observed.

[3] The Hollard Insurance Company Limited and Hollard Specialist Insurance Company Limited have been combined into Hollard.

Guardrisk further noted that they will continue to leverage their cell captive experience and relationships with businesses in South Africa to grow its footprint in the embedded insurance space. Where they see growth is through the cell captive concept, where retailers across different sectors can use customer data to create innovative and customised insurance solutions that suit their customers' specific needs and preferences while boosting the retailer's bottom line and brand. In this regard and for the 2024 financial year, Guardrisk paid dividends of R1 158.5 million (2023: R1 037.5 million) to cell shareholders.

OUTsurance Insurance Company Limited (OUTsurance)

OUTsurance grew its insurance revenue by 9.6% from R11.1 billion in 2023 to R12.2 billion in 2024. This growth manifested from the direct personal lines operations and is consistent with targeted profit margins. Included in this result is an increase in annualised new business, attributable to operational execution efficiencies achieved across core direct channels. This is in line with the insurer's strategy of maintaining a strong cash generation profile to provide capacity for organic growth opportunities in current and new markets and entrepreneurial culture that lends support to organic growth and initiatives that require focussed execution. OUTsurance achieved improvement in pricing adequacy across all major segments through pricing actions to stave off the impact of continued high claims and general inflation.

In addition, OUTsurance implemented operational refinements in the OUTsurance broker channel, gearing up for scale increases and stronger growth capacity. The OUTsurance broker channel also provides access to the higher end of the personal lines market, providing additional runway for growth in this market segment. Furthermore, the growth in the insurer's share of the commercial insurance market has been key in achieving their strategy over the medium term.

OUTsurance also focused on closing inefficient outbound sales functions, delivered improved claims ratios on the back of pricing discipline and continued improvement in claims experience in the OUTsurance broker book. Profitability was, however, impacted by increased share-based payments expenses.

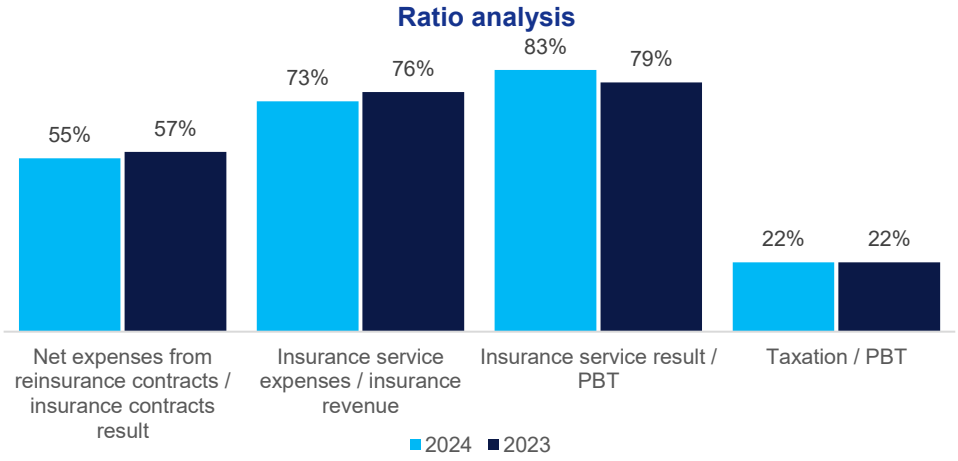
Broader for the OUTsurance Group was the official launch of OUTsurance Ireland in May 2024, which was successfully incorporated into the regulatory and governance design of the OUTsurance Group. Despite reporting start-up losses for OUTsurance Ireland, the Group reported a 9.6% increase in insurance revenue and a notable 44% rise in profit after tax (PAT) and an increase in operating profit of 15.5% to R4.8 billion for 2024.

As part of its strategic investment realignment, the Group divested from OUTvest and discontinued the OUTsurance Life face-to-face initiative. These strategic shifts enabled the OUTsurance Group to achieve a significant improvement in return on investment (ROI), which increased by 39%.

Profitability

PAT increased from R14.1 billion in 2023 to R17.6 billion in 2024. These results are influenced by inflationary pressures, geopolitical tensions, local economic variations, market competition and higher claims costs.

The chart set out below reflects key ratios which contribute to the 2024 underwriting result.



Insurance service expenses as a percentage of insurance revenue reduced. Given that the largest component of insurance service expenses is claims related expenses, this suggests an improved claims experience over the period. Cost discipline is also critical in remaining competitive. Accordingly, some insurers reported effective management of their cost base as a key focus area in ensuring that top line growth translates into bottom line growth.

The insurance service result (consisting of insurance revenue net of insurance services expenses and net expenses from reinsurance contracts) as a percentage of profit before tax (PBT) increased to 83% (2023: 79%), indicating that a larger portion of the industry's PBT relates to the core insurance underwriting business, compared to 2023.

Claims incurred

The South African insurance industry reported a positive claims experience and fewer catastrophe claims events over the 2024 year. This is evident in a number of metrics, for example, the increase in the insurance contract result (insurance revenue less insurance service expenses), where we saw a 25% increase from R33 billion in 2023 to R41.3 billion in 2024. We observed a higher net expense from reinsurance contracts (more detail on reinsurance is discussed further on in this article) and an increase in the insurance service result by 30% from R14.4 billion in 2023 to R18.7 billion in 2024. We saw a decrease in insurance service expenses as a percentage of insurance revenue, from 76% in 2023 to 73% in 2024.

A global perspective

The experience by the South African non-life insurance market is in contrast with claims experience globally. According to Munich Re, global natural disasters resulted in an industry loss of USD140 billion in 2024, up from USD106 billion in 2023. Including losses not covered by insurance, losses of USD320 billion was experienced in 2024, up from USD268 billion in 2023. Insured losses were notably higher than the inflation-adjusted averages of the past 30 years, with 2024 being the third most expensive year since 1980. Munich Re further noted that the destructive forces of climate change are becoming increasingly evident. Societies need to prepare for more severe weather catastrophes.

The following significant losses were experienced globally:



Hurricanes Helene and Milton, which struck the United States in rapid succession during 2024.



The earthquake that struck Japan on New Year's Day with a magnitude of 7.5 on the Richter scale.



Flooding in Spain near the provincial capital of Valencia.

Munich Re specifically noted that, "Hardly any other year has made the consequences of global warming so clear: with annual average temperatures reaching around 1.5°C above pre-industrial levels for the first time, 2024 will surpass the previous record from 2023. This makes the past eleven years the warmest since the beginning of systematic record-keeping.", and that "The impact of man-made climate change on weather disasters has been proven many times over by research, in many regions, severe thunderstorms and heavy rainfall are becoming more frequent and more extreme."

The South African threat

Even though South Africa experienced lower levels of extreme weather-related losses during 2024, warning signs are beginning to emerge. The lack of investment in maintaining and upgrading South Africa's infrastructure will exacerbate the extent of losses in the event of extreme weather events. While infrastructure failure does not feature on any of the global top ten risks for companies and individuals, it is in the top five list of risks locally. The impact of the April 2022 KwaZulu-Natal flooding, which was labelled as the most significant natural catastrophe loss South Africa ever experienced, was exacerbated by poor urban planning, inadequate infrastructure and insufficient stormwater drainage maintenance.

Michael Cheng, Chief Underwriting Officer at Santam, outlined the impact of South Africa's deteriorating infrastructure on individuals and insurers: similar to what we have seen globally, the rise in extreme weather events, their increasing severity and the associated financial losses will prompt insurers to raise the cost of coverage in vulnerable areas and potentially withdraw coverage completely in other instances. Locally, it has been reported that the extent of natural catastrophes resulted in restrictions and/or exclusions being applied to specific locations, such as KwaZulu-Natal. This leads to a widening of the insurance protection gap between insurable losses and overall economic losses.

The increasing frequency and severity of natural disasters have forced insurers to re-evaluate their exposure to climate-related risks. Challenges persist in securing adequate insurance capacity from local and global insurers, especially for less preferred risk types. However, reinsurers have highlighted the possible benefits of offering parametric insurance solutions as an opportunity to fill critical coverage gaps in traditionally uninsured or underinsured areas.

A new claim class

In 2023, the country endured one of its worst years of power cuts, with rolling blackouts becoming a daily disruption. Homeowners turned to solar energy for independence, leading to a sharp rise in residential solar installations. What further prompted the use of solar power was the electricity tariff increases. Since 2007, Eskom's tariffs have increased by 927%, with further hikes on the horizon.

By the start of 2024, South Africa had imported R17.5 billion worth of solar panels. This surge in demand created a lucrative opportunity for criminals. Solar panels are not only valuable for their ability to generate electricity but also for the materials they are made of, such as silver, aluminium and copper.

Consequently, South African homeowners with rooftop installed solar systems are facing the growing threat of theft of solar panels and their components. Criminals are targeting these valuable installations, leaving homeowners vulnerable to significant losses.

Generally, solar panels are insured as part of the homeowners' comprehensive cover, however some insurance policies now offer coverage specifically for solar equipment, providing financial protection in the event of theft.

Cost of reinsurance

An interesting feature of the results is the net expenses from reinsurance contracts as a percentage of the insurance contracts result (consisting of insurance revenue less insurance service expenses), which decreased from 57% in 2023 to 55% in 2024. This indicates a lower amount ceded to reinsurers, despite net expenses from reinsurance contracts increasing to R22.6 million over 2024, i.e. a 20% increase over the period when compared to R18.7 million in 2023.

The pricing correction initiatives and increasing attachment points implemented by reinsurers over the last few years, together with the lower incidence of catastrophe claims events in the current year, contributed to this result.

While some industry stakeholders are of the view that the reinsurance market has started to stabilise, reinsurers (like insurers) remain cautious. Concerns persist around the impact of climate change, particularly the influence of extreme weather events on pricing, risk selection and the geographical spread of risk. These concerns have already prompted more policy wording refinements and may lead to the introduction of new exclusions.

For example, even though electricity supply is expected to improve, exclusions for Eskom load-shedding risks have now become standard underwriting terms. Signs have started to emanate of a softening reinsurance market, with reinsurance premium increases more in line with general inflation and catastrophe retention levels largely unchanged with recent renewals.

With the rise in digitisation across South Africa, insurers are increasingly exposed to cyberattacks and data breaches. In response, reinsurers are stepping in to provide specialised cyber risk coverage, addressing a growing need in the market. The use of advanced analytics is enabling more accurate modelling of the financial impact of cyber incidents, supporting better pricing and risk management. There is a strong demand for facultative reinsurance in cyber lines, as primary insurers seek tailored solutions to manage these risks. As a result, cyber risk reinsurance is rapidly emerging as a critical growth area within the South African reinsurance landscape.



The future outlook for South Africa's reinsurance market suggests that by 2031, the industry will become increasingly technology-driven, leveraging artificial intelligence (AI), machine learning and predictive analytics to enhance risk assessment, improve underwriting accuracy and support more data-informed decision-making.

Investment income

The non-life insurance industry benefited significantly from improved investment performance. Total net investment income increased by 24% from R12.2 billion in 2023 to R15.2 billion in 2024. This was driven by higher accrued interest and fair value gains. Non-life insurers saw a 7.27% increase in the average return on investment compared to 2023.

Investment markets were volatile in the first half of the year, largely due to uncertainties surrounding the South African general elections. However, the formation of the GNU in late June 2024 was positively received, resulting in a rally in equity and fixed-interest investments, which was also supported by the performance of global markets.

Non-life insurers generally are conversative in their investment strategy due to the short-tailed nature of claims experience. This imposes a level of constraint on available investment opportunities as liquidity is favoured over returns. The investment universe therefore predominantly consists of short-term instruments exposed to interest rate risk, with the investment result of the non-life insurance industry being heavily influenced be the prevailing interest rate environment.

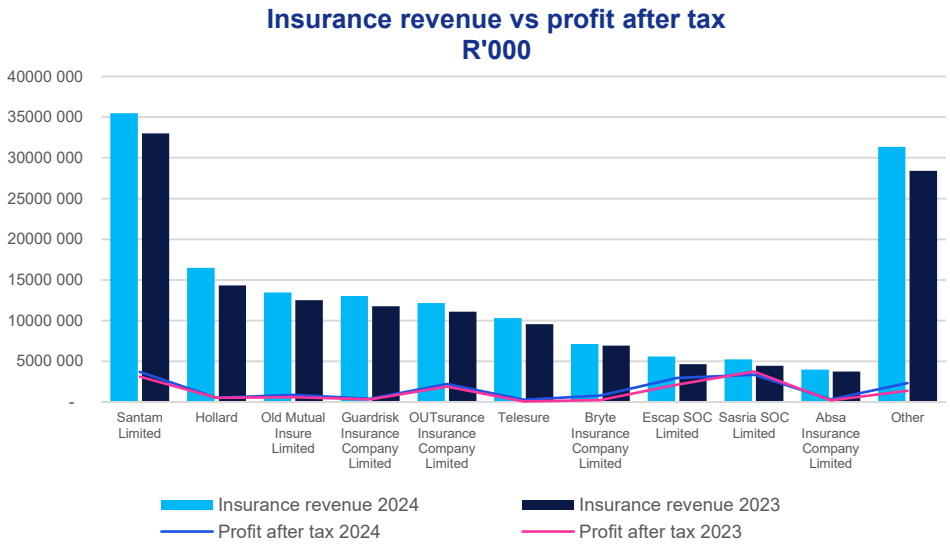
The non-life insurance industry benefited from the higher average interest rates earned on investable assets as for most of the year, the repo rate remained steady at 8.25% and above the level recorded in the previous year.

The Johannesburg Stock Exchange (JSE) All Share Index price improved over the 2024 year, with a 6.3% average increase experienced year-on-year. There was a marked improvement in the second half of the 2024 year, which was driven by the nation elections and the establishment of the GNU.

On an overall basis, total investments increased by 14% from R124.2 billion in 2023 to R142.2 billion in 2024. In addition, cash and cash equivalents increased by 27% from R16.4 billion in 2023 to R20.9 billion in 2024.

Individual performances

Reflected in the chart below is profit after tax (PAT) compared to insurance revenue for the ten largest non-life insurance companies over 2023 and 2024 and the rest of the market (labelled as “Other”).



PAT increased from R14.2 billion in 2023 to R17.7 billion in 2024, representing an increase of 24%. The top three highest contributors to the increase in PAT are Escap, Santam and Bryte Insurance Company Limited (Bryte), which contributed R0.85 billion, R0.58 billion and R0.55 billion respectively.

In addition to this, set out below is our analysis of those insurers with the highest Rand value contribution to PAT and insurers with the highest relative change in PAT.

Escap

Escap successfully managed to translate its growth in insurance revenue into growth in profit. The increase in insurance revenue does not come as a surprise given its increased cost base, specifically the cost relating to reinsurance over the last number of years.

Escap experienced a 25% increase in reinsurance premiums, which the insurer attributes to high reinsurance rates amidst reduced reinsurance market capacity and appetite for coal-related and public sector-related risks.

PAT increased to R2.97 billion, representing a 40% increase when compared to the prior year of R2.1 billion. While, insurance service expenses and the allocation of reinsurance premiums increased, and amounts recoverable from reinsurers for incurred claims decreased, the net insurance finance result increased by R0.5 billion. Escap benefitted from improved investment income of R0.7 billion, which represents an increase of 58.3% and is the largest contributor to Escap’s PAT growth.

Santam

Santam reported a notable increase in PAT, from R3.1 billion in 2023 to R3.7 billion in 2024. This improvement in profitability was driven by targeted corrective underwriting actions implemented during the year, particularly across the motor and property insurance portfolios. These actions included the refinement of pricing strategies, enhanced risk selection and strengthened claims management processes. Some of Santam’s key actions was to effectively address power surge losses in the first half of the year and enhance the performance of their motor portfolio. In addition, the roll-out of geocoding and geomapping in their property risk class was accelerated to improve risk selection. Significant progress has been made, with 81% of the property class now geocoded. The insurer also implemented segmented premium increases, targeted excesses and expanded their surveying efforts.

Santam faced a comparable number of significant weather-related events in 2024 as in the previous year, resulting in claims losses of R652 million (up from R583 million in 2023). These events underscore the growing impact of climate volatility on the insurance sector. However, notable gains were achieved in its investment portfolio, with a R220 million increase in return on capital. This improvement was primarily driven by favourable mark-to-market movements in equities and fixed-interest securities, reflecting a positive investment climate and strategic asset allocation.

Santam continues to advance its strategic agenda through the refinement of its FutureFit 2030 strategy. This long-term initiative is focused on maintaining leadership within the intermediary channel, modernising IT and digital infrastructure and leveraging AI to drive innovation and improve underwriting capabilities.

Bryte

Bryte experienced a substantial increase in PAT of 213% from R0.26 billion reported in 2023 to R0.8 billion reported in 2024. This increase is partly driven by an increase in its underwriting result of R0.2 billion, but mainly due to improved investment performance from dividends, interest income and fair value movements of R914 million (2023: R384 million).

Sasria

Sasria reported PAT of R3.33 billion for the year, reflecting a slight decline from the R3.75 billion recorded in 2023. Despite this decrease, the company maintained steady growth, demonstrating resilience in the face of global economic pressures and ongoing local socio-political challenges. Three years after the July 2021 riots, Sasria has not only recovered but continues to demonstrate resilience and growth. The company has significantly strengthened its financial position and enhanced its capacity to manage and absorb risk, reflecting a robust and sustainable recovery.

Sasria experienced a notable reduction in claims over the 2024 financial year, largely due to a decline in political protest activity across South Africa. The relative stability during this period resulted in a significantly lower volume of claims compared to the previous year, contributing positively to the company's overall financial performance.

An increase in net reinsurance expenses was experienced due to higher pricing of reinsurance premiums.

Net investment income increased from R693 million in 2023 to R1,023 million in 2024, reflecting a 48% increase. Total investments increased by 17%, from R7 billion in 2023 to R8.2 billion in 2024. This is likely as a result of strategic asset allocation, favourable market conditions and/or enhanced cost management.

Absa Insurance Company Limited (AIC)

PAT increased from R0.2 billion in 2023 to R0.31 billion in 2024, representing an increase of 54%. This performance was mainly driven by an improved insurance service result, primarily due to improved claims experience.

Other noteworthy performances

Included in the "Other" component of the market are the following performance results worth noting:

Momentum

After a reported loss after tax of R0.3 billion in 2023, Momentum managed to turn this around and reported PAT of R0.2 billion for 2024. The 2023 financial results were plagued by adverse claim experience. For the 2024 financial year, Momentum recorded increases in both its insurance service result as well as its net investment result.

Renasa Insurance Company Limited

Telesure Investment Holdings acquired Renasa Holdings (Renasa) during January 2023. Renasa is a non-life insurer that provides insurance products through the services of independent intermediaries and underwriting management agencies.

Renasa showed significant improvement across key financial metrics, including higher insurance revenue, reduced insurance service expenses and a strong turnaround in profitability, moving from a loss of R145 million in 2023 to a profit of R81 million in 2024. Renasa also saw an increase in finance income, attributable to a higher investment base in recent years and supported by the capitalisation of share capital.

MiWay Insurance Limited (MiWay)

MiWay reported a considerable increase in PAT, from R35.5 million in 2023 to R185 million in 2024. This growth is largely attributed to the successful implementation of MiWay's new inbound and tied agency strategies during 2024. These strategic initiatives significantly improved performance, particularly within the business insurance segment.

Corporate activity, new entrants, partnerships, products and innovation

The insurance industry remains competitive and innovation in products and business models plays a key role in shaping its future.

Consumers continue to express interest in more affordable, demand-based insurance coverage and access to technology-driven tools which can help manage their policies. The rise of fintech insurers in recent years demonstrates how technology is transforming the industry.

Digital transformation continues to be crucial in creating scalable business models.

Guardrisk

In May 2024, Guardrisk acquired Zestlife, a former third-party cell captive client. This acquisition offers new opportunities for Guardrisk and strengthens its position in life and non-life health insurance.

Hollard

Hollard's international business arm, Hollard International (HINT), successfully completed two major acquisitions over 2024. One with Global Alliance Seguros in Mozambique and another with Absa Life Botswana. In Mozambique, Hollard Moçambique Seguros acquired 100% of the shareholding in Global Alliance Seguros, with this acquisition marking a significant milestone in its 24-year presence in the country. The acquisition of Global Alliance Seguros is intended to strengthen Hollard's ability to support high-growth sectors such as energy, infrastructure, mining and agriculture, which are key drivers of Mozambique's economic development.

Locally, Hollard Insurance is in the process of acquiring the Lombard Broker Partners (LBP) division of Lombard Insurance Company Limited, which includes commercial lines and some household insurance policies, as well as the related assets and employees. This acquisition was approved by the South African Competition Tribunal in February 2025 and aligns with Hollard's growth strategy in the South African commercial insurance sector.

Santam

Santam recently concluded agreements with Sanlam Life Insurance Limited (Sanlam Life) for the purchase of 60% of the A1 ordinary shares in MultiChoice Group's (MCG) insurance business, NMS Insurance Services (NMSIS), for an initial cash consideration of R925 million.

NMSIS is a registered South African composite micro-insurer and authorised financial services provider, licensed to underwrite both general and life insurance products in South Africa. It has been underwriting insurance cover for the past twenty years under the DStv brand of MultiChoice, focussing on device, installation, funeral, subscription waiver and debt waiver insurance products. This investment will add 3.3 million active device insurance clients to Santam's business with cross-sell opportunities across the full MultiChoice client base of 8.6 million subscribers.

During 2024 Santam finalised the transfer of the MTN in-force book onto its licence, with the policy count growing to 549 428 in 2024 (2023: 151 000).

Santam also acquired Kandua and consolidated Santam Home+ under the Kandua brand. Kandua is an online marketplace for home services, connecting homeowners with tradespeople.

Absa

Vehicle manufacturer Chery, Absa and the Innovation Group (insurance technology platform provider) launched an insurance partnership aimed at insuring post-warranty assurance for the growing number of Chery customers in South Africa. This product is designed to assist customers and vehicle owners to better manage the costs of owning a vehicle once the factory warranty has expired.

King Price

King Price Insurance is now the first insurer in South Africa to cover a commercial fleet of electric vehicles (EVs). The insurer's partnership with Everlectric marks a significant shift in the local logistics and insurance landscapes, one that blends innovation with practicality.

The risks linked to EV fleets are not the same as those faced by traditional fuel-powered vehicles. Theft and hijacking is far less common. Instead, insurers must focus on accident damage, battery-related issues and component failure. Covering these risks requires a fresh approach to underwriting.

Conclusion

Over the last few years, what has become clear is the importance of both underwriting and investment performance to the overall financial result of an insurer. This was evident in 2024 where we observed robust performance results across both these levers.

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.

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

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